

Senvion S.A.

Group results of operations
for the first three months
of the financial year 2016
(January 1, 2016 - March 31, 2016)

Senvion S.A.
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Consolidated income statement for the first three months of financial year 2016 and for the last three months of the financial year 2014/2015

	2015/01/01- 2015/03/31 ¹	2016/01/01- 2016/03/31 ²	Change 2015/2016
	k EUR (unaudited)	k EUR (unaudited)	%
Revenues	456,443	364,295	-20.2
Changes in work in progress	51,649	97,646	89.1
Work performed by the entity and capitalized	12,760	10,566	-17.2
Total performance	520,852	472,507	-9.3
Other operating income	9,856	17,577	78.3
Cost of materials/cost of purchased services	-397,649	-352,226	-11.4
Personnel expenses	-55,680	-61,552	10.5
Depreciation of property, plant and equipment and amortization of intangible assets	-14,671	-39,473	169.1
Other operating expenses	-53,043	-57,108	7.7
Result from operating activities	9,665	-20,275	-309.8
Interest and similar financial income	633	554	-12.5
Interest and similar financial expenses	-5,327	-22,602	324.3
Result before income taxes	4,971	-42,323	n.m.
Income taxes	-2,503	9,911	n.m.
Profit / loss for the period from continuing operations	2,468	-32,412	n.m.
Profit / loss for the period from discontinued operations	142	0	n.m.
Net result for the period	2,610	-32,412	n.m.

¹ The figures represent the consolidated income statement of Servion GmbH Group, Hamburg.

² The figures represent the consolidated income statement of Servion S.A. Group, Luxembourg.

Revenues by business line and geography for the first three months of financial year 2016 and for the last three months of the financial year 2014/2015

	2015/01/01- 2015/03/31 ¹ k EUR (audited)	2016/01/01- 2016/03/31 ² k EUR (unaudited)	Change 2015/2016 %
Onshore	369,124	262,402	-28.9
Canada	7,621	21,574	183.1
France	30,385	32,295	6.3
Germany	199,891	60,822	-69.6
United Kingdom	45,604	33,129	-27.4
Portugal	419	70,195	n.m.
Rest of the world	85,204	44,387	-47.9
Offshore	27,779	28,512	2.6
Services	55,968	72,590	29.7
Other	3,572	791	-77.9
Revenues	456,443	364,295	-20.2

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The revenues decreased by 92,148 k EUR, or 20,2%, from 456,443 k EUR in the last three months of the financial year 2014/2015 to 364,295 k EUR in the first three months of the financial year 2016.

The offshore revenues increased from 27,779 k EUR in the last three months of the financial year 2014/2015 to 28,512 k EUR in the first three months of financial year 2016.

The revenues from services increased from 55,968 k EUR in the last three months of the financial year 2014/2015 to 72,590 k EUR in the first three months of the financial year 2016, mainly due to increasing MW covered under O&M contracts (from 9,321 MW as of March 31, 2015 to 10,801 MW as of March 31, 2016).

Other operating income

Other operating income increased by 7,721 k EUR to 17,577 k EUR in the first three months of the financial year 2016 compared to the last three months of the financial year 2014/2015. This development was mainly due to an increase of insurance compensations (from 1,182 k EUR in the last three months of the financial year 2014/2015 to 6,642 k EUR in the first three months of the financial year 2016).

Cost of materials/cost of purchased services

The cost of materials/cost of purchased services decreased by 45,423 k EUR to 352,226 k EUR in the first three months of the financial year 2016 compared to the last three months of the financial year 2014/2015 in accordance with the decline in revenues. The costs of materials ratio (costs of materials/cost of purchased services and changes in work in progress in relation to total performance) decreased from 75,8% in the last three months of the financial year 2014/2015 to 69,9% in the first three months of the financial year 2016.

Personnel expenses

The personnel expenses increased by 5,872 k EUR to 61,552 k EUR in the first three months of the financial year 2016 compared to the last three months of the financial year 2014/2015, due to an increase in average number of employees in the respective period, reflecting business growth, a bigger service fleet and an expansion of R&D activities, as well as salary increases.

Depreciation of property, plant and equipment and amortization of intangible assets

The depreciation of property, plant and equipment and amortization of intangible assets increased by 24,802 k EUR to 39,473 k EUR in the first three months of the financial year 2016 compared to the to the last three months of the financial year 2014/2015, primarily relating to the non-cash relevant items of the amortization of the intangible asset step-up resulting from the Purchase Price Allocation (PPA).

Other operating expenses

Other operating expenses increased by 4,065 k EUR to 57,108 k EUR in the first three months of the financial year 2016 compared to the last three months of the financial year 2014/2015. The change was due to transaction costs in the amount of 6,478 k EUR. Senvion S.A. (ISIN: LU1377527517) has been listed in the Prime Standard of the Frankfurt Stock Exchange since 23 March 2016. The private placement involved a total of around 18.7 million shares. The total issue volume was approximately €294 million. The initial listing price was €16.00 and the issue price €15.75. The currency translation losses decreased by 3,277 k EUR to 3,800 k EUR.

Result from operating activities

The result from operating activities decreased from 9,665 k EUR in the last three months of the financial year 2014/2015 to -20,275 k EUR in the first three months of the financial year 2016. The main contributor to that development is the amortization of the intangible asset step-up resulting from the PPA. The result from operating activities as a percentage of revenues (EBIT margin) was reduced from 2.1% in the last three months of the financial year 2014/2015 to -5.6% in the first three months of the financial year 2016.

Interest and similar financial income and expenses

	2015/01/01- 2015/03/31 k EUR (unaudited)	2016/01/01- 2016/03/31 k EUR (unaudited)
Interest and similar financial income		
Other interests and similar income	633	554
Interest and similar financial expenses		
Convertible preferred Equity Certificates	0	-7,743
High Yield Bond	0	-6,993
Deferred financing fees for guarantees	-1,396	-1,263
Guarantee commission	-1,276	-2,832
Other	-2,700	-3,771
	-5,372	-22,602
Finance result	-4,739	-22,048

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The interest and similar financial expenses increased from 5,327 k EUR in the last three months of the financial year 2014/2015 to 22,602 k EUR in the first three months of the financial year 2016. The increase is mainly related to the refinancing of the acquisition of the shares of Servion GmbH and the issuance of shareholder loans in type of Preferred Equity Certificates (PEC's).

Preferred Equity Certificates (PEC's)

Since the acquisition, the shareholders have held their investment in the Group through a combination of ordinary shares, preference shares and PEC's which were disclosed as shareholder loans as of 31 December 2015. On March 3, 2015, in connection with the change in the Company's corporate form, the preference shares were converted into ordinary shares, and on March 15, 2016, the PEC's were contributed to the Company in exchange for ordinary shares, granting the same kind of voting rights to all shareholders of the Company.

Total interest of 7,743 k EUR was recorded for the PEC's for the first three months of the financial year 2016.

Income tax income

The income tax result increased by 12,414 k EUR from an expense of 2,503 k EUR in the last three months of the financial year 2014/2015 to an income tax income of 9,911 k EUR in the first three months of the financial year 2016. The increase in income in the first quarter of the financial year 2016 was the result of a decrease in current income tax expenses by 14,606 k EUR and a decrease of deferred tax income of 2,192 k EUR.

Net result for the period

As a result of the developments discussed above, the net result for the period decreased by 35,022 k EUR from 2,610 k EUR in the last three months of the financial year 2014/2015 to -32,412 k EUR in the first three months of the financial year 2016.