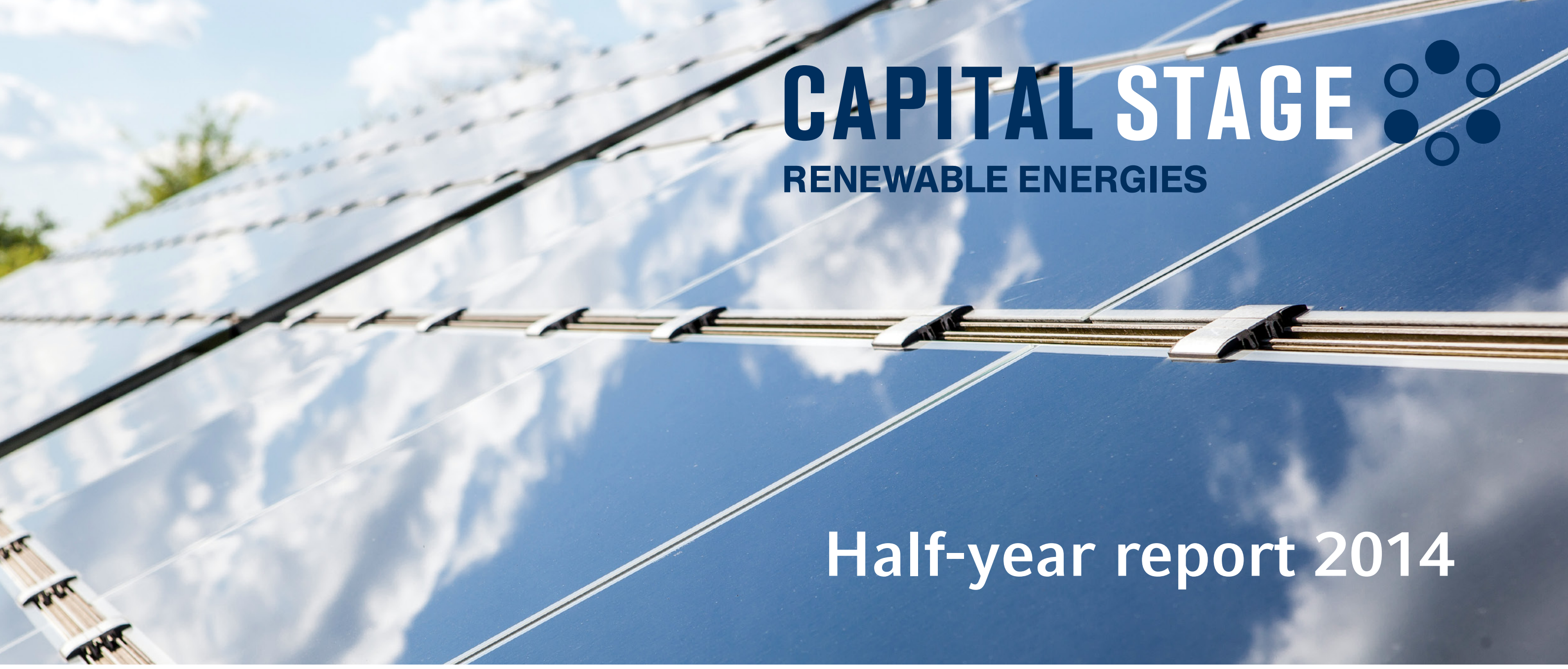

Dear Shareholders,
Ladies and Gentlemen,

The first half year was highly eventful and successful for Capital Stage AG. Our rapid investment of the funds raised by the recent capital increases is apparent thanks to higher financial-performance indicators. The generation portfolio of solar parks and wind farms in Germany, France and Italy has been expanded to some 316 MW. Revenue rose by nearly 51% to EUR 39.5 million (previous year: EUR 26.2 million). Consolidated earnings before interest, taxes and depreciation and amortization (EBITDA) according to IFRS went up to EUR 43.0 million for the half year, compared with EUR 28.8 million in the same period last year. EBIT came to EUR 30.6 million (previous year: EUR 20.1 million), an increase of 52%. Earnings before taxes (EBT) increased even faster, up by 60% to EUR 19.8 million (previous year: EUR 12.4 million). Cash flow from operations rose by around 219% to EUR 20.4 million. Funds from operations (FFO) climbed from EUR 10.3 million to EUR 18.5 million, or EUR 0.26 per share. This underlines the sustainable increase in the company's profitability, irrespective of valuation results and IFRS effects. The company is well on track to achieve the targets set for the full year.

As in the past, Capital Stage AG's acquisition pipeline is well filled. Further growth is inevitable. One focus of our activities in the first half of 2014 was therefore to expand our funding capacities, primarily by means of borrowing. The aim is to keep improving earnings without diluting their effect by raising further equity. An initial milestone was reached in early July by agreeing on an acquisition line of EUR 12 million with one of Capital Stage AG's main banks. In addition, the company has obtained a loan of EUR 10 million from UmweltBank AG, which can also be used for acquisitions. Other fundraising is currently in preparation.

The optional dividend of EUR 0.10 per share approved at the annual general meeting on 26 June 2014 is also to be implemented as announced in the days ahead. This innovative form of dividend payment gives shareholders the choice of taking all or part of the dividend in cash or in the form of shares.

The Capital Stage share therefore remains an interesting investment for private and institutional investors looking to secure attractive returns with limited risk.

Hamburg, August 2014

The management board

Felix Goedhart
CEO

Dr. Zoltan Bognar

Große Elbstraße 45 • D-22767 Hamburg • Fon: +49 (0) 40 37 85 62-0
Fax: +49 (0) 40 37 85 62-129 • www.capitalstage.com

Group-Key-Figures

IFRS (in EUR mill.)	1. HY. 2014	1. HY. 2013	+/-
Revenues	39.5	26.2	+50.8%
EBITDA	43.0	28.8	+49.3%
EBIT	30.6	20.1	+52.2%
EBT	19.8	12.4	+59.7%
EAT	19.1	11.1	+72.1%
Cash flow from operating activities	20.4	6.4	+218.8%
FFO* per share (in EUR)	0.26	0.20	+30.0%
Earnings per share (basic / EUR)	0.27	0.21	+28.6%
	Jun. 30, 2014	Dec. 31, 2013	+/-
Equity**	235.5	207.4	+13.5%
Liabilities	538.4	385.8	+39.6%
Balance sheet total	773.9	593.2	+30.5%
Equity ratio in %	30.43	34.96	-13.0%

* FFO: Funds From Operations | ** Incl. non-controlling interests in equity

The Capital Stage share

Key information	
Listed since	07/28/1998
Share capital	72,439,406.00 EUR
Number of shares	72.44m
Stock exchange segment	Prime Standard
2012 dividend per share	0.08 EUR
2013 dividend per share	0.10 EUR
52-week high	4.40 EUR
52-week low	3.23 EUR
Share price (August 18, 2014)	3.62 EUR
Market capitalization (August 18, 2014)	263 m EUR
Indices	SDAX, HASPAX, PPVX
Trading centres	XETRA, Frankfurt/Main, Hamburg
ISIN	DE 0006095003
Designated Sponsor	Close Brothers Seydler Bank AG

DAX passes 10,000-point mark for the first time

After moving mostly sideways in the first quarter of 2014, the main national and international indixes picked up speed overall in the second quarter. Tension between Russia and Ukraine continued to have an impact on stock markets, however. Especially at the beginning of the second quarter, the uncertainty surrounding events there weighed on markets. The announcement that EU sanctions against Russia would be extended and concerns about a civil war in Ukraine caused the leading German index to fall to a low for the quarter of 9,174 points, despite positive economic data from the eurozone and the United States. The indexes stabilized in the second half of April, before fears that the Ukraine conflict could escalate put renewed pressure on markets at the end of the month.

Strong US labour market data and the announcement that the European Central Bank (ECB) would continue its policy of low interest rates boosted share prices again in early May. The ECB's decision to cut its prime rate to a record low of 0.15% lifted the main German index above the 10,000-point mark for the first time ever on 9 June. At the end of the second quarter, markets were again dominated by uncertainty surrounding the political conflict in Ukraine and Iraq, however. The weak US stock market also depressed the mood on the German exchange. At the end of the first half year, the main German index DAX was up by nearly 3% on year end 2013 at 9,834 points. In the same period, the SDAX registered a gain of around 8.7%, closing on 30 June 2014 at 7,385 points.

The Capital Stage share continued to move sideways in the second quarter. On 24 March 2014, it was included in the SDAX index of Deutsche Börse. At the end of the reporting period, the share was traded at EUR 3.68. The dividend discount of EUR 0.10 was included on 27 June 2014 (ex day).

Annual general meeting votes to increase the dividend

At the annual general meeting held on 26 June 2014 in Hamburg, the shareholders of Capital Stage AG approved all the items on the agenda by clear majorities. In particular, they adopted the proposal by the management board and supervisory board to increase the dividend for the successful 2013 financial year to EUR 0.10 per share. This represents a year-on-year increase of 25% (previous year: EUR 0.08 per share). Shareholders were also given the option of receiving the dividend either all in cash or partly in the form of shares in Capital Stage AG at a subscription price of EUR 3.70.

Coverage

Four financial analysts from Warburg Research, WGZ Bank Research, Berenberg Equity Research and Quirin Bank followed the performance of Capital Stage AG in the first half year. All are currently recommending the share as a buy.

Dialogue with the capital markets

Shareholders of Capital Stage AG and the financial community are provided with full information about significant events and the state of the company without delay. To this end, the company also took part in various industry and capital market conferences. Company management continues to carry out roadshows within Europe at regular intervals. All important information, including analysts' opinions, is presented on the website www.capitalstage.com. Competent staff are also available to answer any questions you may have on telephone number +49 (0)40 3785 620.

Financial calender of Capital Stage AG 2014/2015	
Date	Financial event
11 September 2014	Kempen Equity Conference, London
23 September 2014	Berenberg German Corporate Conferece 2014, Munich
24–26 November 2014	German Equity Forum in Frankfurt am Main
28 November 2014	Quarterly financial report
31 March 2015	Annual financial statements and consolidated financial statements online
29 May 2015	Quarterly financial report
25 June 2015	Annual general meeting
31 August 2015	Half-yearly financial report

Current financial events are announced on the website www.capitalstage.com in the area of investor relations.

Consolidated interim management report

General information

The Capital Stage Group (hereafter known as ‘the Group’ or ‘Capital Stage’) prepares its consolidated balance sheet in accordance with International Financial Reporting Standards (IFRS). The parent company is Capital Stage AG, whose place of business is Hamburg. It is responsible for corporate strategy, portfolio and risk management and financing. Its share capital is EUR 72,439,406.00, divided into 72,439,406 shares with no par value.

The average number of shares in circulation (undiluted) in the reporting period was 70,856,049 (previous year: 51,671,972).

Operating principles of the Group

Business model

Capital Stage AG is listed in the SDAX segment of Deutsche Börse and makes use of the various opportunities offered by the generation of power from renewable energy sources. As an independent operator of environmentally friendly and emission-free power plant capacities, Capital Stage has continuously expanded its generation portfolio since 2009 and is Germany’s largest independent operator of solar parks.

Its investment strategy focuses on the acquisition of turnkey projects or existing installations in geographic regions characterized by a stable political environment as well as dependable and predictable operating conditions. Capital Stage currently operates 41 solar parks and six wind farms with a capacity of 316 MW in Germany, Italy and France. Solar parks and wind farms generate attractive returns and predictable cash flows.

The smooth operation of the solar parks is ensured by a subsidiary, Capital Stage Solar Service GmbH, Halle, which is active in the growing market for technical and commercial management services (O & M). As an OEM-independent service provider, Capital Stage Solar Service GmbH also increasingly provides operating and management services to third parties. Its total volume under management currently amounts to some 180 MW (of which, 25 MW are outside the Group).

Macroeconomic framework

Economic recovery continues despite global uncertainties

In its most recent outlook (as of 12 June 2014), the Kiel Institute for the World Economy predicts that the global economy will continue to pick up in the second half of 2014 and in 2015. For the current year, the researchers expect global production to increase by 3.5%, with growth of 3.9% forecast for 2015.

In its forecast published on 14 July 2014, the International Monetary Fund (IMF) lowered its expectations for the eurozone slightly and is now assuming growth of 1.1% for 2014 and 1.5% for 2015. The upturn in the German economy remains stable and is driven in particular by good domestic demand. Exports, however, are subject to increasing uncertainties regarding the geopolitical conflicts in Ukraine and the Middle East. Overall, the Kiel Institute for the World Economy expects gross domestic product in Germany to go up by 2.0% in 2014 and 2.5% in 2015.

Euro weakens

Since May 2014, the euro has seen a decline on foreign exchange markets. Its high for the year to date was at USD 1.3994 on 8 May 2014. In the weeks thereafter, the common currency fell sharply, trading most recently within a range of USD 1.34 and USD 1.35. The reason is that the American economy is performing better than the eurozone. Furthermore, it is probable that the US Federal Reserve will raise interest rates in the medium term, whereas the European Central Bank is loosening its monetary policy even further, having cut its prime rate again in early June 2014.

Stock markets register moderate increases

Stock markets recovered in mid May 2014 when the ECB announced that it would take further monetary measures to combat the risk of deflation and the low level of lending in the eurozone. The fact that interest rates remain low in both Europe and the USA provided a boost for stock markets. On 9 June 2014 the DAX recorded its high for the reporting period and a new all-time high at 10,008 points. At the end of June the DAX stood at 9,833.

This represents an increase of 2.9% over the reporting period. The SDAX went up – almost in step – by 8.7%, standing at 7,385 points on 30 June 2014. The Dow Jones index in the USA was up by 1.5%, closing the second quarter at 16,827 points.

Course of business

Capital Stage increases dividend to EUR 0.10 and offers shareholders an option for the first time

A decision was made at the ordinary shareholders' meeting of Capital Stage AG on 26 June 2014 to distribute a dividend of EUR 0.10 per entitled share, payable on 16 September 2014. This represents an increase of 25% over the previous year (EUR 0.08 per share). The dividend will be paid in cash or in the form of bearer shares in Capital Stage AG.

Inclusion in the Deutsche Börse SDAX index

Capital Stage AG was included in the Deutsche Börse SDAX index with effect from 24 March 2014. This was announced by the indices working group on 5 March 2014 after its regular meeting. The basic condition for inclusion in the SDAX is a listing in the Prime Standard, the market segment of Deutsche Börse in which companies have to meet defined international transparency standards. Capital Stage switched to the Prime Standard on 5 March 2013.

Largest investment in the company's history

The issue proceeds of EUR 17.1 million from the capital increase carried out in February 2014 served as one element of the financing structure for the acquisition of a portfolio of solar parks in France with a total capacity of some 40 MWp. The portfolio consists of four solar parks in the Aquitaine region of south-west France. At the same time, the acquisition represents the largest single investment in the company's history. The signing took place on 6 March 2014.

Further highlights in the first three months of the 2014 financial year:	
9 January	First-time consolidation of a solar park in Italy (4.5 MWp) acquired in 2013 and fully equity financed. The closing was subject to conditions precedent. The park is in the province of Parma, which is part of the Emilia-Romagna region.
27 and 28 February	On 27 and 28 February 2014, the management board of Capital Stage AG, with the approval of the supervisory board given the same day, decided to increase the company's share capital by EUR 4,698,158.00, from EUR 67,741,248.00 to EUR 72,439,406.00, by issuing 4,698,158 new bearer shares for subscription in cash without subscription rights for shareholders. The new shares have dividend rights from 1 January 2013 onwards. The capital increase was entered in the commercial register of the Hamburg district court on 3 March 2014.
25 March	Acquisition of a 7.3 MWp solar park in Bad Endbach in Marburg-Biedenkopf, a district of Hesse.
28 March	Sale of the financial investment in BlueTec GmbH & Co. KG. The disposal produced a profit, which was recognized through profit or loss in other income.
16 April	Acquisition of a 51% interest in the Kirchheilingen wind farm in Thuringia.
30 June	Capital Stage expands its solar park portfolio in France to 90 MWp by signing a contract for the acquisition of two further solar projects. The closing took place on 23 July 2014.

Segment development

PV Parks segment

The solar parks in Germany and France exceeded all expectations in the first half of the 2014 financial year. In Germany, the portfolio was 10% above plan on a cumulative basis and the portfolio in France outperformed by 6%.

Actual feed-in power in the first half of 2014 came to 125,304 MWh (previous year: 68,717 MWh). The solar parks in Germany account for around 59% of total feed-in power (previous year: 81%), those in France for 25% (previous year: 0%) and those in Italy for 16% (previous year: 19%).

Solar parks acquired in the first half of the 2014 financial year:

Solarpark MTS4 S.r.l. (Noceto), Group share 100%

On 20 December 2013, a contract was signed subject to conditions precedent for the acquisition of the Noceto solar park in the north Italian province of Parma, which is part of the Emilia-Romagna region. The transaction was completed on 9 January 2014. The park was acquired from Martifer Solar, an international photovoltaics specialist from Portugal. The park has a capacity of 4.5 MWp, stands on a site of some ten hectares and has been feeding power into the public grid since December 2012. Capital Stage Solar Service GmbH will be responsible for the park's operational management as of 2018. The park is fully equity financed, which means that free cash flow is high right from the beginning.

Solar park portfolio Le Communal Est Ouest SARL, Group share 100%

On 6 March 2014, the contracts were signed for the acquisition of a portfolio of solar parks in France with a total capacity of around 40 MWp. The closing took place on 21 March 2014. The portfolio consists of four solar parks in the Aquitaine region of south-west France. They have been in operation since March 2012. Annual power generation represents the consumption of more than 13,000 average households. The portfolio receives the 2012 feed-in tariff and so will contribute around EUR 15 million annually to Group revenue in future. Its profitability is in line with the company's targets. Including the assumption of debt from the project company, the total volume of this acquisition comes to more than EUR 140 million. It was consolidated for the first time in April 2014, because at the end of March 2014, all the information had not yet been assembled that had a material effect on the valuation of the financial instruments and the intangible assets.

CS Solarpark Bad Endbach GmbH, Group share 100%

On 25 March 2014, the Group added 7.3 MWp to its German solar park portfolio with the acquisition of another park. The site in Bad Endbach, in the district of Marburg-Biedenkopf, has been in operation since late 2011 and generates an annual power output of some seven million kilowatt-hours. As part of the transaction, it was also agreed that Capital Stage Solar Service GmbH, Halle, should take over the commercial and operational management.

Solarparks Arsac 4 and Arsac 7, Group share 100%

On 30 June 2014, Capital Stage signed the contracts for the acquisition of two further solar projects in France with a total capacity of 16 MWp. The two projects are situated in south-west France in the department of Gironde (Aquitaine region) and are to go into operation in late 2014. Project development work has been completed; all the land rights, permits and an attractive long-term financing agreement have been arranged. A feed-in tariff of just over EUR 0.10 per kilowatt-hour was also agreed in advance. The purchase contracts are still subject to the usual conditions precedent.

Wind farms segment:

As of 30 June 2014, Capital Stage's wind farm portfolio comprises five wind farms in Germany, with a total capacity of 54 MW, and one wind farm in Italy with a capacity of roughly 6 MW. In the first half of 2014, the German wind farm portfolio was below plan owing to weather conditions. In Italy, the wind farm performed well and was a cumulative 4% above plan as of 30 June 2014.

Wind farms acquired in the first half of the 2014 financial year:

Windkraft Kirchheilingen IV GmbH & Co. KG, Group share 51%

Acquisition of a 51% interest in the Kirchheilingen wind farm in Thuringia. It was sold by BOREAS Energie GmbH from Dresden, which will retain a stake of 49% in the operating company. The wind farm in Kirchheiligen, about 40 km north of Erfurt, has a total capacity of 12 MW and is due for completion in December 2014. All the permits and land rights have been obtained. The purchase contract is still subject to the usual conditions precedent.

PV Service segment:

Capital Stage Solar Service GmbH, Group share 100%

The company performed very well in the first half of the 2014 financial year. In January 2014, Capital Stage Solar Service took over the technical and commercial management of the Italian solar park portfolio acquired in December 2013 and, in April 2014, did the same for the Bad Endbach solar park. It also expanded its operational management of parks outside the Group to over 25 MW. As of 30 June 2014, its after-tax earnings came to TEUR 724 (previous year: TEUR 528).

Financial investments segment:

Helvetic Energy GmbH, Group share 100%

Helvetic's performance was below expectations in the first half of the 2014 financial year. This is largely due to the fall in revenue in the solar thermal and photovoltaics divisions.

The investment in BlueTec GmbH & Co. KG was sold with effect from 28 March 2014. The disposal gain was recognized in other income.

Earnings, net assets and financial position

Earnings

In the first half of the 2014 financial year, the Group generated revenue of TEUR 39,526 (previous year: TEUR 26,241). The German solar parks in particular reported a sharp increase in revenue compared with the previous year. Higher revenue is also due to the growing portfolio, especially the acquisition of solar parks in France and Italy. Around 70% of revenue was generated in the sunny months of April, May and June.

The Group generated other income of TEUR 14,621 (previous year: TEUR 11,490). TEUR 6,339 of the total (previous year: TEUR 5,081) stem from the second quarter of the 2014 financial year. In accordance with IFRS 3, the Capital Stage Group carried out a provisional purchase price allocation as of the date the solar parks in France, Italy and Germany were acquired in order to include the acquired assets and debts in the consolidated balance sheet. In the course of the purchase price allocation, all the assets acquired and debts assumed of which the Group was aware at this time were identified and measured at fair value. This gave rise to a difference of TEUR 8,661 (previous year: TEUR 11,312) which was recognized through profit or loss in the first half of 2014. Other income also includes TEUR 4,246 from adjustments to the provisional purchase price allocation for the Italian solar park acquired in December 2013. The financial investment in BlueTec GmbH & Co. KG was sold as of 28 March 2014. The gain from the disposal is also included in other income.

Personnel expenses came to TEUR 3,371 (previous year: TEUR 3,087). The increase is mainly due to the expansion of the team at Capital Stage AG. Job cuts at Helvetic Energy GmbH had the opposite effect.

Other expenses in the first half of 2014 came to TEUR 6,036 (previous year: TEUR 3,925). Costs for the installation and operation of solar parks and wind farms went up to TEUR 3,705. This results mainly from the solar parks acquired in 2013 and the first half of 2014. Other expenses also include TEUR 740 in costs of current operations.

In the first half of 2014, the Group therefore reported earnings before interest, taxes, depreciation and amortization (EBITDA) of TEUR 43,006 (previous year: TEUR 28,779). This represents an increase of some 49%.

Depreciation and amortization of TEUR 12,434 (previous year: TEUR 8,642) consists principally of depreciation of photovoltaic systems and wind turbines and amortization of intangible assets (electricity feed-in contracts and exclusive licences). The increase is due almost exclusively to the solar parks and wind farms acquired in 2013 and the first half of 2014.

Earnings before interest and taxes (EBIT) increased from TEUR 20,137 in the same period last year to TEUR 30,572.

Financial income amounted to TEUR 821 (previous year: TEUR 750). Financial expenses of TEUR 11,610 (previous year: TEUR 8,525) relate mainly to interest costs for the non-recourse loans to finance the solar installations in the park companies, expenses from the effective interest calculation and expenses from the valuation of interest rate swaps. Interest costs for the non-current loans in the French solar park portfolio acquired in 2014 are partly responsible for the increase. Financial expenses also went up due to changes in the negative market values of the interest rate swaps in Italy and France. In the same period last year, the item included the write-down of a financial investment to fair value.

Earnings before taxes (EBT) therefore came to TEUR 19,783 (previous year: TEUR 12,362).

The consolidated income statement shows tax expenses for the first half of 2014 of TEUR 725 (previous year: TEUR 1,312), mainly for effective tax payments by the foreign solar parks and wind farms. The tax ratio was less than the forecast 30%, primarily thanks to tax-free other income and deferred tax assets recognized on tax loss carry-forwards.

Altogether, this resulted in consolidated net income of TEUR 19,058 (previous year: TEUR 11,050).

Consolidated net income is made up of earnings attributable to shareholders of the parent company of TEUR 18,878 (previous year: TEUR 10,823) and earnings attributable to non-controlling interests of TEUR 180 (previous year: TEUR 227). To arrive at comprehensive income for the Group, the currency translation differences recognized in the balance sheet of TEUR –11 (previous year: TEUR 15) are included. Comprehensive income for the Group therefore came to TEUR 19,047 (previous year: TEUR 11,065). Basic earnings per share (after non-controlling interests) were EUR 0.27 (previous year: EUR 0.21). The average number of shares in circulation in the reporting period was 70,856,049 (previous year: 51,671,972). Diluted earnings per share were EUR 0.27 (previous year: EUR 0.21).

Financial position and cash flow

The change in cash and cash equivalents in the reporting period was TEUR -12,206 (previous year: TEUR 6,417) and is made up as follows:

Cash flow from operating activities of TEUR 20,399 (previous year: TEUR 6,377), consisting largely of cash inflows from the operating business of the solar parks and wind farms. Also included here are changes in assets and liabilities not attributable to investing or financing activities.

Cash flow from investing activities of TEUR –45,142 (previous year: TEUR –3,507) was mainly for down payments and final payments for the acquisition of the solar parks and wind farms in Germany, Italy and France.

Cash flow from financing activities amounted to TEUR 12,537 (previous year: TEUR 3,547). In the first quarter of the 2014 financial year, a capital increase from authorized capital was completed for subscription in cash, excluding shareholders' subscription rights. Expenses of TEUR 490 (previous year: TEUR 133) were incurred for the capital increases.

As of 30 June 2014, the Group has liquid funds amounting to TEUR 43,455 (previous year: TEUR 40,551). This includes reserves for debt servicing and projects of TEUR 24,529 (previous year: TEUR 11,707), which the company can only dispose of in the short term with the approval of the lending banks.

As of 30 June 2014, funds from operations (FFO) came to EUR 18.5 million (previous year: EUR 10.3 million).

Assets position

As of 30 June 2014, shareholders' equity came to TEUR 235,515 (31 December 2013: TEUR 207,401). The increase of TEUR 28,114, or 13.56%, stems mainly from the capital increase carried out in the first quarter of 2014 and from earnings for the period. Equity was reduced by the dividend of TEUR 7,244 voted at the shareholders' meeting on 26 June 2014. The equity ratio is 30.43% (previous year: 34.96%).

Total assets increased from TEUR 593,191 as of 31 December 2013 to TEUR 773,943. This is mainly due to the acquisition of the solar park portfolio in France. Intangible assets went up overall by TEUR 33,736 to TEUR 125,162 and property, plant and equipment by TEUR 148,789 to TEUR 556,909.

As of 30 June 2014, the item financial investments mainly includes the investment in Eneri PV Services S.r.l. The investment in BlueTec GmbH & Co. KG was sold with effect from 28 March 2014.

As of 30 June 2014, the Group has bank and leasing liabilities amounting to TEUR 443,020 (previous year: TEUR 326,934). These comprise the loans and leases used to finance the solar parks and wind farms. Liability in all loan agreements is limited to the parks themselves (non-recourse financing).

Events after the reporting date

There have been no material changes in the operating conditions for Capital Stage Group's business between the reporting date 30 June 2014 and the time the interim consolidated financial statements were prepared for the first half of the 2014 financial year.

There have been no significant events since the close of the reporting period.

Opportunities and risks

The opportunities and risks to which the Capital Stage Group is exposed were described in detail in the consolidated balance sheet for the 2013 financial year. There have since been no changes to the situation as described there. The management board of Capital Stage AG is not currently aware of any risks that would jeopardize the continued existence of the company or the Group.

Overview of expected development

Capital Stage assumes that its positive revenue and earnings performance will continue for the remainder of the 2014 financial year. The management board stands by the forecast published in the combined management report and Group management report for the 2013 financial year and still expects:

in EUR mill.	
Revenues	80
EBITDA	67
EBIT	40
EBT	23

Dividend policy

Notes on the dividend

In view of the positive performance in 2013 and the prospects for the future, which remain good, the management board and supervisory board of Capital Stage AG tabled a proposal at the annual general meeting that took place on 26 June 2014 to pay a dividend of EUR 0.10 per share. This represents an increase of 25% over the 2012 financial year (EUR 0.08 per share). Shareholders also have the option of receiving the dividend either fully in cash or partly in the form of shares in Capital Share AG at a subscription price of EUR 3.70. The proposal by the management and supervisory boards was approved by a clear majority. The dividend will be paid in September 2014.

Details of the cash distribution and shareholders' opportunity to opt for shares are explained in a document that was sent to shareholders with the invitation to the annual general meeting and includes, in particular, information about the number and type of shares. The document, along with other information, is also available on the company's website www.capitalstage.com in the section Investor Relations/AGM.

Hamburg, August 2014
Capital Stage AG

Capital Stage AG

Management board

Felix Goedhart
CEO

Dr Zoltan Bognar

Consolidated statement of comprehensive income

in TEUR	1. HY 2014	1. HY 2013	Q2/2014	Q2/2013
Sales	39,526	26,241	27,414	17,790
Other income	14,621	11,490	6,339	5,081
Cost of Materials	-1,734	-1,940	-1,028	-1,187
Personnel expenses	-3,371	-3,087	-1,844	-1,393
of which in share-based remuneration	*-28*	*-43*	*-13*	*-34*
Other expenses	-6,036	**-3,925**	**-3,711**	**-2,493**
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**43,006**	**28,779**	**27,170**	**17,798**
Depreciation and amortization	-12,434	-8,642	-6,897	-3,796
Earnings before interest and taxes (EBIT)	**30,572**	**20,137**	**20,273**	**14,002**
Financial income	821	750	109	204
Financial expenses	-11,610	-8,525	-6,687	-5,033
Earnings before taxes on income (EBT)	**19,783**	**12,362**	**13,695**	**9,173**
Taxes on income	-725	-1,312	44	-443
Consolidated profit for the period (EAT)	**19,058**	**11,050**	**13,739**	**8,730**
Currency translation differences	-11	15	-5	-13
Consolidated comprehensive income	**19,047**	**11,065**	**13,734**	**8,717**
Consolidated profit for the period, of which attributable to:				
Shareholders of Capital Stage AG	18,878	10,823	13,426	8,346
Minority shareholders	180	227	313	384
Comprehensive income, of which attributable to:				
Shareholders of Capital Stage AG	18,867	10,838	13,421	8,333
Minority shareholders	180	227	313	384
Earnings per share				
Average shares issued during reporting period (basic/diluted)	70,856,049/ 70,785,415	51,671,972/ 51,674,418	72,439,406/ 72,364,262	53,154,974/ 53,185,940
Earnings per share in EUR, basic	0.27	0.21	0.19	0.16
Earnings per share in EUR, diluted	0.27	0.21	0.19	0.16

Consolidated balance sheet

Assets in TEUR	30 June 2014	31 December 2013
Intangible assets	125,162	91,426
Goodwill	6,827	6,827
Property, plant and equipment	556,909	408,120
Financial assets	6	7,785
Other accounts receivable	5,396	4,523
Deferred tax assets	9,858	5,564
Total non-current assets	**704,158**	**524,245**
Inventories	1,913	2,055
Trade receivables	15,344	4,517
Non-financial assets	3,790	3,084
Other current receivables	4,948	3,631
Cash and cash equivalents	43,790	55,659
Total current assets	**69,785**	**68,946**
Total assets	**773,943**	**593,191**

Equity and liabilities in TEUR	30 June 2014	31 December 2013
Share capital	72,439	67,741
Capital reserve	97,265	85,680
Reserve for equity-settled employee remuneration	207	179
Currency translation reserves	-117	-106
Distributable profit/loss	57,182	45,548
Minority shareholders	8,539	8,359
Total equity	**235,515**	**207,401**
Minority shareholders (KG)	4,742	4,027
Non-current financial liabilities	399,388	286,145
Non-current leasing liabilities	17,418	17,873
Provisions for restoration obligations	4,409	2,752
Other non-current liabilities	1,715	1,758
Deferred tax liabilities	55,296	42,161
Total non-current liabilities	**482,968**	**354,716**
Tax provisions	538	904
Current financial liabilities	33,908	22,028
Current leasing liabilities	904	888
Trade payables	5,828	2,119
Other current debt	14,282	5,135
Total current liabilities	**55,460**	**31,074**
Total equity and liabilities	**773,943**	**593,191**

Consolidated cash flow statement

in TEUR	01/01/-06/30/2014	01/01/-06/30/2013
Net profit/loss for the period	19,058	11,050
Cash flow from operating activities	**20,399**	**6,377**
Cash flow from investment activities	**-45,142**	**-3,507**
Cash flow from financing activities	**12,537**	**3,547**
Changes in cash and cash equivalents	**-12,206**	**6,417**
Changes in cash due to exchange rate changes	4	-11
Cash and cash equivalents		
As of 1 January 2014 (1 January 2013)	55,657	34,145
As of 30 June 2014 (30 June 2013)	43,455	40,551

Capital Stage AG consolidated statement of changes in equity

in TEUR	Subscribed Capital	Capital reserve	Currency translation reserve
As of 1 January 2013	**48,800**	**37,666**	**-159**
Consolidated comprehensive income for the period			15
Dividend paid			
Income and expenses recorded directly in equity			
Receipts from corporate actions	5,350	14,071	
Issuance costs		-133	
Taxes on items recorded directly in equity		40	
As of 30 June 2013	**53,750**	**51,644**	**-144**
As of 1 January 2014	**67,741**	**85,680**	**-106**
Consolidated comprehensive income for the period			-11
Dividend			
Income and expenses recorded directly in equity			
Receipts from corporate actions	4,698	12,450	
Issuance costs		-865	
Taxes on items recorded directly in equity			
As of 30 June 2014	**72,439**	**97,265**	**-117**

Retained earnings	Reserve for equity-settled employee remuneration	Distributable profit	Minority shareholders	Total
3,705	**119**	**32,388**	**8,143**	**130,262**
		10,823	227	11,065
		-3,913	-392	-4,305
	43			43
				19,421
				-133
				40
3,705	**162**	**39,298**	**7,978**	**156,393**
0	**179**	**45,548**	**8,359**	**207,401**
		18,878	180	19,047
		-7,244		-7,244
	28			28
				17,148
				-865
				0
0	**207**	**57,182**	**8,539**	**235,515**

Notes and comments

Company purpose

These condensed and unaudited interim consolidated financial statements have been prepared in accordance with section 37w paragraph 3 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and with IAS 34 'Interim Financial Reporting'. They do not include all the information that is required under IFRS for the consolidated balance sheet as of the end of a financial year and should therefore only be read in conjunction with the consolidated balance sheet as of 31 December 2013.

The interim financial statements and the interim management report have not been audited in accordance with section 317 of the German Commercial Code (Handelsgesetzbuch – HGB) nor reviewed by an auditor.

The consolidated statement of comprehensive income and the consolidated cash flow statement contain comparative figures for the first half of the previous year. The consolidated balance sheet includes comparative figures as of the end of the previous financial year.

The interim financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS) as applicable within the European Union.

The accounting policies applied are the same as those used for the last consolidated balance sheet as of the financial year end. We published a detailed description of the methods applied in the notes to the consolidated balance sheet for 2013. If there are any amendments to accounting policies, they will be explained in the individual notes.

The reporting company

Capital Stage AG (hereafter known as 'company' or together with its subsidiaries as 'Group') is a German joint stock company based in Hamburg. The Group's main areas of activity are described in chapter 1 of the notes to the consolidated balance sheet for the financial year ended 31 December 2013.

Subject to the interim consolidated financial statements are Capital Stage AG and its affiliates. For the group of consolidated companies, we refer to section 3.1 of the notes to the consolidated balance sheet as of 31 December 2013. The parent company of the Group, Capital Stage AG, was entered in the commercial register of Hamburg district court on 18 January 2002 under HRB 63197 and has its place of business in Grosse Elbstrasse 45, 22767 Hamburg.

Intra-Group transactions are conducted on arm's-length terms.

Significant accounting, valuation and consolidation principles

New standards and amendments to standards and interpretations

Some standards and interpretations of IAS and IFRS have been amended or revised in the first half of 2014. New standards have also been introduced. None of the disclosures required by amended or new standards have any effect on the these interim consolidated financial statements.

In the first half of 2014, the following companies were included in the consolidated balance sheet in addition to those mentioned in note 3.1 to the consolidated balance sheet as of 31 December 2013.

Business combinations

Business combinations are accounted for as described in the notes to the consolidated balance sheet as of 31 December 2013.

	Subscribed capital in EUR	Shares in %
MTS4 S.r.l., Italy	10,000	100
Solaire Ille SARL, France	100	85
Centrale Photovoltaique S-Au-S 06 SARL, France	1,000	85
CS Solarpark Bad Endbach GmbH	25,000	100
CS France Beteiligungsgesellschaft mbH, Hamburg	25,000	100
Le Communal Est Ouest SARL, Frankreich	500	100

The purchase price allocations (PPA) used for initial consolidation are only provisional, because in some cases facts may come to light after the PPA has been completed that result in subsequent changes up to one year after the acquisition.

We have refrained from providing specific details of the purchase prices due to a contractual confidentiality agreement.

The companies Solaire Ille SARL and Centrale Photovoltaique S-Au-S 06 SARL are both project companies for building two solar parks in the Languedoc-Roussillon region of France. No purchase price allocation has been carried out for the acquisition of these two companies, since the conditions for an existing business were not met. There have been no significant amendments concerning the consolidated balance sheet.

MTS4 S.r.l. and CS Solarpark Bad Endbach GmbH were acquired at a price below the market value of the individual assets and debts.

CS France Beteiligungsgesellschaft mbH is a recently acquired German holding company, which holds a 100% stake in the French company Le Communal Est Ouest SARL. The French company owns a portfolio of four solar parks in the French region of Aquitaine (Lot-et-Garonne), with a total capacity of 40.04 MWp. The purchase price for the solar park portfolio in France includes an earn-out payment of up to EUR 2.5 million. The reference period for determining the earn-out is 12 months from completion of the conversion work. It begins with the completion of the technical concept, but no later than 31 August 2014. Payment of the earn-out of up to EUR 2.5 million depends on the average specific yield from the photovoltaic systems, adjusted for solar radiation, in the earn-out reference period. Capital Stage currently assumes that the specific yield from the photovoltaic systems can be achieved and has capitalized the entire EUR 2.5 million as a purchase price and recognized a corresponding medium-term liability (one to five years). The contingent consideration (earn-out) recognized as a financial liability is deemed under IFRS 3.58 (b) to be a financial instrument within the meaning of IAS 39 and is measured at fair value (Level 3, i.e. the parameters for the liability are not observable). This acquisition also took place at a price below the market value of the individual assets and debts.

The negative difference (badwill) for the acquisitions in the first six months of 2014 comes to TEUR 8,661 in total.

New findings in connection with the profitability of the Italian solar park portfolio acquired in December 2013, which are largely due to the elimination of the technical faults in the solar power modules, resulted in adjustments to intangible assets and deferred tax liabilities. The resulting earnings effect amounts to TEUR 4,246.

The holdings of non-controlling shareholders were measured proportionately to their overall share of the values of the identifiable net assets.

The identified assets and assumed debt of the initially consolidated companies are as follows:

MTS4 S.r.l., Bolzano, Italy	Carrying amount before purchase price allocation in TEUR	Fair value according to preliminary PPA in TEUR
Intangible assets	23	4,620
Property, plant and equipment	6,394	6,264
Other non-current receivables	1,136	1,136
Current assets	936	936
Cash and cash equivalents	38	38
Debt and provisions	8,007	8,214
Deferred tax assets	0	98
Deferred tax liabilities	0	1,333

This transaction relates to the acquisition of a solar park in Noceto, in the Italian region of Emilia-Romagna. The park was consolidated for the first time as of 9 January 2014. The business combination was carried out by applying the partial goodwill method. The newly measured shareholders' equity at the time of initial consolidation was TEUR 3,545. Receivables acquired in the course of the transaction, which consist mainly of trade and tax receivables, have a fair value of TEUR 926. The best estimate, on the acquisition date, of the anticipated unrecoverable portion of the contractual cash flows was TEUR 0. There were no contingent assets or liabilities. The incidental transaction costs totalled TEUR 0. Revenue of TEUR 573 and a loss of TEUR 89 have been recognized from the acquired company since the date of first consolidation.

CS Solarpark Bad Endbach GmbH, Halle	Book value before purchase price allocation in TEUR	Fair value according to preliminary PPA in TEUR
Intangible assets	0	2,221
Property, plant and equipment	11,380	11,742
Current assets	88	88
Cash and cash equivalents	688	688
Debts and provisions	9,486	9,484
Deferred tax assets	0	0
Deferred tax liabilities	0	750

This transaction entails the acquisition of a solar park in Bad Endbach, Hesse. The park was consolidated for the first time as of 31 March 2014. The business combination was carried out by applying the partial goodwill method. The newly measured shareholders' equity at the time of initial consolidation was TEUR 4,505. The receivables assumed as a result of the transaction, mainly comprising trade receivables, have a fair value of TEUR 79. The best estimate, on the acquisition date, of the anticipated unrecoverable portion of the contractual cash flows was TEUR 0. There were no contingent assets or liabilities. The incidental transaction costs totalled TEUR 22. Revenue of TEUR 686 and a profit of TEUR 300 have been recognized from the acquired company since the date of first consolidation. Had the company been consolidated since the beginning of 2014, the consolidated balance sheet would have reflected additional revenue of TEUR 860 and a profit of TEUR 157.

CS France Beteiligungsgesellschaft mbH, Hamburg (incl. Beteiligung an Le Communal Est Ouest SARL, Frankreich)	Book value before purchase price allocation in TEUR	Fair value according to preliminary PPA in TEUR
Intangible assets	0	23,424
Property, plant and equipment	126,777	128,895
Current assets	2,777	2,777
Cash and cash equivalents	8,576	8,576
Debts and provisions	145,048	145,010
Deferred tax assets	0	886
Deferred tax liabilities	0	6,091

This transaction involves the acquisition of a German holding company with 100% interests in a portfolio of French solar parks in the Aquitaine region of France (Lot-et-Garonne). The park was consolidated for the first time as of 1 April 2014. The business combinations were carried out by applying the partial goodwill method. The newly measured shareholders' equity at the time of initial consolidation was TEUR 13,457. Receivables acquired in the course of the transaction, which consist mainly of trade and tax receivables, have a fair value of TEUR 2,777. The best estimate, on the acquisition date, of the anticipated unrecoverable portion of the contractual cash flows was TEUR 0. There were no contingent assets or liabilities. The incidental transaction costs totalled TEUR 134. Revenue of TEUR 5,147 and a profit of TEUR 837 have been recognized from the acquired company since the date of first consolidation. Had the company been consolidated since the beginning of 2014, the consolidated balance sheet would have reflected additional revenue of TEUR 8,051 and a loss of TEUR 375.

Overall effects of the acquisition on the Group's results

The interim financial statements as of 30 June 2014 show profits of TEUR 1,048 from companies that were consolidated for the first time in the period from 1 January to 30 June 2014. The sales revenues recognized as of 30 June 2014 include TEUR 6,406 from the newly consolidated solar parks. If the business combinations had taken place on 1 January 2014, Group revenues in these divisions to 30 June 2014 would have been TEUR 3,078 greater and the net profit would have been TEUR 1,355 lower.

Critical accounting judgements and key sources of estimation uncertainties

For various items, the preparation of the consolidated balance sheet in accordance with IFRS requires that assumptions and estimates are made that have an effect on the amount and the recognition of assets and debts and of revenue and expenses. The actual amounts may differ from these estimates. Amendments are recognized in profit or loss at the time better knowledge becomes available.

The company's only significant area of accounting judgement is the recognition of potential goodwill through the use of either the partial goodwill method or the full goodwill method. In other respects, there is no significant area of accounting judgement. The intangible assets recorded during the purchase price allocation process form the basis for the company's planning, which also takes into account contractual agreements and management estimates. The discount rates (WACC) used to measure the intangible assets in the reporting period were between 4.37% and 4.53%.

The reader is referred to the discussion in note 3.7 for details of the assumptions made when determining the fair value of financial assets.

In calculating the present values of lease liabilities and financial liabilities, the contractually agreed interest rates were applied.

Financial assets

The financial investment in BlueTec GmbH & Co. KG was sold with effect from 28 March 2014 to ALANOD GmbH & Co. KG.

With the exception of the interest rates, the financial assets carried at fair value in the consolidated balance sheet and the stated fair values of financial instruments are based on the level-three information and input factors referred to in note 3.10 to the consolidated financial statements as of 31 December 2013. Changes in the value of financial investments are recognized through profit or loss in the financial result. Adjustments to the fair value of interests in associated companies are recognized through profit or loss in other operating expenses or other operating income. The measurement methods and input factors applied have not changed since 31 December 2013.

Interest rate swaps

The fair value of interest rate swaps as of the reporting date is measured by discounting future cash flows to the reporting date using yield curves and the credit risks associated with the contracts. This present value is given below.

The following table shows the nominal amounts and remaining terms of the interest rate swaps outstanding at the end of the reporting period:
The following table shows the nominal amounts and remaining terms of the interest rate swaps outstanding at the end of the reporting period:

Outstanding 'receive floating/ pay fixed' swaps	Weighted contracted fixed interest rates	Nominal amount	Fair value
	%	in TEUR	in TEUR
Less than one year	0.55	3,721	-8
One to two years	4.5	620	-27
Two to five years	-	-	-
Over five years	2.86	93,132	-4,849
Total	2.78	97,473	-4,884

Equity

On 27 and 28 February 2014, the management board of Capital Stage AG, on the basis of authorized capital and with the approval of the supervisory board from the same dates, decided to increase the company's share capital by EUR 4,698,158.00 from EUR 67,741,248.00 to EUR 72,439,406.00 by issuing 4,698,158 new bearer shares for subscription in cash with no subscription rights for existing shareholders. The new shares have dividend rights from 1 January 2013 onwards.

The capital increase was carried out in full at a price of EUR 3.65 per share. The new shares were sold to international institutional investors and existing core shareholders. Share capital is now EUR 72,439,406.00, divided into 72,439,406 no-par shares. The capital increase was entered in the commercial register of the Hamburg district court on 3 March 2014.

In view of the positive performance in 2013 and the prospects for the future, which remain good, the management board and supervisory board of Capital Stage AG tabled a proposal at the annual general meeting that took place on 26 June 2014 to pay a dividend of EUR 0.10 per share. This represents an increase of 25% over the 2012 financial year (EUR 0.08 per share). Shareholders also have the option of receiving the dividend either fully in cash or partly in the form of shares in Capital Share AG at a subscription price of EUR 3.70. The proposal by the management and supervisory boards was approved by a clear majority. The dividend will be paid in September 2014.

Events after the balance sheet date

The solar park in Wolgast (Mecklenburg-Western Pomerania) acquired on 14 November 2013 has not yet been included in the consolidated balance sheet, as the closing of the transaction is still subject to the usual conditions precedent.

On 16 April 2014, the Group acquired a financial investment of 51% in Windkraft Kirchheilingen IV GmbH & Co. KG in Thuringia. The sales contract with BOREAS Energie GmbH from Dresden, which will retain 49% of the shares in the company, is still subject to the usual conditions precedent. The wind farm in Kirchheilingen, about 40 km north of Erfurt, has a total capacity of 12 MW and is due for completion in December 2014.

On 30 June 2014, Capital Stage signed an agreement with Solairedirect to acquire two further solar projects in France with a total capacity of 16 MWp. The purchase contracts are still subject to the usual conditions precedent. The closing took place on 23 July 2014.

Consolidated segment reporting

for the consolidated statement of comprehensive income
from 1 January to 30 June 2014 (from 1 January to 30 June 2013)

in TEUR	Administration	PV Parks	PV Services
Sales	0	32,579	1,460
(previous year)	(1)	(19,185)	(1,037)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-2,684	41,173	735
(previous year)	(-1,847)	(24,341)	(537)
Earnings before interest and taxes (EBIT)	-2,729	30,471	717
(previous year)	(-1,886)	(16,739)	(524)
Financial result	2,786	-12,074	-4
(previous year)	(624)	(-6,005)	(-9)
Earnings before taxes on income (EBT)	57	18,397	713
(previous year)	(-1,262)	(10,734)	(515)
Earings per share, basic	0.03	0.23	0.01
(previous year)	(-0.02)	(0.18)	(0.01)
Assets including financial investments	191,986	661,130	1,743
(As of 31 December 2013)	(165,073)	(465,591)	(2,595)
Capital expenditures (net)	-139	-43,279	-12
(previous year)	(-789)	(-3,629)	(-36)
Debt	17,532	593,646	634
(As of 31 December 2013)	(1,667)	(414,317)	(1,810)

Windfarms	Financial investments	Reconciliation	Total
3,988	**2,681**	**-1,182**	**39,526**
(3,434)	(3,511)	(-927)	(26,241)
3,289	**493**	**0**	**43,006**
(6,293)	(-545)	(0)	(28,779)
1,640	**473**	**0**	**30,572**
(5,346)	(-586)	(0)	(20,137)
-1,002	**-95**	**-400**	**-10,789**
(-704)	(-1,681)	(0)	(-7,775)
638	**378**	**-400**	**19,783**
(4,642)	(-2,267)	(0)	(12,362)
0.00	**0.01**	**-0.01**	**0.27**
(0.08)	**(-0.04)**	**(0.00)**	**(0.21)**
80,384	**9,368**	**-170,668**	**773,943**
(80,714)	(8,199)	(-128,981)	(593,191)
-1,700	**-12**	**0**	**-45,142**
(-7)	(-18)	(972)	(-3,507)
71,911	**8,056**	**-153,351**	**538,428**
(72,372)	(7,263)	(-111,639)	(385,790)

Other statements

Employees

The Group had an average of 67 employees in the period from 1 January to 30 June 2014. The average figures were determined using the number of employees at the end of each month. On 30 June 2014, apart from the management board members, the Group had 21 employees at Capital Stage AG, 11 employees at Capital Stage Solar Service GmbH and 32 employees at Helvetic Energy GmbH.

Share-based payment

No options were converted in the first six months of 2014. Staff expenses for the option programme of TEUR 28 (1 January to 30 June 2013: TEUR 43) were recognized in the income statement in this period.

Related-party disclosures (IAS 24)

Rental contracts on arm's-length terms exist with Albert Büll, Dr. Cornelius Liedtke GbR in Holzhafen for office space for Capital Stage AG and car parking spaces in the same building.

On 24 March 2014, a short-term loan of EUR 6.0 million was taken out on arm's-length terms from Lobelia Beteiligungs GmbH, Grünwald, as temporary bridge financing for the subsequent acquisition of the solar park CS Solarpark Bad Endbach GmbH.

Notification requirements

Notifications in accordance with section 21 paragraph 1 or paragraph 1a of the Securities Trading Act (WpHG) are shown on the website of Capital Stage AG under http://www.capitalstage.com/investor-relations/stimmrechtsmitteilungen.html.

Forward-looking statements and forecasts

This report includes forward-looking statements based on current expectations, assumptions and forecasts by the management board and the information available to it. Known or unknown risks, uncertainties and influences may mean that the actual results, the financial position or the company's performance differ from the estimates provided here. We assume no obligation to update the forward-looking statements made in this report.

Assurance of the legal representatives

We declare that, to the best of our knowledge and according to the applicable accounting standards, the report for the first half year of 2014 gives a true and fair view of the net assets and financial and earnings positions of the Group, and that the Group management report includes a fair review of the course of business, including the business result, and the situation of the Group and suitably presents the principal opportunities and risks associated with the expected development of the Group.

Hamburg, August 2014

Capital Stage AG

The management board

Felix Goedhart
CEO

Dr Zoltan Bognar

The financial report is also available in a German version. In case of doubt the German version shall prevail.

photos: Capital Stage,

Concept & design: www.sop-hamburg.de

CAPITAL STAGE
RENEWABLE ENERGIES

Große Elbstraße 45
D-22767 Hamburg

Fon: +49 (0) 40 37 85 62-0
Fax: +49 (0) 40 37 85 62-129

info@capitalstage.com
www.capitalstage.com