CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2015

3W power | AEG POWER SOLUTIONS

KEY PERFORMANCE INDICATORS (KPIs)

3W POWER | AEG POWER SOLUTIONS – GROUP

	Half-year to June*		
in millions of euros	2015	2014	% change
Backlog	87.6	104.0	-15.8%
Orders	86.9	118.5	-26.7%
Revenue	84.1	98.1	-14,3%
Book to Bill	1.03	1.2	-14.4%
EBITDA	(4.8)	(5.5)	13.0%
% of revenue	*-5.7%*	*-5.6%*	
Normalized EBITDA	(4.6)	(18.4)	74.9%
% of revenue	*-5.5%*	*-18.7%*	
Adjusted EBIT	(7.9)	(22.5)	65.0%
% of revenue	*-9.4%*	*-23.0%*	
Reported EBIT	(11.0)	(11.3)	3.4%
% of revenue	*-13.0%*	*-11.6%*	
Net income	(14.7)	(13.3)	-10.6%
Adjusted net income	(11.4)	(22.8)	
Results from discontinued operations	(0.6)	1.6	
Earnings per share (in euros)	-0.18	-0.16	-12.5%
Adjusted earnings per share (in euros)	-0.14	-0.27	48.1%
Cash used in operating activities	(4.5)	(27.8)	
Cash (used in)/from investing activities	(0.5)	21.3	
Working capital	22.7	22.2	
Cash	23.4	22.5	
Net (debt)	(28.7)	(82.3)	

* unaudited

%-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

3W POWER | AEG POWER SOLUTIONS – INDUSTRIAL PRODUCTS AND SERVICES (IPS)*

	Half-year to June**		
in millions of euros	2015	2014	% change
Backlog	87.6	97.0	-9.7%
Orders	86.9	111.9	-22.3%
Revenue	84.1	91.9	-8.4%
Book to bill	1.03	1.2	-14.4%
EBITDA	(2.7)	5.9	
% of revenue	*-3.3%*	*6.4%*	
Normalized EBITDA	(2.5)	(10.4)	76.2%
% of revenue	*-2.9%*	*-11.3%*	
Reported EBIT	(8.7)	(5.2)	-66.2%
% of revenue	*-10.3%*	*-5.7%*	

* For the IPS segment, 2015 orders and revenue numbers correspond to those of the Group, historical numbers of Q1 2014 and Q2 2014 have been adjusted by adding the previous reportable RES and EES segments, adjusted for the operating results of discontinued operations (sale of Skytron and India).

**unaudited

3W POWER | AEG POWER SOLUTIONS – ORDERS AND REVENUE BY GEOGRAPHICAL AREA (IPS)*

	Half-year to June**			
	Orders		Revenue	
in millions of euros	2015	2014	2015	2014
Germany	20.0	24.9	21.6	22.6
Rest of Europe	39.1	40.5	31.0	39.3
Asia	18.2	22.2	16.3	17.6
Africa/Middle East	8.2	20.8	13.0	9.6
Rest of the world	1.4	3.5	2.2	2.8
Total	**86.9**	**111.9**	**84.1**	**91.9**
Of which Products	57.3	83.5	58.8	67.3
Of which Services	29.6	28.4	25.3	24.6

* For the IPS segment, 2015 orders and revenue numbers correspond to those of the Group, historical numbers of Q1 2014 and Q2 2014 have been adjusted by adding the previous reportable RES and EES segments, adjusted for the operating results of discontinued operations (sale of Skytron and India)

**unaudited

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LETTER TO STAKEHOLDERS

FROM JEFFREY CASPER, CHIEF EXECUTIVE OFFICER OF 3W POWER | AEG POWER SOLUTIONS.

DEAR SHAREHOLDERS, BONDHOLDERS, CUSTOMERS AND BUSINESS PARTNERS/SUPPLIERS; DEAR AEG POWER SOLUTIONS EMPLOYEES,

The first half of fiscal year 2015 remained challenging for the Group, as expected by Management. Macroeconomic factors, including the conflicts in Africa and the Middle East as well as the decline in oil prices, affected the Company's order intake, especially in projects in our important Oil & Gas segment. Notwithstanding these external factors, however, our ongoing business transformation is well on track. We have chosen measures that have proved successful in significantly reducing our fixed operating costs. And as additional improvements are already on the way, we are optimistic that our long-term business transformation will make further progress, effectuating a benefit for our stakeholders.

Group financial results in the first six months of 2015

After a relatively slow start to the year, business picked up pace in the second quarter of 2015. On a quarter-to-quarter basis, revenue for the Group increased by 19.2% to €45.7 million in the second quarter. Revenue for the first six months amounted to €84.1 million. Furthermore, Normalized EBITDA, at -€0.9 million in the second quarter, moved closer to break-even. Normalized EBITDA for the first six months was -€4.6 million. Critically important for us is the fact that Normalized EBITDA for the industrial business already reached break-even in the second quarter. We are not there yet but we are moving closer to our goal to sustainably improve the Company's performance in its future core business, which will be focused on industrial and commercial UPS solutions across key vertical markets in critical infrastructure.

As of June 30, our cash position was stable at €23.4 million. This gives us the opportunity to use a part of that money to fund further restructuring efforts that will continue to promote our turnaround. The same applies to the increase of authorized share capital to the aggregate amount of €1.5 million, which was resolved at our EGM on May 19. The Group thereby gained important flexibility to enter into selective initiatives that will increase our footprint in key markets where we see opportunities to further develop. In the event that attractive opportunities arise, carefully selected investments will accelerate our cash-generating capability and further strengthen our recovery.

To support the growth and development of new opportunities including investments focused on customer facing activities in sales and services and areas of growth in Africa, Asia and North America the Company has entered on August 12 into an agreement with key shareholders to issue a €14.0 million convertible bond. The bond is a five-year non-mandatory convertible at .60 euro cents with an annual coupon of 5.5%. The convertible is subordinated to the €50.0 million senior secured Bond loan payable in 2019 and is conditional upon the changes to the terms and conditions of the Company's €50.0 million Bond loan.

Process improvement and reduced fixed operating costs

The overall business improvement is mainly the outcome of the Group's efforts to enhance its business processes in order to strengthen performance. And despite all of the changes, AEG Power Solutions is maintaining market share. In operating business, we are building up opportunities in our core industrial markets and are strengthening our vertical market focus both organizationally and with new product developments. We are seeing stabilization in the Oil & Gas business as a "new normal" emerges, new opportunities in promising Data & IT markets and continued interest in Grid & Storage applications. Renewed capital investment in selected segments of shipping is presenting opportunities in marine applications.

Jeffrey Casper, Chief Financial Officer of 3W Power and AEG Power Solutions since June 2012, Chief Executive Officer since November 2014 and Board Member since January 2014. In his function as CEO, Jeffrey Casper is the chief operating decision maker and heads the Company's overall development.

The improvement of Normalized EBITDA directly reflects our measures for cutting expenditures and thereby fostering efficiency. We have already managed to reduce fixed operating costs by 40% since the beginning of our comprehensive restructuring in the prior business year. And additional cuts in our expenditures are planned, as we will continue streamlining our affiliates, including a further headcount reduction of approximately 150 people. These savings will aid to improve margins and will help us to better results going forward.

Additions of key personnel
An important factor for improving business prospects will also be a strengthening of our sales efforts and a reinforcement of our key personnel. Recent additions, including new leadership in product development and a new head of global services, have helped strengthen the management team. The recently announced appointment of Paul Radcliffe as Global Service Vice-President for the Group illustrates our increased focus on the service business, which offers attractive opportunities for the Group. In this respect, the Company will continue to both promote high-performing people from within and seek to attract the best talent from outside the Group.

Outlook
Based on the current run rate of order intake, the Group expects full fiscal year 2015 revenue to be approximately €180.0 million. This outlook reflects our focus on core activities and discipline in pursuing profitable revenue versus loss-making volume. The combination of reduced fixed costs, better business processes and improved personnel is expected to result in progress in the bottom line over the months ahead. Further cost improvements with expected annual savings of around €10.0 million should be achieved in the next three quarters.

The challenge remains to develop and implement a customer-facing organization that is proactive, receptive to input and adaptive to the changing commercial environments. In alignment with the Group's supportive Board, Management will devote its full efforts to tackling these issues to create a sustainably profitable, growing company. There is much still to do and the path is not easy, but we have come very far. My team and I remain fully convinced that our Company will seize the attractive opportunities that are emerging in our core business.

Yours sincerely,

Jeffrey Casper
CEO

OUR SHARES

SHARE PRICE DEVELOPMENT

Global capital markets started buoyantly in 2015. The loose monetary policy ("quantitative easing") being pursued especially by the European Central Bank provided the markets with further liquidity. Associated investments largely took place in shares. Extremely low interest rates supported this development, as they made investment in fixed income less attractive. As for issuers, many companies reported high profits for the last business year, which was positively reflected in their share prices. In turn, this upswing attracted even more investors. The Dow Jones hit a new all-time high of 18,351 points on May 19. And the German DAX saw an even stronger rise of more than 25% between the start of the year and April 10, boosting it to a new all-time high of almost 12,400 points. However, investors' sentiment significantly changed in the latter months of the reporting period. External factors, especially the worsening economic crisis in Greece, ended the bull market. As skepticism grew, share prices reacted accordingly and lost much of the value they had previously gained. The Dow Jones even ended the period under review with a loss of 1.1%. Although the DAX closed at almost 11,000 points on June 30, resulting in an increase of 10.9% in the first six months of 2015, the index was nevertheless hit by a setback of 11.7% since its highest quotation in early April.

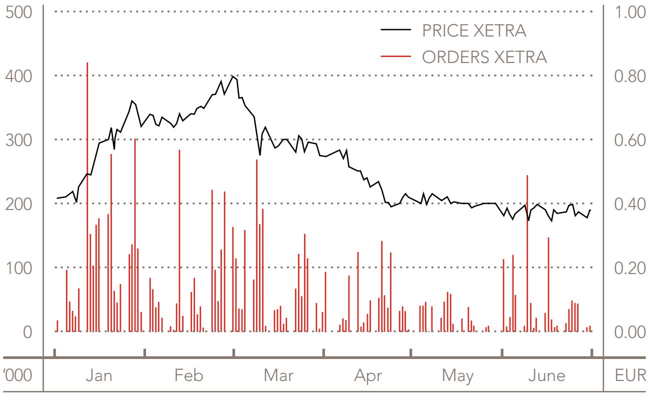
The share of 3W Power showed comparable movement, albeit of a more volatile kind than the general developments described above. It performed well at the start of 2015 and gained almost 90% in value in the short term until reaching its highest quotation at €0.795 on both February 26 and March 2. However, investor demand subsequently failed to keep up with its initial pace. Reduced orders for the share were recognized, and some market participants may have decided to realize profits and disposed their holdings, thereby putting pressure on the share price. As a result, the share price gradually fell and was also negatively affected by the worsening market environment during the last two weeks of the reporting period. The lowest quotation was recognized on June 4 at €0.312. Over the weeks that followed, the share price managed to recover at least some of its losses and closed at €0.378 on June 30, resulting in a decrease of 10.2% in the first six months of 2015.

SHARE INFORMATION

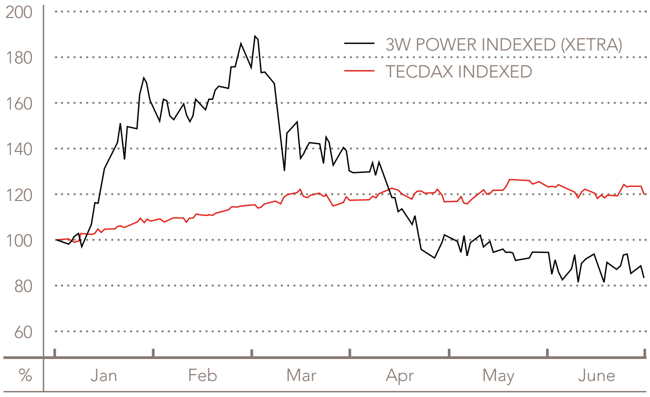
ISIN	LU1072910919
Stock exchange	Frankfurt Stock Exchange, Xetra (Deutsche Börse AG), Frankfurt/Main, Germany
Symbol	3W9K
Reuters symbol	3W9K.F
Designated sponsor	ODDO SEYDLER BANK AG
High in first six months of 2015	€0.795 (February 26 and March 2)
Low in first six months of 2015	€0.312 (June 4)
Closing price on June 30, 2015	€0.378
Market capitalization on June 30, 2015	€31.64 million
Number of shares outstanding	83,703,703

Source: Deutsche Börse

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



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



Xetra trading volumes in 3W Power's stock amounted to almost 8.8 million between January and June 2015. The average daily turnover of more than 72,500 shares meant a sufficient base for investors to place their orders. Liquidity in the Company's securities is important, especially for institutional investors who require a high turnover, since it makes the placement of larger orders more feasible.

INCREASE IN AUTHORIZED SHARE CAPITAL

At the Extraordinary General Meeting held in Luxembourg on May 19, 3W Power's shareholders voted in favor of an increase in the authorized share capital, including the issued share capital of the Company, to the aggregate amount of €1.5 million. The measure was approved by a substantial majority of over 98%. The new authorized share capital may be used in the event that opportunities for carefully selected investments arise that will accelerate the Company's cash-generating capability and further strengthen its overall recovery to the benefit of all stakeholders. Thanks to the shareholders' consent, the Group has gained flexibility in its capital structure in order to successfully restore its competitiveness.

INVESTOR RELATIONS

3W Power nurtures a continuous dialog with its shareholders and the capital markets. Investor relations keeps the public informed about all financially relevant developments at all times, providing all required information for both institutional and private investors alike. Because 3W Power is committed to keeping its stakeholders informed of all key business and strategic developments, investor relations representatives are always available for interested parties and provide an essential link between the Company's management and representatives from the capital markets.

This interim report, as well as previously published financial reports, contains information beyond statutory disclosure requirements to provide the public 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/investor-relations.

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 JUNE 30, 2015. THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES ARE COLLECTIVELY REFERRED TO AS THE "GROUP".

CORPORATE EVENTS

The first half-year-period in 2015 revealed the positive effect of the operational and financial restructuring actions which the Group completed during 2014. Besides a significant drop in operating expenses, Management introduced a dedicated focus on the Company's core business activities offering Industrial and Commercial UPS solutions across key vertical markets in critical infrastructure such as Oil & Gas, Power Generation (including Nuclear), Transportation and Data & IT. In addition, the Company continues to pursue key new technology innovations in Grid & Storage applications, which includes Power to Gas/Heat and Battery Energy Storage Solutions. In line with this vertical market/end-customer structure the Company is reinforcing and building out the organization to better meet and serve the need of its customers.

The Company wants to enter into selective initiatives that increase its footprint for delivering projects and services in key markets which are currently not captured. The Company also sees the need to increase activities in geographies especially in Asia with additional potential to grow and develop the business. Thereto, the Company needs a degree of flexibility in its capital structure to meet these objectives and to act as the opportunities arise.

At the Extraordinary General Meeting on May 19, 2015 the shareholders approved the renewal and the increase of the authorized share capital to the aggregate amount of €1.5 million represented by 150,000,000 shares with a nominal value of €0.01 each.

OPERATING SEGMENTS

The Group implemented a change in its reportable segments structure. The Group will no longer distinguish its operating results between product clusters divided into the previous segments "Renewable Energy Solutions" (RES) and "Energy Efficiency Solutions (EES), but will have just one reportable business segment "Industrial Products and Services" (IPS) going forward, in combination with a reportable "unallocated segment" (unallocated) that represents non-business-related expenses.

In addition to the reportable IPS segment, the Group reviews its business activities through analyzing the key vertical markets and develops product and service offering to address these needs.

The geographical allocation of customers' location provides information on the demand side as well as on the underlying economic and political developments that may affect demand. This set of data will contribute to the Company's growth ambitions in the coming years.

KEY FIGURES – SIX MONTHS ENDED JUNE[1]

	Orders		Revenue		EBITDA		Adjusted EBIT[2]		EBIT	
in millions of euros	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Industrial Products and Services (IPS)	86.9	118.5	84.1	98.1	(2.7)	4.4	(5.5)	(15.7)	(8.7)	(1.2)
% of revenue					*-3.3%*	*4.5%*	*-6.5%*	*-16.0%*	*-10.3%*	*-1.3%*
Unallocated	–	–	–	–	(2.0)	(9.9)	(2.4)	(6.9)	(2.3)	(10.1)
Total	**86.9**	**118.5**	**84.1**	**98.1**	**(4.8)**	**(5.5)**	**(7.9)**	**(22.5)**	**(11.0)**	**(11.3)**
% of revenue					*-5.7%*	*-5.6%*	*-9.4%*	*-23.0%*	*-13.0%*	*-11.6%*

[1] unaudited
[2] 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 page 31).

KEY FIGURES – SIX MONTHS ENDED JUNE (IPS)[1,2]

	Orders		Revenue		EBITDA		Normalized EBITDA[3]	
in millions of euros	2015	2014	2015	2014	2015	2014	2015	2014
Industrial Products and Services (IPS)	86.9	111.9	84.1	91.9	(2.7)	5.9	(2.5)	(10.4)
% of revenue					*-3.3%*	*6.4%*	*-2.9%*	*-11.3%*
Unallocated	–	–	–	–	(2.0)	(9.9)	(2.1)	(6.7)
Total	**86.9**	**111.9**	**84.1**	**91.9**	**(4.8)**	**(4.0)**	**(4.6)**	**(17.1)**
% of revenue					*-5.7%*	*-4.4%*	*-5.5%*	*-18.6%*

[1] unaudited
[2] For the IPS segment, 2015 orders and revenue numbers correspond to those of the Group, historical 2014 numbers have been adjusted by adding the previous reportable RES and EES segments, adjusted for the operating results of discontinued operations (sale of Skytron and India).
[3] Normalized EBITDA is the adjustment made for one-time transaction costs such as the net proceeds of divestiture and costs for restructuring.

GROUP AND SEGMENT FINANCIAL REVIEW

IPS business stabilized during Q2 and is revitalized for growth development
Group orders for the first half-year period of 2015 were €86.9 million; €31.6 million (26.7%) lower compared to €118.5 million in the same period of 2014. Adjusted for Discontinued operations, orders were €25.0 million (22.3%) lower compared to €111.9 million in the same period of 2014.

Comparison of the first half-year period on a like-for-like basis on the IPS core business, (excluding DCT, Solar and POC) shows that:

- Orders were 7.1% down compared to 2014
- Orders for Q1 2015 were 14.7% down and orders for Q2 2015 were 1.9% up compared to 2014 Q1 and Q2 corresponding numbers
- Orders for Q2 2015 increased 1.9% compared to orders for Q1 2015

The order intake in the Group's infrastructure business (mainly Oil & Gas and Transportation), included for Q1 2014 some major projects in the Middle East and Asia region. The macro-economic situation as a result of military conflicts in the Africa/Middle East regions as well as the continuous decline in oil prices are affecting the Company's order intake in projects in the Oil & Gas segment as several anticipated orders in the Middle East region are delayed.

Based upon the excellent June 2015 order intake of €17.3 million and the number of projects that are identified as pipeline prospects (potential orders), we conclude that the effect of this delay has partly been mitigated or compensated by new business opportunities. (Oil & Gas orders for Q2 at 45.5% of total orders, Q1 26.6%).

The book to bill ratio at the end of the half-year period is 1.03, which is a positive development.

IPS core business reports 6% revenue increase for the first half-year period compared to the same period in 2014
First half-year revenue numbers for 2015 were €84.1 million, €14.0 million (14.3 %) lower compared to the same period in 2014. Adjusted for Discontinued operations, revenue was €7.8 million (8.5%) lower compared to €91.9 million in the same period of 2014.

Comparison of the first half-year period on a like-for-like basis on the IPS core business, (excluding DCT, Solar and POC) shows that:

- Revenue for the first half-year period was 6.0% up compared to 2014
- Revenue for Q1 2015 was 2.7% up and revenue for Q2 2015 was 4.5% up compared to 2014 Q1 and Q2 corresponding numbers
- Revenue for Q2 2015 increased 15.0% compared to revenue for Q1 2015

The revenue for Q2 2015 includes revenue recognition of projects that were delayed from Q4 2014 and Q1 2015.

Backlog as at the end of June 2015 is €87.6 million.

Gross margin back to acceptable minimum level
Group gross margin in the first half-year of 2015 was 18.3% compared to 11.2% in 2014.

Contrary to the 2014 gross margin, which was heavily impacted by one-time adjustments (provisions for certain re-negotiated payment conditions with suppliers, relatively high one-time inventory and bad debt reserves and provisions all relating to the operational restructuring measures undertaken), 2015 gross margin was positively affected by the reduction in operating expenses. Remaining business activities in Solar and DCT (harvesting mode) are at a considerable lower gross margin and therefore reducing the overall gross margin.

Without these effects the Group would be operating on an level of Gross margin up to 20%.

Negative EBITDA
Group EBITDA in the first half-year period was €4.8 million negative compared to EBITDA of €5.5 million negative in the prior-year period. Normalized for one-time effects, EBITDA in the first half-year period is €4.6 million negative compared to €18.4 million negative in the prior-year period. Normalization is the adjustment made for one-time transaction costs such as the net proceeds of divestiture and costs for restructuring: in 2015 a capital gain was recorded of €0.9 million (2014: €18.2 million); and a net restructuring expense was recorded of €1.1 million (2014: €5.1 million).

Improvement in EBITDA is primarily driven by the increase in gross margin (€4.4 million) and the achieved savings in the overall operating expenses. The Group has taken drastic measures in reducing its global, corporate and local operating cost basis. Selling expenses for the first half-year reduced with €7.0 million (2014 included €2.5 million one-time professional fees); gross R&D expenses reduced with €2.2 million.

Research & Development (R&D) costs
Gross R&D costs in the quarter to June were as follows:

in millions of euros	2015	2014
Gross R&D expenses	2,956	4,683
Capitalized R&D (income)/expense (net of amortization)	320	774
Amortization of intangible assets	1.324	1,324
Total expense	**4,600**	**6,781**

Gross R&D spending for the first half-year in 2015 decreased 36.9% compared to the same period in 2014.

Closing down of the Dallas operation, the liquidation of the Lannion entity, the restructuring in Germany (Belecke) and the sale of Skytron, all contributed to this significant reduction in gross R&D expenses. In line with this cost reduction the group re-positioned itself in terms of R&D support required for operations and the development of new product offering. The core task is completion of new product offering in line with market requirements for our Industrial and Commercial UPS product solutions and the further support and research in Grid and Storage solutions.

During the first half-year period in 2015 the Company invested €1.0 million (2014: €0.6 million) in internal development expenditure.

Selling, general and administrative expenses (SG&A)
SG&A expenses decreased 25.6% year-on-year to €20.3 million for the first half-year period. This decrease is due to the reduction in global and corporate costs (the SBU management function has been eliminated and the global functions were and are pushed down to a maximum extent to the local organizations), the reduction in local operating expenses (major restructuring in Germany (Belecke) and the sale of Skytron and India). The first half-year 2014 included €2.5 million for one-time professional expenses related to the financial restructuring (conversion) of the €100.0 million Bond loan.

Other expenses/income
In the first half-year period of 2015 the Group reported a net other expense of €1.5 million compared to an income of €11.7 million in the same period of 2014.

This change is mainly due to the recognition in 2014 of the €18.2 million result on the divestment of the Power Controller Module business to Advanced Energy Industries on January 27, 2014. During the first quarter in 2015 the Group recognized a further €1.0 million cash receipt following the accomplishment of the earn-out condition.

During the first half-year of 2015 the Group's restructuring costs were €4.0 million lower than in the corresponding 2014 period. Amortization expenses of intangible assets reduced with €0.4 million. Remaining difference is caused by the sale of obsolete inventory.

Net financial cost
Net financial cost for the first half-year period in 2015 was €2.8 million (2014: €8.2 million). The reduction of €5.4 million is attributable to a €2.1 million reduction in interest expenses on the Notes Payable following the successful conversion of the €100.0 million Bond loan into a €50.0 million Bond loan.

2014 included a loss on non-current financial assets of €1.9 million relating to the signed settlement agreement with the Limited Liability Company (LLC) in the U.S.

Furthermore, for the first half-year period in 2015, the result on foreign exchange shows a net income of €0.5 million, compared to €0.4 million net loss in the previous-year period. This swing is explained by the appreciation of the USD versus the EUR and the positive effect on the SGD and CNY exchange rate, slightly compensated by the further drop of the UAH exchange rate and the exclusion of exchange risks on the INR following the sale of India.

Interest income increased with €0.2 million and other finance costs reduced by €0.3 million.

Taxation
In the first half-year period, the Group recorded a net tax charge of €0.3 million compared to a net tax benefit of €4.6 million in 2014. The current tax income is €0.1 million (2014: €1.5 million) and is offset by a deferred tax benefit of €0.5 million (2014: increased by a deferred tax benefit of €3.0 million).

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 the effective tax rate reported.

Non-current assets
During the first half-year period, the Company reports an outflow of €0.5 million in expenditure for tangible fixed assets. Additions to intangible assets in the half-year totaled €1.1 million, of which €1.0 million related to capitalized R&D.

The Company is no longer in a position to fully offset deferred tax assets with deferred tax liabilities. As such a deferred tax asset has been recognized of €3.2 million which primarily relates to our German-based operations.

Current assets
Excluding cash, current assets reduced from €89.7 million to €83.2 million, which was mainly due to the reduction in trade and other receivables following the lower trading volume.

Current liabilities
Current liabilities decreased with €5.3 million to €67.7 million. This reduction is explained by the following movements: reductions in Loans and Borrowings of €1.1 million, in Trade and Other Payables of €3.5 million and in Short Term Provisions (mainly restructuring) of €1.2 million, offset by an increase in Advance Payments from Customers of €0.5 million.

Non-current liabilities
Non-current liabilities increased by €4.3 million to €82.6 million. The limitation in the offset in deferred taxes is the main reason for this increase; the Group recognized a €2.3 deferred tax liability; Loans and Borrowings increased with €1.8 million which is explained by the fact that the €50.0 million Bond loan is measured at amortized cost using the effective interest method.

Cash and cash equivalents
The cash balance at June 30, 2015 was €23.4 million, a decrease of 6.0 million in the half-year period, mainly due to operating cash outflow of €4.5 million which relates to EBITDA. Net cash used in investing activities was €0.5 million negative in total; the Group invested €1.5 million in capex expenditures and this was offset by a €1.0 million cash proceed from Advanced Energy Industries for the earn-out condition relating to the sale of our POC Modules business. Net cash outflow of €1.4 million in financing activities was mainly driven by the €1.0 million interest payment to the bondholders.

Equity
Total equity at the end of June 2015 is €29.3 million; €14.7 million lower than at December 2014. The reduction was due to the net loss after tax of €14.7 million.

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

OUTLOOK

Accelerated exit from non-core activities leads to adjusted revenue guidance of €180 million for the full year 2015.

RISKS

Persistent operating losses, the effect of unfavorable credit terms given by our suppliers, and continued loss of business volume resulted in falling beneath the minimum level of required liquidity to adequately finance our operations over the coming quarters. The Company addressed and continues in addressing its operating costs through a business process redesign and with an emphasis on cash generation.

The above described liquidity risk and the occurrence of other, remote, risks, such as the lawsuits received in relation to Lannion, insufficient growth of business and margin improvements for securing the future interest payments in the range of 8% to 12%, could place the Group into further financial distress and may result in an insolvency.

The other principal risks that could have a material impact on the Group were set out in the 2014 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 12.

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.

SUBSEQUENT EVENTS

To support the growth and development of new opportunities including investments focused on customer facing activities in sales and services and areas of growth in Africa, Asia and North America the Company has entered on August 12 into an agreement with key shareholders to issue a €14.0 million convertible bond. The bond is a five-year non-mandatory convertible at .60 euro cents with an annual coupon of 5.5%. The Convertible is subordinated to the €50.0 million senior secured bond payable in 2019. The convertible bond is underwritten by €10.9 million commitments and is conditional upon the changes to the terms and conditions of the Company's €50.0 million Bond loan. The bond holder representative is fully supportive and the largest bond holders representing 26% of the bonds have entered into an agreement in support of the necessary amendment. The necessary bondholder meetings will be called immediately and the process is expected to be completed within the next eight weeks.

RESPONSIBILITY STATEMENT

I, Jeffrey Casper, Chief Executing 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.

Jeffrey Casper

On behalf of the Board of Directors
August 12, 2015

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

in thousands of euros	Note	As at June 30, 2015*	December 31, 2014
Assets			
Property, plant and equipment		25,656	26,791
Intangible assets	9	30,408	33,894
Goodwill	9	11,952	11,952
Other non-current financial assets	10	1,766	1,711
Deferred tax assets	11	3,219	1,383
Total non-current assets		**73,001**	**75,731**
Inventories		31,606	32,301
Trade and other receivables		48,477	54,629
Prepayments		3,152	2,789
Cash and cash equivalents		23,350	29,881
Total current assets		**106,585**	**119,600**
Total assets		**179,586**	**195,331**
Equity			
Share capital	12	837	837
Share premium		418.822	418,822
Retained earnings		(369,165)	(354,482)
Reserve for own shares		(22,870)	(22,870)
Cumulative translation adjustment		1,635	1,712
Total equity attributable to equity holders of the Company		**29,259**	**44,019**
Liabilities			
Loans and borrowings	14	39,615	37,764
Employee benefits		28,499	28,566
Deferred tax liability	**11**	2,326	–
Provisions		12,181	12,008
Total non-current liabilities		**82,621**	**78,338**
Loans and borrowings	14	1,521	2,602
Trade and other payables		53,478	56,947
Income tax liabilities		46	148
Deferred income		6,209	5,556
Provisions	15	6,452	7,721
Total current liabilities		**67,706**	**72,974**
Total liabilities		**150,327**	**151,312**
Total equity and liabilities		**179,586**	**195,331**

* unaudited

The notes on pages 20 to 30 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME For the period ended June 30

		Half-year to June [1]	
in thousands of euros	Note	2015	2014
Continuing operations			
Revenue	5	84,112	98,128
Cost of sales		(68,720)	(87,143)
Gross profit		**15,392**	**10,985**
Selling, general and administrative expenses		(20,254)	(27,228)
Research and development expenses		(4,600)	(6,781)
Other income/(expenses)	6	(1,496)	11,679
Loss before interest and tax (EBIT) [2]		**(10,958)**	**(11,345)**
Finance income		3,561	1,503
Finance costs		(6,362)	(9,651)
Net finance costs	7	**(2,801)**	**(8,148)**
Loss before income tax		**(13,759)**	**(19,493)**
Income tax benefit	8	(346)	4,575
Loss from continuing operations		**(14,105)**	**(14,918)**
Discontinued operations			
(Loss)/income from discontinued operations, net of tax		(578)	1,638
Net loss		**(14,683)**	**(13,280)**
Net loss attributable to:			
Owners of the Company		(14,683)	(13,280)
Non-controlling interest		–	–
Net loss		**(14,683)**	**(13,280)**
Earnings per share			
Basic loss per share (euro)			-2.77

[1] unaudited

[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 June 30

		Half-year to June [1]	
in thousands of euros	Note	2015	2014
Loss for the period		**(14,683)**	**(13,280)**
Other comprehensive loss			
Items that are or may be reclassified to profit or loss:			
Foreign currency translation differences for foreign operations		(77)	(380)
Subtotal		**(77)**	**(380)**
Items that will never be reclassified to profit or loss:			
Unrealized gains and losses on pension liabilities		–	(12)
Income tax benefit on other comprehensive income		–	–
Subtotal		**–**	**(12)**
Other comprehensive loss for the period		**(77)**	**(392)**
Total comprehensive loss for the period		**(14,760)**	**(13,672)**
Total comprehensive loss attributable to:			
Owners of the Company		(14,760)	(13,672)
Total comprehensive loss for the period		**(14,760)**	**(13,672)**

[1] unaudited

The notes on pages 20 to 30 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 at January 1, 2014		**12,520**	**383,836**	**3,636**	**(22,870)**	**(359,322)**	**17,800**	**–**	**17,800**
Loss for the period		–	–	–	–	(13,280)	(13,280)	–	(13,280)
Total other comprehensive loss		–	–	(380)	–	(12)	(392)	–	(392)
Total comprehensive loss for the period		**–**	**–**	**(380)**	**–**	**(13,292)**	**(13,672)**	**–**	**(13,672)**
Capital restructuring		(12,470)	12,470	–	–	–	–	–	–
Share-based payments/ long-term incentive plan		–	–	–	–	(152)	(152)	–	(152)
Total contributions by and distributions to owners of the Company		**(12,470)**	**12,470**	**–**	**–**	**(152)**	**(152)**	**–**	**(152)**
Total transactions		**(12,470)**	**12,470**	**(380)**	**–**	**(13,444)**	**(13,824)**	**–**	**(13,824)**
Balance at June 30, 2014*		**50**	**396,306**	**3,256**	**(22,870)**	**(372,766)**	**3,976**	**–**	**3,976**
Balance at December 31, 2014		**837**	**418,822**	**1,712**	**(22,870)**	**(354,482)**	**44,019**	**–**	**44,019**
Loss for the period		–	–	–	–	(14,683)	(14,683)	–	(14,683)
Total other comprehensive loss		–	–	(77)	–	–	(77)	-	(77)
Total comprehensive loss for the period		**–**	**–**	**(77)**	**–**	**(14,683)**	**(14,760)**	**–**	**(14,760)**
Total transactions		**–**	**–**	**(77)**	**–**	**(14,683)**	**(14,760)**	**–**	**(14,760)**
Balance at June 30, 2015*		**837**	**418,822**	**1,635**	**(22,870)**	**(369,165)**	**29,259**	**–**	**29,259**

* unaudited

The notes on pages 20 to 30 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS For the period ended June 30

		Half-year to June*	
in thousands of euros	Note	2015	2014
Cash flows from operating activities			
Net loss from continuing operations for the year		(14,105)	(14,918)
Result of discontinued operations		(578)	1,638
Adjustments for non-cash items: Depreciation and impairment		1,643	809
Amortization and impairment of intangible assets and goodwill		4,534	5,038
Change in provisions		1,478	9,863
Share-based payments		–	(152)
Change in other non-current financial assets		(9)	1,636
Result on divestments POC Modules business, India and Skytron		(1,000)	(18,167)
Finance costs - net	8	2,801	8,148
Income tax charge/(benefit)	9	346	(4,575)
Cash flow from operations before changes in working capital		**(4,890)**	**(10,680)**
Change in inventories		1,560	(1,511)
Change in trade and other receivables		7,795	(2,950)
Change in prepayments		(360)	(3,625)
Change in trade and other payables		(7,230)	(7,302)
Change in employee benefits		577	394
Change in provisions		(2,378)	(4,350)
Change in deferred income		491	(73)
Cash used in operating activities		**455**	**(19,417)**
Income tax paid		(88)	2,279
Net cash used in operating activities		**(4,523)**	**(27,818)**
Cash flows from investing activities			
Decrease/(increase) in non-consolidated investment		–	256
Acquisition of property, plant and equipment		(462)	(541)
Proceeds from sale of property, plant and equipment		92	318
Acquisition of intangible assets		(135)	(84)
Proceeds from divestment of POC Modules business		1,000	22,000
Capitalized internal development expenditure		(954)	(635)
Net cash (used in)/from in investing activities		**(459)**	**21,314**
Cash flows from financing activities			
Interest (paid)/received (net)		(910)	(28)
Change in other long- and short-term debt		(528)	(1,423)
Net cash used in financing activities		**(1,438)**	**(1,451)**
Effect of movement in exchange rates		463	12
Net decrease in cash and cash equivalents		(5,957)	(7,943)
Cash and cash equivalents at the beginning of the period		29,306	31,873
Cash and cash equivalents at the end of the period		**23,349**	**23,930**

* unaudited

The notes on pages 20 to 30 are an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

3W Power S.A. (The "Company" and "3W Power | AEG Power Solutions") was, up to June 1st, 2010 registered in Guernsey and is currently domiciled in Luxembourg. 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 first half-year period ended June 30, 2015 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, 2014 are available upon request from the Company's registered office address or at www.aegps.com.

The 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.

AEG Power Solutions Group is the sole subsidiary of the holding company 3W Power S.A. (WKN A114Z9)/ISINLU1072910919), based in Luxembourg.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 12, 2015.

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" and are unaudited. 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, 2014.

B) SEASONALITY

There is no significant seasonal pattern included in the year-to-date figures, since the Company's activities are hardly subject to seasonality.

C) GOING CONCERN ASSUMPTIONS

In December 2013 the Group began a comprehensive financial and operational restructuring. In the second semester of 2014, the Group converted 50.0% of its €100.0 million debt into equity and repaid the other half with a new bond of €50.0 million. The new bond matures in 2019 and has an escalating interest rate beginning with 4.0% and accumulating to 12.0%. The Group sold affiliates India and Skytron in July.

At the end of December 2014 a new restructuring program was announced in Germany (Belecke) for a further reduction of 35 to 45 persons. Total headcount was 1,000 at year-end 2014 compared to 1,521 at year-end 2013.

The Group continued to focus on an operational improvement plan to continuously investigate further efficiencies of its manufacturing footprint, reduce fixed costs and adapt its sales strategy and sales force to current and future market requirements.

The Group discontinued the SBU organization and flattened its management organization. The Group has refocused its activities and management structure on vertical markets and customers with particular emphasis on the area of greatest competitive strength; back- up power in critical infrastructure environments. Vertical segments have been identified for Oil & Gas, Power Generation, Transportation, General Industry, and Data & IT. Additionally, the Company seeks to develop service as an enterprise across the world.

Highly qualified, successful and motivated segment leaders have been appointed to define the strategy and to work closely with the affiliates and the end customer(s). Product management reports to these segment leaders and they direct R&D to establish a product portfolio that is dedicated to each vertical market- and customer specific requirements.

Risk on the realization of the forecast

Recent forecast indicate a fall in revenue to €180.0 million. The structural shift in global oil prices have changed our largest market and impacted regions such as the Middle East where we historically have maintained sustained volumes. In addition, the Company was specifically impacted by the cancellation of projects in H1 2015 in the Oil & Gas markets. The volume in our core industrial business is stable and we maintain our competitive position, but it did not grow strong enough to compensate for the drop in businesses we are harvesting such as DC Telecom and businesses we are no longer actively pursuing, like Solar. Drop in Normalized EBITDA is triggered by the lower sales volume/product mix and the effect of unrealized savings in material costs and/or from material re-design.

During the first half-year the Group's cash position lowered with €6.0 million to €23.3 million. The majority of this cash was used to finance the half-year operational loss.

The forecasted loss in Normalized EBITDA is mitigated by savings as a result of the anticipated reduction in headcount of approximately 150 people, which is scheduled to take place between September 2015 and March 2016. Total expected annual savings are €10.0 million.

The Group is in the middle of its preparation for the growth initiatives which is expected to generate revenue growth during the second half of 2016. R&D efforts are more focused and concentrated around the Protect Blue (large data centers), heavy industrial UPS for Oil & Gas, outsourced efforts to obtain a product portfolio serving light industrial markets and in Grid & Storage solutions and the UL certification for the US market. These initiatives also require cash.

Traditionally, the revenue of the Group is higher in the second half of the year and may go above €100.0 million. This level of revenue requires upfront working capital and additional cash collateral for any guarantees to be issued.

Management believes that as a result of these described effects, the anticipated restructuring, the growth initiatives, the increase in cash collateral and the expected level of sales in the second half of the year, may lead to insufficient available cash in certain affiliates which therefore may not meet their payment obligations.

Non-current risks

- The Group received 75 lawsuits from former Lannion employees, amounting to €5.0 million, the French court may decide in line with the objective of the claimholders.

- The Company's €50.0 million Bond loan matures in 2019 and has an escalating interest rate beginning with 4.0% and accumulating to 12.0%. The Group may face the risk that all initiatives to further grow sales and margins are not sufficient to secure the last three years of interest payments in the range of 8.0% to 12.0%. Alternative sourcing of financing may turn out to be unsuccessful.

- Restructuring measures may not succeed as originally scheduled, due to the labor laws in certain countries and the obligatory involvement of works council and unions, which could require more time and cash as anticipated.

Operational risk of a material subsidiary

- Any cash shortfall resulting into insolvency or bankruptcy of an individual material subsidiary (as described in the terms and conditions of the Company's €50.0 million Bond loan) will entitle each Noteholder to declare his Notes due and demand immediate redemption.

All these potential risks indicate the existence of material uncertainties, which may cast significant doubt about the Group's ability to continue operating as a going concern.

Going concern assumption

In light of the above the Group has assessed the going concern assumption on the basis of which the June 2015 interim financial statements have been prepared. Management is of the opinion that due to the long-term aspect of the risks, as described in the non-current risk section, going concern is therefore mainly dependent on the realization of the forecast within the boundaries set by Management and concludes that the application of the going concern assumption for the 2015 financial statements is therefore appropriate. This is based on the following facts and circumstances:

- The Company successfully completed the previous operational restructuring program and is confident that the newly envisaged operational restructuring program will be timely and successfully completed.

- The Company has entered on August 12 into an agreement with key shareholders to issue a €14.0 million convertible bond. The bond is a five-year non-mandatory convertible at .60 euro cents with an annual coupon of 5.5%. The Convertible is subordinated to the €50.0 million senior secured bond payable in 2019. The convertible bond is underwritten by €10.9 million commitments and is conditional upon the changes to the terms and conditions of the Company's €50.0 million Bond loan. The bond holder representative is fully supportive and the largest bond holders have entered into an agreement in support of the necessary amendment. The necessary bondholder meetings will be called immediately and the process is expected to be completed within the next eight weeks.

- Current business forecasts indicate sufficient liquidity to operate the normal business without interruption.

These activities are all designed to bring the business activities of the Group into an acceptable financial position, to restore bankability and obtain normalized credit conditions. Any of the other described major risks could place the Group into financial distress which may result in insolvency.

D) 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, 2014.

E) CHANGES TO THE GROUP

On January 8, 2014 AEG Power Solutions (France) S.A.S. was placed into administration. The entity was structurally loss-making which the Group could no longer financially support. AEG Power Solutions (France) S.A.S. is deconsolidated from the Group as from January 8, 2014.

On January 15, 2014 the Group initiated plans to close down its R&D and sales office located in Richardson, Texas. The entity was loss-making and continued to consume cash that the Group could no longer afford to support. The existing products and activities were subsequently transferred to the Group's German subsidiary and the office closed at the end of April 2014. The Group maintains a sales and support presence in the United States.

On January 27, 2014 the AEG Power Solutions GmbH, the Group's German subsidiary, divested its power control modules business to Advanced Energy Industries GmbH, Metzingen, Germany, a subsidiary of Advanced Energy Industries, Inc. (Advanced Energy Industries), Colorado, USA. Under the agreement, Advanced Energy Industries acquired the Thyro-Family product line for €23.0 million (thereof €1.0 million earn-out which was received in March 2015). The Company entered into a long-term manufacturing agreement for manufacturing the modules for Advanced Energy Industries.

On February 28, 2014 the Group agreed with a South African investor to sell 75% of the shares of the South African subsidiary holding the 3W Power facility in Cape Town and partner to develop the sales of AEG Power Solutions' global range of power systems on the South African market.

On April 25, 2014 the Group signed a sale and purchase agreement (SPA) with Toshiba Mitsubishi-Electric Industrial Systems Corporation (TMEIC) to divest its Indian affiliate. Under the agreement TMEIC acquires 100% of the entity. The sale was subject to customary conditions precedent and was completed on July 31, 2014.

On June 3, 2014 the Group announced the sale of its German affiliate Skytron Energy GmbH to First Solar. The sale was closed at July 3, 2014.

The following table presents the half-year period trading results of 2015 and 2014 as continued operations and included in the June 30, 2015 Condensed Consolidated Interim Financial Statements from legal entities/business activities that were sold during 2014.

in thousands of euros	Total Revenue[1] June 30, 2015*	Total Revenue[1] June 30, 2014*	External Revenue June 30, 2015*	External Revenue June 30, 2014*
AEG PS (India) PVT Ltd	–	2,739	–	2,025
Skytron Energy GmbH	–	4,552	–	4,251
POC Modules business[2]	2,028	2,959	2,028	2,707

* unaudited
[1] Including intra-Group transactions
[2] The Group has entered into a long-term manufacturing agreement for manufacturing the modules for Advanced Energy Industries, which resulted into a reduction in revenue, gross margin and EBIT.

in thousands of euros	Gross margin[1] June 30, 2015*	Gross margin[1] June 30, 2014*	Income/(loss) before interest and tax (EBIT)[1] June 30, 2015*	Income/(loss) before interest and tax (EBIT)[1] June 30, 2014*
AEG PS (India) PVT Ltd	–	(734)	–	(1,393)
Skytron Energy GmbH	–	1,889	–	(460)
POC Modules business[2]	(379)	586	(401)	119

* unaudited
[1] Including intra-Group transactions
[2] The Group has entered into a long-term manufacturing agreement for manufacturing the modules for Advanced Energy Industries, which resulted into a reduction in revenue, gross margin and EBIT.

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, 2014. The new and amended standards and interpretations effective as from January 1, 2015 have no impact on these condensed consolidated interim financial statements. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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, 2014.

For the half-year period the top 5 customers accounted for approximately 16.4% of the Group revenue (2014: 14.5%).

5. SEGMENTS

The Group has one reportable business segment, Industrial Products and Services (IPS), in combination with a reportable unallocated segment (unallocated) that represents non-business related expenses.

Accordingly, the results of the Group are presented in these two segments which also reflect the presentation of information to the Group's CEO, who has been identified as the Chief Operating Decision Maker ("CODM").

RESULTS BY OPERATING SEGMENT
For half-year to June 30, 2015*

in thousands of euros	Industrial Power Solutions	Unallocated amounts	Total
Revenue	**84,112**	**–**	**84,112**
Segment operating income/(loss)	**(5,240)**	**85**	**(5,155)**
Restructuring income/(costs)	(1,234)	169	(1,065)
Capitalized development costs (net of amortization and impairment)	(320)	–	(320)
Central overheads	–	(2,378)	(2,378)
Result on divestments	900	–	900
Capital loss	(35)	–	(35)
Amortization and impairment of intangibles on acquisition[1]	(2,772)	(133)	(2,905)
Income/(loss) before interest and tax (EBIT)[2]	**(8,701)**	**(2,257)**	**(10,958)**

* unaudited
[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 €58,822 thousand for goods and €25,290 thousand for services.

RESULTS BY OPERATING SEGMENT
For half-year to June 30, 2014*

in thousands of euros	Industrial Power Solutions	Unallocated amounts	Total
Revenue	**98,128**	**–**	**98,128**
Segment operating income/(loss)	**(11,023)**	**(2,555)**	**(13,578)**
Restructuring income/(costs)	(4,613)	(520)	(5,133)
Capitalized development costs (net of amortization and impairment)	(774)	–	(774)
Central overheads	–	(6,758)	(6,758)
Result on divestments	18,166	–	18,166
Capital loss	147	(142)	5
Amortization and impairment of intangibles on acquisition[1]	(3,140)	(133)	(3,273)
Income/(loss) before interest and tax (EBIT)[2]	**(1,237)**	**(10,108)**	**(11,345)**

* unaudited
[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 €73,545 thousand for goods and €24,583 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 ON 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 [1]	Americas	Held for sale	Total
Revenue for the period ended June 30, 2015*	21,498	31,121	29,281	2,212	–	84,112
Revenue for the period ended June 30, 2014*	24,990	40,647	29,674	2,817	–	98,128

* unaudited
[1] Includes the Cyprus-based Solar customer with its major operation in Eastern Europe.

For the period ended and as at June 30, 2015*

in thousands of euros	Germany	Rest of Europe	Africa, Middle East and Asia	Americas	Held for sale	Total
Non-current assets [1]	32,017	25,530	1,736	–	–	59,283
Total assets	66,792	90,281	21,524	989	–	179,586
Total liabilities	53,218	80,044	11,067	5,998	–	150,327

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

For the period ended and as at December 31, 2014*

in thousands of euros	Germany	Rest of Europe	Africa, Middle East and Asia	Americas	Held for sale	Total
Non-current assets [1]	39,152	21,100	1,816	–	–	62,068
Total assets	83,158	87,548	23,709	916	–	195,331
Total liabilities	52,540	82,946	10,228	5,598	–	151,312

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

6. OTHER INCOME/(EXPENSE)

	Half-year to June*	
in thousands of euros	2015	2014
Result on divestments POC Modules business	1,000	18,166
Other income	152	810
Other income	**1,152**	**18,976**
Amortization of intangible assets	(1,448)	(1,815)
Restructuring costs (net)	(1,065)	(5,133)
Other expense	(135)	(349)
Other expense	**(2,648)**	**(7,297)**
Total other (expense)/income	**(1,496)**	**11,679**

* unaudited

7. FINANCE INCOME AND COSTS

	Half-year to June*	
in thousands of euros	2015	2014
Interest income on bank deposits	357	207
Foreign exchange income	3.204	1,296
Finance income	**3,561**	**1,503**
Interest expense on loans and payables	(192)	(172)
Interest expense on notes payable	(2,872)	(4,980)
Pension related financial expenses	(306)	(388)
Foreign exchange costs	(2,742)	(1,665)
Loss on non-current financial asset	–	(1,940)
Other finance costs	(250)	(506)
Finance costs	**(6,362)**	**(9,651)**
Net finance income/(costs)	**(2,801)**	**(8,148)**

* unaudited

Interest on notes payable relates to interest accrued at 4.0% on the Notes placed in August 2014 (note 14); (2014: 9.25% on the Notes placed in December 2010) 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.

Loss on non-current financial assets of €1.9 million relates to the signed settlement agreement with the Limited Liability Company (LLC) in the U.S. The LLC was a partnership between the Group and an experienced investor and manager of solar assets in the U.S. The partnership did not result into the level of anticipated business opportunities and as such the Group cancelled the agreement and impaired the total invested value.

Other finance costs include factoring charges.

8. INCOME TAX (CHARGE)/BENEFIT

	Half-year to June*	
in thousands of euros	2015	2014
Current tax (expense)/benefit		
Income tax benefit/(charge) for the period	144	1,539
Deferred tax (expense)/benefit		
Origination and reversal of temporary differences	(490)	2,775
Recognition of current and prior-year tax losses	–	261
Deferred tax (expense)/benefit	**(490)**	**3,036**
Total income tax (expense)/benefit	**(346)**	**4,575**

* unaudited

RECONCILIATION OF EFFECTIVE TAX RATE

	Half-year to June*	
in thousands of euros	2015	2014
Income/(loss) from continuing operations for the period	(14,105)	(14,918)
Total income tax (charge)/benefit	(346)	4,575
Income/(loss) from continuing operations before income tax	**(13,759)**	**(19,493)**
Expected income tax (charge)/benefit using the Company's domestic tax rate of 29.22% (2014: 29.22%)	4,020	5,696
Effect of different local tax rates	(82)	(315)
Current-year losses for which no deferred tax asset was set up	(3,769)	(2,472)
Recognition of prior-year losses	–	1,540
Reduction of deferred tax assets	(515)	–
Others	–	126
Income tax benefit	**(346)**	**4,575**

* unaudited

9. INTANGIBLE ASSETS

Impairment procedures on goodwill are performed at least once a year to assess if the carrying value is still higher than the recoverable amount.

In assessing whether intangible assets have to be impaired, the carrying amount of the intangible assets is compared with the recoverable amount of the cash generating unit ("CGU"). Methodology used for the testing is the higher amount between Value in Use and fair value less cost to sell.

The development of result in the first half year was a triggering event to perform an impairment test. However, as a result of this test, the difference between fair value less cost to sell and the carrying amount of the assets ("headroom") for the CGU EMS reduced with €3.0 million to €5.0 million.

An average pre-tax discount rate of 15.6% (2014:15.6%) was applied in determining the recoverable amount of the CGU. The discount rate was estimated using the market rate for risk free returns and risk premium and by benchmarking against the cost of equity, capital structure and credit spreads of a peer Group of companies operating in sectors similar to those of AEG PS's operations.

Cash flows were projected based on past experience, actual operating results and five-year business plans. Terminal growth rates used in the valuation are set at 1% which can be supported by reference to the trading performance of the Company over a longer period.

A reduction in the revenue growth assumptions of 1.0% would have resulted in a reduction of the total headroom.

An increase in the pre-tax discount rate of 1.0% would have resulted in an impairment charges of €4.7 million.

10. OTHER NON-CURRENT FINANCIAL ASSETS

The Group has invested funds in the Limited Liability Company (LLC) in the U.S. The LLC is a partnership between the Group and an experienced investor and manager of solar assets in the United States. Under the partnership agreement, the Group had to invest up to $5.0 million in the LLC under the stewardship of the partner.

The partnership did not result into the anticipated business opportunities and after receipt of $256 thousand the Group cancelled the agreement and impaired the remaining value. The financial impact is disclosed in note 7.

11. 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.

Deferred tax assets have not been recognized in respect of the following items:

in thousands of euros	June 30, 2015*	Dec. 31, 2014
Tax losses	32,040	34,312
Deductible temporary differences	18,560	28,152
Total unrecognized deferred tax assets	**50,600**	**62,464**

* unaudited

Of the total unrecognized tax losses, €7.0 million (2014: €5.6 million) will expire within ten years, €1.8 million (2014: €3.0 million) will expire after ten years and €23.2 million (2014: €25.7 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 June 30, 2015*	Liabilities June 30, 2015*	Assets Dec. 31, 2014	Liabilities Dec. 31, 2014
Property, plant and equipment	–	(3,666)	–	(3,360)
Intangible assets	–	(5,888)	–	(6,685)
Inventories	108	(42)	138	(42)
Employee benefits	4,170	–	4,079	–
Provisions	379	(12)	842	(10)
Other items	171	(263)	222	(251)
Sub-total	**4,828**	**(9,871)**	**5,281**	**(10,348)**
Tax loss carry-forwards	5,936		6,451	
Tax assets/(liabilities)	**10,764**	**(9,871)**	**11,731**	**(10,348)**
Set-off of deferred tax positions	(7,545)	7,545	(10,348)	10,348
Net tax assets/(liabilities)	**3,219**	**(2,326)**	**1,383**	**–**

* unaudited

MOVEMENT IN TEMPORARY DIFFERENCES DURING THE PERIOD

in thousands of euros	Balance Dec. 31, 2014	Recognized in Other Compre-hensive Income	Recognized in Profit or loss	Balance June 30, 2015*
Property, plant and equipment	(3,360)	–	(306)	(3,666)
Intangible assets	(6,685)	–	797	(5,888)
Inventories	96	–	(30)	66
Employee benefits	4,079	–	92	4,171
Provisions	833	–	(466)	367
Other items	(30)	–	(62)	(92)
Sub-total	**(5,067)**	**–**	**25**	**(5,042)**
Tax loss carry-forwards	6,451	–	(515)	5,936
Total	**1,383**	**–**	**(490)**	**893**

* unaudited

12. CAPITAL AND RESERVES

A) SHARE CAPITAL

in number of shares	Ordinary shares	Treasury shares[1]	Total shares
Issued at December 31, 2013	**47,890,356**	**2,345,668**	**50,236,024**
Capital restructuring[2]	(43,101,320)	(2,111,102)	(45,212,422)
Issued at June 30, 2014*	**4,789,036**	**234,566**	**5,023,602**
Issuance of new shares against contribution in cash	25,109,731	–	25,109,731
Issuance of new shares against contribution in kind	53,570,370	–	53,570,370
Issued at December 31, 2014[3]	**83,469,137**	**234,566**	**83,703,703**
Issued at June 30, 2015*	**83,469,137**	**234,566**	**83,703,703**

* unaudited
[1] Included in treasury shares are 2,500,000 shares previously held in escrow for the purpose of an earn-out agreement with the former AEG Power Solutions B.V. shareholders. The earn-out was based on the achievement of certain EBITDA targets with respect to fiscal years 2009, 2010 and 2011. The targets have not been met and under the terms of the earn-out agreement the shares were released from escrow to the Company in September 2012.
[2] The capital restructuring comprised a reverse stock split of 1:10 and cancellation of four shares.
[3] Included in the ordinary shares are 8,370,370 shares for the Management Incentive Program ("MIP"). The MIP has been created on July 21, 2014 to transfer, under certain conditions, the MIP Shares to certain members of the Management of the Company, who have substantially expedited the current restructuring of the AEG PS Group since December 2013 (the "Beneficiaries").

B) DIVIDEND

No dividends were declared or paid by the Company in 2015 or 2014.

13. 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:

	Half-year to June*	
in thousands of euros	2015	2014
Income/(loss) for the period	(14,683)	(13,280)
Continuing operations	(14,105)	(14,918)
Discontinued operations	(578)	1,638

* unaudited

	Half-year to June*	
in euros	2015	2014
Basic (loss)/earnings per share	(0,18)	(0,16)
Continuing operations (loss)/earnings per share	(0.17)	(0,18)
Discontinued operations (loss)/earnings per share	(0.01)	0,02

* unaudited

14. LOANS AND BORROWINGS

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

in thousands of euros	June 30, 2015*	Dec. 31, 2014
Non-current		
Notes payable	39,120	37,249
Unsecured government loans	495	515
Total non-current	**39,615**	**37,764**
Current		
Unsecured government loans	76	76
Unsecured bank loans	6	106
Bank overdrafts	–	575
Obligations under receivable factoring arrangements	1,439	1,845
Other	–	–
Total current	**1,521**	**2,602**
Grand total of current and non-current	**41,136**	**40,366**

* unaudited

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 June 30, 2015*	Carrying amount June 30, 2015*	Nominal value Dec. 31, 2014	Carrying amount Dec. 31, 2014
Notes payable [1]	EUR	Escalating annual interest rate from 4% to 12%	2019	50,000	39,120	50,000	37,249
Government loans [2]	EUR	–	2021-2022	571	571	591	591
Bank loans [3]	EUR	Euribor +1.5%	2016	6	6	106	106
Bank overdraft [4]	EUR	Euribor +3.25% - 5.75%	–	–	–	575	575
Obligations under receivable factoring arrangements [5]	EUR	Euribor +0.8% - 3.65%	–	1,439	1,439	1,845	1,845
Total				**52,016**	**41,136**	**53,117**	**40,366**

* unaudited

There are only non-material differences between the carrying amount and fair value for both the non-current and current part of the loans and borrowings. These differences are comparable to the differences as disclosed in the last annual financial statements. All financial instruments carried at fair value within the Company are categorised in "level 1" which is equal to last year. The valuation techniques and the inputs used in the fair value measurement did not change in the first half of 2015 compared to last year.

The fair value of the €50.0 million notes payable amount to €32,500 thousand as at June 30, 2015 (December 31, 2014: €37,800 thousand). The fair value of all other financial assets and liabilities are considered to be equal to their carrying values.

Non-current

[1] Unsubordinated notes payable €50,000,000 effective interest 15.96%, due August 29, 2019.
On August 29, 2014, the Company issued loan notes (the "Notes") with a nominal value of €50.0 million. The Notes were exchanged by creditors of the old bond as well as investors participating in an accelerated book building on August 25/26, 2014. The Notes bear interest from and including August 29, 2014 to, but excluding August 29, 2019 at an escalating interest rate starting at 4% and on an annual basis increased with 2% pa (15.96% effective interest), payable annually in arrears on February 29 (if the relevant calendar year is a leap year or on February 28 if the relevant calendar year is not a leap year) and August 29 of each year. The first interest payment was made on February 28, 2015. The Notes are redeemable at par on August 29, 2019. The Notes have the benefit of unconditional and irrevocable guarantees by certain subsidiaries of the Issuer. Once per interest period the Issuer is entitled to redeem all outstanding Notes in the amount of 20% of the initial principle amount of a Note (i.e. in each interest period in the amount of EUR 100.00 per note). The Issuer is free to choose the interest periods in which it wishes to make a partial redemption. The Issuer is entitled at any time to redeem the outstanding Notes in whole, but not in part, at 101% of the outstanding principal amount of the Notes together with accrued interest. If a change of control occurs, each Noteholder shall have the right to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase by a third party of) in whole or in part his Notes at 100% of the outstanding principal amount (the "Put Option"). An exercise of the Put Option shall, however, only become valid if during the put period Noteholders of Notes with a principal amount of at least 50% of the outstanding aggregate principal amount of the Notes then outstanding have exercised the Put Option.
Management judgment is that the Notes will be held until maturity.

Other non-current loans

[2] Includes two interest-free government loans repayable by varying annual installments in the range of €6 thousand to €43 thousand. One of these loans is secured.
[3] There is one unsecured bank loan with a nominal value of €300 thousand (interest at Euribor +1.5%). The carrying amount at June 30, 2015 was €6 thousand.

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 +3.25% 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 €12.3 million at June 30, 2015. 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 3.65%. The facilities have no fixed expiry date, but most are renewable annually.

15. PROVISIONS

Provisions included in current liabilities relate primarily to restructuring of €6.1 million. Long-term provisions relate to product warranty reserves.

16. 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.

June 30, 2015*

in thousands of euros	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Operating leases	2,608	2,768	888	246	6,510
Unconditional purchase obligations	785	–	–	–	785
Total	**3,393**	**2,768**	**888**	**246**	**7,295**

* unaudited

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 €1.9 million in 2014 (€2.3 million in 2014).

OTHER COMMITMENTS

June 30, 2015*

in thousands of euros	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Guarantees	5,005	3,263	698	588	9,554

* unaudited

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

AEG PS S.A.S. (Tours, France) benefits from social charges payment delays agreed with local French authorities. This benefit was secured with the pledge of assets (building) and will remain in place until the end of Q3 2015.

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.

On September 1, 2014 the contract was amended to reflect the following agreements:

- During the second half of 2015 the parties shall meet and agree on sales targets and minimum annual royalty for 2015 and 2016;
- For the years 2017 to 2019 the amended agreement stipulates that the sales targets and minimum annual royalty will not be lower than those applying for the last year of the proceeding three-year period (for the first three-year period 2017 to 2019, compared to year 2016), unless otherwise specifically agreed due to extraordinary circumstances.

17. 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 and corresponding provisions included in these interim Financial Statements, 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.

18. 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 of the Company at June 30, 2015 were as follows:

	No. of shares	Bonds at nominal value (€)
Intec Beteiligungsgesellschaft	6,072,080	100,000
Mr. Willi Loose	1,664,000	–
Mr. Bernd Luft	4,175,644	248,500
Mr. Klaus Schulze	2,000,000	–
Mr. Jeffrey Casper	2,635,904	–
AEG PS managers	24,858	–
Total	**16,572,486**	**348,500**

AEG PS managers refer to key executives other than Directors.

19. SUBSEQUENT EVENTS

To support the growth and development of new opportunities including investments focused on customer facing activities in sales and services and areas of growth in Africa, Asia and North America the Company has entered on August 12 into an agreement with key shareholders to issue a €14.0 million convertible bond. The bond is a five-year non-mandatory convertible at .60 euro cents with an annual coupon of 5.5%. The Convertible is subordinated to the €50.0 million senior secured bond payable in 2019. The convertible bond is underwritten by €10.9 million commitments and is conditional upon the changes to the terms and conditions of the Company's €50.0 million Bond loan. The bond holder representative is fully supportive and the largest bond holders representing 26% of the bonds have entered into an agreement in support of the necessary amendment. The necessary bondholder meetings will be called immediately and the process is expected to be completed within the next eight weeks.

APPENDIX

RECONCILIATION FROM REPORTED EBIT TO ADJUSTED EBIT

For the period ended

in millions of euros	Half-year to June* 2015	2014
Reported EBIT	**(11.0)**	**(11.3)**
Adjustments		
Amortization of intangibles on acquisition	2.9	3.3
Restructuring costs	1.1	5.1
Result on divestments	(0.9)	(18.2)
(Reversal of) impairment of tangible assets	–	(1.5)
Impairment of intangible assets	–	(0.1)
(Reversal of) impairment of working capital	–	(2.3)
Professional consultancy and other fees	–	2.5
Total adjustments	**3.1**	**(11.2)**
Adjusted EBIT	**(7.9)**	**(22.5)**

* unaudited

DERIVATION OF EBITDA

For the period ended

in millions of euros	Half-year to June* 2015	2014
Reported EBIT	**(11.0)**	**(11.3)**
Depreciation and amortization charges		
Amortization and impairment of intangibles on acquisition	2.9	3.3
Depreciation charge on tangible assets	1.5	0.7
Amortization charge on intangible assets	0.5	0.5
Other	1.3	1.4
Total depreciation and amortization charges	**6.2**	**5.8**
EBITDA	**(4.8)**	**(5.5)**

* unaudited

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.

DERIVATION OF NORMALIZED EBITDA

For the period ended

in millions of euros	Half-year to June* 2015	2014
Adjusted EBIT	**(7.9)**	**(22.5)**
Depreciation and amortization charges		
Depreciation charge on tangible assets	1.5	2.2
Amortization charge on intangible assets	0.5	0.6
Other	1.3	1.4
Total depreciation and amortization charges	**3.3**	**4.2**
Normalized EBITDA	**(4.6)**	**(18.4)**

* unaudited

RECONCILIATION FROM REPORTED NET INCOME TO ADJUSTED NET INCOME

For the period ended

in millions of euros	Half-year to June* 2015	2014
Reported net income	**(14.7)**	**(13.3)**
Adjustments		
Amortization of intangibles on acquisition	2.9	3.3
Restructuring costs	1.1	5.1
Capital gain on divestments	(0.9)	(18.2)
Professional consultancy and other costs	–	2.5
Estimated tax effect on the above	0.2	(2.2)
Total adjustments	**3.3**	**(9.5)**
Adjusted net income	**(11.4)**	**(22.8)**

* unaudited

November 12
Publication of Q3 2015 results

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Note to the condensed consolidated interim financial statements: This is the English original of the condensed consolidated interim financial statements. A German translation of these condensed consolidated interim financial statements is also available. In the event of deviations between the two versions, the English language version will prevail.

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

Disclaimer: These condensed consolidated interim financial statements contain forward-looking statements that are based on certain assumptions and expectations at the time of their publication. These statements are subject to risks and uncertainties and actual results may differ substantially from the future oriented statements made in these condensed consolidated interim financial statements. Many of these risks and uncertainties are determined by factors that are beyond the control of 3W Power | AEG Power Solutions and cannot be gauged with any certainty at this point in time. This includes future market conditions and economic developments, the behavior of other market participants, the achievement of expected synergy effects as well as legal and political decisions. 3W Power | AEG Power Solutions does not feel obliged to publish corrections of these forward-looking statements to reflect events or circumstances that have occurred after the publication date of this material.

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