CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PERIOD ENDED SEPTEMBER 30, 2015

KEY PERFORMANCE INDICATORS (KPIs)

3W POWER | AEG POWER SOLUTIONS – GROUP

	Quarter to September*			Nine months to September*		
in millions of euros	Q3 2015	Q3 2014	% change	2015	2014	% change
Backlog	97.2	99.4	-2.2%	97.2	99.4	-2.2%
Orders	50.3	43.8	14.8%	137.2	162.4	-15.5%
Revenue	42.2	47.6	-11.4%	126.3	145.8	-13.3%
Book to Bill	1.19	0.92	29.4%	1.09	1.11	-2.5%
EBITDA	(2.6)	(1.1)		(7.4)	(6.6)	-12.6%
% of revenue	*-6.2%*	*-2.2%*		*-5.8%*	*-4.5%*	
Normalized EBITDA	0.1	(0.1)		(4.5)	(18.4)	75.4%
% of revenue	*0.2%*	*-0.1%*		*-3.6%*	*-12.6%*	
Adjusted EBIT	(1.3)	(1.9)	-32.3%	(9.2)	(24.4)	62.5%
% of revenue	*-3.0%*	*-4.0%*		*-7.3%*	*-16.8%*	
Reported EBIT	(5.4)	(5.6)	-3.6%	(16.4)	(17.0)	3.5%
% of revenue	*-12.8%*	*-11.8%*		*-13.0%*	*-11.6%*	
Net income	(7.5)	40.0		(22.2)	26.7	
Adjusted net income	(4.5)	38.6		(15.9)	15.8	
Results from discontinued operations	–	–		(0.6)	1.6	
Earnings per share (in euros)	(0.09)	1.79		(0.27)	1.14	
Adjusted earnings per share (in euros)	(0.05)	1.06		(0.19)	1.10	
Cash used in operating activities	(0.9)	6.5		(5.4)	(21.3)	
Cash (used in)/from investing activities	(0.3)	8.3		(0.8)	29.6	
Working capital	22.6	25.2		22.6	25.2	
Cash	19.7	36.7		19.7	36.7	
Net (debt)	(31.2)	(16.1)		(31.2)	(16.1)	

* unaudited

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

	Quarter to September**			Nine months to September**		
in millions of euros	Q3 2015	Q3 2014	% change	2015	2014	% change
Backlog	97.2	99.4	-2.2%	97.2	99.4	-2.2%
Orders	50.3	43.8	14.8%	137.2	155.7	-11.9%
Revenue	42.2	47.6	-11.4%	126.3	139.5	-9.4%
Book to bill	1.19	0.92	29.4%	1.09	1.12	-2.7%
EBITDA	(1.7)	(3.3)	48.5%	(4.4)	2.6	
% of revenue	*-4.0%*	*-6.9%*		*-3.5%*	*1.8%*	
Normalized EBITDA	0.9	(3.7)		(1.5)	(14.1)	89.4%
% of revenue	*2.2%*	*-7.8%*		*-1.2%*	*-10.1%*	
Reported EBIT	(4.4)	(8.3)	47.0%	(13.1)	(13.5)	3.0%
% of revenue	*-10.4%*	*-17.4%*		*-10.4%*	*-9.7%*	

* For the IPS segment, 2015 orders and revenue numbers correspond to those of the Group, historical numbers of 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)*

	Quarter to September**				Nine months to September**			
	Orders		Revenue		Orders		Revenue	
in millions of euros	Q3 2015	Q3 2014	Q3 2015	Q3 2014	2015	2014	2015	2014
Germany	10.9	12.2	10.8	11.8	30.9	37.1	32.4	34.4
Rest of Europe	17.2	17.4	15.8	19.1	56.3	57.9	46.8	58.4
Asia	9.9	7.9	6.9	10.3	28.1	30.1	23.2	27.9
Africa/Middle East	11.1	4.0	7.9	4.9	19.3	24.8	20.9	14.5
Rest of the world	1.2	2.3	0.8	1.5	2.6	5.8	3.0	4.3
Total	**50.3**	**43.8**	**42.2**	**47.6**	**137.2**	**155.7**	**126.3**	**139.5**
Of which Products	36.3	29.4	28.6	34.3	93.6	112.9	87.4	101.6
Of which Services	14.0	14.4	13.6	13.3	43.6	42.8	38.9	37.9

* For the IPS segment, 2015 orders and revenue numbers correspond to those of the Group, historical numbers of 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

%-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.

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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 third quarter of the fiscal year 2015 showed a marked improvement in our core business. However, due to macroeconomic factors, the first six months of 2015 were very challenging for the whole Group. Notwithstanding these external factors, our ongoing business transformation is progressing. In 2014 and 2015 we have taken measures that have proven successful in significantly reducing our fixed operating costs and improving our risk profile. In addition we improved our financial situation by issuing a Convertible Bond. The positive effects of these measures support our long-term business transformation that is well on track.

Group financial results in the first nine months of 2015
A weak Q1 2015 with slow order intake and low revenue was followed by a better second quarter of 2015. Q3 orders for the Group were €50.3 million, which is up by €6.6 million (15.1%) quarter-to-quarter and up by €6.4 million (14.6%) compared to Q3 2014. Orders in our core segment (IPS business, excluding DC Telecom, Solar, POC and discontinued segments) were up 5.5% quarter-to-quarter and up 20.4% compared to Q3 2014. Compared to the previous-year-period orders from January to September 2015 increased by 0.9%.

On a quarter-to-quarter basis, revenue for our core segment decreased by 7.5% to €42.2 million in the third quarter and also decreased by 1.7% compared to the third quarter 2014, but on a nine-month base, revenues in 2015 amounted to €126.3 million, 1.8 % stronger than 2014. Normalized EBITDA in the third quarter was break-even and therefore better than in the third quarter 2014, which was €0.1 million negative. Normalized EBITDA for the first nine months 2015 was €4.6 million negative, which is, compared to €18.4 million negative for the same period in 2014, a strong improvement.

Critically important for us is that Normalized EBITDA for the industrial business (IPS) already reached break-even in the second quarter and was a positive €0.9 million for the quarter. We are moving closer to our goal to become sustainably profitable and growing in our core business, focused on Industrial and Commercial UPS solutions within critical infrastructure environments across key vertical markets.

As of September 30, our cash position was €19.7 million, which is €3.7 million lower as at 30 June. This development is in line with our expectation. Carefully selected investments will accelerate our cash-generating capability and further strengthen our operating presence in strategically important geographies.

Convertible bond
An additional factor for improving business prospects will also be the issuing of a convertible bond. The amount of €14.0 million will 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. This convertible bond is a five-year subordinated non-mandatory convertible at €0.60 with an annual coupon of 5.5%.

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.

Process improvement and reduced fixed operating costs
Business improvement is mainly the outcome of the Group's efforts to implement better business processes in order to strengthen performance. And despite all of the changes, AEG Power Solutions is maintaining market share. We are building up opportunities in our core industrial markets and are strengthening our vertical markets by focusing on both, organizational efficiency and new product development. We are adjusting to the "new normal" in the Oil & Gas industry, focusing on opportunities within Data & IT and continued interest and potential storage applications. Renewed capital investments in selected segments of shipping are presenting opportunities in marine applications.

The improvement of Normalized EBITDA reflects our measures for cutting expenditures and improving efficiency. We have already managed to materially reduce fixed operating costs since the beginning of our comprehensive restructuring in the prior business year. Additional measures to cut our expenditures have been carried out as per announced plans. In combination with the efforts undertaken to improve processes and core performance, the Group has an opportunity to achieve further cost reductions of about €10.0 million, which includes reduction of 150 employees, of which one third is already agreed. These savings will aid to improve margins and will help us to better results going forward.

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 financial situation will result in progress on the bottom line over the months ahead.

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 in front of us.

Yours sincerely,

Jeffrey Casper
CEO

OUR SHARES

SHARE PRICE DEVELOPMENT

Share markets started very well in 2015. Reasons were a mix of loose monetary policies from central banks, lack of alternative investment types, stable economic situation and few external shocks. The ongoing quantitative easing being pursued by Central Banks provided the markets with further liquidity. Due to low interest rates and therefore unattractive fixed income investments such as government bonds or fixed deposits, institutional and private investors largely placed their investments in shares. At the same time good figures for fiscal year 2014 and less geopolitical conflicts for the first months of 2015 created an attractive background for capital markets. The Dow Jones hit a new all-time high of 18,351 points in May and the DAX showed a new all-time high of almost 12,400 points in April 2015.

After spring 2015 this positive background changed due to negative external factors, like the worsening economic and political crisis in Greece or the decline in oil prices. Share prices lost much of the value they had previously gained in the first months of the year. In August 2015 market participants became nervous on the weakening economic outlook of China.

At the end of September 2015 the Dow Jones showed a loss of approximately 8.6% compared to the beginning of the year. The DAX closed at 9,660 points on September 30 which is a decline of 1.5% in the first nine months of 2015.

The share of 3W Power showed comparable movement: It nearly doubled its value from January to March 2015 by reaching its highest quotation at nearly €0.80 at the beginning of March 2. Between March and June a reduced order volume for the share and realized profits by disposal of holdings lead to a reduction of 3W Power's share price. The above mentioned deterioration of market environment also negatively affected this trend in spring and summer 2015. Therefore the lowest quotation was recognized on July 1 at €0.336. In July, however, the share price began to recover on a low level and moved sideways in a range of €0.45 to €0.55 until the end of the current reporting period.

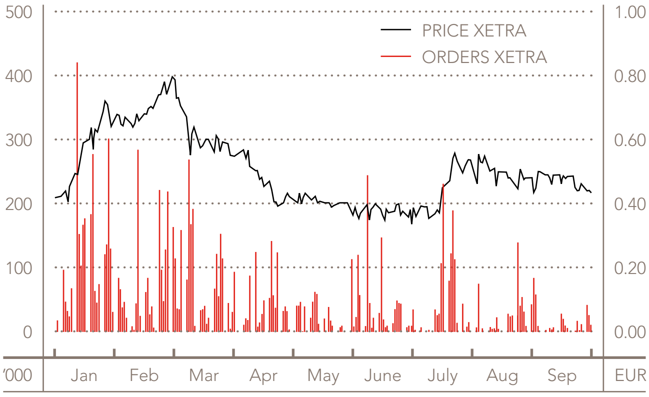
Xetra trading volumes in 3W Power's stock amounted to almost 10.8 million between January and September 2015 and to an average daily turnover of more than 56,732 shares. Liquidity in the Company's securities is important, especially for institutional investors who require a high turnover, since it makes the placement of larger orders more feasible.

SHARE INFORMATION

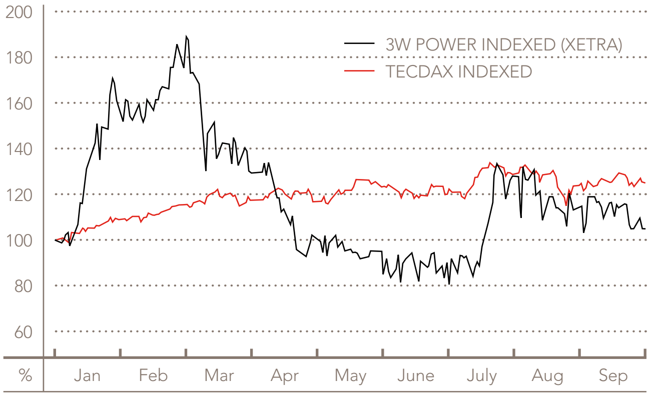
ISIN	LU1072910919
Stock exchange	Frankfurt Stock Exchange, Xetra (Deutsche Börse AG), Frankfurt/Main, Germany
Symbol	3W9K
Reuters symbol	3W9K.F
Designated sponsor	ODDO SEYDLER BANK AG
High in first nine months of 2015	€0.795 (March 2)
Low in first nine months of 2015	€0.336 (July 1)
Closing price on September 30, 2015	€0.435
Market capitalization on September 30, 2015	€36.41 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



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.

CONVERTIBLE BOND

On November 9, 2015, the Company issued a €14.0 million Convertible Bond (ISIN DE000A1Z9U50) 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,. It is a five-year subordinated non-mandatory convertible at €0.60 with an annual coupon of 5.5%. It is subordinated to the €50.0 million senior secured bond payable in 2019 (ISIN: DE000A1ZJZB9).

INVESTOR RELATIONS

3W Power nurtures a continuous dialogue with its shareholders and the capital markets. Investor Relations keeps the public informed about all financially relevant developments of the Company at all times and provides 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 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 SEPTEMBER 30, 2015. THE COMPANY AND ITS CONSOLIDATED SUBSIDIARIES ARE COLLECTIVELY REFERRED TO AS THE "GROUP".

CORPORATE EVENTS

IPS core business for Q3 2015 reported a 20.0% increase in order intake compared to Q3 2014 comparative numbers, which underlines the positive effect of the 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 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.

In addition, 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.

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, 2015, into a binding agreement with key shareholders to issue a €14.0 million Convertible Bond.

On October 5, 2015, Bondholders approved a change in the terms and conditions of its €50.0 million Corporate Bond (DE000A1ZJZB9) with a majority of 99.97 percent.

On November 9, 2015, the Company issued the Convertible Bond (ISIN DE000A1Z9U50), a five-year subordinated non-mandatory convertible at €0.60 with an annual coupon of 5.5%. It is subordinated to the €50.0 million senior secured bond payable in 2019 (ISIN: DE000A1ZJZB9).

OPERATING 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.

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 – NINE MONTHS ENDED SEPTEMBER[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)	137.2	162.4	126.3	145.8	(4.4)	2.2	(6.0)	(21.7)	(13.1)	(7.9)
% of revenue					*-3.5%*	*1.5%*	*-4.8%*	*-14.9%*	*-10..4%*	*-5.4%*
Unallocated					(2.8)	(8.8)	(3.2)	(2.7)	(3.3)	(9.1)
Total	**137.2**	**162.4**	**126.3**	**145.8**	**(7.4)**	**(6.6)**	**(9.2)**	**(24.4)**	**(16.4)**	**(17.0)**
% of revenue					*-5.8%*	*-4.5%*	*-7.3%*	*-16.8%*	*-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 33).

KEY FIGURES – NINE MONTHS ENDED SEPTEMBER (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)	137.2	155.7	126.3	139.5	(4.4)	2.6	(1.5)	(14.1)
% of revenue					*-3.5%*	*1.8%*	*-1.2%*	*-10.1%*
Unallocated					(2.8)	(8.8)	(3.0)	(2.6)
Total	**137.2**	**155.7**	**126.3**	**139.5**	**(7.4)**	**(6.2)**	**(4.5)**	**(16.7)**
% of revenue					*-5.8%*	*-4.4%*	*-3.6%*	*-12.0%*

[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.

KEY FIGURES – QUARTER ENDED SEPTEMBER[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)	50.3	43.8	42.2	47.6	(1.7)	(2.2)	(0.5)	(6.0)	(4.4)	(6.6)
% of revenue					*-4.0%*	*-4.6%*	*-1.3%*	*-12.5%*	*-10.4%*	*-13.9%*
Unallocated					(0.9)	1.1	-0.8	4.1	(1.0)	1.0
Total	**50.3**	**43.8**	**42.2**	**47.6**	**(2.6)**	**(1.1)**	**(1.3)**	**(1.9)**	**(5.4)**	**(5.6)**
% of revenue					*-6.2%*	*-2.2%*	*-3.0%*	*-4.0%*	*-12.8%*	*-11.8%*

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 33).

KEY FIGURES – QUARTER ENDED SEPTEMBER (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)	50.3	43.8	42.2	47.6	(1.7)	(3.3)	0.9	(3.7)
% of revenue					*-4.0%*	*-6.9%*	*2.2%*	*-7.8%*
Unallocated					(0.9)	1.1	(0.8)	4.1
Total	**50.3**	**43.8**	**42.2**	**47.6**	**(2.6)**	**(2.2)**	**0.1**	**0.4**
% of revenue					*-6.2%*	*-4.6%*	-	*8.4%*

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 improved significantly during Q3
Group orders for the third quarter were €50.3 million; €6.5 million (14.8%) better compared to €43.8 million in the same period of 2014.

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

- Orders were 0.9% up compared to 2014
- Orders for Q3 2015 were 5.5% up compared to 2015 Q2 corresponding numbers
- Orders for Q3 2015 were 20.0% up compared to 2014 Q3 corresponding numbers.

Q3 revealed strong order intake in the heavy industry (mainly Oil & Gas and Power Generation) with the end customer located in the Middle East region.

In addition, the Group was awarded two contracts with a total value of €5.0 million in the legacy RES business (polysilicon and solar inverters).

Services business for the year-to-date September period increased with 1.9% compared to the corresponding period of the previous year.

At September 2015, total services business comprises 31.8% of the total orders captured, this represents a 4.3% increase compared to the corresponding period of the previous year.

During the third quarter 2015 the Group's backlog increased with €9.6 million to €97.2 million.

The book-to-bill ratio for the third quarter was 1.19, for the year-to-date September period was 1.09.

IPS core business reports 1.8% revenue increase for the nine-months period compared to the same period in 2014
Third quarter revenue numbers for 2015 were €42.2 million, €5.5 million (11.5 %) lower compared to the same period in 2014.

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

- Revenue was 1.8% up compared to 2014
- Revenue for Q3 2015 was 7.5% lower compared to Q2 2015 numbers
- Revenue for Q3 2015 was 1.7% lower compared to revenue for Q3 2014.

Revenue in Q3 was impacted by project delays of €3.0 million. Revenue for Q2 2015 did include revenue recognition of projects that were delayed from Q4 2014 and Q1 2015.

A larger portion of the Company's revenues are now project-based. The result is that revenue recognition from one quarter to the next or for consecutive quarters is hard to predict and can be materially impacted by project delays or cancellations beyond the Company's control.

Gross margin for the year-to-date period is close to 20%
The year-to-date gross margin is slightly increasing and is accumulating to 19.9%. The growth from 18.3% (year to date June 2015) to 19.9% was mainly driven by the relatively high gross margin of 23.1% for the third quarter.

Q3 2015 gross margin was positively affected by release of inventory provisions for Solar and DCT business. Without these releases, normalized gross margin would have been at 20.3%, which is a positive development and contrary to the 2014 year-to-date September 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).

Negative EBITDA
Group EBITDA for the year-to-date September period was €7.4 million negative compared to EBITDA of €6.6 million negative in the prior-year period. Normalized for one-time effects, EBITDA for the year-to-date September period is €4.5 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: €19.8 million); and a net restructuring expense was recorded of €3.7 million (2014: €6.4 million).

Group EBITDA for the third quarter was €2.6 million negative compared to EBITDA of €1.1 million negative in the prior-year period. Normalized for one-time effects, EBITDA for the third quarter was €0.1 million positive compared to €0.1 million negative in the prior-year period. In Q3 2014 a capital gain was recorded of €1.6 million (2015: nil); and a net restructuring expense was recorded in 2015 of €2.6 million (2014: €1.3 million).

Year-to-date improvement in EBITDA is primarily driven by the increase in gross margin (€3.0 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, General and Administrative expenses for the year-to-date September period reduced with €9.5 million (2014 included €3.9 million one-time professional fees); gross R&D expenses reduced with €1.9 million.

Research & Development (R&D) costs
Gross R&D costs in the nine months to September were as follows:

in millions of euros	2015	2014
Gross R&D expenses	4,249	6,140
Capitalized R&D (income)/expense (net of amortization)	544	1,488
Amortization of intangible assets	1,986	1,986
Total expense	**6,779**	**9,614**

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

in millions of euros	2015	2014
Gross R&D expenses	1,293	1,457
Capitalized R&D (income)/expense (net of amortization)	224	714
Amortization of intangible assets	662	662
Total expense	**2,179**	**2,833**

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 nine-month period in 2015 the Company invested €1.2 million (2014: €0.6 million) in internal development expenditure.

Selling, general and administrative expenses (SG&A)
SG&A expenses decreased 26.7% year-on-year to €29.9 million for the year-to-date September 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. September 2014 year-to-date included €0.9 million for one-time professional expenses and a preliminary provision of €3.0 million for the share-based payment (MIP).

Other expenses/income
In the year-to-date September period of 2015, the Group reported a net other expense of €4.8 million compared to an income of €9.9 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. In July 2014, the Group recognized a temporary gain of €1.6 million gain on the sale of Skytron and India.

During the year-to-date September period of 2015, the Group's restructuring costs were €4.3 million lower than in the corresponding 2014 period. Amortization expenses of intangible assets reduced with €0.5 million and Q3 2014 included a goodwill impairment charge of €1.1 million relating to the sale of Skytron. Remaining difference is caused by the sale of obsolete inventory.

Net financial cost
Net financial cost for the year-to-date September period in 2015 was €5.0 million (2014: financial income of €38.0 million). The reduction of €43.0 million is attributable to the significant gain of €46.7 million in 2014 as a result of the exchange offer, and €3.6 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 year-to-date September period in 2015, the result on foreign exchange shows a net income of €0.3 million, compared to €2.2 million net income in the previous-year period. 2014 included €1.3 million representing the realized exchange gain on the investment upon the completion of the sale of India. The remainder of the 2014 exchange gain relates to other effects such as; the appreciation of the USD versus the EUR, 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.

Taxation
During the nine-month period, the Group recorded a net tax charge of €0.3 million compared to a net tax benefit of €4.0 million in 2014. The current tax income is €0.1 million (2014: €1.5 million) and is offset by a deferred tax charge of €0.4 million (2014: increased by a deferred tax benefit of €2.5 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 year-to-date September period, the Company reports an outflow of €0.6 million in expenditure for tangible fixed assets. Additions to intangible assets in the nine-months period totaled €1.3 million, of which €1.2 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 net deferred tax asset has been recognized of €3.3 million which relates to our German-based operation.

Current assets
Excluding cash, current assets reduced from €89.7 million to €77.6 million, which was mainly due to the reduction in trade and other receivables and inventories following the lower trading volume.

Current liabilities
Current liabilities decreased with €9.8 million to €63.2 million. This reduction is explained by the following movements: reductions in loans and borrowings of €2.2 million, in trade and other payables of €10.0 million, offset by an increase in advance payments from customers of €1.8 million and in provisions (mainly restructuring) of €0.7 million.

Non-current liabilities
Non-current liabilities increased by €4.1million to €82.4 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 €2.7 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 September 30, 2015 was €19.7 million, a decrease of €9.6 million in the year-to-date September period, mainly due to operating cash outflow of €5.4 million which relates to Normalized EBITDA and working capital. Net cash used in investing activities was €0.8 million outflow in total; the Group invested €1.8 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 €3.6 million in financing activities was mainly driven by the €2.0 million interest payment to the bondholders and the considerable reduction in bank overdrafts and factoring obligations.

Equity
Total equity at the end of September 2015 is €22.3 million; €21.7 million lower than at December 2014. The reduction was due to the net loss after tax of €22.2 million, offset by €0.5 million other comprehensive income.

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

OUTLOOK

For the full year 2015 the revenue guidance is confirmed at approximately €180.0 million.

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 to address 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

On October 5, 2015, Bondholders approved a change in the terms and conditions of its €50.0 million Corporate Bond (DE000A1ZJZB9) with a majority of 99.97 percent.

On November 9, 2015, the Company issued the Convertible Bond (ISIN DE000A1Z9U50), a five-year subordinated non-mandatory convertible at €0.60 with an annual coupon of 5.5%. It is subordinated to the €50.0 million senior secured bond payable in 2019 (ISIN: DE000A1ZJZB9).

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
November 12, 2015

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION As at

in thousands of euros	Note	September 30, 2015*	December 31, 2014
Assets			
Property, plant and equipment		24,983	26,791
Intangible assets	9	28,580	33,894
Goodwill	9	11,952	11,952
Other non-current financial assets	10	1,806	1,711
Deferred tax assets	11	**3,262**	1,383
Total non-current assets		**70,583**	**75,731**
Inventories		30,743	32,301
Trade and other receivables		43,263	54,629
Prepayments		3,640	2,789
Cash and cash equivalents		19,689	29,881
Total current assets		**97,335**	**119,600**
Total assets		**167,918**	**195,331**
Equity			
Share capital	12	837	837
Share premium		418,822	418,822
Retained earnings		(376,075)	(354,482)
Reserve for own shares		(22,870)	(22,870)
Cumulative translation adjustment		1,588	1,712
Total equity attributable to equity holders of the Company		**22,302**	**44,019**
Liabilities			
Loans and borrowings	14	40,514	37,764
Employee benefits		27,744	28,566
Deferred tax liability	11	2,304	–
Provisions		11,859	12,008
Total non-current liabilities		**82,421**	**78,338**
Loans and borrowings	14	431	2,602
Trade and other payables		46,865	56,947
Income tax liabilities		75	148
Deferred income		7,431	5,556
Provisions	15	8,393	7,721
Total current liabilities		**63,195**	**72,974**
Total liabilities		**145,616**	**151,312**
Total equity and liabilities		**167,918**	**195,331**

* unaudited

The notes on pages 20 to 32 are an integral part of these condensed consolidated interim financial statements.

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

		Quarter to September[1]		Nine months to September[1]	
in thousands of euros	Note	Q3 2015	Q3 2014	2015	2014
Continuing operations					
Revenue	5	42,210	47,633	126,322	145,761
Cost of sales		(32,474)	(36,474)	(101,194)	(123,617)
Gross profit		**9,736**	**11,159**	**25,128**	**22,144**
Selling, general and administrative expenses		(9,636)	(12,174)	(29,890)	(39,402)
Research and development expenses		(2,179)	(2,833)	(6,779)	(9,614)
Other income/(expenses)	6	(3,336)	(1,772)	(4,832)	9,907
Loss before interest and tax (EBIT)[2]		**(5,415)**	**(5,620)**	**(16,373)**	**(16,965)**
Finance income		278	49,769	3,839	51,272
Finance costs		(2,443)	(3,603)	(8,805)	(13,254)
Net finance (costs)/income	7	**(2,165)**	**46,166**	**(4,966)**	**38,018**
Loss before income tax		**(7,580)**	**40,546**	**(21,339)**	**21,053**
Income tax benefit	8	30	(571)	(316)	4,004
(Loss)/income from continuing operations		(7,550)	39,975	**(21,655)**	**25,057**
Discontinued operations					
(Loss)/income from discontinued operations, net of tax		–	–	(578)	1,638
Net (loss)/income		**(7,550)**	**39,975**	**(22,233)**	**26,695**
Net (loss)/income attributable to: Owners of the Company		(7,550)	39,975	(22,233)	26,695
Non-controlling interest		–	–	–	–
Net (loss)/income		**(7,550)**	**39,975**	**(22,233)**	**26,695**
Earnings per share					
Basic loss per share (euro)		(0.09)	1.14	(0.27)	1.79

[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 September 30

		Quarter to September[1]		Nine months to September[1]	
in thousands of euros	Note	Q3 2015	Q3 2014	2015	2014
(Loss)/income for the period		**(7,550)**	**39,975**	**(22,233)**	**26,695**
Other comprehensive loss					
Items that are or may be reclassified to profit or loss: Foreign currency translation differences for foreign operations		(47)	(1,539)	(124)	(1,919)
Subtotal		**(47)**	**(1,539)**	**(124)**	**(1,919)**
Items that will never be reclassified to profit or loss: Unrealized gains and losses on pension liabilities		640	–	640	(12)
Income tax benefit on other comprehensive income		–	–	–	–
Subtotal		**640**	**–**	**640**	**(12)**
Other comprehensive (loss)/income for the period		**593**	**(1,539)**	**516**	**(1,931)**
Total comprehensive (loss)/income for the period		**(6,957)**	**38,436**	**(21,717)**	**24,764**
Total comprehensive (loss)/income attributable to: Owners of the Company		(6,957)	38,436	(21,717)	24,764
Total comprehensive (loss)/income for the period		**(6,957)**	**38,436**	**(21,717)**	**24,764**

[1] unaudited

The notes on pages 20 to 32 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**
Income for the period		–	–	–	–	26,695	26,695	–	26,695
Total other comprehensive loss		–	–	(1,919)	–	(12)	(1,931)	–	(1,931)
Total comprehensive loss for the period		**–**	**–**	**(1,919)**	**–**	**26,683**	**24,764**	**–**	**24,764**
Capital restructuring		(12,470)	12,470	–	–	–	–	–	–
Issuance of 25,109,731 new shares against contribution in cash		251	3,766	–	–	–	4,017	–	4,017
Issuance of 53,570,370 new shares against contribution in kind		**536**	**18,750**	**–**	**–**	**–**	**19,286**	**–**	**19,286**
Share-based payments/ long-term incentive plan		**–**	**–**	**–**	**–**	**2,847**	**2,847**	**–**	**2,847**
Total contributions by and distributions to owners of the Company		**(11,683)**	**34,986**	**–**	**–**	**2,847**	**26,150**	**–**	**26,150**
Total transactions		**(11,683)**	**34,986**	**(1,919)**	**–**	**29,530**	**50,914**	**–**	**50,914**
Balance at September 30, 2014*		**837**	**418,822**	**1,717**	**(22,870)**	**(329,792)**	**68,714**	**–**	**68,714**
Balance at December 31, 2014		**837**	**418,822**	**1,712**	**(22,870)**	**(354,482)**	**44,019**	**–**	**44,019**
Loss for the period		–	–	–	–	(22,233)	(22,233)	–	(22,233)
Total other comprehensive loss		–	–	(124)	–	640	516	–	516
Total comprehensive loss for the period		**–**	**–**	**(124)**	**–**	**(21,593)**	**(21,717)**	**–**	**(21,717)**
Total transactions		**–**	**–**	**(124)**	**–**	**(21593)**	**(21,717)**	**–**	**(21,717)**
Balance at September 30, 2015*		**837**	**418,822**	**1,588**	**(22,870)**	**(375,490)**	**22,302**	**–**	**22,302**

* unaudited

The notes on pages 20 to 32 are an integral part of these condensed consolidated interim financial statements.

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

		Quarter to September[1]		Nine months to September[1]	
in thousands of euros	Note	Q3 2015	Q3 2014	2015	2014
Cash flows from operating activities					
Net (loss)/income from continuing operations for the year		(7,550)	39,975	(21,655)	25,057
Result of discontinued operations		–	–	(578)	1,638
Adjustments for non-cash items: Depreciation and impairment		767	924	2,410	1,733
Amortization and impairment of intangible assets and goodwill		2,039	3,628	6,573	8,666
Change in provisions		2,916	1,812	4,394	11,675
Share-based payments		–	3,000	–	2,847
Change in other non-current financial assets		(41)	22	(50)	1,659
Result on divestments POC Modules business, India and Skytron		–	(1,640)	(1,000)	(19,807)
Finance (income)/costs - net	8	2,165	(46,166)	4,966	(38,018)
Gain on pension liability		640	–	640	–
Income tax charge/(benefit)	9	(30)	571	316	(4,004)
Cash flow from operations before changes in working capital		**906**	**2,126**	**(3,984)**	**(8,554)**
Change in inventories		451	674	2,011	(837)
Change in trade and other receivables		4,240	10,522	12,035	7,572
Change in prepayments		(491)	269	(851)	(3,356)
Change in trade and other payables		(5,966)	(8,455)	(13,196)	(15,757)
Change in employee benefits		(465)	196	112	590
Change in provisions		(1,000)	(1,417)	(3,378)	(5,767)
Change in deferred income		1,306	857	1,797	784
Cash used in operating activities		**(1,925)**	**2,646**	**(1,470)**	**(16,771)**
Income tax paid		133	1,763	45	4,042
Net cash (used in)/from operating activities		**(886)**	**6,535**	**(5,409)**	**(21,283)**
Cash flows from investing activities					
Decrease/(increase) in non-consolidated investment		–	–	–	256
Acquisition of property, plant and equipment		(142)	(156)	(604)	(697)
Proceeds from sale of property, plant and equipment		21	13	113	331
Acquisition of intangible assets		–	(35)	(135)	(119)
Proceeds from divestment of POC Modules business		–	–	1,000	22,000
Proceeds from sale of legal entities net of cash disposed		–	8,450	–	8,450
Capitalized internal development expenditure		(216)	–	(1,170)	(635)
Net cash (used in)/from investing activities		**(337)**	**8,272**	**(796)**	**29,586**
Cash flows from financing activities					
Proceeds from issue of share capital		–	4,017	–	4,017
Transaction costs in relation to the exchange offer		–	(4,658)	–	**(4,658)**
Interest (paid)/received (net)		(1,010)	(192)	(1,920)	(220)
Change in other long- and short-term debt		(1,131)	(1,647)	(1,659)	(3,070)
Net cash used in financing activities		**(2,141)**	**(2,480)**	**(3,579)**	**(3,931)**
Effect of movement in exchange rates		(296)	476	167	488
Net decrease in cash and cash equivalents		(3,660)	12,803	(9,617)	4,860
Cash and cash equivalents at the beginning of the period		23,349	23,930	29,306	31,873
Cash and cash equivalents at the end of the period		**19,689**	**36,733**	**19,689**	**36,733**

* unaudited

The notes on pages 20 to 32 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 1, 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 September 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 November 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 the 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 confirms a fall in revenue to approximately €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 nine-month period the Group's cash position lowered with €9.6 million to €19.7 million. The majority of this cash was used to pay the interest on the €50.0 million Bond loan and to finance the operational loss.

The forecasted loss in Normalized EBITDA is mitigated by savings as a result of the anticipated reduction in headcount in access of 150 full-time employees (fte). During September 2015 the first restructuring of 50 fte was announced in Germany (Belecke) and Zwanenburg (The Netherlands). Further Group restructuring is scheduled to take place between November 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 U.S. 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 September 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.

- On August 12, 2015, the Company has entered into an agreement with key shareholders to issue a €14.0 million Convertible Bond.

  On October 5, 2015, Bondholders approved a change in the terms and conditions of its €50.0 million Corporate Bond (DE000A1ZJZB9) with a majority of 99.97 percent.

  On November 9, 2015, the Company issued the Convertible Bond (ISIN DE000A1Z9U50), a five-year subordinated non-mandatory convertible at €0.60 with an annual coupon of 5.5%. It is subordinated to the €50.0 million senior secured bond payable in 2019 (ISIN: DE000A1ZJZB9).

- 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 75.0% 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 100.0% 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 nine-month period to September trading results of 2015 and 2014 as continued operations and included in the September 30, 2015 Condensed Consolidated Interim Financial Statements from legal entities/business activities that were sold during 2014.

in thousands of euros	Total Revenue[1] Nine months to Sept. 30, 2015*	Total Revenue[1] Nine months to Sept. 30, 2014*	External Revenue Nine months to Sept. 30, 2015*	External Revenue Nine months to Sept. 30, 2014*
AEG PS (India) PVT Ltd	–	2,819	–	2,058
Skytron Energy GmbH	–	4,552	–	4,251
POC Modules business[2]	3,244	4,178	3,244	3,926

* 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] Nine months to Sept. 30, 2015*	Gross margin[1] Nine months to Sept. 30, 2014*	Income/(loss) before interest and tax (EBIT)[1] Nine months to Sept. 30, 2015*	Income/(loss) before interest and tax (EBIT)[1] Nine months to Sept. 30, 2014*
AEG PS (India) PVT Ltd	–	(916)	–	(1,975)
Skytron Energy GmbH	–	1,889	–	(460)
POC Modules business[2]	(542)	649	(579)	137

* 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	Total Revenue[1] Quarter to Sept. 30, 2015*	Total Revenue[1] Quarter to Sept. 30, 2014*	External Revenue Quarter to Sept. 30, 2015*	External Revenue Quarter to Sept. 30, 2014*
AEG PS (India) PVT Ltd	–	80	–	33
Skytron Energy GmbH	–	–	–	–
POC Modules business[2]	1,216	1,219	1,216	1,219

* 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] Quarter to Sept. 30, 2015*	Gross margin[1] Quarter to Sept. 30, 2014*	Income/(loss) before interest and tax (EBIT)[1] Quarter to Sept. 30, 2015*	Income/(loss) before interest and tax (EBIT)[1] Quarter to Sept. 30, 2014*
AEG PS (India) PVT Ltd	–	(182)	–	(582)
Skytron Energy GmbH	–	–	–	–
POC Modules business[2]	(163)	63	(178)	18

* 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 nine months period to September the top five customers accounted for approximately 17.2% of the Group revenue.

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 nine months ended September 30, 2015*

in thousands of euros	Industrial Power Solutions	Unallocated amounts	Total
Revenue	**126,322**	**–**	**126,322**
Segment operating income/(loss)	**(5,500)**	**228**	**(5,272)**
Restructuring income/(costs)	(3,798)	46	(3,752)
Capitalized development costs (net of amortization and impairment)	(544)	–	(544)
Central overheads	–	(3,342)	(3,342)
Result on divestments	900	–	900
Capital loss	(5)	–	(5)
Amortization and impairment of intangibles on acquisition[1]	(4,158)	(200)	(4,358)
Income/(loss) before interest and tax (EBIT)[2]	**(13,105)**	**(3,268)**	**(16,373)**

* 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 €87,359 thousand for goods and €38,963 thousand for services.

RESULTS BY OPERATING SEGMENT
For nine months ended September 30, 2014*

in thousands of euros	Industrial Power Solutions	Unallocated amounts	Total
Revenue	**145,761**	**–**	**145,761**
Segment operating income/(loss)	**(16,102)**	**(1,327)**	**(17,429)**
Restructuring income/(costs)	(4,279)	(2,136)	(6,415)
Capitalized development costs (net of amortization and impairment)	(1,488)	–	(1,488)
Central overheads	–	(5,463)	(5,463)
Result on divestments	19,807	–	19,807
Capital loss	–	33	33
Amortization and impairment of intangibles on acquisition[1]	(5,810)	(200)	(6,010)
Income/(loss) before interest and tax (EBIT)[2]	**(7,872)**	**(9,093)**	**(16,965)**

* 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 €107,892 thousand for goods and €37,869 thousand for services.

RESULTS BY OPERATING SEGMENT
For the quarter ended September 30, 2015*

in thousands of euros	Industrial Power Solutions	Unallocated amounts	Total
Revenue	**42,210**	**–**	**42,210**
Segment operating income/(loss)	**(260)**	**143**	**(117)**
Restructuring income/(costs)	(2,564)	(123)	(2,687)
Capitalized development costs (net of amortization and impairment)	(224)	–	(224)
Central overheads	–	(964)	(964)
Result on divestments	–	–	–
Capital loss	30	–	30
Amortization and impairment of intangibles on acquisition[1]	(1,386)	(67)	(1,453)
Income/(loss) before interest and tax (EBIT)[2]	**(4,404)**	**(1,011)**	**(5,415)**

* 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 €28,537 thousand for goods and €13,673 thousand for services.

RESULTS BY OPERATING SEGMENT
For the quarter ended September 30, 2014*

in thousands of euros	Industrial Power Solutions	Unallocated amounts	Total
Revenue	**47,633**	**–**	**47,633**
Segment operating income/(loss)	**(5,079)**	**1,228**	**(3,851)**
Restructuring income/(costs)	334	(1,616)	(1,282)
Capitalized development costs (net of amortization and impairment)	(714)	–	(714)
Central overheads	–	1,295	1,295
Result on divestments	1,641	–	1,641
Capital loss	(147)	175	28
Amortization and impairment of intangibles on acquisition[1]	(2,670)	(67)	(2,737)
Income/(loss) before interest and tax (EBIT)[2]	**(6,635)**	**1,015**	**(5,620)**

* 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 €34,347 thousand for goods and €13,286 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	Total
Revenue for the period ended September 30, 2015*	32,432	46,805	44,124	2,961	126,322
Revenue for the period ended September 30, 2014*	36,831	59,741	45,017	4,172	145,761

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

in thousands of euros	Germany	Rest of Europe	Africa, Middle East and Asia [1]	Americas	Total
Revenue for the quarter ended September 30, 2015*	10,934	15,684	14,843	749	42,210
Revenue for the quarter ended September 30, 2014*	11,841	19,094	15,343	1,355	47,633

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

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

in thousands of euros	Germany	Rest of Europe	Africa, Middle East and Asia	Americas	Total
Non-current assets [1]	30,804	24,372	1,649	–	56,825
Total assets	63,450	80,958	22,852	658	167,918
Total liabilities	55,366	73,405	10,834	6,011	145,616

* 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	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)

	Quarter to September*		Nine months to September*	
in thousands of euros	Q3 2015	Q3 2014	2015	2014
Proceeds sale obsolete/excess stock	–	115	–	306
Result on divestments POC Modules business, India and Skytron	–	1,641	1,000	19,807
Capital gain	–	28	–	32
Other income	75	–	92	–
Other income	**75**	**1,784**	**1,092**	**20,145**
Amortization of intangible assets	(724)	(908)	(2,172)	(2,723)
Goodwill impairment	–	(1,100)	–	(1,100)
Restructuring costs (net)	(2,687)	(1,282)	(3,752)	(6,415)
Other expense	**(3,411)**	**(3,556)**	**(5,924)**	**(10,238)**
Total other (expense)/income	**(3,336)**	**(1,772)**	**(4,832)**	**9,907**

* unaudited

7. FINANCE INCOME AND COSTS

	Quarter to September*		Nine months to September*	
in thousands of euros	Q3 2015	Q3 2014	2015	2014
Gain as a result of the exchange offer	–	46,715	–	46,715
Interest income on bank deposits	(27)	50	330	257
Foreign exchange income	305	3,004	3,509	4,300
Finance income	**278**	**49,769**	**3,839**	**51,272**
Interest expense on loans and payables	(134)	(151)	(326)	(323)
Interest expense on notes payable	(1,521)	(3,022)	(4,393)	(8,002)
Pension related financial expenses	(150)	(193)	(456)	(581)
Foreign exchange costs	(490)	(436)	(3,232)	(2,101)
Loss on non-current financial asset	–	(106)	–	(2,046)
Other finance costs	(148)	305	(398)	(201)
Finance costs	**(2,443)**	**(3,603)**	**(8,805)**	**(13,254)**
Net finance income/(costs)	**(2,165)**	**46,166**	**(4,966)**	**38,018**

* 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

	Quarter to September*		Nine months to September*	
in thousands of euros	Q3 2015	Q3 2014	2015	2014
Current tax (expense)/benefit				
Income tax benefit/(charge) for the period	(35)	9	109	1,548
Deferred tax (expense)/benefit				
Origination and reversal of temporary differences	65	(12,607)	(425)	(9,832)
Recognition of current and prior-year tax losses	–	12,027	–	12,288
Deferred tax (expense)/benefit	**65**	**(580)**	**(425)**	**2,456**
Total income tax (expense)/benefit	**30**	**(571)**	**(316)**	**4,004**

* unaudited

RECONCILIATION OF EFFECTIVE TAX RATE

	Quarter to September*		Nine months to September*	
in thousands of euros	Q3 2015	Q3 2014	2015	2014
Income/(loss) from continuing operations for the period	(7,550)	39,975	(21,655)	25,057
Total income tax (charge)/benefit	30	(571)	(316)	4,004
Income/(loss) from continuing operations before income tax	**(7,580)**	**40,546**	**(21,339)**	**21,053**
Expected income tax (charge)/benefit using the Company's domestic tax rate of 29.22% (2014: 29.22%)	2,215	(11,848)	6,235	(6,152)
Effect of different local tax rates	120	278	38	(37)
Tax exempt expense	–	(1,163)	–	(1,163)
Current-year losses for which no deferred tax asset was set up	(2,429)	–	(6,198)	(932)
Recognition of prior-year losses	–	12,288	–	12,288
Increase/(reduction) of deferred tax assets	124	(126)	(391)	–
Income tax benefit/(loss)	**30**	**(571)**	**(316)**	**4,004**

* 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.

At June 30, 2015 the Company performed the impairment procedure on Goodwill, to which outcome no impairment charge had to be recorderd. At September 30, 2015 no triggering event was identified.

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 USD 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 USD 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	Sept. 30, 2015*	Dec. 31, 2014
Tax losses	31,934	34,312
Deductible temporary differences	17,552	28,152
Total unrecognized deferred tax assets	**49,486**	**62,464**

* unaudited

Of the total unrecognized tax losses, €7.2 million (2014: €5.6 million) will expire within ten years, €1.7 million (2014: €3.0 million) will expire after ten years and €23.0 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 Sept. 30, 2015*	Liabilities Sept. 30, 2015*	Assets Dec. 31, 2014	Liabilities Dec. 31, 2014
Property, plant and equipment	–	(3,746)	–	(3,360)
Intangible assets	–	(5,789)	–	(6,685)
Inventories	12	(24)	138	(42)
Employee benefits	3,302	–	4,079	–
Provisions	1,141	(26)	842	(10)
Other items	398	(371)	222	(251)
Sub-total	**4,853**	**(9,955)**	**5,281**	**(10,348)**
Tax loss carry-forwards	6,060		6,451	
Tax assets/(liabilities)	**10,913**	**(9,955)**	**11,731**	**(10,348)**
Set-off of deferred tax positions	(7,651)	7,651	(10,348)	10,348
Net tax assets	**3,262**	**2,304**	**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 Sept. 30, 2015*
Property, plant and equipment	(3,360)	–	(386)	(3,746)
Intangible assets	(6,685)	–	897	(5,788)
Inventories	96	–	(108)	(12)
Employee benefits	4,079	–	(777)	3,302
Provisions	833	–	283	1,115
Other items	(30)	–	57	27
Sub-total	**(5,067)**	**–**	**(34)**	**(5,102)**
Tax loss carry-forwards	6,451	–	(391)	6,060
Total	**1,383**	**–**	**(425)**	**958**

* 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 September 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 September 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:

	Quarter to September*		Nine months to September*	
in thousands of euros	Q3 2015	Q3 2014	2015	2014
Income/(loss) for the period	(7,550)	39,975	(22,233)	26,695
Continuing operations	(7,550)	39,975	(21,655)	25,057
Discontinued operations	–	–	(578)	1,638

* unaudited

	Quarter to September*		Nine months to September*	
in euros	Q3 2015	Q3 2014	2015	2014
Basic (loss)/ earnings per share	(0.09)	1.14	(0.26)	1.79
Continuing operations (loss)/ earnings per share	(0.09)	1.14	(0.26)	1.68
Discontinued operations (loss)/ earnings per share	–	–	–	0.11

* unaudited

14. LOANS AND BORROWINGS

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

in thousands of euros	Sept. 30, 2015*	Dec. 31, 2014
Non-current		
Notes payable	40,061	37,249
Unsecured government loans	453	515
Total non-current	**40,514**	**37,764**
Current		
Unsecured government loans	76	76
Unsecured bank loans	–	106
Bank overdrafts	–	575
Obligations under receivable factoring arrangements	355	1,845
Other	–	–
Total current	**431**	**2,602**
Grand total of current and non-current	**40,945**	**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 Sept. 30, 2015*	Carrying amount Sept. 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	40,061	50,000	37,249
Government loans [2]	EUR	–	2021-2022	529	529	591	591
Bank loans [3]	EUR	Euribor +1.5%	2016	–	–	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%	–	355	355	1,845	1,845
Total				**50,884**	**40,945**	**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 €33,250 thousand as at September 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 €50.0 million 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% p.a. (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%). As at September 30, 2015 the bank loan was repaid.

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 September 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 €8.0 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.

September 30, 2015*

in thousands of euros	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Operating leases	2,611	2,684	628	274	6,197
Unconditional purchase obligations	1,191	–	–	–	1,191
Total	**3,802**	**2,684**	**628**	**274**	**7,388**

* 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 €3.0 million in nine months to September of 2015 (€3.4 million in nine months to September of 2014).

OTHER COMMITMENTS

September 30, 2015*

in thousands of euros	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Guarantees	6,560	3,298	592	587	11,037

* unaudited

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.

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 September 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	2,077,056	–
Mr. Jeffrey Casper	2,635,904	–
AEG PS managers	24,858	–
Total	**16,649,542**	**348,500**

AEG PS managers refer to key executives other than Directors.

19. SUBSEQUENT EVENTS

On October 5, 2015, Bondholders approved a change in the terms and conditions of its €50.0 million Corporate Bond (DE000A1ZJZB9) with a majority of 99.97 percent.

On November 9, 2015, the Company issued the Convertible Bond (ISIN DE000A1Z9U50), a five-year subordinated non-mandatory convertible at €0.60 with an annual coupon of 5.5%. It is subordinated to the €50.0 million senior secured bond payable in 2019 (ISIN: DE000A1ZJZB9).

APPENDIX

RECONCILIATION FROM REPORTED EBIT TO ADJUSTED EBIT

For the period ended

	Quarter to September*		Nine months to September*	
in millions of euros	Q3 2015	Q3 2014	2015	2014
Reported EBIT	**(5.4)**	**(5.6)**	**(16.4)**	**(17.0)**
Adjustments				
Amortization of intangibles on acquisition	1.5	1.6	4.4	4.9
Impairment of goodwill and intangibles on acquisition	–	1.1	–	1.1
Restructuring costs	2.6	1.3	3.7	6.4
Result on divestments	–	(1.6)	(0.9)	(19.8)
(Reversal of) impairment of tangible assets	–	–	–	(1.5)
(Reversal of) impairment of intangible assets	–	–	–	(0.1)
(Reversal of) impairment of working capital	–	–	–	(2.3)
Professional consultancy and other fees	–	1.3	–	3.9
Total adjustments	**4.1**	**3.7**	**7.2**	**(7.4)**
Adjusted EBIT	**(1.3)**	**(1.9)**	**(9.2)**	**(24.4)**

* unaudited

DERIVATION OF EBITDA

For the period ended

	Quarter to September*		Nine months to September*	
in millions of euros	Q3 2015	Q3 2014	2015	2014
Reported EBIT	**(5.4)**	**(5.6)**	**(16.4)**	**(17.0)**
Depreciation and amortization charges				
Amortization and impairment of intangibles on acquisition	1.5	2.7	4.4	6.0
Depreciation charge on tangible assets	0.7	0.8	2.2	1.5
Amortization charge on intangible assets	0.2	0.2	0.7	0.7
Other	0.4	0.7	1.7	2.1
Total depreciation and amortization charges	**2.8**	**4.5**	**9.0**	**10.3**
EBITDA	**(2.6)**	**(1.1)**	**(7.4)**	**(6.6)**

* unaudited

DERIVATION OF NORMALIZED EBITDA

For the period ended

	Quarter to September*		Nine months to September*	
in millions of euros	Q3 2015	Q3 2014	2015	2014
Adjusted EBIT	**(1.3)**	**(1.9)**	**(9.2)**	**(24.4)**
Depreciation and amortization charges				
Depreciation charge on tangible assets	0.7	0.9	2.2	3.1
Amortization charge on intangible assets	0.2	0.2	0.7	0.8
Other	0.3	0.7	1.7	2.1
Total depreciation and amortization charges	**1.2**	**1.8**	**4.6**	**6.0**
Normalized EBITDA	**0.1**	**(0.1)**	**(4.5)**	**(18.4)**

* unaudited

RECONCILIATION FROM REPORTED NET INCOME TO ADJUSTED NET INCOME

For the period ended

	Quarter to September*		Nine months to September*	
in millions of euros	Q3 2015	Q3 2014	2015	2014
Reported net income	**(7.5)**	**40.0**	**(22.2)**	**26.7**
Adjustments				
Amortization of intangibles on acquisition	1.5	1.6	4.4	4.9
Impairment of goodwill and intangibles on acquisition		1.1		1.1
Restructuring costs	2.6	1.3	3.7	6.4
Capital gain on divestments	–	(1.6)	(0.9)	(19.8)
Professional consultancy and other costs	–	1.4	–	3.9
(Reversal of) impairment of tangible assets	–	(1.5)	–	(1.5)
(Reversal of) impairment of intangible assets	–	(0.1)	–	(0.1)
(Reversal of) impairment of working capital	–	(2.3)	–	(2.3)
Estimated tax effect on the above	(1.1)	(1.3)	(0.9)	(3.5)
Total adjustments	**3.0**	**(1.4)**	**6.3**	**(10.9)**
Adjusted net income	**(4.5)**	**38.6**	**(15.9)**	**15.8**

* 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.

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Publication of 2015 results

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Annual General Meeting

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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.

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