BLACK ON WHITE

Annual Report 2014

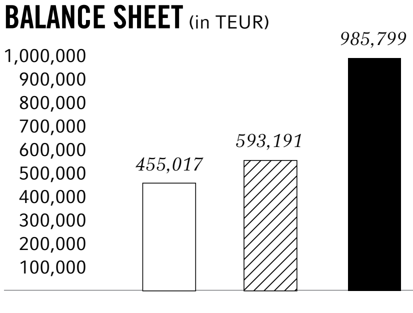
CAPITAL STAGE
RENEWABLE ENERGIES

KEY-FIGURES

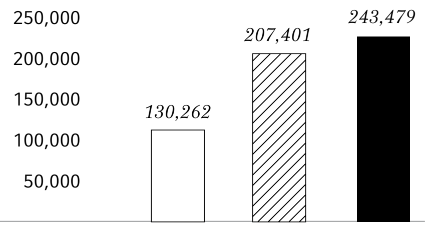
IFRS (in TEUR)	2010	2011	2012	2013	2014	+/-
Revenues	12,980	35,463	45,118	56,991	77,826	+36.56%
EBITDA	13,591	24,774	33,729	50,402	85,290	+69.22%
EBIT	7,023	13,308	20,546	31,669	46,367	+46.41%
EBT	1,772	5,212	9,495	15,833	23,855	+50.67%
EAT	1,653	2,497	9,142	14,044	26,055	+85.52%
Balance sheet total	181,570	299,980	455,017	593,191	985,799	+66.19%
Equity	63,083	91,586	130,262	207,401	243,479	+17.40%
Cash flow from operating activities	10,518	14,387	27,108	36,018	55,906	+55.22%
FFO* (in EUR mill.)	4.8	12.7	15.1	23.1	35.8	+54.98%
FFOPS** (in EUR)	0.17	0.40	0.32	0.41	0.50	+21.95%

* FFO: Funds From Operations | ** FFOPS: Funds From Operations Per Share

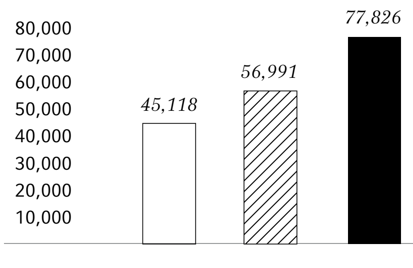
BALANCE SHEET (in TEUR)



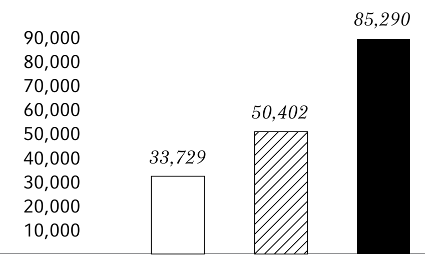
EQUITY (in TEUR)



REVENUES (in TEUR)



EBITDA (in TEUR)



2012 2013 2014

HIGHLIGHTS

36% Increase in revenues

55% Increase in cash flow from operating activities

62% Expansion of capacity

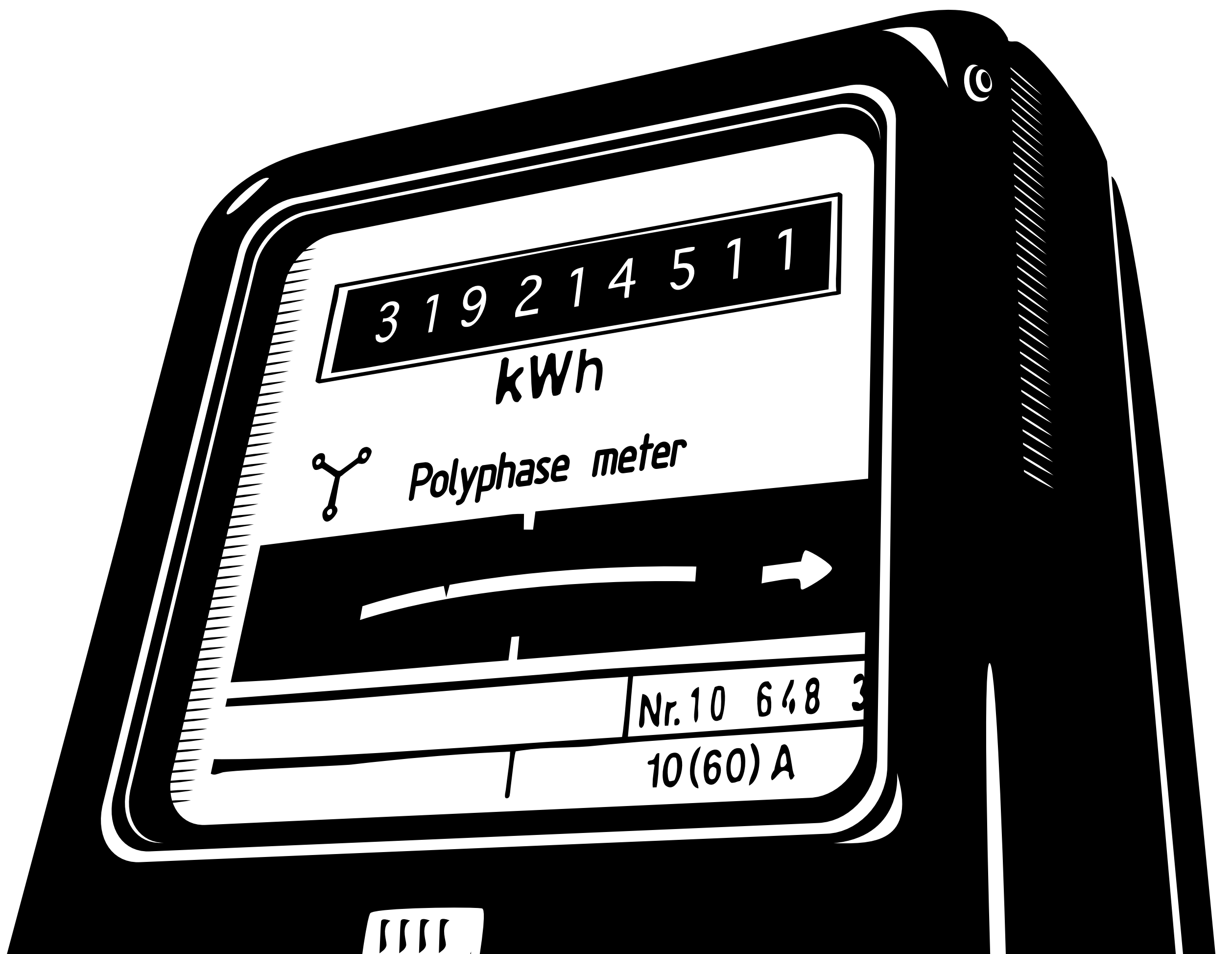
66% Increase in total assets

85% Increase in EAT

For us, a successful year contains

319,214,511 hours.

The number of kilowatt hours generated in 2014, to be precise.



Felix Goedhart
CEO

Dr Christoph Husmann
CFO

Dear Shareholders, Ladies and Gentlemen,

In 2014 we were again able to report excellent earnings and continue our dynamic growth. What began in 2008 as an idea and in 2009 as a small but far-sighted investment in a 5-megawatt (MWp) solar park in Bavaria is now Germany's largest independent operator of solar parks and wind farms. With 67 installations in four European countries, over 440 MW of generating capacity and a market capitalization of over EUR 450 million, Capital Stage is also the biggest solar company listed on the German stock exchange.

In 2014 we were able to attract Gothaer Versicherungen (Gothaer Insurance Group), a dependable, financially robust partner with experience of the sector, to finance our growth. As part of a long-term strategic partnership, Gothaer is providing us with EUR 150 million in participation rights capital for a period of 20 years. With industry standard leverage, this will enable us to invest some EUR 600 million and expand our generation portfolio to around 600 MW.

The partnership has got off to a good start and the first investments have already been successfully completed. In late 2014 we acquired five solar parks in France with a generating capacity of approximately 50.8 MWp, which is the largest acquisition in the company's history. At the end of 2014 we also added another six solar parks with a capacity of some 26.7 MWp to our portfolio of solar parks in Italy. By acquiring a British portfolio of solar parks with a total of 53.4 MWp in early 2015, we have also made a successful entrance into the UK market. This further increases our geographical diversification. Capital Stage AG now has operations in Germany, France, Italy and the United Kingdom.

The continued expansion of our portfolio also lead to a sharp increase in revenues in 2014. They rose by almost 37% to around EUR 77.8 million (2013: EUR 57.0 million). Earnings before taxes (EBT) rose by a good 50% to EUR 23.9 million (2013: EUR 15.8 million). The expansion of our portfolio of solar parks and wind farms and the corresponding increase in our operating profitability is also refelcted in a sharp climb in our cash flow from operating acitvities, which was up by more than 55% to around EUR 55.9 million (2013: EUR 36.0 million).

We assume that this positive revenue and earnings growth will continue in the current financial year 2015. Our earnings forecast is again based solely on our current portfolio of secured investments. On this basis we are expecting revenue growth of around 35% to over EUR 105 million in 2015. Cash flow from operating activities will also be much higher at over EUR 75 million (2014: EUR 55.9 million).

At the same time, our pipeline of attractive new investments is well filled. Our company still has funds available for investment of approximately EUR 100 million which, including the normal leverage used at the level of individual projects, enable us to seize a transaction volume of around EUR 400 million.

As in prior years, we again intend to give the shareholders of Capital Stage an appropriate proportion of the company's positive earnings performance. For 2014 we are therefore proposing to distribute a tax-free dividend of EUR 0.15 per voting share. This represents a year-on-year increase of around 50% (2013: EUR 0.10). The dividend will again be offered as an optional dividend.

We passed a number of important milestones for our company in 2014. Capital Stage has a well-diversified portfolio of profitable solar parks and wind farms with limited risks. Furthermore, we have identified a large number of attractive investments in our core regions. The strategic partnership with Gothaer Versicherungen secures the funding of our future growth. Renewable energy is a megatrend, and the low interest rates also create a very favourable environment for our business. The Capital Stage share therefore remains an attractive investment with a balanced risk–return profile.

In this annual report, we present the main aspects of our successful performance – in black on white.

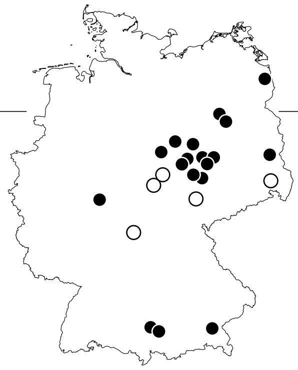
Hamburg, April 2015

The management board

Felix Goedhart
CEO

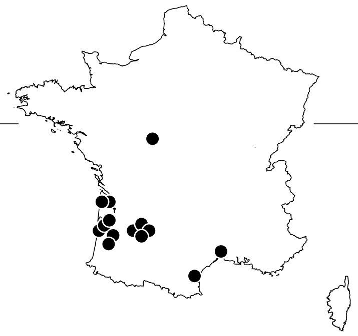
Dr Christoph Husmann

SOLARPARKS AND WINDFARMS



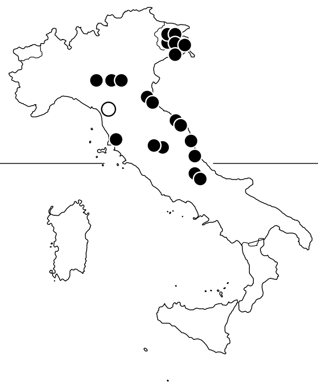
GERMANY

● Solar:	133.13 MW
○ Wind:	54 MW



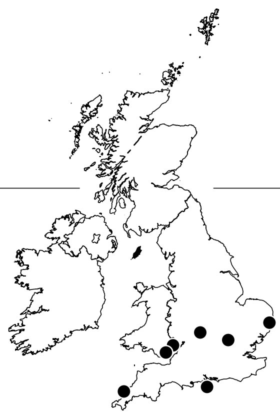
FRANCE

● Solar:	140.72 MW



ITALY

● Solar:	57.70 MW
○ Wind:	5.95 MW



UNITED KINGDOM

● Solar:	53.40 MW

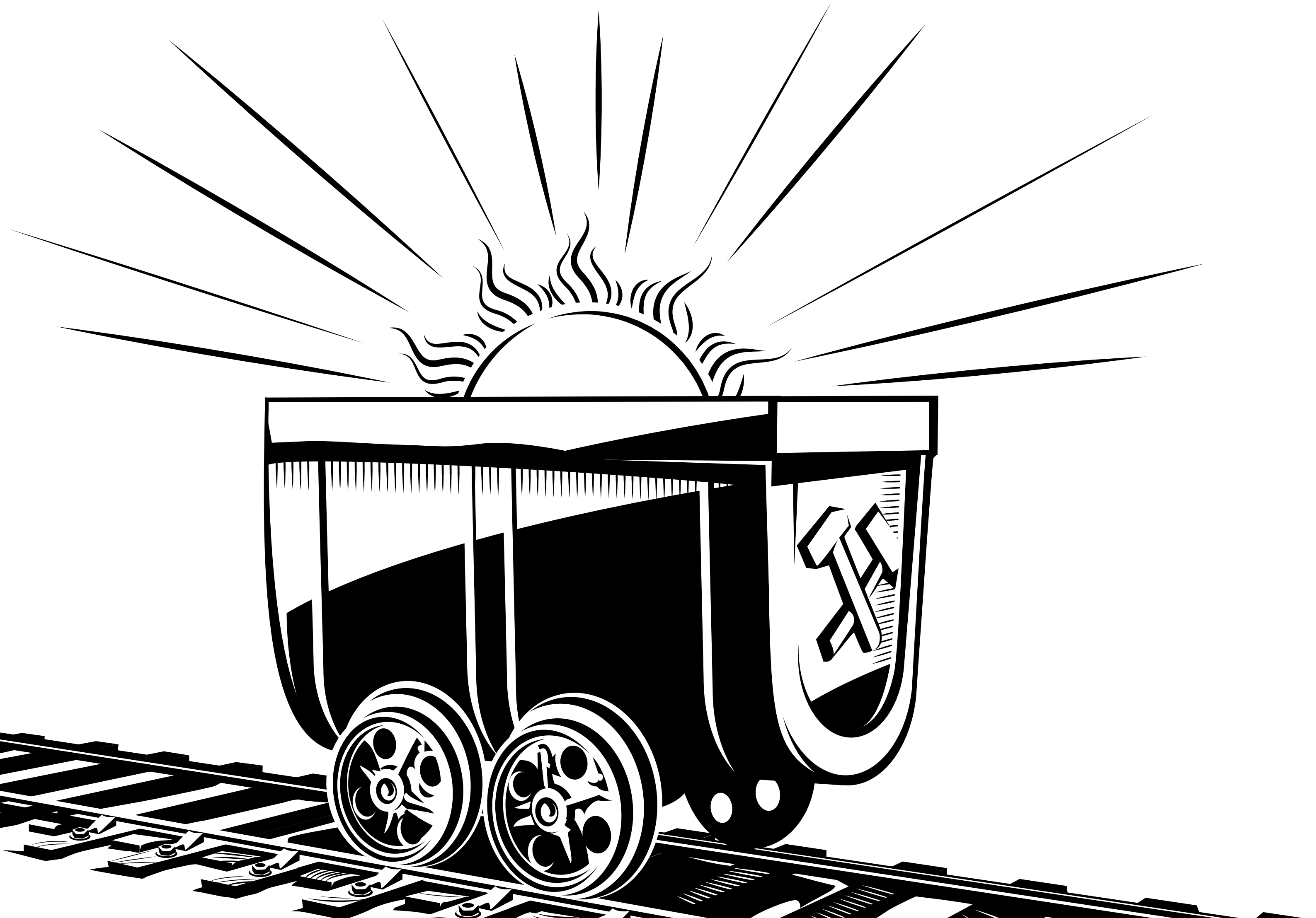
As of 31 March 2015

Total:	**444.90 MW**

Making money from coal was yesterday -

nowadays you make money from the sun.

37% sales growth is clear proof of this.



INVESTING IN THE SUNNY SOUTHERN FRANCE

Capital Stage is Germany's largest independent solar park operator, having acquired 67 solar parks and wind farms to date. And the compnay will continue to expand its portfolio steadily in the future. This is backed up not only by a clear investment strategy, but above all by a team of seven investment managers who ensure that all the parks acquired meet the company's technical and financial specifications. In recent years, the team led by Felix Goedhart, CEO of Capital Stage AG, has gained great standing on the market and has repeatedly demonstrated to have the right instinct in identifying attractive deals.

As it was the case in 2014, with the largest acquisition in the history of the company to date. The sun-kissed region of Aquitaine, in the Lot-et-Garonne department of southern France, was the site chosen by GP JOULE, a project developer from Schleswig-Holstein, to start building new ground-mounted solar parks. Five of these parks, with a generation capacity of 50.8 MWp, were offered to Capital Stage as a portfolio. Capital Stage and GP JOULE have enjoyed trustful relations in a spirit of partnership for many years. Alexander Kolb, investment manager at Capital Stage whose responsibilities include the French region, looks back: "A portfolio of this size in one of the sunniest regions of France and built by a reliable project developer with whom we have already worked successfully is extremely rare and very interesting." Straight away, Capital Stage put a well-rehearsed and meticulous investment process into action.

First, all the general data for the parks on offer was analysed thoroughly. Felix Goedhart explains the first stage of the investment process as follows: "In our initial analysis, the **investment criteria** include for example whether the parks all have secure feed-in tariffs (FIT) or power purchase agreements (PPAs), whether the components used are of high quality, whether completion risks still exist and whether the parks were realised by a dependable project developer who knows their business."

Once this first hurdle has been passed, the detailed calculations begin. A profitability analysis is drawn up on the basis of the information provided by the seller as well as data and experience of Capital Stage itself. Within this analysis the income and expenses for each individual park over its entire life cycle will be forecasted and compared.

The fixed feed-in tariffs, which determine the price at which the electricity produced can be sold, have already been set in France for a period of up to 20 years. Power sales are generally guaranteed for this period too. "Unlike most other companies, our solar parks in France have practically no pricing or sales risk", explains Alexander Kolb. Income for the solar parks is thus largely dependent on the amount of sunshine (sun radiation) that is forecasted. The more often and the more intensely the sun shines on the solar modules, the more electricity is generated. It is therefore important that the sun radiation forecast is as precise as possible to obtain an accurate **profitability analysis**.

So it's all the better that Capital Stage already operates a portfolio of solar parks in southern France, just 100 kilometres from where the installations being sold are situated. "In addition to the official sun radiation data, this means we can draw on our own past experience", comments Alexander Kolb on this competitive advantage.

Of course a solar park not only earns income but also has corresponding expenses. They include the cost of the ongoing technical and commercial management of the parks, as well as insurance premiums for the solar modules and inverters to cover lost income in the event of damage. The parks are also largely financed by debt, so the interest and scheduled capital repayments also have to be included in the return calculation.

When all the income and expenses have been plotted, one gets an overall picture that shows the profitability from a PV-park. "The profitability analysis shows us the return on the capital we invest", explains Felix Goedhart. "We compare this with the minimum return requirements that we have defined internally for each region and for a given period. On this basis we also calculate the amount of our **indicative offer**. The purchase price must enable us to generate our target return", adds Goedhart. But which bid is chosen by the seller at the end of the day depends not solely on the purchase price. Speed of execution, dependability, liquidity and the buyer's knowledge of the sector are also important criteria for the seller's decision. Here, the Capital Stage investment team scores highly, with a track record in this transaction category that is practically unmatched in Europe.

After submitting their indicative offer for the portfolio of solar parks in southern France, the team eagerly awaited the seller's decision at company headquarters in Hamburg, Germany. The response was positive, so Capital Stage moved into the next round of exclusive negotiations. In this phase, the seller is not allowed to offer or sell the solar parks to any other potential buyers. All the remaining bidders are given access to an (electronic) data room. It contains extensive documentation and copies of contracts: from the leases for the land to the documents showing that the feed-in tariffs have been properly secured with the French regulatory authorities. A new period of intensive examination and assessment of this data begins – known as **due diligence**. "Due diligence is extremely important in finding out about all the strengths and weaknesses of the parks and the relevant contracts before making a binding offer. It enables us to avoid problems further down the line and, if necessary, to include the rectification of any defects as a condition precedent in the purchase contract", explains Felix Goedhart. Due diligence normally consists of commercial, technical and legal elements:

- Within the **commercial due diligence**, the data provided by the seller and used for the profitability analysis is reviewed again to ensure it is plausible. Have all the costs been calculated correctly, for instance, and does the information on the feed-in tariffs match the existing contract documents? With their experience of over 60 successfully completed acquisition processes, the investment team also approaches this task systematically and smoothly. "We know exactly where any flaws can be hidden and we check those especially carefully. We know GP JOULE to be a reliable partner and our commercial due diligence did not give rise to any fundamental objections", recalls Alexander Kolb.

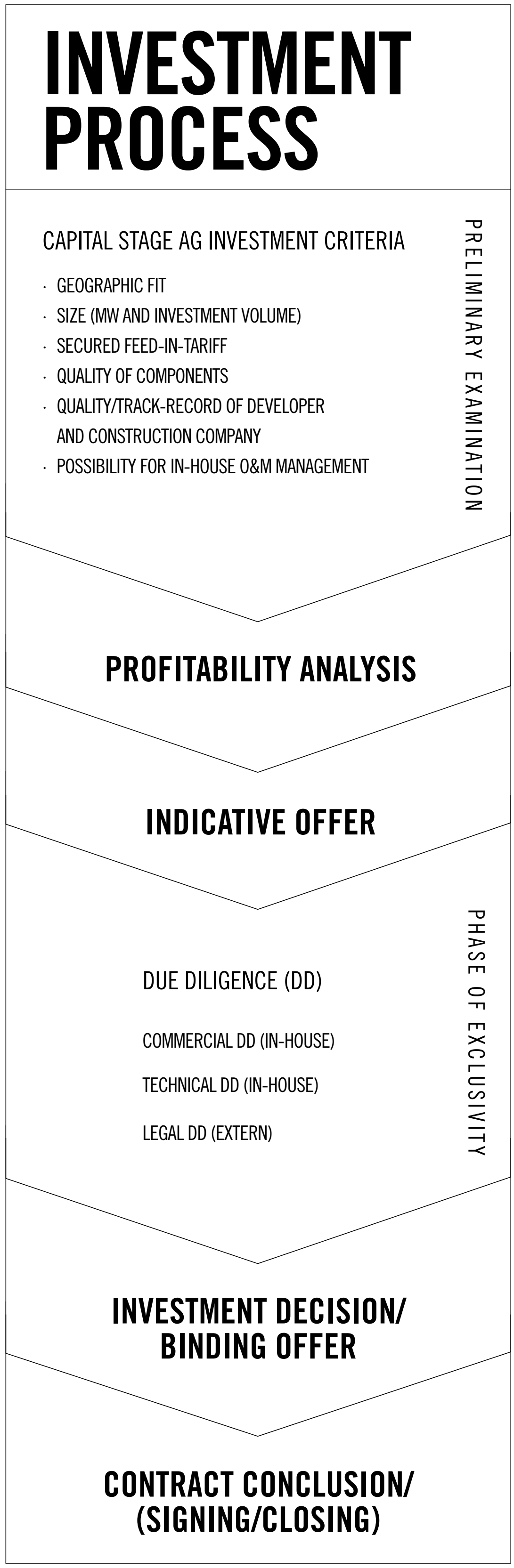
- **Technical due diligence** at Capital Stage is carried out by the specialists from Capital Stage Solar Service GmbH, a wholly owned subsidiary of Capital Stage AG based in Halle. They are responsible for the technical management at many of Capital Stage's solar parks and know exactly where quality issues and technical defects can arise. A team from Capital Stage Solar Service, led by the managing director Sascha Wirth, was sent to southern France to inspect the installations. They were carefully checking, re-checking and testing the solar parks on site. Not only did they inspect the installed equipment itself, but they also verified that the mountings for the modules were erected in accordance with building permits. Access to the online monitoring system for the local parks also made it possible to glean further information about the actual yield delivered by the solar modules.

- **Legal due diligence** is the final element of the process. This makes sense because there would be no need to incur the expense of external legal advice if the other examinations were to reveal any significant defects. That not being the case, the lawyers appointed to carry out the legal review verify carefully that all the necessary contracts and approvals are in order. The insurance coverage for the parks is also subjected to another detailed analysis.

Most of the due diligence – the commercial and technical elements – are carried out internally by Capital Stage. This has a number of decisive advantages: It is not only cheaper than outsourcing the work to external service providers, but it also makes it possible to coordinate the individual aspects of the review closely and thus to obtain a very efficient and time-saving due-diligence process.

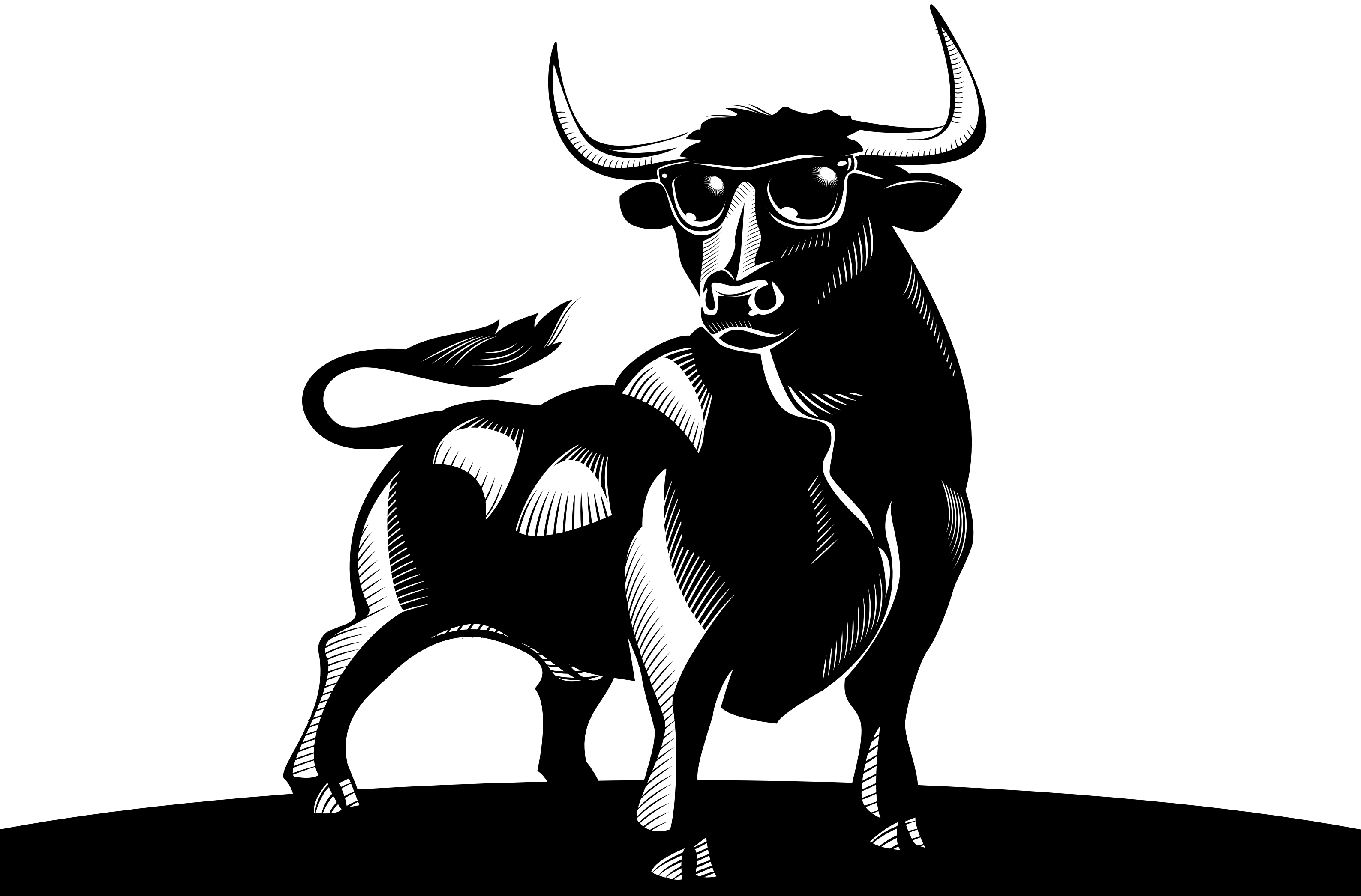
Capital Stage's investment team used the additional findings from the due diligence to adjust the indicative offer and submit a **binding offer**. The seller's response soon made it clear that it is not always the highest offer that wins the day: "GP JOULE told us, 'The contract's yours if we can close the deal by the end of the year. Is that feasible?' - We replied, 'Of course it is' ", is how Felix Goedhart describes the final stage of the sales process.

And indeed, on a mild December day near the Hamburg Fischmarkt in Germany, representatives of GP JOULE, HSH Nordbank, which had conducted the sales process, and Capital Stage met at the Capital Stage offices to negotiate and **sign the sales contract**. By the end of the day, five solar parks in southern France had changed hands and Capital Stage was able to report the largest transaction in the history of the company.



The sun is shining on the SDAX.

We are very happy with our promotion
to the German Smallcap Index.



THE CAPITAL STAGE SHARE

Key information	
Listed since	28.07.1998
Share capital (31 Dec. 2014)	72,834,144.00 EUR
Number of shares (31 Dec. 2014)	72,834,144
Stock exchange segment	Prime Standard
Dividend per share (2011, 2012, 2013, 2014*)	0.05 EUR, 0.08 EUR, 0.10 EUR, 0.15 EUR*
52-week high	6.12 EUR
52-week low	3.46 EUR
Share price (31 March 2015)	6.10 EUR
Market capitalisation (31 March 2015)	450.61 mill. EUR
Indices	SDAX, HASPAX, PPVX
Trading centres	XEXTRA, Frankfurt/Main, Hamburg
ISIN	DE 0006095003
Designated Sponsor	ODDO Seydler Bank AG

** Subject to approval at the annual general meeting on 23 June 2015*

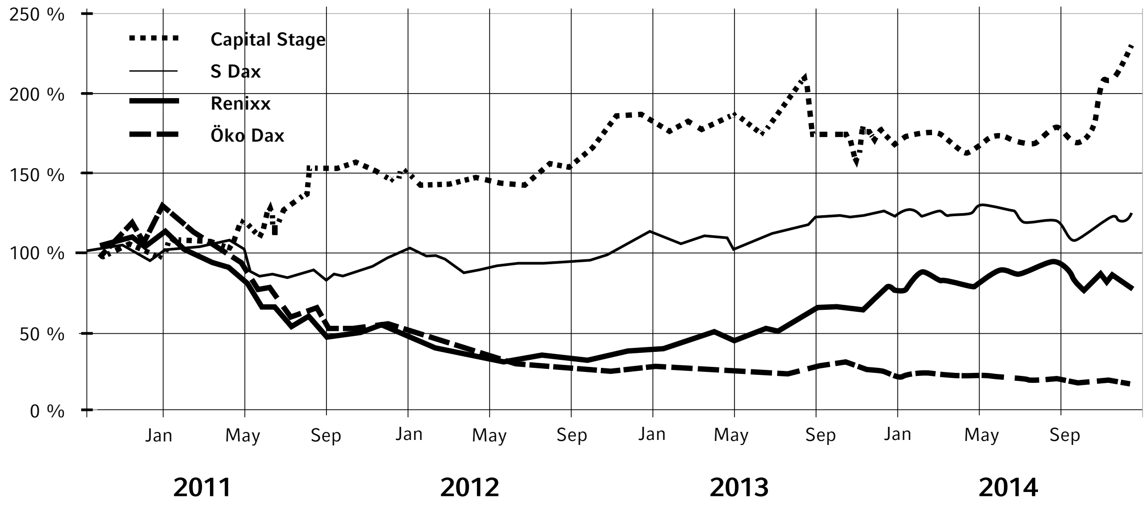
Eventful stock market year
It was a roller coaster ride in 2014 for the German large-cap index DAX. In the first half of the year, it performed very well, passing the 10,000-point mark for the first time. In July the DAX reached what was then an all-time high of 10,029 points. But in August the tide turned and the index began tumbling to a low for the year of 8,571 points in October. Reasons for the downturn included a spike in geopolitical conflicts, particularly in Ukraine and the Middle East, and renewed speculation about Greece's solvency. At the end of the year, the DAX closed below the 10,000-point mark at 9,805, which only represented a slight increase of 2.7% over the year. The SDAX mid-cap index, which includes the Capital Stage AG share, largely mirrored the performance of the DAX. Towards the end of 2014, the SDAX performed better, however, rising year on year by 5.9% to close at 7,186 points.

In the first three months of 2015, the DAX again climbed steeply by 20% and closed the first quarter of 2015 at a new record of 11,966 points. The SDAX also continued its positive trend in the first quarter of 2015, up by 17% to 8,417.

Overall, 'green' shares outperformed the market as a whole in 2014. RENIXX World, a leading international renewable energy index, closed 2014 with an increase of over 17%. RENIXX World is the first share index to track the performance of the world's 30 leading listed companies in the renewable energy industry. 'Green' shares continued their strong performance in the first three months of 2015. With an increase of more than 28%, RENIXX World again substantially outperformed the DAX and SDAX indexes in the first quarter of 2015.

Capital Stage share reaches all-time high
In the first ten months of 2014, the Capital Stage AG share delivered a stable sideways performance in a volatile market. During this period, the share traded at an average of approximately EUR 3.70. In November 2014 the price of the share rose sharply when the successful closing of a long-term strategic partnership with Gothaer Versicherungen (Gothaer Insurance Group) was announced. By the end of the year, the share had therefore outperformed all the relevant indexes by a substantial margin. The price of the Capital Stage share went up from EUR 3.75 at the start of the year to EUR 4.81 as of year end 2014. This represents an increase of some 28%. Its high for the year was EUR 4.95 on 29 December 2014. The share closed the year at EUR 4.81 (Xetra closing price).

In the first quarter of 2015, the Capital Stage share continued its dynamic performance. The share price went up steeply by 27% in the first three months to reach a closing price in electronic trading (Xetra) of EUR 6.10 on 31 March 2015.



Capital Stage included in SDAX mid-cap index
Capital Stage AG moved to the most strictly regulated Prime Standard segment of Deutsche Börse in Frankfurt in March 2013. On 5 March 2014, the executive board of Deutsche Börse voted to admit the Capital Stage share to the SDAX mid-cap index on the recommendation of the Share Indices Working Group. Admission took place as of the next date of concatenation on 24 March 2014. Inclusion in the index has not only increased the visibility of the Capital Stage share, but also fulfilled a basic prerequisite for investment by many institutional investors.

Market capitalization and trading volume up sharply
As of year end 2014, the share capital of Capital Stage stood at EUR 73,834,144.00, divided into 73,834,144 bearer shares with no par value. The market capitalization of Capital Stage AG increased substantially in 2014. Based on the closing price for the year (Xetra), the market capitalization as of 30 December 2014 was EUR 355.14 million (2013: EUR 254.03 million). A further increase in the first three months of 2015 took the market capitalization for Capital Stage up to EUR 450.61 million as of 31 March. This made Capital Stage the most valuable solar share listed at the German stock exchange in Frankfurt as of the end of the first quarter of 2015.

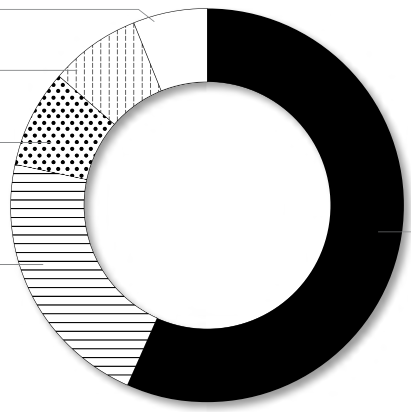
Liquidity in the Capital Stage share also improved significantly. The average daily trading volume on the electronic trading platform Xetra was 49,798 shares in 2014, which represents an increase of more than 15% compared with the previous year (2013: 43,290 shares a day). When the strategic partnership with Gothaer Versicherungen was announced in November 2014, the average daily trading volume increased again sharply to 61,118 shares for the third quarter of 2014. In the first three months of 2015, the Capital Stage share remained almost as liquid, with around 60,000 shares changing hands every day.

Annual general meeting
Capital Stage AG's annual general meeting for the financial year 2013 was held on 26 June 2014 in Hamburg. Altogether the shareholders and proxies in attendance represented 47,700,036 shares, or around 65.85% of share capital. All the items on the agenda were approved by large majorities of 93% to 99%. The agenda items and other documents relating to the annual general meeting are available on the Capital Stage AG website under 'Annual General Meetings' in the Investor Relations section.

The annual general meeting of Capital Stage AG for the financial year 2014 will take place on 23 June 2015.

Dividend option introduced for the first time
At the annual general meeting of Capital Stage AG held on 26 June 2014, the shareholders adopted the proposal put forth by the management board and supervisory board to raise the dividend for 2013 to EUR 0.10 per share. This represents an increase of 25% over the previous year (EUR 0.08 per share). For the first time, shareholders also

The Capital Stage shareholder structure is as follows:



had the option of receiving the dividend either fully in cash or partly in the form of shares at a subscription price of EUR 3.70. The idea of a share dividend was well received, and shareholders representing approximately 57% of outstanding share capital chose to receive shares.

At its meeting held on 31 March 2015 to adopt the financial statements, the supervisory board of Capital Stage AG approved the management board's proposal to pay a dividend of EUR 0.15 per share for the financial year 2014. The decision is still subject to the approval of the annual general meeting to be held on 23 June 2015. Compared with the previous year, this would represent an increase of 50%. The dividend will again be distributed as an optional dividend.

Dividends from Capital Stage are paid out of a capital account set up for tax purposes in accordance with section 27 of the corporation tax act (KStG) and so are tax-free for shareholders.

Increased coverage by bank analysts
Coverage of the Capital Stage share was extended again in 2014. In the reporting period, Capital Stage was followed by Warburg Research, WGZ Bank Research, Berenberg Equity Research, Quirin Bank Equity Research and Kempen & Co. Merchant Bank. Other well-known national and international banks and equities analysts have also announced their intention to cover the share and publish research on Capital Stage. The company has already actively arranged discussions.

Without exception, the analysts' opinions are positive. All banks recommend the Capital Stage share as a buy/overweight. At the end of the first quarter of 2015, the analysts put the target price for the Capital Stage share in a range from EUR 5.25 to EUR 7.90. Under 'Research' in the Investor Relations section of its website, Capital Stage presents a permanently updated overview of the latest analyses, to the extent that they are published by the analysts themselves.

Investor relations – transparency, dependability and continuity
Transparency, dependability and continuity are the guiding principles for the Investor Relations department at Capital Stage AG. In all its individual activities, the company's financial market communications always systematically aim

- to meet all the requirements of the global capital market
- to build long-term, sustainable relationships based on trust with institutional investors, private shareholders and analysts
- to provide timely and transparent information about the company's business model and the related risks and opportunities.

In 2014 the company was able to attract new groups of investors from Germany and abroad. Capital Stage's inclusion in the SDAX index and its much higher market capitalization both had a positive effect.

In addition, the active investor relations work helped to increase the understanding of Capital Stage's business model on a broader basis in the reporting period. In this context, the management board presented and explained the company's performance and strategy at various industry and investor conferences in Germany and abroad.

The Investor Relations department also ensured that the company communicated and stayed in permanent contact with its private shareholders large and small, bank analysts, institutional investors and the interested public. Furthermore, it published information about significant events and developments affecting Capital Stage right away and was available to provide further explanations in person, by telephone and via electronic media. In addition, all important information is available to the general public in the Investor Relations section of the company website.

Capital Stage is continuing its transparent and sustainable capital market communications in the first quarter of 2015. Various road shows in Germany and abroad, accompanied by banks and equities analysts, have already been carried out in the first three months of 2015. They again met with great interest from international and national investors. At the same time, an 'earnings call' with the Management Board of Capital Stage was set up with investors and analysts for the first time in conjunction with the publication of the audited financial figures for 2014 and the earnings forecast for 2015. The presentations to accompany these conference calls can be found in the Investor Relations section of the company website under 'Conference Calls'.

All the main dates for 2015 are updated regularly and are shown in the Investor Relations section of the company website at www.capitalstage.com under 'Events/Calendar'.

The Investor Relations department at Capital Stage AG is happy to discuss business and welcomes your questions and suggestions.

Capital Stage AG
Investor Relations
Grosse Elbstrasse 45
22767 Hamburg
Germany
www.capitalstage.com
Tel.: +49 (0)40 378 562 242
Email: ir@capitalstage.com

Financial calendar 2015

Date	Financial event
31 March	Annual financial statements and consolidated financial statements online
5 May	Hamburg Investment Conferenz, Bankhaus Donner & Reuschel, Hamburg
15 May	Annual report
29 May	Quarterly financial report
23 June	Annual General Meeting
31 August	Half-yearly financial report
23 - 25 November	German Equity Forum in Frankfurt am Main
30 November	Quarterly financial report

SUPERVISORY BOARD REPORT

Dear Shareholders,

In 2014, the supervisory board carried out the duties and tasks defined by statute, the company's articles of incorporation and its rules of procedure fully and with due care. It advised and monitored the management board on the governance of the company on a continuous basis. In so doing, the supervisory board assured himself of the lawfulness, regularity and expediency of the actions of the management board. The supervisory board was directly involved in all decisions of fundamental importance. To the extent required by statute, the articles of association or the rules of procedure, the supervisory board voted on and approved the management board's proposals after detailed examination and discussion.

The management board informed the supervisory board regularly and fully about the company's performance in the reporting period. The supervisory board was informed by means of written and oral reports from the management board on an ongoing basis about the economic and financial situation, deal flow and investment projects. The supervisory board discussed all measures requiring approval with the management board. The management board also kept the supervisory board informed about the Group's risk management and compliance activities. The chairman of the supervisory board and the chairman of the management board also exchanged detailed information regularly outside of the meetings. The chairman of the supervisory board was thus kept apprised of important topics at all times. The chairman of the supervisory board also maintained contact with the supervisory board members outside of the meetings. Thus the supervisory board was always well informed about the Group's current operational development, principal business occurrences, changes in the key financial figures and significant upcoming decisions. The management board and supervisory board regularly consult each other concerning the Group's strategic alignment and progress.

Dr Manfred Krüper
Chairman

Alexander Stuhlmann
Deputy chairman

Albert Büll

Dr Cornelius Liedtke

Dr Jörn Kreke

Professor Fritz Vahrenholt

Two extraordinary and five ordinary meetings were held in 2014. Before all supervisory board meetings, the management board furnished the supervisory board's members with comprehensive reports. Where the decisions to be made required supervisory board consent, the documents included extensive decision-making presentations. In addition, resolutions were made by circulation of documents on the basis of discussions held at the meetings plus comprehensive documentation. In total, 13 resolutions were made by circulation of documents. They included votes on the capital increase, loans and the acquisition of solar parks in Italy and France.

Focus of discussions

In 2014 the supervisory board and management board discussed the expansion of the company's business. Their meetings focused on expanding the PV parks and wind farms segments and on financing growth. The management board gave a report at every supervisory board meeting regarding investment opportunities and the current status of the investment process. In the case of projects where completion was impending, the management board furnished the supervisory board with comprehensive details of the due diligence process. The management board also provided information about the financing of investment projects. Furthermore, the supervisory board advised the management board on the strategic partnership with the Gothaer insurance Group (Gothaer Versicherungen) and on refinancing the Italian solar parks.

At each of its meetings, the supervisory board received explanations of all developments concerning the Group companies and had the opportunity to engage in in-depth discussions about the Group's current position. At all meetings, the management board also reported on developments in relevant markets, on the resulting risks and opportunities and their effects on the Group's investment strategy.

Discussions were held and decisions made on the following principal issues:

- The largest single investment in the company's history to date with the acquisition of a 40 MW solar park portfolio in south-western France

- The continued expansion of the PV parks segment through the acquisition of ten further parks and projects

- The expansion of the wind farms segment through the acquisition of one wind farm

- The strategic partnership with the Gothaer insurance Group (Gothaer Versicherungen)

- The refinancing of Italian solar parks

Attendance at supervisory board meetings

All members took part in four of the seven meetings in the financial year. One member was not in attendance at three meetings. None of the supervisory board members attended less than half the meetings.

Staff committee meetings

The staff committee comprises Albert Büll, Dr Manfred Krüper and Alexander Stuhlmann. Last year the committee held three meetings. Staff committee meetings focused on the composition of the management board and the search for a Chief Financial Officer. The staff committee was fully prepared for the decisions on staff topics, which were made by the entire committee. Its duties also include assessing the performance of the management board members and granting share options to management board members and key employees of Capital Stage AG.

Corporate governance

In the reporting period, the supervisory board also dealt with Capital Stage AG's compliance with the recommendations of the German Corporate Governance Code. As scheduled, the supervisory board last dealt with the German Corporate Governance Code as amended on 24 June 2014 at its meeting in December 2014. After their discussions, the management board and supervisory board updated the annual statement of compliance with the German Corporate Governance Code in accordance with Section 161 of the German stock corporation act (Aktiengesetz – AktG), which was then made permanently available to shareholders on the company's website. In it, the management board and supervisory board confirm that the company complies and will continue to comply with the recommendations of the German Corporate Governance Code with few exceptions. It lists the recommendations that were or are not followed and explains why this is the case.

The supervisory board had no indication that members of the supervisory and management boards were faced with conflicts of interest.

The routine efficiency audit passed a positive verdict on the supervisory board's performance.

Audit and adoption of the financial statements, approval of the consolidated balance sheet

The financial statements of Capital Stage AG and the combined management report for Capital Stage AG and the Group for 2014 were audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, and given an unqualified audit opinion. The same applies to the consolidated balance sheet for 2014 prepared in accordance with IFRS. The supervisory board also decided on the central issues to be addressed by the audit.

The auditors also examined Capital Stage AG's internal control and early risk detection system. This examination determined that the management board had taken suitable steps to meet the demands of risk monitoring and that the early risk detection system fulfilled its purpose.

The financial statements under commercial law, the consolidated balance sheet and the combined management report for Capital Stage AG and the management board's proposal for the use of distributable profits were discussed by the supervisory board at the financial statements meeting held on 31 March 2015 in the presence of the auditors. To prepare for the meeting, the members of the supervisory board could draw on extensive documentation, including the audit report from Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft with the consolidated balance sheet in accordance with IFRS, the combined management report for Capital Stage AG and the Group as well as the financial statements for Capital Stage AG. The supervisory board discussed these documents in detail. The auditors reported on the main results of their audit and were available to answer questions and provide further information. The final result of the supervisory board's review was that no objections needed to be raised. Accordingly the supervisory board duly acknowledged and expressed its agreement with the auditor's report.

The supervisory board has scrutinized and has duly approved the Capital Stage AG annual financial statements, the consolidated balance sheet and the combined management report and consolidated management report, as well as the proposal for the appropriation of the distributable profit in conformity with statutory provisions. Pursuant to Section 172 of the AktG, the annual financial statements have therefore been duly adopted, while the consolidated balance sheet was cleared for publication on 31 March 2015. Finally, the supervisory board has endorsed the management board's proposal for the use of distributable profit for 2014, i.e. the distribution of a dividend of EUR 0.15 per dividend-entitled share.

The dividend will be paid in cash or in the form of shares in Capital Stage AG. Details of the cash distribution and how shareholders can choose the share option are explained in a document that will be sent to shareholders along with the invitation to the annual general meeting. It includes information on the number and type of shares and the reasons for and details of the offer.

The dividend and the remaining amount to be carried forward as mentioned in the proposal for the use of profit are based on share capital with dividend entitlement of EUR 73,834,144.00, divided into 73,834,144 shares, as of 31 March 2015.

The number of dividend-entitled shares may change before the date of the resolution on the use of distributable profit. In this case, the management board and supervisory board will put forward a corresponding modification to the proposal on the use of profits at the annual general meeting, which will provide for a distribution of EUR 0.15 per dividend-entitled share, as before. This does not affect the offer to receive the dividend in the form of shares rather than in cash. The modification is to be made as follows: If the number of dividend-entitled shares, and therefore the total dividend, goes down, the amount to be carried forward to new account goes up accordingly. If the number of dividend-entitled shares, and therefore the total dividend, goes up, the amount to be carried forward to new account goes down accordingly.

Changes in the management board

Dr Christoph Husmann was appointed as a further member of the management board with effect from 1 October 2014. Dr Zoltan Bognar left the management board as of 30 September 2014. We would like to take this opportunity to thank Dr Bognar for his services to Capital Stage AG. He demonstrated great personal commitment to the continued development of Capital Stage AG. We wish him all the best for the future.

The supervisory board would also like to take this opportunity to thank the management board and all of the Capital Stage Group's employees for their commitment and their personal contribution to a successful 2014.

Hamburg, 31 March 2015

On behalf of the supervisory board,

Dr Manfred Krüper

CORPORATE GOVERNANCE REPORT

The principles of corporate governance are an integral part of our responsible, value-oriented approach to management and internal control at the Capital Stage Group. The management board and supervisory board work in an efficient relationship based on trust with the aim to achieve a sustainable increase in corporate value, building the confidence of shareholders, employees and business partners in the way the organisation is managed and supervised. Transparent reporting and a close consideration of shareholders' interests are two expressions of the responsibility embraced by the management board and supervisory board.

Directors' dealings

Transactions involving securities by those in a managerial position (directors' dealings) must be disclosed under § 15a of the German Securities Trading Act (WpHG). In 2014, the members of the management board and supervisory board and other senior executives adhered to applicable reporting requirements of the Securities Trading Act with respect to transactions involving shares in Capital Stage. We have published the relevant notifications about these transactions in 2014 online at www.capitalstage.com under 'Investor Relations/Directors' Dealings'.

Based on the transactions notified pursuant to WpHG, on 31 December 2014 the management board was in possession of notifiable assets under Item 6.3 of the German Corporate Governance Code. On this date, the management board was entitled to voting rights consisting of 2.4% of the shares of Capital Stage AG. The notifiable holdings of members of the supervisory board under Item 6.3 of the German Corporate Governance Code amounted to 8.8% on 31 December 2014 based on the transactions notified pursuant to § 15a WpHG.

No conflicts of interest

There were no conflicts of interest between members of the management board and the supervisory board, and there is a policy in place whereby any such conflict is immediately made known to the supervisory board. In the opinion of the supervisory board, the same body has a sufficient number of independent members. As a result of a scheduled efficiency audit, the supervisory board determined that its work is organised efficiently and the cooperation between the management board and the supervisory board is very good. No contracts were made between a member of the supervisory board and the company during the reporting period for consulting, other services, or employment.

Remuneration report

Detailed information on stock option programs and similar share-based incentive systems as well as a detailed description of the remuneration of the mamagement board and supervisory board is shown in the remuneration report respectively in the financial statements of the Capital Stage AG.

Independence of the auditor

Prior to the submission of a proposal to the AGM for the appointment of an auditor for the 2015 annual accounts, the supervisory board obtained a declaration of an auditing company. The declaration includes a statement that no relationships of a business, financial, personal or any other nature that may cast doubt on the independence of the auditor exist between the auditing company, its institutions and the chief auditors on the one hand, and between the company and its institution members on the other hand. The declaration also includes a statement to confirm that no consulting services were provided by this auditing company in the previous financial year, and that no such services had been agreed for the 2015 financial year.

Declaration on corporate governance pursuant to § 289a - Description of the work of the management board and supervisory board and their composition

Management board

The management board of Capital Stage AG has consisted of two members since the 2010 fiscal year, and there is one chairman. By-laws govern the various responsibilities and cooperation within the board. When appointing management board members and other leadership roles, effort is made to represent women adequately.

The additional appointments of the board members are shown in the notes of the financial statements and the consolidated financial statements.

Supervisory board

The supervisory board monitors the activities of the management board and offers advice in accordance with the provisions of company law and internal by-laws. The supervisory board of Capital Stage AG consists of six professionally qualified members who represent the shareholders of Capital Stage AG. As chairman of the supervisory board, Dr Manfred Krüper coordinates its work, leads supervisory board meetings and attends to the affairs of the supervisory board externally. Each member of the supervisory board is independent and has many years of business experience. The members were duly elected by the shareholders at the annual general meeting. The chairman of the supervisory board was never a member of the management board at Capital Stage AG.

The supervisory board has established rules of procedure.

The supervisory board has not set any specific goals to optimise its composition. Since 2007, the supervisory board has operated in a composition that is exceptionally well suited to the specific situation of Capital Stage AG. There is therefore no need to optimise the composition of its members.

The supervisory board members are required to disclose any existing conflicts of interest to the chairman of the supervisory board regarding individual decisions. The supervisory board sets out in its report to the annual general meeting whether any conflicts of interest arose and how they were treated. If a supervisory board member has a substantial and not merely temporary conflict of interest, this should result in the termination of the mandate.

The supervisory board members have no business or personal relationship to Capital Stage AG that could represent a conflict of interest and therefore a limited level of independence.

Contracts for consulting, other services or employment between a member of the supervisory board and the company are subject to the approval of the supervisory board.

Specific information about the work of the supervisory board can be found in the supervisory board's report on the relevant pages of the annual report.

Capital Stage AG has arranged D and O insurance for members of the supervisory board which, in line with international standards, does not include an excess. Furthermore, Capital Stage is of the opinion that an agreement to pay an excess would not be appropriate to improve the sense of responsibility with which the members of the supervisory board perform their assigned tasks and functions.

The additional appointments of the board members are shown in the notes to the company financial statements and the consolidated financial statements.

Staff committee

The central task of the staff committee is to prepare matters relating to personnel that are to be decided by the supervisory board. These include, in particular, managing the selection process for the management board, appointing members, compiling and negotiating executive employment contracts, and granting share options to management board members and high-performance staff at Capital Stage AG.

The supervisory board has decided not to form additional committees. Operating as a complete body, the supervisory board ensures the efficiency of its work and the successful handling of complex issues. The creation of an audit committee, nomination committee or a committee for any other topic would result in increased organisational costs for both the supervisory board members and the company. Furthermore, due to the company's size and the number of supervisory board members, it has proved a practical solution for the entire supervisory board to work together.

Cooperation between the management board and supervisory board

In accordance with statutory requirements, there is a dual management system at Capital Stage AG with a clear separation between management and supervisory functions. The management board has sole responsibility for running the company. The supervisory board of Capital Stage AG is composed of members elected by the AGM and is active in a supervisory and advisory capacity. The two bodies are strictly separated in terms of membership and with respect to their responsibilities.

The management board and supervisory boards work closely together in a trusting relationship for the benefit of Capital Stage. The management board develops the strategic direction of Capital Stage, discusses it with the supervisory board and ensures it is implemented in the company. The management board provides a prompt and continuous stream of information to the supervisory board covering all aspects of business development, strategy, planning and risk management at Capital Stage. In particular, the chairman of the management board is in regular contact with the chairman of the supervisory board. Whenever there is an event of major significance for an assessment of the current situation, future developments or general management of the company, the chairman of the management board informs the chairman of the supervisory board without delay. For dealings of fundamental importance, approval requirements are set out in the Articles of Association or by the supervisory board. Such dealings include decisions or measures that fundamentally change the financial position or profitability of the company.

Due to the close cooperation between the management board and supervisory board, the supervisory board has waived the requirement for an additional discussion about biannual and quarterly financial reports prior to publication. Such a requirement would not provide any additional information to serve the board, yet it would result in increased organisational costs for the supervisory board members and the company.

Relevant information about corporate governance practices

The corporate governance principles are based on the German Corporate Governance Code. The management board and supervisory board constantly focus on the recommendations and suggestions of the code and monitor its implementation, taking into account the annual declaration of compliance that has to be submitted by the management board and supervisory board.

The shareholders of Capital Stage AG are regularly kept up to date regarding the company situation and any significant changes on the business side. To provide comprehensive and timely information that is accessible to all, Capital Stage mainly uses the Internet. Shareholders are informed about important dates with a financial calendar. This is included in the annual report and can be found online at www.capitalstage.com under 'Investor Relations/Financial Calendar'.

Reports on the financial situation and business results of Capital Stage AG are presented in the annual report, the half-year financial report and quarterly financial reports.

Any events that occur at Capital Stage AG outside the regular reporting intervals and that are likely to have a significant effect on the price of company shares will be announced in ad hoc reports.

Ad hoc notifications and press releases can be found under www.capitalstage.com / 'Press/Ad hoc' on the company website.

Good corporate governance also involves a responsible approach to risks. The management board ensures there is an appropriate risk management system in place and controls the overall risk position of the company. The supervisory board is frequently told about existing risks and their development by the management board. Details about risk management can be found in the combined management report under the 'Risk Report' section.

Annual general meeting

The shareholders of Capital Stage AG use their rights at the annual general meeting to exercise their voting rights.

Shareholders have the opportunity to cast their votes at the annual general meeting either in person, by nominating a proxy of their choice, or by sending an authorised representative of the company bound by written instructions. However, there are no provisions for postal voting in the Articles of Association.

Accounting and auditing

An auditor is selected by the AGM in accordance with the statutory provisions. A detailed explanation of the rules for Group accounting can be found in the notes to the consolidated financial statements.

Declaration by the management board and supervisory board of Capital Stage AG on the recommendations of the governmental commission on the German Corporate Governance Code as per § 161 of the German Companies Act (AktG)

Capital Stage AG complies with the recommendations of the new version of the Corporate Governance Code revised on 24 June 2014 and published in the Bundesanzeiger on 30 September 2014 with the following exceptions (numbers in parentheses correspond to the numbering of the Corporate Governance Code):

- The directors and officers liability insurance for the supervisory board does not include an excess (Item 3.8).

For members of the supervisory board, there is D and O insurance that does not include an excess, which conforms to international standards. Furthermore, Capital Stage is of the opinion that an agreement to pay an excess would not be appropriate to improve the sense of responsibility with which the members of the supervisory board perform their assigned tasks and functions.

- The supervisory board has not appointed an audit committee or a nomination committee (Items 5.3.2 and 5.3.3)

The supervisory board has decided not to form an audit committee or a nomination committee. Operating as a complete body, the supervisory board ensures the efficiency of its work and the successful handling of complex issues. The formation of an audit committee and nomination committee would result in increased organisational costs for both the supervisory board members and the company. Furthermore, due to the company's size and the number of supervisory board members, it has proved a practical solution for the entire supervisory board to work together.

- The supervisory board has named no specific targets for its composition (Item 5.4.1).

Since 2007, the supervisory board of Capital Stage AG has operated as a team in a composition that is well adapted to the specific situation of the company. There is no need to optimise the composition. For this reason, the supervisory board has not defined any targets in this regard.

- The supervisory board or its audit committee should discuss biannual financial reports and any quarterly financial reports with the management board before they are published (Item 7.1.2).

At all times, the management board takes prompt action to ensure that the supervisory board is kept fully informed of the latest developments regarding net assets, financial status and profitability. Due to the close cooperation between the management board and supervisory board, the supervisory board has waived the requirement for an additional discussion about biannual and quarterly financial reports. Such a requirement would result in increased organisational costs for the supervisory board members and the company, but it would not provide any additional information to serve the board.

- The interim financial reports should be publicly available within 45 days after the end of the reporting period. (7.1.2)

In accordance with statutory regulations, interim reports are published within eight weeks after the end of the quarter. In view of the considerable difference between these deadlines and the additional expense and work that would be required, the company's management board and supervisory board do not consider that reducing the deadlines any further would be reasonable.

This declaration replaces the declaration of December 2013. Since December 2013, Capital Stage AG has conformed to the recommendations of the Corporate Governance Code as amended on 13 May 2013 with the exceptions set out in the declaration of compliance of December 2013.

Hamburg, April 2015

On behalf of the supervisory board

Dr Manfred Krüper

On behalf of the management board

Felix Goedhart

This handshake is worth more than 150 million –

because you can't put a price on confidence. Capital Stage closes a strategic partnership with Gothaer Versicherungen.

Combined management report and consolidated management report for Capital Stage AG, Hamburg for the financial year 2014

Combined management report and consolidated management report for Capital Stage AG, Hamburg for the financial year 2014

General information

The combined management report covers the Capital Stage Group (hereafter known as 'the Group' or 'Capital Stage') and the parent company, Capital Stage AG, which is based in Hamburg, Germany. It has been prepared according to the German Commercial Code (Handelsgesetzbuch – HGB) and German Accounting Standard (GAS) No. 20.

Capital Stage AG prepares its separate financial statements according to German Commercial Code accounting principles and the consolidated balance sheet according to IFRS accounting principles. The management report and consolidated management report have been combined, whereas the assets position, financial position and results of operations are each disclosed separately.

Its share capital is EUR 73,834,144, divided into 73,834,144 shares with no par value. The average number of shares in circulation (undiluted) in the reporting period was 72,017,994 (previous year: 55,912,956).

Unless stated otherwise, all disclosures in this report relate to 31 December 2014 or to the financial year from 1 January to 31 December 2014.

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. Due to their stable, predictable revenue, solar parks and wind farms offer a good risk–return ratio.

The 48 solar parks and 6 wind farms operated by Capital Stage in Germany, Italy and France in the 2014 financial year have a capacity of some 365 MW and fed a total of 319,214,511 kWh into the electricity grid in 2014. The Group thus makes a contribution to protecting the climate and increasing our independence from expensive energy imports from politically unstable regions.

The Group pursues a growth strategy, which means it will continue to expand its portfolio systematically. 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. Currently these are Germany, Italy, France and the United Kingdom. Other investment criteria include a good location, an experienced team of project developers and general contractors, the use of first-rate components, sound financing and, last but not least, attractive returns. The solar park and wind farm acquisition pipeline contains projects totalling over 200 MWp in Germany and abroad. In December 2014 a portfolio of solar parks was acquired in Italy with a capacity of some 27 MWp. The transaction was completed in February 2015. Capital Stage announced recently that it had acquired a 54 MWp portfolio of solar parks in Britain. The contract is still subject to the usual conditions precedent. These acquisitions will increase total capacity to over 440 MW.

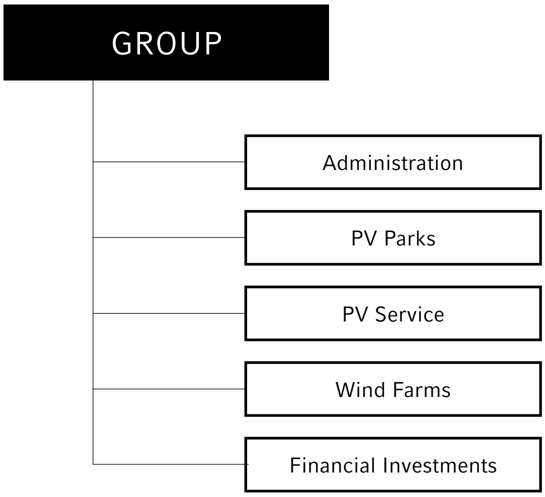
The smooth operation of the solar parks is ensured by a subsidiary, Capital Stage Solar Service GmbH, Halle, which is active in the growing market for technical management services (O & M). As an OEM-independent service provider, Capital Stage Solar Service GmbH also increasingly provides operating and management services to third parties. Its total volume under management currently amounts to some 185 MW (of which, 25 MW are outside the Group).

The Group also has an investment in a company that provides solar thermal and photovoltaic service.

Group structure

Capital Stage AG is the parent company of the Capital Stage Group. In addition to Capital Stage AG, a total of 61 subsidiaries (previous year: 45) are included directly or indirectly in the consolidated balance sheet as of 31 December 2014.

This diagram shows the Group's segments as of 31 December 2014:



Administration	This segment comprises the Group's parent company Capital Stage AG.
PV Parks	The PV parks segment comprises all the solar parks in Germany, Italy and France and, since the first quarter of 2015, in the UK, as well as any holding companies.
PV Services	This segment consists of Capital Stage Solar Service GmbH (Solar Service) and the investment in Eneri PV Service S.r.l. (Group stake: 49%), which is immaterial, however.
Wind Farms	This includes all the wind farms in Germany and Italy as well as the associated holding companies.
Financial Investments:	This segment consists of the Helvetic Energy GmbH and its parent company, Calmatopo Holding AG.

Internal management system at Capital Stage

Capital Stage's main objective is sustainable growth and therefore to increase the enterprise value. The management board is notified on a weekly basis about current developments affecting the implementation and monitoring of targets. These include technical and commercial aspects of the portfolio assets, such as cumulative power production, the technical availability of facilities and the integration of newly acquired solar parks or wind farms into the Capital Stage Group. Potential investment opportunities are also discussed by the management board and the free liquidity available for investment purposes is determined. The liquidity of the operational solar parks and wind farms is monitored continuously. This permanent, forthright dialogue enables the management board to respond quickly to events and to take action accordingly.

A forecast for the following financial year is published along with the annual report. It is based on detailed bottom-up planning by the individual Group companies. The published forecast is reviewed every quarter and adjusted as necessary by the management board.

The earnings indicators EBITDA and EBIT for Capital Stage include significant valuation effects resulting from the application of IFRS. These include for example the differences determined in the course of purchase price allocations (PPA) when solar parks and wind farms are consolidated for the first time. This income is highly unpredictable, because it relates to future investments and is subject to various project-specific parameters.

In future Capital Stage will therefore publish an earnings figure adjusted for these effects, which reflects the operating profitability and development of the company in a much more transparent and sustainable way.

The earnings forecast included in the forecast for 2015 is also based on these adjusted performance indicators.

The key financial indicators used within the Group are aligned with the interests and demands of shareholders and include in particular:

- Operating cash flow
- FFO per share
- Technical availability of installations
- Revenues
- Adjusted operating EBITDA
- Adjusted operating EBIT

Performance against the indicators technical availability of installations, kilowatt hours produced and the thereof resulting revenue are presented in a weekly performance report and discussed with the management board.

In accordance with IAS 7, cash flow from operating activities is calculated using the indirect method. All interest payments are shown in the cash flow from financing activities. Tax payments are included in cash flow from operating activities.

Investment decisions focus particularly on the internal rate of return (IRR), which indicates the return on capital employed and the return on the investment over a period of several years. Operating return on equity (ROE) is also an important performance indicator for investment decisions. It shows the relationship between adjusted operating earnings after interest and tax (operating EAT) and invested capital. Qualitative and strategic criteria such as stable feed-in systems, high-quality components and attractive financing terms are also taken into consideration.

The adjusted figures 'Operating EBITDA' and 'Operating EBIT' are each derived from the IFRS earnings indicators EBITDA and EBIT and are adjusted for the following factors.

Operating EBITDA = IFRS EBITDA less the following effects:

- Income and expenses from the disposal of financial investments
- Other non-cash income (essentially badwill from purchase price allocations)
- Share-based remuneration

Operating EBIT = IFRS EBIT less the following effects:

- Effects already eliminated from operating EBITDA
- Amortization on intangible assets from PPA
- Impairment losses from impairment testing of assets resulting from PPA
- Depreciation on property, plant and equipment from step-ups in the course of PPA

The financial performance indicators for Capital Stage AG are essentially identical to those used for the Group. Adjustments to EBITDA and EBIT for Capital Stage AG only relate to effects from the disposal of financial investments. Revenue, the technical availability of installations and FFO per share are not among the performance indicators, however, because they are of no or no material importance for Capital Stage AG.

Macroeconomic framework

The economy

Global economy stronger in second half-year

Global economic expansion picked up again in the second half of 2014. The positive trend in the USA gathered pace. In the third quarter the US economy grew at an annualized rate of around 5.0%, faster than in over ten years. Consumer and capital spending were the driving forces behind the US upswing. They were helped by positive developments on the US labour market, which reported month-on-month growth in employment throughout 2014. Over the year the International Monetary Fund (IMF) is expecting US gross domestic product to increase by 2.4% (2013: 2.2%).

Europe, the problem child

Europe remained the laggard of the global economy in 2014. Despite all the stimulus measures and the low-interest policy pursued by the European Central Bank (ECB), there was still no sign of a real economic upturn in the euro area last year. As a result the European Commission reduced its growth forecasts over the course of the year. For the full year the Commission is now predicting an increase in gross domestic product of 0.8% (2013: -0.5%). Within the euro zone the picture is mixed: Whereas the economy in some formerly troubled countries, such as Ireland and Spain, has improved, it remained weak in France, which has the second-largest output in Europe, and in Italy. For France the European Commission is expecting year-on-year growth of just 0.3% and in Italy the economy is predicted to contract for the third year in a row by around 0.4%.

Weak economic growth in the euro area is partly due to unresolved structural problems, higher geopolitical risks and high government debt, especially in the southern EU member states. Germany, once the motor of the European economy, was not able to decouple itself completely from these developments and lost momentum in the second half of the year. Only at the end of 2014 did a weaker euro and falling oil prices give external trade a fresh boost. In a difficult global economic situation overall, the German economy proved robust, however, and gross domestic product went up by 1.5% (2013: 0.2%).

Monetary policy stays loose

The US Federal Reserve (Fed) indicated at its last regular meeting for 2014 that in view of signs that the economic situation in the USA was stabilizing, it saw potential for raising interest rates again in the medium term. However, for 2014 the Fed left its base rate at the historically low level of 0% to 0.25%. At the same time it did discontinue its multi-billion dollar programme of bond purchases to support the US economy.

In Europe the European Central Bank (ECB) cut interest rates for the euro area again in September 2014 to 0.05% – a new record. The ECB also announced a further quantitative easing of its monetary policy in the form of sovereign bond purchases. Its aim was to stimulate lending to companies, it said, to boost investment and to avert the risk of deflation in the euro area.

Sharp fall in the value of the euro against the US dollar in 2014

The euro continued to slide against the US dollar over the course of 2014. In addition to the more stable US economy, the American currency also profited from speculation about a forthcoming increase in US interest rates. Concerns about the ability of Greece to remain a member of the European currency union also depressed the euro towards the end of the year. On average over the reporting period, one euro cost USD 1.33. At year-end 2014 the European currency had fallen to a provisional low of USD 1.21.

Volatile stock markets

Share markets had a turbulent year in 2014. Performance over the year as a whole was rather modest, but markets did produce one record last year: the German DAX index passed the 10,000 mark for the first time ever in summer 2014. Higher volatility meant that the DAX only went up by 2.7% over the year, however, closing at 9,805 points. The small-caps index SDAX more or less tagged the DAX, but was more stable, particularly towards the end of the year. It rose by 5.9% on the year to close at 7,186.

In the USA the Dow Jones increased climbed strongly by a good 7.5% in the reporting period. It was buoyed by an improvement in the economic outlook for the USA over the course of the year. The Dow Jones closed the year at 17,823 points.

Renewable energies market – Investment up sharply in 2014

Global investment in renewable energies went up sharply in 2014. According to Bloomberg New Energy Finance (BNEF), total capital expenditure on renewable energies rose to more than EUR 255.0 billion in 2014, a year-on-year increase of 16% (2013: EUR 220.5 billion).

Investment climbed particularly fast in emerging markets such as Brazil (+88%), China (+32%) and India (+14%). The USA also saw substantial growth of 8%, whereas investment in Europe was up by around 1% to EUR 66.0 billion (2013: EUR 65.5 billion). The regions in Europe varied considerably: investment rose by around 3% in the UK (EUR 15.2 billion) and Germany (EUR 15.3 billion), whereas France reported a steep increase of 26% to EUR 7.0 billion. The latter was partly due to the financing of Europe's largest photovoltaic power plant, which is currently under construction in France. Investment in renewable energies in Italy fell sharply by some 60% to EUR 2 billion. This is partly due to the retroactive reduction in the feed-in tariff for solar power and the end of the minimum payment.

Germany: renewable energies' share of power production reaches record high in 2014
Renewable energies accounted for 25.8% of total power generation in Germany in 2014: a new record. Onshore wind was the most common type of new installation, whereas installations of new solar power systems declined again. According to the German Wind Energy Association (BWE), new onshore wind turbines with a capacity of around 4,750 MW were installed in Germany in 2014. This represents a year-on-year increase of around 58.5% (2,998 MW). BWE also puts this down to the zoning of new areas that can be used for onshore wind power. In its revision of the Renewable Energies Act (EEG), the federal government defined a target corridor for onshore wind power that is similar to that for solar energy. It came into force on 1 August 2014 and provides for additional annual capacity of 2,400 MW to 2,600 MW. If these targets are exceeded, a flexible cap will reduce the subsidies for future onshore wind farms.

For solar energy the corridor for new annual capacity was also set at 2,400 to 2,600 MW. These figures were not reached in 2014, however. According to the German Federal Network Agency (Bundesnetzagentur), solar parks with a capacity of 1,899 MW were connected to the grid in 2014. In 2013 new photovoltaic installations added capacity of 3,300 MW. At the end of 2014 Germany had an installed photovoltaic capacity of 38,200 MW remunerated under the Renewable Energy Act.

Legal and political environment supports expansion of renewable energies
The expansion of renewable energies is subsidized in many European countries. In addition to the dominant system of payments by means of long-term feed-in tariffs, as currently exists in Germany, France and Italy, there are also bonus models which provide incentives by paying a premium over the current market price for electricity. This model is established in Denmark and the Netherlands, for example. By contrast, the quota model applied in the United Kingdom and Sweden obliges power companies to include a fixed quota of electricity from renewable sources in their supply. How they meet this quota – whether they produce the renewable power themselves or buy it on the market – is generally left up to them. Certificates document that the obligation has been met. The level of subsidies is partly determined by auctions, especially with the bonus and quota models. These mechanisms are often combined with other instruments, such as tax incentives.

EEG reform in Germany
The terrible nuclear catastrophe in Fukushima, Japan, in 2011 prompted Germany to begin what is known as an energy revolution. It aims to phase out nuclear energy altogether by 2022. As part of this energy revolution, renewable energies are also intended to contribute a greater share of the electricity supply in Germany. As a proportion of electricity sales, they are to increase to 40%–45% by 2025 and to 55%–60% by 2035.

To achieve this objective, renewables energies in Germany are subsidized. The Renewable Energy Act (EEG) forms the basis for these subsidies. In recent years the EEG has proved to be an effective instrument for promoting electricity from renewable sources, and its basic structure has been adopted by a large number of other countries. With the EEG, the main subsidy consisted of a guaranteed fixed feed-in payment or, since 2012, an optional market premium, which is more or less equivalent to the fixed payment. In 2012 a flexible cap was also introduced for solar power, which adjusts the level of subsidies paid under the EEG to the rate of new installation. The system now defines annual expansion corridors. Over performance or underperformance has a direct effect on subsidy rates.

The subsidies are funded by the EEG levy, which with some exceptions is paid by private and commercial end-users of electricity. The feed-in tariff for electricity from photovoltaic installations is adjusted every month in accordance with the EEG. Tariffs go down steadily by half a per cent per month, and are reduced again if additional capacity exceeds the upper limit of the expansion corridor. In recent years the continuous expansion of renewable energies in Germany has led to an increase in the EEG levy. In 2014 it was set at 6.24 cents per kilowatt hour.

In their coalition agreement the governing parties agreed on a fundamental reform of the EEG. Their aim was to control the amount of the EEG levy better in future, to manage the expansion of renewable energies more precisely and to turn the sector into a functioning market without state subsidies. The new draft law was debated and adopted in 2014 and the revised EEG (also known as EEG 2.0), came into effect on 1 August 2014.

Essentially, the revised EEG provides for the following changes:

Grandfathering
Existing installations can continue to rely on prior legislation.

Flexible cap for wind power subsidies
Additional annual capacity of 2,500 MW is planned for onshore wind energy. A flexible cap with automatic adjustment of subsidy rates is intended to ensure that new installations actually follow the planned expansion curve in future and are not permanently above or below it. The annual expansion corridor is from 2,400 to 2,600 MW. Subsidy rates for onshore wind energy are also to be reduced. The re-powering bonus was abolished for new installations and the system services bonus will not be extended beyond its scheduled expiry date of year end 2014. Subsidies are to be reduced faster for high-wind locations. All in all, payments for high-yield sites in 2015 are meant to be 10%–20% below the level of 2013.

Competitive tenders for the efficient expansion of solar energy
Generally speaking, publicly guaranteed feed-in tariffs for photovoltaic power will only apply to facilities with an installed capacity of up to 500 kW (from 2016: 100 kW). Operators of larger installations will receive a market premium for direct sales based on a sliding scale, which is intended to ensure that renewable energy facilities can still be operated at a profit. The amount of the market premium is based on the rates defined in the revised EEG, minus the average monthly market price. Overall, new additional photovoltaic capacity of 2,500 MW per year is planned. The annual expansion corridor is from 2,400 to 2,600 MW.

Furthermore, the expansion of ground-mounted photovoltaic systems is to be managed by means of a tender process in future. New capacity is intended to increase by an average of 400 MW a year over the next three years. In order to take part in the tender, the solar park must have a minimum installed capacity of 100 kW and a maximum of 10 MW. Tenders will be organized by the German Federal Network Agency, which will run three rounds of tenders in 2015, 2016 and 2017 respectively. The first tender runs until 15 April 2015. Investors have to provide a bid bond when they submit their tender. Penalties can also be imposed if a project is not implemented within 24 months. The first tender for solar farms is intended as a pilot, which will be used to improve and review the system in the months ahead.

Payments for onshore wind farms
Operators of onshore wind farms have to market their electricity themselves in future, or they can appoint a direct marketer. This means that since 1 August 2014, income for new onshore wind farms has been made up of two components: firstly the operator receives the market price for the electricity obtained by the direct marketer. Secondly, the operator benefits from a market premium, calculated as the difference between the price defined in the EEG and the average monthly market price. The market premium varies with the market price, so the operator is not exposed to an electricity price risk.

Changes to exemptions
The new EEG also reduces the scope of exceptions for energy-intensive companies that were previously exempt from the EEG levy; not least to bring the legislation into line with applicable EU directives. The 'special equalization' rule, which meant that energy-intensive companies paid a reduced EEG levy or none at all, was revised. In future the exemption only applies to energy-intensive companies in sectors exposed to international competition. Furthermore, the ‘green-power privilege’, which guaranteed energy utilities a steep cut in the EEG levy if they purchased at least 50% of their electricity from domestic producers of power from renewable sources, has been abolished altogether.

Promotion of renewable energies in France
The system of subsidies in France is characterized by fixed feed-in tariffs, as in Germany. The feed-in rates are guaranteed for a period of 15 to 20 years, depending on the technology used. Under certain circumstances, the minimum payment for power

produced from renewable energies can be increased by premiums, e.g. for solar energy by using modules manufactured in the EU. The expansion schedule is also subsidized by means of auctions.

In France, the feed-in tariffs are passed on to final consumers by means of a distribution mechanism. This makes subsequent or retroactive changes unlikely, because the levy procedure means they would have no impact on the government's budget. In early 2014 the French energy regulation authority (CRE) set new feed-in tariffs for solar parks that came into effect in March 2014. They vary between EUR 0.07 and EUR 0.29 per kilowatt hour. Electricity from ground-mounted solar installations receives the lowest rate of EUR 0.07/kWh.

There are now tenders in France for photovoltaic plants with an installed capacity of more than 100 kW, so effectively they no longer participate in the feed-in programme. In March 2013 the French government increased the annual target for additional photovoltaic capacity from 500 MW to one gigawatt.

In October 2014 a bill was passed at its first reading in France to promote the energy transition and green growth (projet de loi relatif à la transition énergétique pour la croissance verte). This legislation defines the framework for France's future energy policy, also in order to meet the climate targets agreed at the European level. Among other things, it provides for reducing the role of French nuclear power, from around 75% of total electricity production today to 50% in 2025. At the same time renewable energies are intended to increase to 23% of production by 2020 and 32% by 2030. This ensures that the expansion of renewable energies in France will continue to enjoy active political and financial support in the future.

Promotion of renewable energies in Italy

PV installations in Italy receive a feed-in rate determined by the applicable Conto Energia and generate additional income from selling the electricity. Until the end of 2013 it was purchased at a guaranteed minimum price. As of 2014 the electricity has to be sold at the free market price. Operators can market their electricity themselves or sell it at the market price to Gestore dei Servici Energetici (GSE).

In August 2014 the Italian government also reduced the feed-in tariff for solar power retroactively, with effect from 1 January 2015. Until this point, owners of solar parks with a capacity of more than 200 kW that were paid in accordance with the Conto Energia had to choose one of three options:

They were:

1. To extend the subsidy period from 20 to 24 years, with a reduction in the annual feed-in tariff depending on the remaining subsidy period.

2. To keep the subsidy period of 20 years, with regular adjustments to the feed-in rates. The rate is lower to start with and increases over time.

3. To keep the subsidy period of 20 years and to reduce the feed-in tariffs by a fixed amount, whereby the amount of the reduction depended both on the size of the installation and the remaining duration of the feed-in tariff (between 6% and 8%).

Thanks to Capital Stage's strict investment criteria and the fact that country risk was factored into the return expectations for photovoltaic installations in Italy, the Italian solar parks in the Capital Stage portfolio are still financially attractive and able to operate at a profit after the retroactive reduction in the feed-in tariff. The cut in the feed-in tariff basically corroborates the higher country risk that Capital Stage assigns to Italy and thus the higher return on capital required for its Italian acquisitions.

A large number of existing photovoltaic installations with contractually agreed payments are available on the secondary market in Italy. Despite this, Capital Stage will continue to insist that the higher risks in Italy are reflected in higher returns.

Course of business

Capital Stage acquires largest solar park portfolio in its history

On 12 December 2014 Capital Stage signed a contract to purchase the largest portfolio of solar parks in the company's history. The portfolio in the south of France has a total capacity of 50.8 MWp. It consists of five solar parks in the Aquitaine region of south-west France. The total investment volume of the acquisition, including debt, amounts to some EUR 70 million. By acquiring this solar park portfolio in France, Capital Stage has increased its position on the French solar market from 90 MWp to over 140 MWp.

Capital Stage and Gothaer Insurance agree long-term strategic partnership in renewable energies

Capital Stage and Gothaer Insurance agreed a long-term strategic partnership in renewable energies on 14 November 2014. As part of this strategic partnership, Gothaer Insurance will provide Capital Stage with EUR 150 million in mezzanine capital for 20 years. Capital Stage will invest these funds in European solar parks and so substantially increase its generating capacities in the solar power sector.

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.

Other significant events in the 2014 financial year:	
27 und 28 February	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, 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 share capital amounts to EUR 72,439,406.00, divided into 72,439,406 shares with no par value. The capital increase was entered in the commercial register of the Hamburg district court on 3 March 2014.
28 March	Sale of the investment in BlueTec GmbH & Co. KG. The sale resulted in a gain that was recognized through profit or loss in other income.
26 June	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. This represents an increase of 25% over the previous year (EUR 0.08 per share). The option offered by Capital Stage AG for the first time of taking the dividend either all in cash or partly in the form of shares was very popular with shareholders. Shareholders representing approximately 57% of outstanding share capital chose to receive shares. The capital increase was entered in the commercial register on 17 September 2014. The payment of cash considerations to shareholders occurred on 16 September 2014. As of 30 September 2014, the company's share capital is EUR 73,834,144.00, divided into 73,834,144 shares with no par value.
30 September	Change of personnel in the Capital Stage AG management board: Dr Bognar left the company with effect of 30 September. Dr Husmann has been the new finance director and member of the management board since 1 October 2014.
16 October	The successful refinancing of seven solar parks in Italy that were previously fully equity financed has given the company additional free funds of around EUR 23 million, which are to be used for further investments. A corresponding financing agreement was signed with BayernLB on 16 October 2014. The refinancing takes the form of a long-term loan, which will replace the bulk of the equity committed to the individual solar park companies.

The other acquisitions are described in detail in the portfolio developments section.

Performance against targets in 2014:
In the forecast included in the 2013 annual report the management board of Capital Stage predicted that the positive revenue and earnings trend would continue in the financial year 2014.

Group	Forecast in AR 2013	Actual 2014	Actual 2013	% to previous year
in EUR mill.				
Revenues	>80	77.8	57.0	+36.5
EBITDA	>67	85.3	50.4	+69.2
EBIT	>40	46.4	31.7	+46.4
EBT	>23	23.9	15.8	+50.6

The forecast revenues were almost achieved. The solar park portfolio in particular reported strong growth. This is partly due to the expansion of the portfolio, but the existing parks in Germany were also well above plan. For example the biggest solar park in Brandenburg, in which Google holds a 49% stake, was 13% over plan. Performance at Helvetic Energy GmbH (Helvetic) was again well below plan. This meant that Capital Stage was not quite able to achieve the forecast revenues.

EBITDA and EBIT were not only influenced by the operating income from power generation, but also by badwill of TEUR 29,335 resulting from the provisional purchase price allocations (PPA), which was recognized through profit or loss as other income in the financial year 2014. The cost of materials at Helvetic Energy GmbH also declined as a result of lower revenue. Other expenses went up from TEUR 8,808 the previous year to TEUR 14,324 in the reporting year. This is largely due to the solar parks and wind farms acquired in 2014 and those that were only consolidated pro rata temporis the previous year. Impairment testing of the goodwill acquired with the purchase of Helvetic shares resulted in an impairment loss of TEUR 4,204 (previous year: TEUR 0). In August 2014 the Italian senate voted to reduce the feed-in tariffs previously guaranteed for solar parks as of 1 January 2015. An impairment test as defined in IAS 36 was therefore performed on all Italian solar parks as of the reporting date, which resulted in an impairment loss of TEUR 7,764 on the capitalized feed-in contracts (exclusive licences).

Capital Stage hedged interest rates with additional swaps in the reporting period and took over existing swaps with the acquisition of solar parks. Changes in the negative market values of the swaps reduced the financial result by a total of TEUR 3,832 in 2014, of which around TEUR 3,037 can be attributed to the first half-year. In its forecast for 2014 Capital Stage assumed that the overall effect of changes in market values would be neutral. Changes in interest rates resulted in negative market values for the derivatives, however, and so to higher financial expenses. The company therefore decided to account for existing interest rate swaps with a substantial term to maturity relative to their total term as cash flow hedges in accordance with IAS 39. As far as compatible with IAS 39, all derivatives existing as of 30 June 2014 whre therefore designated as hedging instruments as of 1 July 2014. The additional derivates purchased in thrid and fourth quarters of the reporting year were designated as of their respective trading or acquisition date. To the extent that their effectiveness can be demonstrated, the effective portion of gains and losses on changes in the fair value of derivatives will thus be recognized in equity without effect on profit or loss.

Portfolio developments

Photovoltaic parks segment
The PV parks segment again performed very well in 2014. As of the reporting date 31 December 2014, the portfolio was about 3% above plan on a cumulative basis. In Germany and France the improvement was particularly marked. Positive highlights included the solar parks Lochau and Rassnitz, as well as the largest solar park in Brandenburg with an installed capacity of 18.65 MWp, in which the Group holds a 51% interest and which was 13% above plan on a cumulative basis.

Actual power fed into the grid in 2014 came to 244,832 MWh (previous year: 141,392 MWh). Solar parks in Germany accounted for around 56% (previous year: 81%) and those in Italy for 16% (previous year: 19%). French parks accounted for some 28% (previous year: 0%, because Capital Stage only acquired the first parks in France in late 2013). Altogether the Group reported a year-on-year increase of over 73% in feed-in power from the PV parks segment.

In almost all cases, operation of the installations ran smoothly.

Solar parks acquired in 2014:

Solarpark MTS4 S.r.l. (Noceto), Group share 100%
On 20 December 2013, a contract was signed subject to the usual 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 technical management as of 2018.

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.

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.

Solar parks ARSAC 4 S.A.S. and ARSAC 7 S.A.S., 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). Project development work had already been completed at the time of the acquisition, and all the land rights, permits and an attractive long-term financing agreement had been arranged. A feed-in tariff of just over EUR 0.10 per kilowatt-hour was also agreed in advance. The transaction was completed in July 2014. Both parks went into operation in February 2015.

Solar park in Pfeffenhausen-Egglhausen Photovoltaik GmbH, Group share 100%
On 17 October 2014, Capital Stage signed an agreement to acquire another solar park in Germany with a capacity of around 5.6 MWp. It is being sold by Scatec Power AS from Oslo, Norway. The transaction was signed subject to the usual conditions precedent and was completed on 28 November 2014. The solar park in Pfeffenhausen, Bavaria, went into operations in two stages in late 2008 and in October 2009. The power it produces and feeds into the grid is therefore remunerated at a tariff of over 34 cents/kWh, the EEG rate applicable at the time. Its location between Munich and Regensburg offers optimal conditions for operating photovoltaic installations because of the very high amount of sunshine it receives. Capital Stage Solar Service GmbH takes over the technical and commercial management of the solar park as of the acquisition date.

Solar park portfolio Biscaya, Group share 100%
On 12 December 2014 Capital Stage signed a contract to purchase the largest portfolio of solar parks in the company's history. The portfolio in the south of France has a total capacity of 50.8 MWp. The acquisition forms part of the partnership recently agreed with Gothaer Insurance. The portfolio is situated in the Aquitaine region, in south-west France, and is just 100 kilometres

from an existing Capital Stage solar park portfolio. The average feed-in tariff for the five solar parks is 11 cents/kWh over the duration of the fixed feed-in tariff scheme, which runs until 2032. The solar park portfolio was sold by the international power plant developer GP JOULE, which is based in Schleswig-Holstein and will carry out the technical and commercial management of the solar parks. With this acquisition Capital Stage has increased its position on the French solar market from 90 MWp to over 140 MWp.

In October 2014 Capital Stage also announced the unwinding of the contract signed in 2013 for the solar park in Wolgast, Mecklenburg-West Pomerania, with a capacity of 8 MWp, since the conditions precedent agreed in the contract did not come about.

Wind farms segment

As of 31 December 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. Wind speeds were below the long-term average due to adverse weather conditions, so on a cumulative basis the wind farm portfolio was below plan as of 31 December 2014.

In almost all cases, operation of the installations ran smoothly.

Wind park acquired in 2014:

Windkraft Kirchheilingen IV GmbH & Co. KG, Group share 50.99%

On 16 April 2014 Capital Stage signed a contract to acquire a 50.99% stake in the wind park Kirchheilingen in Thuringia. It was sold by BOREAS Energie GmbH from Dresden, which will retain a stake of 49.01% in the operating company. The wind farm in Kirchheiligen, about 40 km north of Erfurt, has a total capacity of 12 MW and was completed in December 2014. The purchase contract was subject to the usual conditions precedent, in particular a successful commencement of operations. The transaction was completed on 24 December 2014.

PV Service segment

Capital Stage Solar Service GmbH, Group share 100 %

Capital Stage Solar Service GmbH, Halle (hereinafter 'Solar Service') has assumed responsibility for the technical operation of nearly all the Capital Stage Group solar parks in Germany, as well as for most of the Italian parks. The volume of Group assets under management amounts to over 160 MWp as of 31 December 2014 (previous year: 142 MWp).

From 2012 onwards the Company also took over contracts for the technical operation of parks not belonging to the Capital Stage Group. The parks in question are located in Saxony-Anhalt, Thuringia, Brandenburg and northern Italy. The volume of non-Group assets under management comes to around 25 MWp (previous year: 23 MWp), and we aim to further expand our technical operations for external third parties.

Solar Service again performed well in the 2014 financial year. Earnings after taxes went up from TEUR 1,078 the previous year to TEUR 1,112 in 2014. A control and profit transfer agreement has been in place between Solar Service and Capital Stage AG since 2012.

Financial investments segment

Helvetic Energy GmbH, Group share 100%

Helvetic Energy GmbH (hereinafter 'Helvetic') is a supplier of roof-mounted solar thermal energy and photovoltaic systems in Switzerland. As a developer and supplier of solar energy systems for hot water, heating and electricity, Helvetic Energy GmbH offers a comprehensive range of products and complete systems. It sells its systems via installation and retail partners throughout Switzerland.

Helvetic's performance was again below expectations in 2014. One new high-potential customer was acquired towards the end of the year, however. Management's plans for the next five years therefore assume that revenue will increase again. Despite this, the impairment test carried out as of the reporting date resulted in an impairment loss of TEUR 4,204 on the goodwill for Helvetic.

The investment in BlueTec GmbH & Co. KG was sold with effect from 28 March 2014. The resulting disposal gain of some TEUR 902 was recognized in other income.

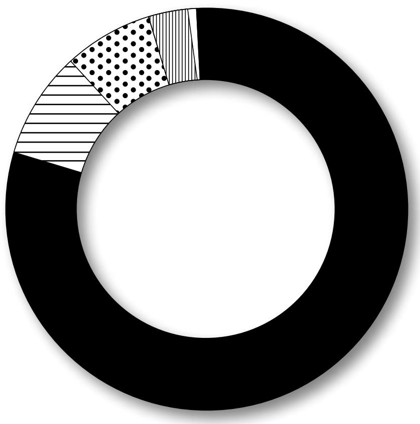
Capital Stage still holds an interest of 49% in Eneri PV Service S.r.l., Bolzano, Italy, but the company has no ongoing business operations and is immaterial for the presentation of the Group.

Earnings, net assets and financial position Capital Stage Group

Earnings

In 2014, the Group achieved sales of TEUR 77,826 (previous year: TEUR 56,991). This growth of around 37% came mainly from the expansion of the solar park portfolio in France. Solar parks acquired in Italy in late 2013 and early 2014 boosted revenues by EUR 3.5 million. Existing German parks also increased their revenues sharply year on year by around EUR 2.5 million. Sales revenues comprise feed-in revenues, income from the operational management of third-party parks and proceeds from the sale of solar thermal energy and photovoltaic plants by the subsidiary Helvetic Energy GmbH.

Revenue by segment is as follows:



* Revenue for the PV Service segment includes TEUR 2,383 in revenue from affiliated companies, which is eliminated in the consolidated balance sheet. This relates to technical and commercial management services which Capital Stage Solar Service GmbH provides for the Group's own solar parks and wind farms. Revenues for the administration segment all represent charges to internal cost centres, which are eliminated in the consolidated financial statements.

The cost of materials related mainly to Helvetic and came to TEUR 3,831 for the reporting year (previous year: TEUR 6,463). Lower revenues at Helvetic caused the cost of materials to go down proportionately.

The Group generated other income of TEUR 32,210 (previous year: TEUR 14,981). In accordance with IFRS 3, the Capital Stage Group carried out a provisional purchase price allocation as of the acquisition dates for the solar parks and wind farms in 2014 in order to incorporate the assets acquired and debts assumed into 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 yielded a negative difference of TEUR 25,089 (previous year: TEUR 13,839), which was recognized in profit or loss for the 2014 financial year. This includes additional badwill of TEUR 480 resulting from the final purchase price allocation for the solar park portfolio Le Communal Est Ouest SARL within the measurement period as defined in IFRS 3.45. Compared with the provisional purchase price allocation and the presentation in the interim reports for the second and third quarters, intangible assets changed by TEUR 1,541, financial liabilities by TEUR 2,142 and deferred tax assets by TEUR 621. Consideration was reduced by TEUR 500. The PPAs for the parks acquired in November and December 2014 are provisional, because the closing balance sheets have not yet been finalized. The technical reviews and the related final budgets, which form the basis for valuing the intangible assets, have also not yet been completed. 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 effect on earnings came to TEUR 4,246, which was recognized through profit or loss in other income.

The financial investment in BlueTec GmbH & Co. KG was sold as of 28 March 2014. The profit from the disposal is also included in other income. Additional revenue was also generated by the reversal of provisions and charging expenses to third parties outside the Group.

Personnel expenses went up slightly from TEUR 6,299 in 2013 to TEUR 6,591 in the reporting year. This increase was primarily attributable to the expansion of the teams at Capital Stage AG and Capital Stage Solar Service GmbH. Job cuts at Helvetic in Switzerland had the opposite effect. TEUR 65 from the share option programme was recognized as personnel expenses in 2014, (previous year: TEUR 60). This item arose from the measurement of the options at their fair values on their respective dates of issue; it covers both the first and second tranches of the 2012 programme and also the fifth tranche of the 2007 programme pro rata temporis up to 31 March 2014.

As of 31 December 2014, the Capital Stage Group employed 64 people excluding the management board (previous year: 70), of whom 32 worked at Helvetic.

Other expenses in 2014 came to TEUR 14,324 (previous year: TEUR TEUR 8,808). This mainly consists of costs of TEUR 8,670 for operating solar parks and wind farms (previous year: TEUR 4,435). The increase stems mainly from the portfolio expansion and the fact that some solar parks and wind farms were only included pro rata temporis in 2013. Expenses were incurred for technical and commercial management, repairs and maintenance, rent, insurance and grounds maintenance. Costs for current operations amounted to TEUR 1,539 (previous year: TEUR 1,700) and consisted mainly of costs for vehicles, marketing and advertising, IT and telecommunications and the remuneration of supervisory board members. Costs for due diligence and advisory work came to TEUR 1,212 (previous year: TEUR 771). Other operating taxes of TEUR 1,054 were incurred (previous year: TEUR 365) and include land tax as well as a tax on companies connected to the grid in France.

In 2014, the Group reported earnings before interest, taxes, depreciation and amortization (EBITDA) of TEUR 85,290 (previous year: TEUR 50,402). The EBITDA margin was 110% (previous year: 88%).

Depreciation and amortization of TEUR 38,923 (previous year: TEUR 18,733) consists principally of depreciation of photovoltaic systems and wind turbines and amortization of intangible assets (electricity feed-in contracts and exclusive licences). The increase stems partly from the newly acquired solar and wind parks and those only consolidated pro rata temporis the previous year. Impairment losses of TEUR 11,968 were also recognized as a result of impairment testing in 2014 (previous year: TEUR 0):
In August 2014 the Italian senate passed a law amending decree No. 91/2014, which had the effect of reducing the feed-in tariffs previously guaranteed for solar parks as of 1 January 2015. Operators of photovoltaic installations with a capacity of more than 200 kW were given a choice between three options. After considering all the relevant factors, Capital Stage chose the option of reducing the feed-in tariff by 8% as of 1 January 2015. An impairment test as defined in IAS 36 was therefore performed on all Italian solar parks as of the reporting date, which resulted in an impairment loss of TEUR 7,764 on the capitalized feed-in contracts (exclusive licences). The management of Capital Stage lodged an appeal against the decision with the Italian administrative court in December 2014.

As of the reporting date the company carried out an impairment test for the goodwill resulting from the acquisition of Helvetic Energy GmbH. Impairment testing was based on forecast discounted free cash flows and resulted in an impairment loss of TEUR 4,204.

Capital Stage intends to sell the capitalized solar installation and the advance land lease payment for Solarpark Göttingen GmbH. When these assets were classified as a disposal group they were written down to fair value less costs to sell of TEUR 523.

Earnings before interest and taxes (EBIT) went up from TEUR 31,669 the previous year to TEUR 46,367 in 2014. This represents an EBIT margin of 60% (previous year: 56%).

Financial income rose from TEUR 1,083 the previous year to TEUR 1,128 in the reporting year. Financial expenses of TEUR 23,640 were incurred (previous year: TEUR 16,919). This includes interest expenses for the non-recourse loan to finance installations in the solar parks and wind farms, expenses from changes in the negative market values of interest rate swaps and the effective interest rate calculation. As of 1 July 2014 Capital Stage decided to account for existing interest rate hedges with a substantial term to maturity relative to their total term and for future interest rate swaps as cash flow hedges in accordance with IAS 39. This meant that wherever possible, all derivatives held as of 30 June 2014 were designated as hedging instruments as of 1 July 2014. Other derivatives acquired directly or by means of a business combination before the reporting date have been designated as hedging instruments as of the relevant transaction date or as of the date of initial consolidation. In the previous year, the item included the write-down of a financial investment to fair value.

Earnings before taxes (EBT) therefore came to TEUR 23,855 (previous year: TEUR 15,833). The EBT margin was 31% (previous year: 28%).

The consolidated income statement shows tax income for 2014 of TEUR 2,200 (previous year: tax expenses of TEUR 1,789). Current tax expenses of TEUR 1,572 (previous year: TEUR 1,064) relate largely to foreign solar parks and to trade and corporation tax at Capital Stage Solar IPP GmbH. During the reporting year, deferred tax income of TEUR 3,772 (previous year: deferred tax expenses of TEUR 725) were recognized. This consists mainly of a deferred tax income for the impairment loss recognized on capitalized electricity feed-in agreements (exclusive licences) in Italy. Tax-free other income and deferred tax assets recognized on tax loss carry-forwards also increased the amount of deferred tax income.

Altogether, this resulted in earnings after tax (EAT) of TEUR 26,055 (previous year: TEUR 14,044).

Consolidated net income is made up of earnings attributable to shareholders of the parent company of TEUR 25,525 (previous year: TEUR 13,368) and earnings attributable to non-controlling interests of TEUR 530 (previous year: TEUR 676).

Comprehensive income for the Group of TEUR 23,120 (previous year: TEUR 14,097) is made up of consolidated net income and changes in other reserves shown in equity of TEUR -2,935 (previous year: TEUR 53). Other reserves include the effective portion of cash flow hedges in accordance with IAS 39 and the related deferred taxes. They also include translation differences of TEUR -24 relating to Swiss francs (previous year: TEUR 53).

Basic earnings per share (after non-controlling interests) were EUR 0.35 (previous year: EUR 0.24). The average number of shares in circulation in the reporting period was 72,017,994 (previous year: 55,912,956. Diluted earnings per share were EUR 0.35 (previous year: EUR 0.24).

Operating earnings

As described in the chapter Internal management system at Capital Stage, adjusted operating figures and performance indicators are also used for operational management. This basically entails adjusting the IFRS indicators EBITDA and EBIT for non-cash IFRS effects. The following table shows the operating performance indicators and how they are derived, including comparative figures for the previous year.

in TEUR	Notes	2014	2013
Revenue	3.25; 4.1	77,826	56,991
Other income	4.2	32,210	14,981
Cost of materials	4.3	-3,831	-6,463
Personnel expenses of which TEUR 65 (VJ TEUR 60) in share-based remuneration	4.4	-6,591	-6,299
Other expenses	4.5	-14,324	-8,808
Adjusted for the following effects:			
Income from the disposal of financial investments		-904	0
Other non-cash income (essentially from purchase price allocation)		-29,957	-14,698
Share-based remuneration		65	60
Adjusted operating EBITDA		**54,494**	**35,764**
Depreciation or amortization	4.6	-38,923	-18,733
Adjusted for the following effects:			
Amortization of intangible assets from purchase price allocation		16,728	3,550
Depreciation of property, plant and equipment from step-ups in the course of purchase price allocation		1,352	1,117
Adjusted operating EBIT		**33,651**	**21,698**

Financial position and cash flow

The change in cash and cash equivalents in the reporting period was TEUR 62,020 (previous year: TEUR 21,427) and is made up as follows:

Net cash flow from operating activities increased by 55%, from TEUR 36,018 the previous year to TEUR 55,906 in the reporting year. It consisted 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 -85,290 (previous year: TEUR -46,630) consisted mainly of payments for the acquisition of the solar parks and wind farms in Germany, Italy and France. They include TEUR 35,686 (previous year: TEUR 500) for investments in property, plant and equipment for solar parks in France, which in some cases are still under construction.

Cash flow from financing activities amounted to TEUR 91,404 (previous year: TEUR 32,039). Capital increases carried out in 2014 and the exercise of share options generated cash inflows of TEUR 17,896 (previous year: TEUR 69,750). Share capital therefore increased by a total of TEUR 6,093. Expenses of TEUR 806 (previous year: TEUR 2,216) were incurred for the capital increases.

In 2014, TEUR 140,039 was raised in the form of loans (previous year: TEUR 2,738). Non-current loans of TEUR 63,879 were taken out to finance solar parks (previous year: TEUR 2,738). Capital Stage and Gothaer Insurance agreed a long-term strategic partnership in renewable energies in November 2014. As part of this strategic partnership, Gothaer Insurance will provide Capital Stage with EUR 150 million in mezzanine capital for 20 years. As of the reporting date Capital Stage had drawn down TEUR 63,128 of the total. Short-term bridge financing loans of TEUR 10,365 (previous year: TEUR 0) were raised in 2014 and had been repaid in full as of the reporting date.

Total interest payments and repayments for the Group's loans resulted in a cash outflow of TEUR 61,772 in 2014 (previous year: TEUR 34,486).

At the annual general meeting that took place on 26 June 2014 the management board and supervisory board proposed a dividend of EUR 0.10 per share. Shareholders also had the option of receiving the dividend either fully in cash or partly in the form of shares in Capital Share AG. The proposal by the Management and supervisory boards was approved by a clear majority. Shareholders representing approximately 57% of outstanding share capital chose to receive shares. In total, 1,114,738 new bearer shares were issued. The dividend was paid on 16 September 2014. The solar park Brandenburg also distributed a dividend, of which TEUR 1,078 was attributable to non-controlling interests.

Assets position

As of 31 December 2014, shareholders' equity came to TEUR 243,479 (31 December 2013: TEUR 207,401). The increase of TEUR 36,078, or 17.40%, is principally due to the capital increases carried out in 2014 and to the net profit for the year. The equity ratio is 24.70% (previous year: 34.96%).

Total assets rose from TEUR 593,191 to TEUR 985,799.

As of 31 December 2014, the Group held intangible assets worth TEUR 145,425 (31 December 2013: TEUR 91,426). In the course of the purchase price allocations for the German, Italian and French solar parks and wind farms acquired or consolidated for the first time in 2014, some of which are still provisional, the electricity feed-in contracts between the parks and the energy supply companies and the exclusive licenses were measured, leading to the capitalization of intangible assets worth TEUR 66,759 (31 December 2013: TEUR 25,664). These assets will be amortized over the lifetime of the parks and the existing leases (between 18 and 30 years).

As of the reporting date Capital Stage carried out an impairment test for the goodwill resulting from the acquisition of Helvetic Energy GmbH. Impairment testing was based on forecast discounted free cash flows and resulted in an impairment loss of TEUR 4,204, which was recognized through profit or loss in the reporting year. Goodwill therefore declined to TEUR 2,623 as of 31 December 2014 (previous year: TEUR 6,827).

The increase in the value of property, plant and equipment to TEUR 675,648 (31 December 2013: TEUR 408,120) is mainly due to newly acquired or installed photovoltaic plants and wind turbines (TEUR 289,054).

Financial investments as of 31 December 2014 consist solely of an investment in Eneri PV Services S.r.l., which is immaterial for the Capital Stage Group. The investment in BlueTec GmbH & Co. KG was sold with effect from 28 March 2014.

Deferred tax assets were recognized on tax loss carry-forwards. Assets in the parks are also subject to accelerated depreciation in accordance with section 7 of the German income tax act (Einkommensteuergesetz – EStG). The resulting losses can in some cases be carried forward and set off against taxes.

Current assets increased from TEUR 68,946 the previous year to TEUR 142,587 as of 31 December 2014. This is largely due to an increase in cash and cash equivalents. As of 31 December 2014, the Group had liquid funds amounting to TEUR 118,722 (previous year: TEUR 55,659). TEUR 22,489 of the total (previous year: TEUR 13,206) were held on the accounts of the solar parks and wind farms. Part of the mezzanine capital agreed with Gothaer Insurance was drawn down. As of 31 December 2014 some of these funds had not yet been used by CSG IPP GmbH to acquire additional solar parks. Further cash was generated by the refinancing of the Italian solar parks completed in October 2014. Long-term loans were taken out to replace some of the equity in the fully equity-funded parks.

The cash includes reserves for debt servicing and projects of TEUR 30,126 (previous year: TEUR 18,635) in the solar parks and wind farms, which the company can only dispose of in agreement with the lending banks.

As of 31 December 2014 the Group had bank and leasing liabilities of TEUR 637,237 (previous year: TEUR 326,934). These loans and leases relate to funding for solar parks and wind farms and the mezzanine capital provided by Gothaer Insurance in November 2014. The increase stems primarily from the bank debt for the solar parks in France acquired or consolidated for the first time in the financial year. Long-term loans were also taken out for the solar parks in Italy, which were previously fully funded with equity. Non-current liabilities from the mezzanine capital amounted to TEUR 63,282 as of 31 December 2014 (previous year: TEUR 0). Liability in all debt agreements is limited to the parks themselves (non-recourse financing).

The rise in deferred tax liabilities relates to the capitalized intangible assets as well as the recognition of property, plant and equipment at fair value in connection with the purchase price allocation undertaken in the financial year.

Trade liabilities of TEUR 13,284 (previous year: TEUR 2,119) are primarily invoices for the construction of solar parks and wind farms.

Segment reporting

Inter-segmental expenses and revenue chiefly arise in connection with technical operation and commercial management services, as well as interest income and expenses in relation to internal Group loans. These loans are normally granted as bridge financing for VAT and investments in solar park projects.

Administration

Earnings for the administration segment totalled TEUR 20,621 (previous year: TEUR 8,066). The increase is mainly due to higher distributions from Capital Stage Solar IPP GmbH and higher interest received from affiliated companies. It was offset by higher personnel expenses due to the recruitment of additional team members at Capital Stage AG.

PV Parks

Revenue from the solar parks increased year on year by more than 62% in 2014 to TEUR 64,083 (previous year: TEUR 39,375). This stems mainly from the parks acquired in France. However, revenue from the existing portfolio, particularly in Germany, also went up by more than EUR 2.5 million. Other income of TEUR 27,358 (previous year: TEUR 10,597) is mostly connected with negative differences from business combinations as defined in IFRS 3. It was offset by the operating costs of the solar parks and other expenses of TEUR 11,033 (previous year: TEUR 6,076), depreciation and amortization of PV installations and feed-in contracts and exclusive licences of TEUR 23,505 (previous year: TEUR 15,567, impairment losses in connection with the reduction of feed-in tariffs in Italy of TEUR 7,764 (previous year: TEUR 0) and interest expenses on loans to finance the parks of TEUR 25,080 (previous year: TEUR 12,935). The increase in expenses is mainly due to the solar parks that were acquired in 2014 or only consolidated pro rata temporis the previous year. Altogether the PV parks segment generated net income of TEUR 24,329 (previous year: TEUR 14,968).

PV Service

Earnings improved in the PV service segment. Operational management for third parties was also developed in the reporting year. Revenues and other income, less the cost of materials, of TEUR 2,969 (previous year: TEUR 2,123) was offset by personnel expenses and other expenses of TEUR 1,822 (previous year: TEUR 1,016). After deducting depreciation and amortization, the financial result and taxes, net profit came to TEUR 1,112 (previous year: TEUR 1,078).

Wind Farms

In the reporting year the wind farms segment generated revenues and other income of TEUR 11,372 (previous year: TEUR 12,043). Expenses for operating and managing the parks came to TEUR 2,440 (previous year: TEUR 2,131). Depreciation of TEUR 3,281 was recognized on wind turbines (previous year: TEUR 2,956). Financial expenses of TEUR 2,555 were incurred (previous year: TEUR 1,900), mainly for non-current loans. Altogether the wind farms segment generated net income of TEUR 3,646 (previous year: TEUR 4,599).

Financial Investments

The financial investments segment includes revenues from Helvetic Energy GmbH. Revenues declined again in the year 2014. One new high-potential customer was acquired towards the end of the year. Management's plans for the next five years therefore assume that revenue will increase again. Despite this, the impairment test carried out as of the reporting date resulted in an impairment loss of TEUR 4,204 on the goodwill for Helvetic. The cost of materials went down in line with revenue from TEUR 5,920 the previous year to TEUR 3,264 in the reporting year. Personnel expenses fell by TEUR 1,027 to TEUR 2,347 as a result of job cuts at Helvetic. In the previous year, the item included the write-down of a financial investment to fair value. Overall earnings came to TEUR -4,187 (previous year: TEUR -4,082).

Notes to the separate financial statements for Capital Stage AG (HGB)

The financial statements of Capital Stage AG for the 2014 financial year have been drawn up in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch - HGB) and the stock corporation act (Aktiengesetz - AktG).

Earnings

Capital Stage AG generated revenue for the first time in the reporting year of TEUR 661 (previous year: TEUR 0). They stem from charging the costs of accounting, management, administration and management of solar parks (asset management) to the companies in the Capital Stage Group.

Other operating income came to TEUR 940 (previous year: TEUR 11). This includes the proceeds on disposal of BlueTec GmbH & Co. KG.

Personnel expenses came to TEUR 3,583 (previous year: TEUR 2,379). The increase is mainly due to the expansion of the team at Capital Stage AG. Dr Bognar left the company with effect from 30 September 2014. His pro-rata performance-related remuneration (annual bonus) for the year 2014 was already paid in 2014, which increased personnel expenses on a non-recurring basis.

Other operating expenses of TEUR 2,706 were incurred (previous year: TEUR 3,744). The decline is due mainly to lower expenses for capital increases. In 2014 these amounted to TEUR 806 (previous year: TEUR 2,216). Other expenses also include the costs of the stock market listing (annual report, annual general meeting, investor relations, statutory publications), office space, due diligence and advisory work in connection with internal restructuring, legal expenses and audit fees.

Financial income rose to TEUR 24,439 in 2014 (previous year: TEUR 12,126). This includes a distribution from Capital Stage Solar IPP GmbH of TEUR 18,000 (previous year: TEUR 9,500) as well as interest income on loans to affiliated companies of TEUR 4,343 (previous year: TEUR 1,236). Capital Stage AG received income of TEUR 1,113 from the control and profit transfer agreement between Capital Stage AG and Capital Stage Solar Service GmbH signed in 2012 (previous year: TEUR 1,078).

Financial expenses of TEUR 3,774 were incurred (previous year: TEUR 3,351). They include the interest on a current loan that Capital Stage AG had received from Lobelia Beteiligungs GmbH, Grünwald. The loan has already been repaid. Loans to Calmatopo Holding AG, Flurlingen (Switzerland), plus accrued interest were written off in full following a further subordination of the claim. The resulting expenses of TEUR 3,594 were recognized through profit or loss as impairment losses on financial investments. The previous year one financial investment was written off in full following impairment testing and the expense recognized in the financial result. In 2014 this financial investment was sold.

Capital Stage AG recognized tax income of TEUR 1,884 (previous year: TEUR 0). This is largely due to deferred tax income from tax loss carry-forwards.

Capital Stage AG reported a net profit for the year of TEUR 17,763 (previous year: TEUR 2,560). This corresponds to earnings per share of EUR 0.25 (previous year: EUR 0.05).

Net assets and financial position

Shareholders' equity increased from TEUR 164,159 the previous year to TEUR 196,698 as of 31 December 2014. The increase stems principally from the capital increases carried out in 2014 and net income for the year. The equity ratio on the reporting date stood at 99.0%, as in the previous year.

Total assets rose from TEUR 165,827 by TEUR 32,777 to TEUR 198,604. The increase was principally due to granting loans to subsidiaries and providing them with short-term liquidity for the acquisition of further solar parks and wind farms. Shares were also acquired in a portfolio of French solar parks in 2014, which are presented as financial investments.

In 2014, cash flow from operating activities came to TEUR 11,606 (previous year: TEUR -4,425). Distributions from Capital Stage Solar IPP GmbH were the main reason for the increase.

Investing activities yielded a cash flow of TEUR -35,923 (previous year: TEUR -19,116). This chiefly comprises payments for newly acquired solar parks in France.

Cash flow from financing activities amounted to TEUR 25,265 (previous year: TEUR 56,830). The capital increases carried out in 2014 resulted in an inflow of funds totalling TEUR 17,896 (previous year: TEUR 69,750). In 2014, a dividend of EUR 0.10 per share was distributed to the shareholders of Capital Stage AG (previous year: EUR 0.08 per share). For the first time shareholders had the option of receiving the dividend either fully in cash or partly in the form of shares in Capital Share AG. Shareholders representing approximately 57% of outstanding share capital chose to receive shares. A cash dividend of TEUR 3,119 was paid to shareholders (previous year: TEUR 3,913) in September 2014. Repayments of loans to affiliated companies resulted in cash inflows of TEUR 10,653 (previous year: TEUR -9,077).

Events after the reporting date

Apart from the matters mentioned below, there have been no significant changes in the operating environment for the Capital Stage Group in the period between the reporting date 31 December 2014 and the time the separate and consolidated financial statements for 2014 were drawn up.

Capital Stage continues dynamic expansion by entering the UK market

On 12 February 2015 Capital Stage acquired its first portfolio of solar parks in the United Kingdom. The British portfolio consists of seven solar parks and has a generation capacity of some 53.4 MWp. The total volume of the acquisition, including debt, is GBP 67.7 million (approximately EUR 90.0 million). Entering the UK market enables the Group to enhance the geographic diversification of its portfolio and to generate additional growth beyond the previous core markets in Germany, France and Italy. The seven solar parks are situated in the south west of England and Wales. Average sunshine hours in this region are roughly equivalent to the south of Germany. All the parks are already connected to the grid. In their first full year of operations the solar parks are expected to contribute revenue of around GBP 7.4 million (approx. EUR 10.0 million). Solar park operators in the UK generally benefit from power purchase agreements with industrial customers and from various state subsidies for renewable energies, such as the Renewables Obligation and Levy Exemption Certificates. The solar parks in Britain acquired by Capital Stage have long-term power purchase agreements with the TOTAL Group and British Telecom. Technical management of the parks has been outsourced to an English service provider and is organized and monitored by Capital Stage Solar Service GmbH. Capital Stage AG itself is responsible for the commercial management. The acquisition is still subject to standard conditions precedent.

Capital Stage agrees additional credit line

On 9 February 2015 Capital Stage AG signed a framework agreement for a EUR 10.0 million loan with a well-known bank from Hamburg. Capital Stage Solar IPP GmbH and Capital Stage Wind IPP GmbH have assumed joint liability for the loan. This short-term line of credit provides general working capital (especially bridge financing for possible claims against the tax authority for corporation and capital gains tax) and excludes interim equity financing for projects.

Capital Stage Solar Service GmbH successfully certified under DIN EN ISO 9001

Capital Stage Solar Service GmbH, Halle, has been successfully certified in accordance with DIN EN ISO 9001:2008. When the certificate was presented to the service provider for the technical management of the solar parks in January 2015, the certification agency TÜV Nord officially confirmed that the company's quality and process management meets all the requirements of this national and internationally acknowledged standard. Before the certificate was issued, all the internal processes and workflows at Capital Stage Solar Service GmbH had been examined in detail – from cutting the grass at the solar parks under management through to their monitoring, technical servicing and maintenance. All the structures, processes and workflows were optimised, organized and subjected to the demands of rigorous quality and process management. The agency appointed with the certification, TÜV Nord, came to the conclusion that Capital Stage Solar Service meets all the conditions and requirements for the DIN EN ISO 9001:2008 standards at a high level.

Expansion of the Italian solar park portfolio

On 23 December 2014 Capital Stage signed a contract to acquire six Italian solar parks with a total capacity of 26.7 MWp. The total investment volume of the acquisition amounts to around EUR 30 million, with the project financing coming from UniCredit and BayernLB. The acquisition of the Italian solar park portfolio represents a further step in the rapid implementation of the investment partnership with Gothaer Insurance. The six Italian solar parks are situated in the Friuli region, about 100 kilometres south east of Venice. They went into operations between February and September 2013. The average feed-in tariff is approximately 12.4 cents per kWh. The Italian portfolio of solar parks was sold by GP JOULE, a developer of international power plants, based in Schleswig-Holstein. Both companies share the technical and commercial management of the solar parks in the Italian portfolio. GP JOULE is responsible for the technical operations and Capital Stage AG for the commercial management of the parks. As of the reporting date the contract was still subject to conditions precedent, the transaction was completed on 11 February 2015.

There were no other significant events after the end of the financial year.

Personnel

In 2014, there were an average of 66 employees at the Group (previous year: 67), of which 22 were employed at Capital Stage AG, 11 at Capital Stage Solar Service GmbH and 33 at Helvetic Energy GmbH.

Most of the new recruitment took place at Capital Stage AG, whereas Helvetic Energy GmbH reduced its workforce as a result of its poor performance. As of 31 December 2014, Capital Stage AG had 22 employees and two managing directors. Five employees work in the investment department, seven in finance and controlling, four in asset management, one in IR/PR and five in administration. The team of Capital Stage Solar Service GmbH also grew in the reporting year. In addition to one technical and one commercial managing director, the company had seven technical and two administrative employees on its payroll in 2014.

There were changes to the management board in the course of the financial year. Dr Bognar left the company's management board as of 30 September 2014. Dr Christoph Husmann was appointed to the management board for three years as of 1 October 2014.

Supervisory board

There have been no changes in the composition of the supervisory board of Capital Stage AG in the reporting year.

Since the close of the annual general meeting on 20 June 2012, the supervisory board consists of Dr Manfred Krüper (chairman), Alexander Stuhlmann (deputy chairman), Albert Büll, Dr Cornelius Liedtke, Dr Jörn Kreke and Professor Fritz Vahrenholt.

Remuneration report

To create long-term incentives, management board members are granted share options under the share option programme. These were adopted in 2007 and 2012 by the shareholders' meeting. The last tranche of the share option programme AOP2007 was issued in the financial year 2012. Since 2013 options have been granted as part of the share option programme AOP2012. The subscription rights attached to the share options may only be exercised after a waiting period. There is a vesting period of two years for the share-based compensation programme AOP2007 and of four years for the share-based compensation programme AOP2012. The subscription price (exercise price) for both programmes is the arithmetic mean of the closing price of Capital Stage AG shares in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last five trading days preceding the date on which the options are granted. A condition for the exercise of subscription rights is that the performance target has been met. The performance target for the AOP2007 has been achieved if the price of shares in Capital Stage AG in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange exceeds the exercise price by at least 25% during the ten trading days preceding the date on which the subscription rights are exercised. The performance target for the AOP2012 has been achieved if the price of shares in Capital Stage AG in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange exceeds the exercise price by at least 30% during the ten trading days preceding the date on which the subscription rights are exercised. The applicable exercise period is deemed to be the period in which the relevant subscription rights may first be exercised, the performance target having been reached or exceeded.

Full details of the share-based compensation programmes and the valuation process can be found in the notes to the consolidated balance sheet.

Management board members receive a gross annual salary for their services. They also receive an annual performance-related bonus. The annual bonus for Mr Goedhart is 3% of consolidated profit for the year. Gross annual salary and annual bonus together should not exceed TEUR 800. Dr Husmann receives an annual bonus for the last financial year as defined by the supervisory board, taking the company's earnings and financial position as well as his own performance into account. The annual bonus becomes due for payment immediately after the supervisory board meeting in which the corresponding annual financial statements are approved and the bonus is fixed. The arrangements for Dr Husmann are the same as those for Dr Zoltan Bognar, who left the management board in 2014.

No substantially different compensation payments will be made in case employment of the board members is terminated.

The disclosures required by DRS 20 in conjunction with DRS 17 and all other statutory requirements are presented in detail in the notes to the financial statements of Capital Stage AG, in the notes to the consolidated financial statements and in the remuneration report which forms part of the corporate governance report.

Total provisions for remuneration for the supervisory board's activities in the financial year amounted to TEUR 223. Pursuant to section 15 paragraph 1 of the Articles of Association, the remuneration paid to supervisory board members will be set by the annual general meeting at amounts not less than TEUR 15 for each member, TEUR 30 for the chairman and TEUR 22.5 for the deputy chairman. The provisions are based on the remuneration defined by the shareholders' meeting for financial years since 2011.

Other information

Disclosure of barriers to takeovers pursuant to section 289 paragraph 4 and section 315 paragraph 4 of the HGB

- On 31 December 2014, the Company's subscribed capital was EUR 73,834,144 (in words: seventy-three million eight hundred and thirty-four thousand, one hundred and forty-four), divided into 73,834,144 no-par-value bearer shares.

- There are no restrictions on voting rights or share transfers.

- Pursuant to section 21 paragraph 1 or paragraph 1a of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG), Capital Stage AG has been notified of the following direct or indirect equity interests which exceed 10% of the voting rights:

  Pursuant to section 21 paragraph 1 of the WpHG, AMCO Service GmbH, Hamburg, Germany, notified us in a letter dated 17 October 2013 that its share of the voting rights in Capital Stage AG, Hamburg, Germany, on 11 October 2013 fell below the 25% voting rights threshold, on that date amounting to 22.56% (15,247,719 voting shares).

- There are no shares with special rights.

- There are no voting right controls of any kind whatsoever.

- The management board is appointed and dismissed in accordance with the provisions of the German stock corporations act (Aktiengesetz - AktG) (section 84 ff.).

- All changes to the Articles of Association require a resolution of the annual general meeting. Rights to make changes which only concern the wording may be granted to the extent laid down in the Articles of Association.

- Any authorization to increase the share capital and issue shares granted to the management board by the annual general meeting is governed by the provisions of sections 4 and 6 of the Articles of Association. For further details, we refer the reader to the detailed account of the share capital set out in the notes to the financial statements.

- The annual general meeting held on 26 June 2014 authorized the management board to purchase treasury shares until 25 June 2019. Pursuant to section 53a of the AktG, said acquisition is to take place at the management board's choice and with due observance of the equal treatment principle (1) on the stock exchange, (2) via a public offer of purchase made to the company shareholders or via a demand made to company shareholders to submit offers of sale or (3) via a public offer to make an exchange against the shares of a listed company within the meaning of section 3 paragraph 2 of the AktG, or via a public demand to make such an offer.

- There are no significant change-of-control agreements in the event of a takeover bid.

- No arrangements are in place to pay compensation to members of the management board or other employees in the event of a takeover bid.

Principle characteristics of the internal control system with respect to the financial accounting process

The management board of Capital Stage is responsible for preparing the financial statements and the management report for Capital Stage AG according to the German Commercial Code (HGB) and the German stock corporation act (Aktiengesetz – AktG). The consolidated balance sheet is also prepared in accordance with International Financial Reporting Standards (IFRS) and a consolidated management report in accordance with German Accounting Standard (GAS) No. 20.

To ensure the accuracy and completeness of the details given in the reporting as well as the correctness of the financial accounting methods employed, the management board has established a suitable internal control system.

The internal control system has been designed to ensure the prompt, uniform and accurate recording in accounts of all business processes and transactions, as well as to guarantee compliance with statutory requirements and financial accounting regulations. Changes to laws, financial accounting standards and other pronouncements are analysed continuously for their relevance to and impact on the separate financial statement and consolidated balance sheet. Furthermore, the internal auditing system is based on a series of monitoring activities integrated into our business processes. These integrated monitoring activities include organizational safeguards and ongoing automatic measures such as separation of functions, restriction of access and organizational instructions regarding matters such as powers of representation, as well as checks built into working processes. The efficacy of these internal control systems is further secured through process-independent monitoring activities.

The accounting for all our fully consolidated companies, with the exception of the companies in Italy, France and Switzerland and five of the wind farms, is carried out centrally, as are the consolidation activities. Systemic controls are monitored by our employees and supplemented by manual checks. The consolidation measures are carried out with the aid of a standardized consolidation system.

The personnel involved in our financial accounting processes also receive regular training.

The supervisory board of Capital Stage is responsible for regularly monitoring the efficacy of the control and supervision systems. It receives regular reports from the management board on the subject.

Opportunity report

Opportunity management aims for a balance between risk and return

As a provider of power generation from renewable energy sources, Capital Stage AG is active in a dynamic market environment in which new opportunities arise all the time. Systematically identifying and exploiting these opportunities while minimizing risks wherever possible forms the basis for the company's sustainable growth.

Opportunities may consist of internal or external potential. To identify opportunities for geographical and technological diversification and potentials the company analyses its markets and competitors and uses the comprehensive expertise and experience of its highly specialised staff. Specific market opportunities are then identified, which the management board coordinates with the operational management in the course of strategic company planning. Capital Stage strives for a balanced opportunity/risk profile with the aim of achieving a sustainable increase in the company value.

Opportunities from economic development

The economic environment has no direct impact on the company's business, earnings, net assets, financial position or cash flow. A weak economy may sometimes give rise to opportunities for acquisitions on the secondary market for solar parks and wind farms, as this generally increases pressure on some market participants to sell. Low interest rates are also often a feature of a weak economy, which creates a wider range of financing options and makes the terms for financing wind farms and solar parks more attractive.

Opportunities from meteorological developments

The performance of wind and solar farms depends on meteorological conditions. A positive deviation from forecast hours of sunshine and/or wind power has a direct short-term impact on the company's financial and earnings position and on its cash flow. As forecasting quality is improving all the time, both for solar energy and wind, possible deviations are generally very slight.

Furthermore, the low winds in 2013 and 2014 may have increased the pressure on individual market participants to sell, especially those operating smaller wind farms. More wind farms may come onto the secondary market as a result, which may give rise to attractive acquisition opportunities.

Regulatory opportunities

National and international climate change targets and renewable energy targets are generally actively promoted by means of government subsidies. Generally speaking, there is an unbroken trend towards increasing the share of power production from renewable energies, be it in industrialized countries, emerging markets or developing countries. As new targets and standards are met the existing regulatory framework may be altered and adapted to make the generation of electricity from renewable sources more attractive. In the medium to long term, this could have a positive effect on the company's investment opportunities.

Opportunities from innovation

The renewables energy sector has enjoyed a period of ongoing innovation. This has increased the efficiency of existing technologies and also brought new technologies to market that will increase the productivity of future projects. Many government subsidies for expanding renewable energies attempt to create additional incentives for further innovation by means of integrated degression models. If research and development work by manufacturers should cause individual technologies to progress substantially, this may make new and improved products available or make them available earlier than is currently expected. This should also increase the availability of profitable solar parks and wind farms in the future.

Opportunities from business relations and partnerships

Capital Stage has operated wind and solar parks since 2009 and has established itself in the industry as a reliable and competent market participant. The company has a broad international network of well-known project developers, general contractors, operators, business partners, service providers, intermediaries, advisers, banks and many more. Last year Capital Stage was able to expand its generation portfolio by more than 60% compared with the previous year. Today the company is the largest independent operator of solar parks in Germany and the second largest on the German stock exchange, measured by market capitalization as of 31 December 2014. In the reporting period the company also increased its reputation and recognition factor. This increases the chances that attractive solar parks and/or wind farms are actively offered to the company, in some cases on an exclusive basis.

Capital Stage Solar Service GmbH in Halle, Germany, a wholly-owned subsidiary of Capital Stage, is responsible for the technical management, especially of solar parks in Germany, and also offers this service to third parties. Capital Stage Solar Services currently manages a generation portfolio of some 185 MWp. These services may also make it possible to expand business relationships. Capital Stage has partners abroad which are responsible for operating the solar parks and wind farms. As these service companies are established in their respective regions and have good networks, this may give rise to additional business opportunities.

Opportunities from new financing options

In November 2014 Capital Stage entered into a strategic partnership with Gothaer Insurance to invest in PV parks. As part of this strategic partnership, Gothaer Insurance has provided Capital Stage with profit participation right of EUR 150 million for the acquisition of new solar parks. The profit participation rights capital has a term of twenty years and pays a fixed rate of interest, which is supplemented by a performance-related component. The profit participation rights capital is used at the project level with an appropriate leverage factor. The strategic partnership with Gothaer Insurance has opened up additional growth opportunities for Capital Stage. Until now growth in recent years has largely been financed by means of capital increases. The profit participation rights capital means that capital can now be drawn down for acquisitions faster, at lower cost and at the same time as the effective acquisition date. In contrast to capital increases, the profit participation rights capital does not dilute the equity interests of existing shareholders either.

Capital Stage assumes that if the strategic partnership with Gothaer Insurance goes well, this company or other insurance companies or institutional investors may express an interest in similar partnerships. Furthermore, the company reviews other possible alternatives for financing future growth on an ongoing basis.

Opportunities from geographic diversification

Capital Stage was active in three countries, Germany, Italy and France, in the reporting period. The company continuously monitors and reviews developments in renewable energies and corresponding opportunities in other regions. It principally concentrates on countries in (western) Europe which have stable economic and regulatory environments and ideally which subsidize renewable energies by means of feed-in tariffs financed by levies on consumers. Geographic diversification reduces the company's dependence on new projects in the same region and on sunshine hours or wind conditions in individual regions. Furthermore, entering markets in new countries gives the company additional potential for growth outside its previous core markets.

Risk management system

The risk management system at the Capital Stage Group is an element of all planning, controlling and reporting systems in the individual companies and at Group level. It comprises the systematic identification, measurement, management, documentation and monitoring of risks. The risks associated with solar parks and wind farms, the two main business areas for Capital Stage, are very homogeneous.

Risk measurement

The risks identified are measured according to their probability of occurrence and significance and then assigned to risk classes (1 to 4). Risk classes 1 (high probability and significant impact on the Group) and 2 (lower probability but significant impact on the Group) are given particular attention. Accordingly, the bandwidth of risk classes 1 and 2 is very narrow, and the basic principle applied is to assign the risks involved to a higher risk class rather than a lower one.

Risk management

The Capital Stage Group has various strategies to reduce and avoid risk by taking appropriate countermeasures. The Group focuses on existing parks in order to reduce the risk of the project phase. It has warranties from manufacturers for the unlikely event of a decline in performance and insurance contracts to cover the loss of income. Furthermore, project reserves for the solar parks and wind farms have been set aside from current cash flow and can be drawn on if components need replacing. Downtime is minimized by real-time online monitoring. Monitoring is carried out either by the Capital Stage Group itself or by respected partners. To minimize financing risks, the Group ensures that the financing banks do not have any recourse to companies other than the respective borrowers. All financing arrangements are on a non-recourse basis, in which the collateral for the bank is limited to the park in question. Meteorological risks are factored into the calculations for the wind farms in the form of safety margins, as wind power can fluctuate widely from year to year. Long-term statistical analyses show that, on average, years with less sunshine are balanced by sunnier years. Independent yield surveys are also obtained in most cases. Interest rate swaps are used to hedge interest rate risks and enable reliable calculation and planning.

Risk controlling

The identified risks are reviewed in weekly deal meetings. Meetings are attended by the managing directors, the investment team, the asset management team and the commercial department of the Capital Stage Group. The asset management team presents all the technical and commercial aspects of the parks' current operations. These include the availability of the facilities and cumulative power production. The investment team provides information about new investment opportunities and the progress made on integrating investments already made.

Every solar park and wind farm is discussed individually, so that specific countermeasures can be taken at short notice as needed.

Risk report

Risk management for the Capital Stage Group and Capital Stage AG entails defining the following risks, evaluating them according to their probability of occurrence and impact and then dividing them into risk classes.

Risk class 1

This class includes risks with a high probability of occurrence and a significant impact on the Group.

Risk class 2

This class includes risks with a low probability of occurrence but with a significant impact on the Group, should they occur.

Risk class 3

This class includes risks with a high probability of occurrence but minimal impact on the Group.

Risk class 4

This class includes risks with a low probability of occurrence and minimal impact on the Group.

Disclosures on significant changes in risk

Capital Stage identifies, analyses, measures and controls the risks to the company on a continuous and comprehensive basis. The main risks are presented, explained and classified in the following risk report. In addition, the report presents the company's activities and strategies to avoid or reduce these risks.

As of 31 December 2014 the following risks have not changed compared with the risk report in the separate and consolidated financial statements for 2013: Risk class (1) Fund-raising risks to the financing of solar parks and wind farms, risks in the planning and installation of solar parks and wind farms; Risk class (2) Technical risks and loss of capacity, risks of downtime, risks of incorrect investment and return calculations, meteorological risks (sun), financing risks, tax risks; Risk class (3) meteorological risks (wind), risk of dependence on qualified employees, Risk class (4) interest rate risks.

There have been changes in the following risks:

Risk	Risk class	Changes compared to 31 December 2013	Reason
Risks in connection with dependence on national programmes for promoting renewable energy	2	Reclassification from risk class (3) to risk class (2)	Low probability of occurrence; an event, especially due to retroactive changes in state subsidies could have a substantial impact on earnings, net assets and the financial position
Risks associated with the Group’s fund raising	2	The risks of raising capital are lower	The inclusion of Capital Stage in the Deutsche Börse SDAX Index and its higher market capitalization have a positive effect on the company's financing options
Exchange rate risk	2	Exchange rate risks have increased slightly	Entering new markets outside the euro area, such as the British solar power market, entail corresponding exchange rate risks
Risks from existing covenants	2	Risk included in the risk report for the first time for 2014	Low probability of occurrence; an event could have a substantial impact on earnings, net assets and the financial position of Capital Stage, however
Financial investment risks	4	Reclassification from risk class (3) to risk class (4)	Low probability of occurrence a risk event would only have have a slight impact on the company's earnings, net assets and financial position due to impairment losses on significant financial investments
Economic and sectoral risk	4	Reclassification from risk class (3) to risk class (4)	Low probability of occurrence due to stable global economic development and the global expansion of renewable energies focussing on non-cyclical feed-in payments with state guarantees also reduces the possible effects on the company

Risks in risk class 1:

Risks associated with raising capital to finance projects

Continuing to grow our photovoltaic parks and wind farm segments by acquiring additional projects requires obtaining project financing in the form of debt or equity capital and/or alternative financing solutions. In this field, depending on the investment and the region, it is customary to obtain the bulk of the sum invested, up to 80%, in the form of loans. Any restrictions on the ability of the project companies or Capital Stage AG to obtain further financing could have an adverse effect on the Group's continued business activities and on its earnings, net assets and financial position.

However, the nature of its existing portfolio means that the Group's income is very secure, and it already has an intimate business relationship with banks which specialize in project financing and therefore have many years of experience in this field. Thanks to their predictable and relatively secure cash flows, financing photovoltaic and wind energy projects is a field which has been attracting the interest of increasing numbers of banks.

Solar park and wind farm planning and construction risks

Planning of solar parks is subject to the risks inherent in obtaining regulatory approval and permission for the construction and operation of new parks. In the case of wind farms, this applies particularly in relation to the allocation of new sites.

The Group's core business is therefore focused on purchasing existing parks. Project developments or investments during the construction phase are rare exceptions. Thanks to its existing portfolio and to isolated development projects in the past, the Group can nonetheless draw on extensive knowledge, experience and contacts, so that risks in this area can also be reduced.

Risks in risk class 2:

Dependence on national programmes to promote renewable energy

The success of solar power generation and power generation from wind energy is generally closely linked with national programmes for the promotion of renewable energy.

Germany

In Germany, remuneration for regenerative electricity is governed by the Renewable Energy Act (EEG), which in the past prescribed guaranteed remuneration for a 20-year period from the commissioning of the installation. The photovoltaic park and wind farm segments are therefore exposed to the risk of changes to the EEG. The greatest risks to the Capital Stage business model are retroactive changes that have an adverse impact on the profitability of existing investments.

The Renewables Energy Act was revised in 2014 and there have been amendments to the subsidy mechanisms. The new legislation came into force on 1 August 2014. It does not make any retroactive amendments to the system of subsidies and so has no effect on Capital Stage's business.

In some cases the revised EEG made considerable changes to the mechanisms and volume of subsidies and to the remuneration rates and classes. The gradual reduction in feed-in tariffs for new projects was already an integral part of the EEG when it was introduced in 2000, but the rate of reduction has increased in recent years. Furthermore, the amendments provide that support for new photovoltaic installations runs out once they reach a total installed capacity of 52,000 MWp.

The consequences for the acquisition of new parks that will receive lower tariffs can readily be calculated by the Group when it invests in existing facilities or projects. In addition, the system costs of installations have fallen markedly, and this trend is set to continue over the medium to long term. Because of this, the dependence of photovoltaic parks and wind farms on subsidies will continue to diminish until they are fully competitive (grid parity). All in all, then, the impact of these changes on the Group is of minor importance.

Switzerland

The Group operates via its financial investment in the field of solar thermal energy, so the risks have been included in the risk calculations for this financial investment. As solar thermal energy only accounts for a small proportion of the Group's total business, changes in this segment do not have a material impact on the overall risk situation for the Group.

Italy

In Italy a retroactive reduction in the feed-in tariff as of 1 January 2015 was adopted in 2014. The Italian solar parks owned by Capital Stage AG are also affected by the reduction in the feed-in price. When the Italian solar parks were purchased, the contractually agreed feed-in tariffs were measured and capitalized as intangible assets. The reduction in the feed-in tariff was an indication that these intangible assets may have been impaired. An impairment test was carried out as a result, which caused the company to write down the carrying amount of the intangible assets.

Capital Stage does not currently assume that there will be any further retroactive changes to the feed-in tariffs in Italy in the medium term. Its effects on the Italian solar market were already clear in 2014, partly in the much lower rates at which new capacity was added. The reduction in the feed-in tariff only cut electricity bills for companies and individual consumers by a minimal amount and as the Italian system of subsidies is largely financed by consumer levies, any reductions or changes do not have a direct effect on the Italian government budget. This reduces the political incentive to make such amendments accordingly. Furthermore, many of the companies and investors affected, including Capital Stage, have sued against the retroactive reduction.

Generally speaking, the dependence of renewable energies on public subsidies has continued to decline in recent years. Especially in photovoltaics, economies of scale, past experience, more efficient technologies and lower costs for power inverters and solar modules have increased the cost-effectiveness of photovoltaic installations considerably, giving solar power grid parity even today in some areas.

France

In October 2014 a bill was passed at its first reading in France to promote the energy transition and green growth (projet de loi relatif à la transition énergétique pour la croissance verte). It still has to be adopted by the French senate. The legislation does not amend the system of subsidies retroactively.

Risks associated with the Group's capital procurement

In recent years, the Group has predominantly generated the funds used for the expansion of its overall portfolio from capital increases via the Capital Stage AG. If the Group would be unable to raise funds by means of capital increases in the future, this could have a negative impact on the Group's growth.

However, all the capital increases in recent years have been either fully subscribed or oversubscribed. Furthermore, Capital Stage AG's shareholder structure is very stable and entrepreneurially minded. The inclusion of Capital Stage AG in the Deutsche Börse SDAX index as of 24 March 2014 means the company will attract greater attention on capital markets. In terms of market capitalization, the Group is one of Germany's largest listed renewable-energy companies, and is therefore of increasing interest to large international groups of investors and investment funds. This generally increases the probability that any future capital increases can be completed successfully.

When raising capital, Capital Stage also benefits in general terms from the current combination of historically low interest rates, risk-averse behaviour and pressure to invest on the part of insurance companies, banks and other institutional investors.

Technical risks and degradation of performance

The technical risks of the installed solar parks are low and limited to a few key components. These risks are a good deal greater in the case of wind farms, since the moving parts are subject to wear and fatigue.

When selecting solar parks and wind farms the Capital Stage Group therefore pays great attention to the choice of its partners and the quality of the components used and installed. The Group only considers projects or parks built by large, reputable project planners and manufacturers who have been established in the industry for many years. All the parks are put through an extensive due diligence process, and solar parks are visited by experienced staff from the wholly-owned subsidiary Capital Stage Solar Service GmbH, which specializes in the technical management of solar parks. For wind farms the Group uses experienced and respected external service providers.

In the unlikely event of sudden degradatiom of performance or the failure of technical components during a park's operating phase, we are generally covered by manufacturers' warranties or general contractor guarantees, and we also have insurance contracts covering damages and loss of revenue. Verification of existing insurance coverage is an established part of the due diligence process carried out for all new acquisitions.

Furthermore, capital is set aside in a project reserve for the solar parks and wind farms, and this can be drawn on if components need replacing. The project reserves are saved out of the parks' ongoing cash flow and maintained at amounts based on long-term experience.

Downtime

Solar parks and wind farms may break down due to technical faults in the park's installations or in the power substation, or may be disconnected from the grid temporarily by the energy provider to enable maintenance work. There is a risk that this downtime may be prolonged if the faults are not noticed promptly.

Capital Stage is able to take prompt countermeasures in relation to the risk of solar park and wind power plant downtime thanks to the fact that the installations are operated and monitored either by the Capital Stage Group itself or by reputable partners, and any downtime or technical problems are detected or identified promptly via a real-time online monitoring system. In addition to these measures, all installations are insured against the risk of operational interruptions, and the Group has also appropriate insurance against risks arising from third-party operations – for instance, faulty maintenance or repair work – and is covered for any loss, damage or consequential loss suffered as a result. Manufacturers generally give an availability guarantee for the wind turbines. There is also insurance cover against other damage to the installations.

Erroneous investment and income calculations
Valuations of solar parks and wind farms are based on long-term investment plans that are sensitive to changes in capital costs, operating costs and revenue. Changes in these factors may lead to a park becoming unprofitable.

The calculations made in connection with the due diligence process take into account fluctuations of individual and multiple parameters. Furthermore, the expenses involved in operating solar parks and wind farms comprise a small number of items whose range of fluctuation is narrow. Thanks to its existing portfolio, Capital Stage can draw on past experience which is factored into return calculations for new investments.

Meteorological risk (solar)
The output of regenerative solar parks is dependent in the short to medium term on meteorological circumstances that could have an adverse impact on results. A regional concentration of parks, either in Germany, France or in Italy, could be disadvantageous if forecast sunshine figures turn out to be incorrect or if climatic changes mean that the expected weather conditions fail to materialize. However, long-term statistical evidence shows that, in the long run, years in which sunshine is in short supply and years of above-average sunshine will balance out. In addition, the company has increased its geographic diversification in recent years and so is less exposed to weather conditions in individual regions.

Financing risk
Banks are customarily entitled to terminate loans or demand instalment payments ahead of schedule if a borrower breaches the contractually agreed credit terms or in the event of significant changes in a loan's profitability. Where financial investments or projects such as solar parks and wind farms are largely financed through loans, the termination of loan contracts by the financing bank could have a detrimental impact on both individual companies and on the Group's financial and assets position. The same applies to the requirement of security and guarantees with which banks have to be furnished before granting loans.

To avoid credit risk, the Group ensures that the financing banks do not have any recourse to companies other than the respective borrowers and opt exclusively for non-recourse financing. The bank's collateral is therefore limited to the assets of the operating companies for the individual projects.

Tax risk
The solar park and wind farm companies possess small VAT and corporation tax loss carry-forwards deriving from project start-up phases, as well as further tax loss carry-overs generated by the parks' use of accelerated depreciation in accordance with section 7 of the German income tax act (Einkommensteuergesetz – EStG). After using these loss carry-forwards, the Group has the option of using Capital Stage AG and Capital Stage Solar IPP GmbH's existing loss carry-forwards via profit transfer agreements with various subsidiaries. No income tax burden can be expected to accrue until these various structuring options have been exhausted.

Under certain circumstances, the profits and losses from the sale of financial assets are tax-exempt. However, with respect to the portion that is not tax-exempt, it cannot be ruled out that alternative interpretations of tax law terminology of uncertain meaning could be arrived at by the tax authorities, or that backdated transfer tax or excise duty demands may be made. Despite the existing loss carry-overs, this could lead to income tax expenses and liquidity outflows in line with minimum taxation regulations. There is no specific action which the Group can take against this possibility. However, the Group ensures that tax issues are discussed exhaustively with our tax consultants at regular intervals. In view of this, the Group will have the opportunity to prepare itself at an early stage for any impending changes in tax regulations, allowing us for instance to assess the disposability of financial assets.

The income taxes incurred by the Italian and French companies and the Swiss company Helvetic Energy GmbH, and any possible changes therein, were already assessed during the due diligence and investment calculation processes in consultation with experts, and the impact of these factors was discussed in detail with experts and taken into account before arriving at the investment decision.

Currency risk
Investments in solar parks and wind farms have been made solely in euros to date. The acquisition of a solar park portfolio in the United Kingdom in

February 2015 and possible future acquisitions in foreign currencies entail a currency risk. Movements in the exchange rate between foreign currencies and the euro may result in exchange rate gains or losses. An unfavourable long-term change in the exchange rate could be to the detriment of the company’s assets and financial position and results, despite engaging in currency hedging transactions. In line with its comprehensive risk management strategy the company monitors whether currency hedges are appropriate on an ongoing basis.

In the event of potential investments in foreign currencies, the Group will carefully appraise the stability and performance of the currency in question and weigh the associated risk before arriving at the corresponding investment decisions.

Risks from existing covenants

The strategic partnership signed in November 2014 with Gothaer Insurance includes standard covenants on maintaining defined financial performance indicators. There is a general risk of non-compliance with these covenants, which could in principle entitle the mezzanine creditor to demand immediate repayment of the profit participation rights capital. This would have a substantially negative impact on Capital Stage's earnings, net assets and financial position.

In the reporting period all the covenants were met in full in accordance with the contractual provisions. Capital Stage assumes that the covenants will be met again next year, even if the economic environment should deteriorate. Compliance with covenants is permanently monitored and managed as part of the Group's risk management.

Risks in risk class 3:

Meteorological risk (wind)

Generally speaking, generation capacity in the wind segment is subject to greater fluctuations. It may vary by up to 20% a year. Capital Stage addresses this risk by taking the greater volatility of wind farms into account by applying a safety margin in its return calculations and establishing worst-case scenarios. It can nonetheless not be ruled out that the performance of individual wind farms remains permanently below plan. The total overall risk remains acceptable, however, because the portfolio is diversified by geography and wind farms account for a much smaller proportion of the Capital Stage Group's revenues.

Dependence on qualified personnel

As of 31 December 2014 the Group had two management board members and 64 other employees. It cannot be ruled out that the departure of a key employee could have a negative impact on the company’s performance. It is also not certain that the Group will succeed in future in attracting highly qualified personnel, and this state of affairs could have negative consequences for the Group’s future performance and thus for its earnings, financial position and assets.

To address these risks Capital Stage makes use of an all-round talent management and aims to maintain and develop a motivational and family-friendly working environment. Annual performance reviews are conducted with every employee to discuss both past performance and future performance and expectations. Jointly defined targets are used to set monetary and non-monetary incentives and individual career development activities are agreed. Capital Stage thereby makes an active contribution to the qualifications and motivation of its employees and promotes their long-term commitment to the company.

Risks in risk class 4:

Interest rate risk

The solar parks and wind farms are financed by debt at fixed and floating interest rates and with terms ranging from 10 to 17 years. Our calculations allow for sharp rises in interest rates when fixed interest rate periods come to an end. However, if interest rates rise after such periods by greater amounts than allowed for in the calculations, this could be detrimental to the parks’ profitability and/or the performance of the Group’s portfolio of assets and the potential distributions payable by the individual projects to Capital Stage AG.

In the case of floating interest rate loans, the Group considers the use of interest rate hedging instruments to permit reliable long-term calculations and planning. Interest rate swaps are the only instruments used and they are used only for hedging. In 2014 the company decided to account for the interest rate swaps as cash flow hedges for the first time. Most of the existing interest rate swaps meet the conditions for hedge accounting defined in IAS 39. Changes in the effective portion of the market values are therefore recognized in equity without effect on profit or loss.

In 2014 Capital Stage entered into a long-term strategic partnership with Gothaer Insurance, by which Gothaer Insurance provides Capital Stage with mezzanine capital of EUR 150 million. The mezzanine capital of EUR 150 million agreed with Gothaer Insurance in November 2014 pays fixed interest over the entire term and is supplemented by performance-related component.

Risk from financial investments
The Group's focus is on expanding its photovoltaic park, wind farm and photovoltaic service segments, the financial investments held by the Capital Stage Group can be attributed to its former business strategy. No further acquisitions of financial investments are planned. In the reporting period the main financial investment held by Capital Stage was in Helvetic Energy GmbH, Switzerland, which is a wholly owned subsidiary and is consolidated in full. The difficult conditions on the solar thermal market meant that an impairment loss was recognized on the goodwill for Helvetic Energy GmbH in the reporting period. Valuation risks for the company's existing financial investments were therefore largely eliminated in the reporting period.

Economic and sectoral risk
The state of the German, European and global economy is determined by many factors, the development of which cannot be forecast precisely. In the past, the sub-market for renewable energies on which the Group focuses has been a growth sector worldwide. Due to the legally guaranteed feed-in tariffs (FIT), solar parks and wind farms are not exposed to economic volatility.

To nevertheless respond swiftly and appropriately to economic and sectoral risk, the Group keeps the relevant markets under observation. This entails studying a variety of trade publications; attending congresses, trade fairs and specialist conferences as well as membership in trade associations. In addition, the company stays in close and regular contact with business partners, experts and industry representatives from its network.

Other class 4 risks include general ones such as contractual risks, operational risks, etc. which are recorded and monitored by our internal control and risk management system (ICRM). The ICRM also takes technical and organizational steps to combat such risks.

Overall risk
The risk section of the management report presents a comprehensive view of the main risks affecting Capital Stage AG and the Capital Stage Group as of the reporting date 31 December 2014. In the reporting period these risks were continuously analysed, identified and actively managed as part of the Group's risk management. 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.

Forecast

The following statements include forecasts and assumptions that are not certain to materialize. If one or more of these forecasts or assumptions do not materialize, actual results and developments may differ substantially from the statements.

Macroeconomic developments
The global economy is still suffering from the effects of the global financial crisis and the debt crisis in the euro area. These were joined in 2014 by further geopolitical risks, in particular the conflict between Russia and Ukraine. Risks for global economic developments are therefore still high. As a result the International Monetary Fund (IMF) revised its growth forecast for the world economy down again in January 2015. For 2015 the IMF is now predicting growth of 3.5%, compared with a rate of 3.3% in 2014.

Whereas the upturn in the USA is gaining ground and the US economy is again expected to drive global expansion in 2015 with a forecast growth rate of 3.6%, there is still no sign of a sustained economic recovery in Europe. High unemployment, straitened public finances and low inflation are all depressing the short-term outlook for growth. At the same time the election in Greece in early 2015 has put the debt crisis in the euro area firmly back on the political agenda. Geopolitical tension between Ukraine and Russia is another source of uncertainty. The sanctions imposed on

Russia by the European Union in this context represent a burden for the export sector. As a result the IMF is only expecting slight economic growth of 1.2% in the euro area in 2015 (2014: 0.8%). The more stable economy in Italy, Spain and France is a good sign.

According to the IMF, the German economy is expected to slow in 2015, however, with growth of just 1.3%, compared with 1.5% in 2014. The federal government also cut its growth forecast for the German economy in the full year 2015 from 2.0% to 1.3%. One reason for the reduction was the strong export focus of the German economy. Under these circumstances, generally slower global economic growth and geopolitical developments have a particularly negative impact. The depreciation of the euro against the US dollar and the low oil price should nonetheless bolster the German economy.

Renewable energies, a megatrend

The expansion of renewable energies and the rejection of fossil fuels and nuclear power as sources of safe, sustainable and climate-friendly energy remain a global megatrend.

Under the heading of 'climate change', renewable energies will continue to be the focus of attention at international and national levels in future. A safe, climate-friendly energy policy is now an established element of the global political agenda. In December 2014 representatives of nearly 200 nations met in Lima, Peru, for the Climate Change Conference. The heads of state and governments agreed on a common goal: to limit global warming to two degrees centigrade. To achieve this goal, the expansion and use of renewable energies will continue to play a vital role worldwide.

An EU climate conference had taken place in Brussels beforehand, in October 2014. There the EU member states agreed on binding targets for the expansion of renewable energies. By 2030 their share of total power generation in the European Union is intended to increase to 27%. The steps required to reach this objective were largely left up to national governments.

In Germany the foundations for the energy evolution were laid following the terrible nuclear catastrophe in Fukushima, Japan, in March 2011. By 2022 Germany intends to meet its energy needs without nuclear power and increasingly from renewable sources such as sun and wind. In 2014 renewable energies already accounted for 25.8% of total power generation in Germany. The target of 27% by 2030 set at the European climate conference has therefore almost been achieved in Germany already. Germany's Renewable Energy Act sets much higher targets for expansion: 40% to 45% of electricity is to come from renewables by 2025 and 55% to 60% by 2035.

In addition, technological progress, experience and economies of scale have contributed to further improvements in the economic use of renewable energy. Constant reductions in costs over recent years have meant that some technologies – especially in solar and wind power – have already achieved grid parity, or are nearly there.

This backdrop creates a favourable long-term economic and socio-political environment for the Capital Stage business model, which offers the company further growth potential. Capital Stage has established itself on the secondary market for solar parks and wind farms and is a sought-after partner, thanks especially to its competence, reliability and ability to close deals and complete acquisition processes swiftly.

Expansion of global wind and solar power capacity

Experts predict that demand for PV installations will rise by up to 25% next year, which is equivalent to new installations with a capacity of around 57 gigawatts. Growth is expected to be fastest in the USA and China. New PV installations with a capacity of roughly 10 gigawatts are forecast for Europe. Experts project that market growth will be particularly fast in the UK, where new PV installations of a good 3 gigawatts are expected. New installations in Germany are again predicted to be below the government's target of 2.5 gigawatts in 2015, not least because of the changes resulting from the reform of the EEG, particularly the tender model, for which figures based on past experience are not yet available.

Wind energy saw record new capacity added in 2014. The German Wind Energy Association assumes that new capacity will again be above the government's target corridor of 2.5 gigawatts for 2015 and may reach 3.5 to 4.0 gigawatts. It calculates that in 2014 wind farms with a generation capacity of approximately 45 gigawatts were installed worldwide. In the years ahead, installed wind power capacity is expected to keep growing at double-digit rates, and forecasts project that generation capacity will rise to 800 GW by 2020 and up to 2,000 GW by 2030.

Effects on the company
Capital Stage is an operator of wind farms and solar parks, so its business performance does not depend directly on the future expansion of renewable energies. Its growth strategy focuses on acquiring existing parks. However, the company does benefit in the medium term from a rapid expansion of capacity, since this increases the available investment opportunities. Both the existing operating conditions and the forecast market developments provide an ideal environment for the company's continued profitable growth. The Capital Stage business model and investment criteria offer both security of investment and the prospect of attractive returns. The expansion of the energy generation portfolio will continue to focus on photovoltaics and onshore wind. The Group is currently working to develop its portfolio in Germany, France, Italy and the United Kingdom. By acquiring a portfolio of British solar parks in early 2015 the company has already established a successful foothold in the UK. Moving into the British market not only enables Capital Stage to continue the geographic diversification of its portfolio and so to reduce its dependence on developments in individual regions, but also creates an opportunity for further growth beyond the previous core markets in Germany, France and Italy. Further growth opportunities will arise in the medium term from expanding business to other regions, particularly in west and central Europe, and in the medium to long term from technological advancements.

Overview of expected development
In its forecast for 2015, the management board expects the Capital Stage Group to continue its positive revenue and earnings trend. Taking the investments made in the reporting period and the purchases described in the section 'Events after the reporting date' into account, the Group is expecting revenue to rise by more than 35% to over EUR 105 million. Cash flow from operating activities is expected to increase by 34% to over EUR 75 million. FFO per share is predicted to grow by 10% to EUR 0.55, on the basis of shares in circulation. Operating EBITDA is forecast to rise by 34% to over EUR 73 million. Including depreciation and amortization the Group expects operating EBIT to go up by 28% to more than EUR 43 million. The technical availability of the installations should again reach 98% in the financial year 2015.

This outlook is based on the following assumptions:

- the operating figures are adjusted performance indicators, derived as explained earlier
- no further significant (and above all retroactive) regulatory intervention
- No significant deviation from long-term weather projections

The Capital Stage Group expects its cost of materials and personnel costs to go up by less than revenues. Depreciation and amortization will be higher as a result of past investments.

Capital Stage can meet the liquidity requirements of its operating business from its available cash reserves together with the cash flow from operating activities forecast for 2015. If market conditions are favourable and concrete attractive acquisition opportunities are identified, other financing options, such as shareholder loans, partnerships with institutional investors and other activities to raise equity cannot be ruled out, if a need exists and they are financially advantageous.

Higher personnel expenses and a moderate increase in costs mean that the management board expects the operating earnings of Capital Stage AG, which as the holding company bears the administrative costs of the Group, to decline slightly in 2015. Given the increase in the size of the workforce, personnel expenses will go up by around 16% to some EUR 4.2 million. Other operating expenses were lower in 2014 than the previous year, partly due to the fewer capital increases and the lower volume of capital raised. How this item develops in 2015 depends on whether and to what extent the company raises equity capital in the current year. The remaining other operating expenses should be on par with the previous year. Operating EBITDA will therefore fall by 6% to EUR -5.1 million and operating EBIT by 6% to EUR -5.2 million. Cash flow from operating activities is expected to go down by 91% to EUR 1.1 million.

Corporate governance statement pursuant to section 289a HGB

The corporate governance statement contains the annual declaration of conformity, the corporate governance report, details of corporate governance practices and a description of the working practices of the management board and supervisory board. It is permanently available for inspection by shareholders on the company's website at http://www.capitalstage.com. Accordingly, we have refrained from repeating it in the management report.

Hamburg, 25 March 2015

Capital Stage AG

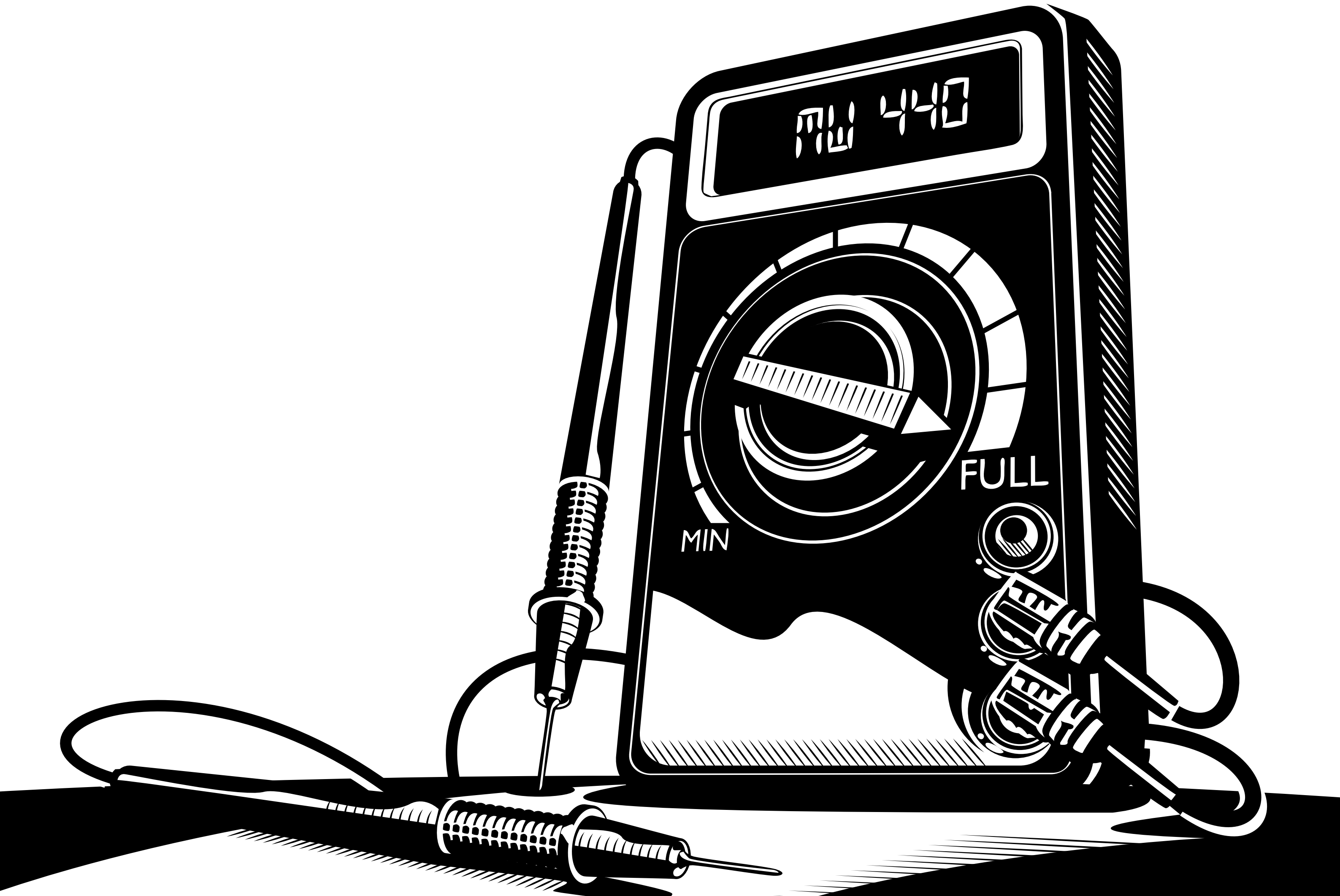
Management board

Felix Goedhart Dr Christoph Husmann
Chairman

Watt more could you ask for?

62% increased performance.

Expansion of the generating capacity
to 440 MW makes an impact.



CONSOLIDATED FINANCIAL STATEMENT

Consolidated statement of comprehensive income

of Capital Stage AG for the period from 1 January to 31 December 2014
according to International Financial Reporting Standards (IFRS)

in TEUR	Notes	2014	2013
Sales	3.25; 4.1	77,826	56,991
Other income	4.2	32,210	14,981
Cost of Materials	4.3	-3,831	-6,463
Personnel expenses of which TEUR 65 (previous year: TEUR 60) in share-based remuneration	4.4	-6,591	-6,299
Other expenses	4.5	-14,324	-8,808
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**85,290**	**50,402**
Depreciation or amortization	4.6	-38,923	-18,733
Earnings before interest and taxes (EBIT)		**46,367**	**31,669**
Financial income	4.7, 4.8	1,128	1,083
Financial expenses	4.7, 4.8	-23,640	-16,919
Earnings before taxes on income (EBT)		**23,855**	**15,833**
Taxes on income	4.9	2,200	-1,789
Consolidated profit for the year (EAT)		**26,055**	**14,044**
Items that may be reclassified to profit or loss			
Currency translation differences	4.10	-24	53
Cash flow hedges - effective portion of changes in fair value	4.10	-4,100	0
Income tax attributable to items that may be reclassified to profit or loss	4.10	1,189	0
Consolidated comprehensive income		**23,120**	**14,097**
Consolidated profit for the year, of which attributable to:			
Shareholders of Capital Stage AG		25,525	13,368
Non-controlling interests		530	676
Comprehensive income, of which attributable to:			
Shareholders of Capital Stage AG		22,590	13,421
Non-controlling interests		530	676
Earnings per share	3.28		
Average shares issued during reporting period (basic/diluted)		72,017,994/ 72,145,762	55,912,956/ 55,924,078
Earnings per share in EUR, basic		0.35	0.24
Earnings per share in EUR, diluted		0.35	0.24

Consolidated balance sheet

as of 31 December 2014
according to International Financial Reporting Standards (IFRS)

Assets in TEUR	Notes	31 December 2014	31 December 2013
Intangible assets	3.5; 5.1; 18	145,425	91,426
Goodwill	5.2; 18	2,623	6,827
Property, plant and equipment	3.6; 5.3; 18	675,648	408,120
Financial assets	3.7; 5.4; 18	6	7,785
Other accounts receivable	5.5	5,970	4,523
Deferred tax assets	3.19; 4.9	13,540	5,564
Non-current assets, total		**843,212**	**524,245**
Inventories	3.18; 5.6	1,926	2,055
Trade receivables	3.20; 5.7	9,341	4,517
Non-financial assets	3.21; 5.8	10,022	3,084
Other current receivables	3.21; 5.8	2,314	3,631
Cash and cash equivalents	3.22; 5.9	118,722	55,659
Non-current assets and disposal groups held for sale	3.23; 5.10	262	0
Total current assets		**142,587**	**68,946**
Total assets		**985,799**	**593,191**

Equity and liabilities in TEUR	Notes	31 December 2014	31 December 2013
Share capital		73,834	67,741
Capital reserve		100,802	85,680
Reserve for equity settled employee remune-ration	3.26; 5.12	244	179
Other reserves		-3,041	-106
Distributable profit/loss		63,829	45,548
Non-controlling interests		7,811	8,359
Total equity	5.11	**243,479**	**207,401**
Liabilities to non-controlling interests	3.24, 5.13	11,996	4,027
Non-current financial liabilities	3.24, 5.13	578,256	286,145
Non-current leasing liabilities	3.27; 5.13	16,954	17,873
Provisions for restoration obligations	3.24, 5.13	5,566	2,752
Other non-current liabilities	3.24, 5.13	2,746	1,758
Deferred tax liabilities	3.19; 4.9	60,786	42,161
Total non-current liabilities		**676,304**	**354,716**
Tax provisions	3.24, 5.13	950	904
Current financial liabilities	3.24, 5.13	43,107	22,028
Current leasing liabilities	3.27; 5.13	920	888
Trade payables	3.24; 5.13	13,284	2,119
Other current debt	3.24; 5.13	7,755	5,135
Total current liabilities		**66,016**	**31,074**
Total equity and liabilities		**985,799**	**593,191**

Consolidated cash flow statement

of Capital Stage AG, Hamburg,
for the period from 1 January to 31 December 2014

in TEUR	Notes	2014	2013
Net profit/loss for the period		**26,055**	**14,044**
Depreciation and amortization of fixed assets	4.6	38,923	18,733
Other non-cash expenses		327	192
Other non-cash income		-29,555	-14,345
Financial income	4.7, 4.8	-1,128	-1,083
Financial expenses	4.7, 4.8	23,640	16,919
Taxes on income (recognized in income statement)	4.9	-2,200	1,789
Taxes on income (cash effective)		-1,567	-398
Increase/decrease in other assets not attributable to investment or financing activities		1,373	2,043
Increase/decrease in other liabilities not attributable to investment or financing activitie		38	-1,882
Dividends received		0	6
Cash flow from operating activities		**55,906**	**36,018**
Payments for the acquisition of consolidated companies less acquired cash	3.2	-49,561	-35,723
Payments for the acquisition of companies to be consolidated in the previous/following year		0	-9,948
Payments for investments in property, plant and equipment		-35,686	-500
Proceeds from disposals of tangible fixed assets		11	21
Payments for investments in intangible assets		-54	-173
Payments for investments in financial assets		0	-307
Cash flow from investment activities		**-85,290**	**-46,630**
Loans proceeds		140,039	2,738
Loan repayments		-38,327	-21,836
Interest received		247	625
Interest paid		-23,448	-12,649
Proceeds from capital increases		17,896	69,750
Payment for issue costs		-806	-2,216
Dividends paid		-4,197	-4,373
Cash flow from financing activities		**91,404**	**32,039**
Net change in cash and cash equivalents		**62,020**	**21,427**
Changes in cash due to exchange rate changes		6	-8
Cash and cash equivalents			
As of 1 January 2014 (1 January 2013)	5.9	55,657	34,238
*As of 31 December 2014 (31 December 2013)	5.9	117,683	55,657

*The cash and cash equivalents include debt servicing and project reserves of TEUR 30,126 (previous year: TEUR 18,635) which serve as collateral for the solar parks' lending banks and can only be used in agreement with the lending banks for the respective companies.

Capital Stage AG consolidated statement of changes in equity

in TEUR	Subscribed Capital	Capital reserve	Other reserves
As of 1 January 2013	**48,400**	**37,666**	**-159**
Consolidated comprehensive income for the period			53
Dividend paid			
Income and expenses recorded directly in equity			
Receipts from corporate actions	19,341	50,409	
Issuance costs		-2,216	
Withdrawal from retained earnings			
Taxes on items recorded directly in equity		-179	
As of 31 December 2013	**67,741**	**85,680**	**-106**
Consolidated comprehensive income for the period			-2,935
Dividend paid			
Income and expenses recorded directly in equity			
Receipts from corporate actions	6,093	15,928	
Issuance costs		-806	
As of 31 December 2014	**73,834**	**100,802**	**-3,041**

Retained earnings	Reserve for equity-based employee remuneration	Distributable profit/loss	Non-controlling interests	Total
3,705	**119**	**32,388**	**8,143**	**130,262**
		13,368	676	14,097
		-3,913	-460	-4,373
	60			60
				69,750
				-2,216
-3,705		3,705		0
				-179
0	**179**	**45,548**	**8,359**	**207,401**
		25,525	530	23,120
		-7,244	-1,078	-8,322
	65			65
				22,021
				-806
0	**244**	**63,829**	**7,811**	**243,479**

The bottom line: more than a 55% increase.

We increased our operative cash flow
from 36,018 TEUR to 55,906 TEUR.

Consolidated notes of Capital Stage AG, Hamburg, according to International Financial Reporting Standards (IFRS) to 31 December 2014

Notes to the consolidated financial statements of Capital Stage AG, Hamburg, according to International Financial Reporting Standards (IFRS) to 31 December 2014

1. Company purpose

As defined in its Articles of Association, the business of Capital Stage AG comprises the independent operation of power generation facilities from renewable energy sources in Germany and abroad, by the company itself or by its subsidiaries.

Furthermore, the business of Capital Stage AG includes the provision of commercial, technical or other services not subject to regulation or authorization in connection with the acquisition, installation and operation of power generation facilities from renewable energy sources in Germany and abroad by the company itself or by its subsidiaries, and the acquisition, holding, management and sale of equity investments in companies.

The company is entitled to take any action and engage in any transactions that serve the company purpose. It may establish subsidiaries both in Germany and abroad, found other companies and acquire or invest in existing ones, as well as conclude inter-company agreements. It may purchase, use and transfer patents, trademarks, licences, distribution rights and other objects and rights. The purpose of subsidiaries and other financial investments may differ from the company purpose of Capital Stage AG as long as it is appropriate for the company's business objectives.

2. The reporting company

Capital Stage AG and its affiliates are subject to the consolidated financial statements. A list of the consolidated entities is given in note 3.1.2.

The Group's parent company Capital Stage AG was entered in the Company Register of Hamburg district court on 18 January 2002 with the register number HRB 63197. The company's place of business is Große Elbstraße 45, 22767 Hamburg, Germany.

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

3. Significant accounting policies and consolidation principles

The consolidated balance sheet of Capital Stage AG, Hamburg, Germany has been prepared according to the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), applying the going-concern principle in relation to all the consolidated entities.

In accordance with IAS 7, the cash flow statement has been prepared using the indirect method.

To improve clarity, various income statement and balance sheet items have been combined. These items are shown separately and explained in the notes. The income statement has been prepared according to the nature-of-expense method. The reporting currency as well as the functional currency for all consolidated companies is the euro, with the exceptions of Helvetic Energy GmbH and Calmatopo Holding AG, for whom the reporting currency is the Swiss franc. The figures in the notes are given in euros (EUR), thousands of euros (TEUR) or millions of euros.

The reporting date is 31 December 2014.

The consolidated financial statements apply the version of the IFRS in force as of the balance sheet date, as endorsed by the EU. The IFRS include standards newly issued by the International Accounting Standard Board (IASB), the International Accounting Standards (IAS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC). The provisions of section 315a of the German Commercial Code (Handelsgesetzbuch – HGB) were also applied.

In 2014, the Group applied the following new and revised IFRS standards and interpretations:

Obligatory as of 31 December 2014			
New and amended standards		**Application obligatory in financial years beginning on or after the date mentioned**	**Status EU-Endorsements (As at: 31.12.2014)**
IFRS 10	New standard – Consolidated Financial Statements	01.01.2014	Adopted
IFRS 11	New standard – Joint Arrangements	01.01.2014	Adopted
IFRS 12	New standard – Disclosure of Interests in Other Entities	01.01.2014	Adopted
IAS 27	New standard – Separate Financial Statements	01.01.2014	Adopted
IAS 28	New standard – Investments in Associates and Joint Ventures	01.01.2014	Adopted
IAS 32	Amendment – Offsetting Financial Assets and Financial Liabilities	01.01.2014	Adopted
IAS 36	Amendment – Impairment of Assets – Clarification of Required Disclosures	01.01.2014	Adopted
IAS 39	Amendment – Novation of Derivatives and Continuation of Hedge Accounting	01.01.2014	Adopted
IFRS 10, IFRS 11, IFRS 12	Transition guidance – Joint agreements on amendments to IFRS 10, IFRS 11 and IFRS 12	01.01.2014	Adopted
IFRS 10, IFRS 12, IAS 27	Amendment to IFRS 10, IFRS 12 and IAS 27 for entities that meet the definition of an investment entity	01.01.2014	Adopted

Standards, interpretations and amendments to standards and interpretations applicable for the first time in the reporting period which affect reported amounts and disclosures in the reporting period

IFRS 12 Disclosure of Interests in Other Entities
On 12 May 2011 the International Accounting Standards Board (IASB) published the standard IFRS 12 Disclosure of Interests in Other Entities. The standard combines the disclosures on subsidiaries, joint arrangements, associates and/or non-consolidated structured entities in one standard. IFRS 12 generally requires more detailed disclosures in the consolidated financial statements.

The other amendments have no or no material effect on accounting or on the annual report for Capital Stage AG.

New and amended IFRS and interpretations which are not yet mandatory and which the Group has not applied before the effective date
The IASB and IFRIC also published the following new or amended standards and interpretations which will either not be applicable until a later date or which have not yet been endorsed by the European Commission. Capital Stage AG will not apply these standards earlier than required.

New and amended standards and interpretations		Application obligatory in financial years beginning on or after the date mentioned	Status EU-Endorsements (As at: 31.12.2014)
IFRS 9	New standard – Financial Instruments: Classification and Measurement of Financial Instruments	01.01.2018	Not yet adopted
IFRS 14	New standard – Regulatory Deferral Accounts	01.01.2016	Not yet adopted
IFRS 15	New standard – Revenue from Contracts with Customers	01.01.2017	Not yet adopted
IFRS 11	Amendment – Accounting of Acquisitions of Interests in Joint Operations	01.01.2016	Not yet adopted
IFRS 7, IFRS 9	Amendment – Mandatory Effective Date and Transition Disclosures	01.01.2017	Not yet adopted
IAS 10, IAS 28	Amendment – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01.01.2016	Not yet adopted
IFRS 10, IFRS 12, IAS 28	Amendment – Investment Entities Applying the Consolidation Exception	01.01.2016	Not yet adopted
IAS 1	Amendment – Disclosure Initiative	01.01.2016	Not yet adopted
IAS 16, IAS 38	Amendment – Clarification of Acceptable Methods of Depreciation and Amortization	01.01.2016	Not yet adopted
IAS 16, IAS 41	Amendment – Agriculture: Bearer Plants	01.01.2016	Not yet adopted
IAS 19	Amendment – Defined Benefit Plans: Employee Contributions	01.02.2015	Adopted
IAS 27	Amendment – Application of the Equity Method in Separate Financial Statements	01.01.2016	Not yet adopted
IFRIC 21	New interpretation – Levies	17.06.2014*	Adopted
AIP	Annual improvement programme for IFRS 2010–2012 cycle	01.02.2015	Adopted
AIP	Annual improvement programme for IFRS 2011–2013 cycle	01.07.2014	Adopted
AIP	Annual improvement programme for IFRS 2012–2014 cycle	01.01.2016	Not yet adopted

* Voluntary early application possible (01.01.2014).

IFRS 9 'Financial Instruments: Classification and Measurement of Financial Instruments'
New standard adopted on 12 November 2009. The standard deals with the classification and measurement of financial instruments and is expected to have an effect on reporting for the Group's financial instruments. The standard is binding from 1 January 2018. Early application is possible, subject to endorsement by the EU. The Group is currently reviewing what the exact effects of IFRS 9 will be.

IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 is a new standard that was published on 28 May 2014 and is applicable to reporting periods beginning on or after 1 January 2017. IFRS 15 defines when and how an IFRS reporter has to recognize revenue. Reporting entities are also required to provide users of financial statements with more informative, relevant disclosures than before. The standard provides a single, principles-based five-step model to be applied to all contracts with customers. Apart from the additional disclosures in the notes, the standard is not expected to have any effect on the Group's earnings, net assets and financial position.

Amendments to IAS 1: Disclosure Initiative
The amendments aim to remove perceived obstacles to the exercise of discretion by reporters when presenting financial statements. They come into effect for reporting periods beginning on or after 1 January 2016; early application is permitted. Slight changes in the presentation of the financial statements are expected.

Capital Stage AG does not currently assume that application of the other new accounting standards, to the extent that they are adopted by the EU in this form, will have a significant effect on the consolidated financial statements.

3.1 Consolidation principles

3.1.1 Overview

The consolidated financial statements include Capital Stage AG and all significant subsidiaries controlled by Capital Stage AG both in Germany and abroad. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In conformity with IAS 28.1, due to their designation as well as the portfolio management within the Group, shares in associates are not measured according to the equity method but rather at fair value through profit or loss in accordance with IAS 39.

Resulting adjustments to fair value are recognized through profit or loss in the financial result.

Financial investments are also measured at fair value in line with IAS 39. The resulting changes are recognized through profit or loss in the financial result.

Loans and other receivables as well as liabilities between consolidated entities are offset. In the consolidated income statement, income between consolidated entities is offset against corresponding expenses.

Intra-Group liabilities and contingent liabilities are offset, and intra-Group profits and losses, expenses and income are eliminated.

3.1.2 List of subsidiaries

The Group is comprised of Capital Stage AG and the following fully consolidated entities:

	Subscribed capital in EUR	% share
Capital Stage Solar IPP GmbH, Hamburg	100,000.00	100
Capital Stage Wind IPP GmbH, Hamburg	26,650.00	100
Krumbach Photovoltaik GmbH, Hamburg	25,000.00	100
Krumbach Zwei Photovoltaik GmbH, Hamburg	25,000.00	100
Capital Stage Solar Service GmbH, Halle	25,000.00	100
Solarparks Asperg GmbH, Halle	25,000.00	100
Asperg Erste Solar GmbH, Halle	25,000.00	100
Asperg Zweite Solar GmbH, Halle	25,000.00	100
Asperg Fünfte Solar GmbH, Halle	25,000.00	100
Asperg Sechste Solar GmbH, Halle	25,000.00	100
Windpark Gauaschach GmbH 1) (formerly: Capital Stage Windpark Betriebs- und Verwaltungs GmbH, Hamburg)	26,000.00	100
Solarpark Brandenburg (Havel) GmbH, Halle	25,000,00	51
Solarpark PVA GmbH, Halle	25,000.00	100
Solarpark Lochau GmbH, Halle	25,000.00	100
Solarpark Rassnitz GmbH, Halle	25,000.00	100
Solarpark Roitzsch GmbH, Halle	25,000.00	100
Solarpark Glebitzsch GmbH, Halle	25,000.00	100
Solarpark Bad Harzburg GmbH, Halle	25,000.00	100

	Subscribed capital in EUR	% share
Capital Stage Göttingen Photovoltaik GmbH, Halle	25,000.00	100
Alameda S.r.l., Bolzano, Italy	10,000.00	100
Casette S.r.l., Bolzano, Italy	10,200.00	100
Vallone S.r.l., Bolzano, Italy	10,200.00	100
Solar Energy S.r.l., Bolzano, Italy	10,000.00	100
Oetzi S.r.l., Bolzano, Italy	10,000.00	100
DE Stern 10 S.r.l., Bolzano, Italy	10,000.00	100
Solar Farm FC1 S.r.l., Bolzano, Italy	10,000.00	100
Solar Farm FC3 S.r.l, Bolzano, Italy	10,000.00	100
Windkraft Sohland GmbH & Co. KG, Sohland	-89,999.76	74.3
BOREAS Windfeld Greußen GmbH & Co. KG, Greußen	0.00	71.4
Parco Eolico Monte Vitalba S.r.l., Bolzano, Italy	10,000.00	85
Solarpark Neuhausen GmbH, Neuhausen	25,000.00	100
Helvetic Energy GmbH, Flurlingen, Switzerland	67,884.05	100
Calmatopo Holding AG, Flurlingen, Switzerland	38,446.75	100
Solarpark Lettewitz GmbH, Halle	25,000.00	100
Polesine Energy 1 S.r.l., Bolzano, Italy	10,000.00	100
Polesine Energy 2 S.r.l., Bolzano, Italy	10,000.00	100
Solarpark Ramin GmbH, Halle [2] (formerly: Capital Stage Solarpark Betriebs- und Verwaltungs GmbH, Hamburg)	25,500.00	100
Windkraft Olbersleben II GmbH & Co. KG, Olbersleben	1,700,000.00	74.9
Société Centrale Photovoltaïque d'Avon les Roches S.A.S., Paris, France	5,000.00	100
Fano Solar 1 S.r.l., Bolzano, Italy	10,000.00	100
Fano Solar 2 S.r.l., Bolzano, Italy	10,000.00	100
Notaresco Solar S.r.l., Bolzano, Italy	10,000.00	100
Sant' Omero Solar S.r.l., Bolzano, Italy	10,000.00	100
MTS4 S.r.l., Bolzano, Italy [3]	10,000.00	100
Solaire Ille SARL, Pérols, France [4]	100.00	85
Centrale Photovoltaique SauS 06 SARL, Pérols, France [4]	1,000.00	85
CS Solarpark Bad Endbach GmbH, Halle [5]	25,000.00	100
Capital Stage France Beteiligungsgesellschaft mbH, Hamburg [6]	25,000.00	100
Le Communal Est Ouest SARL, Paris, France [6]	500.00	100
ARSAC 4 S.A.S., Paris, France [7]	1,000.00	100
ARSAC 7 S.A.S., Paris, France [7]	1,000.00	100
CSG IPP GmbH, Hamburg [8]	25,000.00	100
Pfeffenhausen-Egglhausen Photovoltaik GmbH, Regensburg [9]	25,000.00	100
Capital Stage Biscaya Beteiligungs GmbH, Hamburg [10]	25,000.00	100
Énergie Solaire Biscaya S.A.S., Paris, France [10]	1,000.00	100
Labraise Sud SARL, Paris, France [10]	1,000.00	100
Haut Lande SARL, Paris, France [10]	500.00	100
La Gouardoune Centrale Solaire SARL, Paris, France [10]	500.00	100
Communal Le Court S.A.S., Paris, France [10]	500.00	100
Lagravette S.A.S., Paris, France [10]	500.00	100
Windkraft Kirchheilingen IV GmbH & Co. KG, Kirchheilingen [11]	3,720,000.00	50.99

1. Following a retroactive merger between Windpark Gauaschach GmbH & Co. KG and its general partner Capital Stage Windpark Betriebs- und Verwaltungs GmbH as of 1 January 2014, Windpark Gauaschach GmbH & Co. KG is no longer presented separately in the group of consolidated entities. In the course of the merger Capital Stage Windpark Betriebs- und Verwaltungs GmbH was renamed Windpark Gauaschach GmbH.
2. Following a retroactive merger between Solarpark Ramin GmbH & Co. KG and its general partner Capital Stage Solarpark Betriebs- und Verwaltungs GmbH as of 1 January 2014, Solarpark Ramin GmbH & Co. KG is no longer presented separately in the group of consolidated entities. In the course of the merger Capital Stage Solarpark Betriebs- und Verwaltungs GmbH was renamed Solarpark Ramin GmbH.
3. Acquisition via share purchase contract dated 20.12.2013 by Capital Stage AG (signing), closing on 09.01.2014
4. Acquisition via share purchase contract dated 16.12.2013 by Capital Stage AG (signing) – Initial consolidation took place as of 02.01.2014 as the documentation was not complete earlier. An earlier date for initial consolidation would not have had a material effect on the consolidated financial statements as of 31.12.2013.
5. Acquisition via notarized contract by Capital Stage Solar IPP GmbH – closing on 25.03.2014
6. Acquisition via notarized contract by Capital Stage AG – closing on 21.03.2014
7. Acquisition via share purchase contract by Capital Stage AG – closing on 22.07.2014
8. Established by Capital Stage Solar IPP GmbH via notarized contract dated 29.10.2014
9. Acquisition via notarized contract by Capital Stage Solar IPP GmbH – closing on 28.11.2014
10. Acquisition via notarized contract by CSG IPP GmbH – closing on 12.12.2014
11. Acquisition via share purchase contract by Capital Stage Wind IPP GmbH – closing on 24.12.2014

The equity interests are equal to the share of voting rights.

The financial year for all companies included in the consolidated financial statements ended on 31 December 2014.

Further information about the subsidiaries as of the reporting date is shown in the following table:

Segment	Place of business	Number of wholly owned subsidiaries	
		31.12.2014	31.12.2013
PV Parks	Germany	23	19
	Italy	15	14
	France	10	1
Wind Farms	Germany	2	3
PV Service	Germany	1	1
Financial Investments	Switzerland	2	2
Total		**53**	**40**

Segment	Place of business	Number of not wholly owned subsidiaries	
		31.12.2014	31.12.2013
PV Parks	Germany	1	1
	France	2	0
Wind Farms	Germany	4	3
	Italy	1	1
Total		**8**	**5**

3.1.3 Non-controlling interests

Details of the not wholly owned subsidiaries in which the Group has significant non-controlling interests are shown in the following table. Intragroup transactions have not been eliminated from the amounts shown.

Subsidiaries	Equity interest and share of voting rights of non-controlling interests in %		Profit or loss attributable to non-controlling interests in TEUR		Cumulative non-controlling interests in TEUR	
	2014	2013	2014	2013	31.12.2014	31.12.2013
Solarpark Brandenburg (Havel) GmbH	49	49	558	605	5,214	4,656
Windkraft Sohland GmbH & Co.KG	25.7	25.7	131	115	1,159	1,028
BOREAS Windfeld Greußen GmbH & Co. KG	28.6	28.6	194	168	1,812	1,618
Parco Eolico Monte Vitalba S.r.l.	15	15	14	72	780	766
Windkraft Olbersleben II GmbH & Co. KG	25.1	25.1	48	-43	864	816
Solaire IIIe SARL	15	-	-19	-	-19	-
Centrale Photovoltaique SauS 06 SARL	15	-	-23	-	-23	-
Windkraft Kirchheilingen IV GmbH & Co. KG	49.01	-	-	-	5,930	-
Total non-controlling interests					**15,717**	**8,884**

No profit or loss is shown for Windkraft Kirchheilingen IV GmbH & Co. KG because it was consolidated for the first time as of 31 December 2014.

Condensed financial information about the subsidiaries in which the Group holds non-controlling interests is shown below. The condensed financial information represents amounts before elimination of intragroup transactions.

Solarpark Brandenburg (Havel) GmbH, Germany	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	3,208	3,914
Non-current assets	42,770	44,345
Current liabilities	2,131	2,100
Non-current liabilities	32,291	33,541
Net assets	11,556	12,617
Carrying amount of non-controlling interests	5,663	6,183
	2014	**2013**
Revenue	5,132	4,869
Annual net profit	1,139	1,235
Other comprehensive income	0	0
Comprehensive income	1,139	1,235
Profit/loss attributed to non-controlling interests	558	605
Comprehensive income attributed to non-controlling interests	0	0
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	1,078	392
Cash flows from operating activities	4,820	4,355
Cash flows from investing activities	-8	-6
Cash flows from financing activities	-5,444	-4,151
Net change in cash and cash equivalents	-632	198

Windkraft Sohland GmbH & Co. KG, Germany	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	987	1,219
Non-current assets	11,751	12,266
Current liabilities	621	766
Non-current liabilities	6,234	7,042
Net assets	5,883	5,677
Carrying amount of non-controlling interests	1,512	1,459
	2014	**2013**
Revenue	1,328	1,355
Annual net profit	509	447
Other comprehensive income	0	0
Comprehensive income	509	447
Profit/loss attributed to non-controlling interests	131	115
Comprehensive income attributed to non-controlling interests	0	0
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	78	26
Cash flows from operating activities	1,048	723
Cash flows from investing activities	0	0
Cash flows from financing activities	-1,060	-756
Net change in cash and cash equivalents	-12	-33

BOREAS Windfeld Greußen GmbH & Co. KG, Germany	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	1,711	2,516
Non-current assets	26,200	27,308
Current liabilities	2,678	2,980
Non-current liabilities	17,133	19,343
Net assets	8,100	7,502
Carrying amount of non-controlling interests	2,317	2,146
	2014	**2013**
Revenue	2,876	3,302
Annual net profit	678	588
Other comprehensive income	0	0
Comprehensive income	678	588
Profit/loss attributed to non-controlling interests	194	168
Comprehensive income attributed to non-controlling interests	0	0
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	0	0
Cash flows from operating activities	1,710	2,482
Cash flows from investing activities	0	0
Cash flows from financing activities	-2,594	-2,713
Net change in cash and cash equivalents	-884	-231

Parco Eolico Monte Vitalba S.r.l., Italy	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	1,028	1,162
Non-current assets	9,863	10,478
Current liabilities	3,014	3,037
Non-current liabilities	2,692	3,513
Net assets	5,185	5,089
Carrying amount of non-controlling interests	778	763
	2014	**2013**
Revenue	1,447	1,454
Annual net profit	96	479
Other comprehensive income	0	0
Comprehensive income	96	479
Profit/loss attributed to non-controlling interests	14	72
Comprehensive income attributed to non-controlling interests	0	0
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	0	0
Cash flows from operating activities	745	1,014
Cash flows from investing activities	0	-7
Cash flows from financing activities	-971	-845
Net change in cash and cash equivalents	-226	162

Windkraft Olbersleben II GmbH & Co. KG, Germany	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	2,364	1,143
Non-current assets	15,140	15,757
Current liabilities	1,296	694
Non-current liabilities	12,453	12,643
Net assets	3,756	3,564
Carrying amount of non-controlling interests	943	894
	2014	**2013**
Revenue	1,277	844
Annual net profit	192	-171
Other comprehensive income	0	0
Comprehensive income	192	-171
Profit/loss attributed to non-controlling interests	48	-43
Comprehensive income attributed to non-controlling interests	0	0
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	0	43
Cash flows from operating activities	944	524
Cash flows from investing activities	0	584
Cash flows from financing activities	-1,073	-389
Net change in cash and cash equivalents	-129	719

Solaire Ille SARL, France	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	2,401	-
Non-current assets	11,767	-
Current liabilities	5,378	-
Non-current liabilities	8,918	-
Net assets	-129	-
Carrying amount of non-controlling interests	-19	-
	2014	**2013**
Revenue	651	-
Annual net profit	-129	-
Other comprehensive income	0	-
Comprehensive income	-129	-
Profit/loss attributed to non-controlling interests	-19	-
Comprehensive income attributed to non-controlling interests	0	-
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	0	-
Cash flows from operating activities	208	-
Cash flows from investing activities	-10,506	-
Cash flows from financing activities	12,200	-
Net change in cash and cash equivalents	1,902	-

Centrale Photovoltaique SauS 06 SARL, France	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	3,171	-
Non-current assets	12,159	-
Current liabilities	7,823	-
Non-current liabilities	7,660	-
Net assets	-153	-
Carrying amount of non-controlling interests	-23	-
	2014	**2013**
Revenue	0	-
Annual net profit	-153	-
Other comprehensive income	0	-
Comprehensive income	-153	-
Profit/loss attributed to non-controlling interests	-23	-
Comprehensive income attributed to non-controlling interests	0	-
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	0	-
Cash flows from operating activities	-491	-
Cash flows from investing activities	-8,257	-
Cash flows from financing activities	11,051	-
Net change in cash and cash equivalents	2,303	-

Windkraft Kirchheilingen IV GmbH & Co. KG, Germany	31.12.2014 in TEUR	31.12.2013 in TEUR
Current assets	1,781	-
Non-current assets	37,774	-
Current liabilities	3,116	-
Non-current liabilities	23,115	-
Net assets	13,324	-
Carrying amount of non-controlling interests	6,530	-
	2014	**2013**
Revenue	-	-
Annual net profit	-	-
Other comprehensive income	-	-
Comprehensive income	-	-
Profit/loss attributed to non-controlling interests	-	-
Comprehensive income attributed to non-controlling interests	-	-
	31.12.2014	**31.12.2013**
Dividends paid to non-controlling interests	0	-
Cash flows from operating activities	0	-
Cash flows from investing activities	140	-
Cash flows from financing activities	0	-
Net change in cash and cash equivalents	140	-

3.1.4 Significant restrictions

CSG IPP GmbH is subject to the following significant restrictions within the meaning of IFRS 12.13 resulting from the mezzanine capital agreement with Gothaer Lebensversicherung AG (hereafter known as 'Gothaer'). Investments in connection with the mezzanine capital are subject to various investment criteria defined by a committee made up of equal numbers of representatives of Capital Stage and Gothaer. Furthermore, for the duration of the mezzanine agreement the shares in CSG IPP GmbH may not be pledged or subjected to any other charges and the entity may not be party to any cash pooling contract. This does not apply to contracts between CSG IPP GmbH and the subsidiaries of CSG IPP GmbH. Significant measures, such as the dissolution or liquidation of CSG IPP GmbH, require the unanimous approval of the committee. Gothaer has a pre-emption right in the event that Capital Stage should intend to sell its interest in CSG IPP GmbH. Furthermore, the mezzanine agreement has strict rules governing the distribution of available liquidity. The carrying amount of the assets in the consolidated financial statements as of the reporting date is TEUR 25,809 and the carrying amount of the liabilities is TEUR 63,322.

3.2 Business combinations

The acquisition of a business is accounted for using the purchase method. The consideration received at the time of the business combination is carried at its fair value, which is determined by the sum of the fair values of the assets transferred at the time of exchange, the liabilities assumed from the former owners of the acquired entity and the equity instruments issued by the Group in exchange for gaining control of the acquired entity. The expenses associated with the business combination must be immediately recognized in the statement of comprehensive income.

The identifiable assets acquired and debt assumed are carried at fair value, with the following exceptions:

- Deferred tax assets and liabilities as well as assets or liabilities in connection with employee benefit agreements must be recognized and measured pursuant to IAS 12 (Income Taxes) and IAS 19 (Employee Benefits).
- Debt or equity instruments arising from share-based remuneration or a substitute for share-based remuneration by the Group must be measured at the time of acquisition and pursuant to IFRS 2 (Share-based Payment).
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The measurement option is made on a transaction-by-transaction basis. Other components of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination at the end of the financial year in which the combination occurs, is incomplete, the Group recognized for those items with incomplete accounting provisional sums. The provisional amounts recognized must be corrected during the evaluation period or additional assets or liabilities assumed are to reflect the new information about facts and circumstances that existed at the acquisition date and that would have affected the measurement of the recognized amounts at that date, if they would have been known.

The purchase price allocations (PPA) used for first-time consolidation are provisional in some cases, because circumstances may come to light after the PPA has been carried out that may result in adjustments being made up to one year after the acquisition. The PPAs for the parks acquired in November and December are provisional, because the closing balance sheets have not yet been finalized. The technical reviews and the related final budgets, which form the basis for valuing the intangible assets, have also not yet been completed.

The companies Solaire Ille SARL and Centrale Photovoltaique SauS 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 at the date of acquisition. There were no significant changes to the consolidated financial statements.

The companies ARSAC 4 S.A.S. and ARSAC 7 S.A.S. are both project companies for building two solar parks in the Arsac 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 at the date of acquisition. There were no significant changes to the consolidated financial statements.

A solar park in Wolgast (Mecklenburg-West Pomerania) acquired on 14 November 2013 was transferred back to the seller under the terms of an agreement dated 30 September 2014 cancelling the sales contract, because the conditions precedent were not met. There were no significant changes to the consolidated financial statements, as no initial consolidation had taken place.

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 plants, resulted in adjustments to intangible assets and deferred tax liabilities. The resulting earnings effect amounts to TEUR 4,246.

The negative difference (badwill) for the business combinations and adjustments to final and provisional purchase price allocations made in the financial year 2014 comes to TEUR 29,335 in total.

This badwill was largely generated by the advantages that Capital Stage has over other potential purchasers. These advantages include in particular very strong liquidity and therefore the possibility of repaying the sellers' existing debt financing arrangements smoothly.

Its many years of experience and competent staff enable Capital Stage to review and execute business combinations in a very short space of time. As the business relationships go back a long way in some cases, the sellers also have a high degree of trust in Capital Stage.

Another significant aspect for the generation of badwill is the discount that can be obtained when a portfolio of assets is acquired. This block discount reflects the greater speed of sale and associated savings in personnel, administration and transaction costs achieved through a portfolio sale rather than individual sales of the assets concerned.

Business combinations often require participation in a public sale process whereby the purchase price is significantly influenced by the bids made by competitors. However, the Group's business combinations result solely from exclusive negotiations with the various sellers.

For these reasons, MTS4 S.r.l., CS Solarpark Bad Endbach GmbH, Capital Stage France Beteiligungsgesellschaft mbH (incl. Le Communal Est Ouest SARL), Pfeffenhausen-Egglhausen Photovoltaik GmbH, Capital Stage Biscaya Beteiligungs GmbH (incl. Énergie Solaire Biscaya S.A.S., Labraise Sud SARL, Haut Lande SARL, La Gouardoune Centrale Solaire SARL, Communal Le Court S.A.S., Lagravette S.A.S.) and Windkraft Kirchheilingen IV GmbH & Co. KG were acquired for prices below the market value of their individual assets and liabilities.

The main reason for the acquisition of the solar parks and wind farms listed below is the consistent pursuit of the Group's growth strategy.

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

The following acquisitions were included in the consolidated balance sheet for the first time:

- MTS4 S.r.l., Italy (signing took place in 2013)
- Solaire Ille SARL, France (signing took place in 2013)
- Centrale Photovoltaique SauS 06 SARL, France (signing took place in 2013)
- CS Solarpark Bad Endbach GmbH, Halle
- Capital Stage France Beteiligungsgesellschaft mbH, Hamburg
- Le Communal Est Ouest SARL, France
- ARSAC 4 S.A.S., France
- ARSAC 7 S.A.S., France
- CSG IPP GmbH, Hamburg
- Pfeffenhausen-Egglhausen Photovoltaik GmbH, Regensburg
- Capital Stage Biscaya Beteiligungs GmbH, Hamburg
- Énergie Solaire Biscaya S.A.S., France
- Labraise Sud SARL, France
- Haut Lande SARL, France
- La Gouardoune Centrale Solaire SARL, France
- Communal Le Court S.A.S., France
- Lagravette S.A.S., France
- Windkraft Kirchheilingen IV GmbH & Co. KG, Kirchheilingen

The identified assets and assumed debt of the companies consolidated for the first time are as follows:

MTS4 S.r.l., Bozen, Italy	Carrying amount before purchase price allocation in TEUR	Fair value according to 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 related 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 purchase 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 5. Revenue of TEUR 1,028 and a loss of TEUR 107 have been recognized from the acquired company since the date of first consolidation. The purchase price for the shares acquired and liabilities assumed was TEUR 8,694 and was paid in the previous year.

CS Solarpark Bad Endbach GmbH, Halle	Carrying amount before purchase price allocation in TEUR	Fair value according to PPA in TEUR
Intangible assets	0	2,220
Property, plant and equipment	11,380	11,742
Current assets	88	88
Cash and cash equivalents	688	688
Debt and provisions	9,486	9,486
Deferred tax liabilities	0	747

This transaction related to 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 purchase 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 1,298 and a profit of TEUR 316 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 financial statements would have reflected revenue of TEUR 1,472 and a profit of TEUR 172 from this company. The purchase price for the shares was TEUR 4,335.

Capital Stage France Beteiligungsgesellschaft mbH, Hamburg (incl. interest in Le Communal Est Ouest SARL, France)	Carrying amount before purchase price allocation in TEUR	Fair value according to PPA in TEUR
Intangible assets	0	21,883
Property, plant and equipment	126,777	128,895
Current assets	2,777	2,777
Cash and cash equivalents	8,576	8,576
Debt and provisions	145,048	142,868
Deferred tax assets	0	265
Deferred tax liabilities	0	6,091

This transaction involved 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 01 April 2014. The business combination was carried out by applying the purchase method. The newly measured shareholders' equity at the time of initial consolidation was TEUR 13,437. Receivables acquired in the course of the transaction, which consist mainly of trade and tax receivables, have a fair value of TEUR 2,449. 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 12,783 and a profit of TEUR 1,843 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 financial statements would have reflected revenue of TEUR 15,687 and a profit of TEUR 718 from this company. The purchase price for the shares and an assumed shareholder loan was TEUR 36,594.

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 and begins on 1 September 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. The contingent consideration (earn-out) recognized as a financial liability is deemed under IFRS 3.58b to be a financial instrument within the meaning of IAS 39 and is measured at fair value. It is categorized as Level 3 – that is, the input parameters for the measurement are not observable and the measurement is therefore based on models.

The company finalized the purchase price allocation during the measurement period within the meaning of IFRS 3.45. The table above shows the final measurement of assets acquired and debts assumed.

Compared with the provisional purchase price allocation and the presentation in the interim reports for the second and third quarters, badwill increased by TEUR 480, intangible assets declined by TEUR 1,541, financial liabilities declined by TEUR 2,142 and deferred tax assets fell by TEUR 621. Consideration was reduced by TEUR 500.

Pfeffenhausen-Egglhausen Photovoltaik GmbH, Regensburg	Carrying amount before purchase price allocation in TEUR	Fair value according to preliminary PPA in TEUR
Intangible assets	0	5,073
Property, plant and equipment	10,766	15,704
Current assets	160	160
Cash and cash equivalents	2,174	2,174
Debt and provisions	15,478	17,709
Deferred tax assets	66	713
Deferred tax liabilities	0	2,903

This transaction related to the acquisition of a solar park in Pfeffenhausen, Bavaria. The park was consolidated for the first time as of 1 December 2014. The business combination was carried out by applying the purchase method. The newly measured shareholders' equity at the time of initial consolidation was TEUR 3,212. The receivables assumed as a result of the transaction, mainly comprising trade receivables, have a fair value of TEUR 78. 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 12. Revenue of TEUR 34 and a profit of TEUR 325 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 financial statements would have reflected revenue of TEUR 2,111 and a profit of TEUR 901 from this company. The purchase price for the shares and an assumed shareholder loan was TEUR 4,415.

Windkraft Kirchheilingen IV GmbH & Co. KG, Kirchheilingen	Carrying amount before purchase price allocation in TEUR	Fair value according to preliminary PPA in TEUR
Intangible assets	0	13,671
Property, plant and equipment	23,686	23,752
Current assets	1,641	1,641
Cash and cash equivalents	140	140
Debt and provisions	22,648	23,057
Deferred tax assets	0	351
Deferred tax liabilities	0	3,976

The transaction related to the acquisition of a wind farm in Kirchheilingen in Thuringia. Only 50.99% of the shares were acquired. The non-controlling interests were measured in proportion to their overall share of the carrying amounts of the identifiable net assets. The park was consolidated for the first time as of 31 December 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 12,522. The newly measured shareholders' equity attributable to non-controlling interests was TEUR 5,930. Receivables acquired in the course of the transaction, which consist of trade and tax receivables, have a fair value of TEUR 1,641. 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 4. Since the date of initial consolidation of Windkraft Kirchheilingen IV GmbH & Co. KG, revenue of TEUR 0 and a profit of TEUR 0 have been recognized from the entity acquired. Had the company been consolidated since the beginning of 2014, the consolidated balance sheet would have reflected revenue of TEUR 68 and a loss of TEUR 442. The purchase price for the shares was TEUR 3,400. It includes an escrow amount of TEUR 170, which is expected to be disbursed in 2015.

Capital Stage Biscaya Beteiligungs GmbH, Hamburg (incl. interest in Énergie Solaire Biscaya S.A.S., France, Labraise Sud SARL, France, Haut Lande SARL, France, La Gouardoune Centrale Solaire SARL, France, Communal Le Court S.A.S., France and Lagravette S.A.S., France)	Carrying amount before purchase price allocation in TEUR	Fair value according to preliminary PPA in TEUR
Intangible assets	0	13,333
Property, plant and equipment	65,291	64,299
Other non-current receivables	5	5
Current assets	2,235	1,282
Cash and cash equivalents	2,652	2,652
Debt and provisions	71,498	70,278
Deferred tax assets	0	551
Deferred tax liabilities	0	801

This transaction involved the acquisition of a German holding company with a 100% interest in a French holding company (Energie Solaire Biscaya S.A.S.), which in turn holds 100% of the shares in a portfolio of French solar parks, consisting of five companies in the Aquitaine region of France. The park was consolidated for the first time as of 31 December 2014. The business combination was carried out by applying the purchase method. The newly measured shareholders' equity at the time of initial consolidation was TEUR 11,044. Receivables acquired in the course of the transaction, which consist mainly of trade and tax receivables, have a fair value of TEUR 1,282. 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 to date have totalled TEUR 0. Revenue of TEUR 0 and a profit of TEUR 0 have been recognized from the acquired company since the date of first consolidation. Had the companies been consolidated since the beginning of 2014, the consolidated financial statements would have reflected revenue of TEUR 1,245 and a loss of TEUR 1,192 from these companies. The purchase price for the shares and assumed liabilities was TEUR 14,225.

Overall impact of the acquisitions on the Group's results

The net profit for the period from 1 January to 31 December 2014 includes gains of TEUR 2,377 from the companies included in the consolidated balance sheet for the first time during this period. The sales revenues recognized as of 31 December 2014 include TEUR 15,143 from the newly consolidated solar parks. If the business combinations had taken place on 1 January 2014, Group revenues in these divisions to 31 December 2014 would have been TEUR 6,468 greater and the net profit would have been TEUR 2,327 lower.

Sale of subsidiaries

No subsidiaries were sold in 2014.

Business combinations after the reporting date

On 23 December 2014 Capital Stage acquired 100% of the shares in a portfolio of solar parks in the Friuli region of Italy, around 100 kilometres north-east of Venice. The seller was the international photovoltaic specialist GP JOULE, which is based in Schleswig-Holstein. The solar park portfolio has a capacity of 26.7 MWp and commenced operations between February and September 2013. Capital Stage AG is responsible for commercial management and GP JOULE for the technical management. As the transaction was subject to standard conditions precedent, the park has not yet been included in the consolidated financial statements. The transaction was completed on 11 February 2015. Due to a lack of final information, no purchase price allocation could be made by the date of publication of the consolidated balance sheet.

On 12 February 2015 Capital Stage acquired its first portfolio of solar parks in UK, in the south-east of England and Wales. The Capital Stage Group holds an interest of 100%. The British portfolio consists of seven solar parks and has a capacity of 53.4 MWp. All seven parks are already connected to the grid. The total volume of the acquisition, including debt, is GBP 67.7 million (approximately EUR 90 million). The acquisition is still subject to standard conditions precedent, so the purchase price allocation has not yet been carried out.

Business combinations the previous year

In 2013 the following companies were added to the group of consolidated entities:

- Solarpark Lettewitz GmbH, Halle
- Polesine Energy 1 S.r.l., Bolzano, Italy
- Polesine Energy 2 S.r.l., Bolzano, Italy
- Capital Stage Solarpark Betriebs- und Verwaltungs GmbH, Hamburg
- Solarpark Ramin GmbH & Co. KG, Halle (formerly Energiepark Solar GmbH & Co. SP Ramin KG)
- Windkraft Olbersleben II GmbH & Co. KG, Olbersleben
- Société Centrale Photovoltaïque d'Avon les Roches S.A.S., Paris, France
- Fano Solar 1 S.r.l., Bolzano, Italy
- Fano Solar 2 S.r.l., Bolzano, Italy
- Notaresco Solar S.r.l., Bolzano, Italy
- Sant' Omero Solar S.r.l., Bolzano, Italy

The badwill for the business combinations and adjustments to provisional purchase price allocations made in the financial year 2013 came to TEUR 13,839 in total.

3.3 Foreign currency translation

Differences arising from the translation of the functional currency of foreign operations into the Group's reporting currency (the euro) are recorded in the consolidated balance sheet directly under 'other comprehensive income' and cumulatively in the line item 'foreign currency translation reserve'. Currency translation differences previously recorded in the foreign currency translation reserve are transferred to the income statement if part or all of the foreign operation is sold.

The foreign currency translation was performed at the historical exchange rate in the case of shareholders' equity, at the exchange rate on the balance sheet date in the case of other balance sheet items and at the mean exchange rate for the year in the case of revenue and expenses as well as the consolidated result. Pursuant to IAS 21, currency translation differences were recognized directly in equity. The exchange rate on 31 December 2014 between the Swiss franc and the euro was CHF/EUR 1.20240 (31 December 2013: CHF/EUR 1.22760), while the mean exchange rate for 2014 was CHF/EUR 1.20257 (mean rate in 2013: CHF/EUR 1.22446).

3.4 Critical accounting judgements and key sources of estimation uncertainties

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.

Below the most important forward-looking assumptions as well as the other principal sources of estimation uncertainties are discussed as of the end of the reporting period which could give rise to a substantial risk within the coming financial year that a significant adjustment of the reported assets and liabilities will be required.

In some cases the consolidated financial statements include estimates and assumptions which have consequences for the amount of the recognized assets, liabilities, income, expenses and contingent liabilities. The actual amounts may differ from these estimates. Any amendments will be recognized in the income statement once we have better knowledge of the items in question.

When measuring property, plant and equipment and intangible assets, the expected useful life of the assets must be estimated; in doing so, we take into account contractual agreements, knowledge of the industry and management estimates.

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 rate (WACC) applied in connection with the measurement of intangible assets was between 3.32% and 4.53%. The range is largely due to the sharp fall in interest rates over the course of the financial year.

Control over the entities Windkraft Sohland GmbH & Co. KG, BOREAS Windfeld Greußen GmbH & Co. KG, Windkraft Olbersleben II GmbH & Co. KG and Windkraft Kirchheilingen IV GmbH & Co. KG

The wind parks mentioned above are structured as general partnerships (GmbH & Co. KG). The general partner in each case is BOREAS Management GmbH, Reichenbach. The general partner has no share of the partnership assets, does not participate in profits or losses and has made no contribution. Limited partners are Capital Stage Wind IPP GmbH, Hamburg (with an interest of more than 50%) and BOREAS Energie GmbH, Dresden (with an interest of less than 50%). Capital Stage holds no interest in the general partner.

IFRS 10 states that control is always assumed when the parent company is exposed to the risk of variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee and thus is influenced by these factors when engaging in the relevant activities. For a wind farm the relevant operating and financing activities are planning and managing liquidity and taking decisions on maintenance contracts and necessary repairs.

The partnership is managed by the general partner. Despite this, the partnership agreement states that the relevant decisions described above are taken at the partnership meeting by simple majority. Capital Stage holds a direct or indirect majority of voting rights in all the wind farms mentioned above (with an interest of more than 50% in each case) and can therefore exercise a significant influence over its operating and financial activities.

Capital Stage is therefore not restricted to the supervisory role typical for a limited partner, but actively takes all relevant decisions. If a decision does not require a vote at the partnership meeting, the general partner prepares proposals which are approved, amended or rejected by Capital Stage.

Capital Stage therefore exercises control over the partnership, because it has the power to direct its financial and operating activities and by means of its interest of more than 50% can generate an inflow of economic benefits from these activities.

The wind farms mentioned above are therefore included in full in the consolidated financial statements.

3.5 Intangible assets

With the exception of the goodwill, all the intangible assets have limited useful lives and are measured at their acquisition costs less scheduled straight-line amortization. They are amortized on the basis of their useful economic lives.

If the fair value is below the carrying amount, the assets are impaired. If the reasons for impairments recognized in the past cease to apply, the impairments are reversed.

Electricity feed-in contracts and project rights are amortized over 18 to 30 years, in line with the useful lives of photovoltaic installations and the existing leases, while other intangible assets are amortized over prospective useful lives of three to five years.

Goodwill resulting from a business combination is recognized at its amortized cost less any necessary impairments and is shown separately in the consolidated balance sheet.

For impairment test purposes the goodwill must be allocated to the Group's cash-generating units (or groups thereof) which are expected to draw benefit from the synergies created by the business combination.

Cash-generating units to which a portion of the goodwill is allocated must be subjected to annual impairment tests. However, if there are indications that a unit has lost value, it will be tested more frequently. If the recoverable amount which a cash-generating unit can earn is lower than its carrying amount, the corresponding impairment loss must first be assigned to the carrying amount of any goodwill allocated to that unit and thereafter pro rata to the unit's other assets on the basis of their respective values. Any impairment of the goodwill will be recognized directly in the income statement. Any impairment of goodwill may not be recovered in future periods.

When selling a cash-generating unit the portion of the goodwill attributable to it will be taken into account in determining the profit or loss on the disposal.

3.6 Property, plant and equipment

Property, plant and equipment are measured at their amortized cost less cumulative depreciation.

Profits or losses from the disposal of assets are recognized as other income or expenses. The depreciation period and method are reviewed at the end of each financial year.

Property, plant and equipment are depreciated over their prospective useful economic lives pro rata temporis. The useful lives recognized for property, plant and equipment range from three to 30 years. The range for photovoltaic and wind power installations is 18 to 30 years, and three to five years for other office and business equipment.

3.7 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition are to be included for all financial assets and financial liabilities not subsequently measured at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities subsequently measured at fair value through profit or loss are recognized immediately in profit or loss.

3.8 Financial assets

Financial assets are classified in the following categories:

- Financial assets measured at fair value through profit or loss
- Financial investments held to maturity
- Available-for-sale financial assets
- Loans and receivables

The classification depends on the nature and purpose of the financial assets and is determined at purchase. The recognition and derecognition of financial assets is carried on the trade date, if the supply is within the usual time frame for the affected market.

3.9 Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated at FVTPL.

Of the set of derivative financial instruments, the Group currently only uses interest rate swaps to hedge against interest rate risks. These financial instruments are recognized at FVTPL as of the trading date.

Financial assets and liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized through profit or loss in the financial result.

3.10 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including loans, trade receivables, other receivables, bank balances and cash in hand) are measured at amortized cost, unless they are held for trading. If there is any doubt as to the recoverability of loans and receivables they are carried at amortized cost less any appropriate write-downs. Trade receivables are written down if objective factors indicate that the outstanding receivables cannot be recovered in full. The write-downs are recognized directly through profit or loss.

3.11 Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Object indications that financial assets are impaired include in particular:

- Substantial financial difficulties on the part of the issuer or counterparty
- Breach of contract, such as default or delayed interest or principal payments
- Increased probability that the borrower will become insolvent or enter restructuring proceedings

For financial assets measured at amortized cost, the impairment loss is equal to the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the original effective interest rate of the financial asset.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease is objectively related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3.12 Derecognition of financial assets
The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and opportunities of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and opportunities of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

3.13 Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by a Group entity are classified in accordance with the substance of the contractual arrangements and their definitions as financial liabilities or equity instruments.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its debt. Equity instruments issued by a Group entity are recognized at the proceeds received, net of direct issue costs. Issue costs are those costs that would not have arisen if the equity instrument had not been issued.

Repurchase of the company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or retirement of the company's own equity instruments.

Financial liabilities
Financial liabilities are categorized either as financial liabilities measured at fair value through profit or loss or as other financial liabilities.

3.14 Other financial liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including any fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.15 Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

3.16 Derivative financial instruments

The Group uses derivative financial instruments to manage its interest rate risks. In 2014 the company decided to account for existing interest rate hedges with a substantial term to maturity relative to their total term and future interest rate hedges as cash flow hedges in accordance with IAS 39. As far as compatible with IAS 39, all derivatives existing as of 30 June 2014 were therefore designated as hedging instruments as of 1 July 2014. The additional derivates purchased in thrid and fourth quarters of the reporting year were designated as of their respective trading or acquisition date. However, only some of the hedging instruments currently held meet the criteria for hedge accounting in accordance with IAS 39. Derivatives acquired as part of business combinations can often not be designated as part of a hedging relationship if the derivatives already had a high market value, other than zero, relative to the notional value at the time of the acquisition.

As far as possible, the Group designates derivatives as hedging instruments in a hedging relationship when they are traded or acquired. Since the main terms of the hedged loans (interest period, interest rate, interest calculation method, repayment of nominal amounts) typically match the interest rate swaps exactly, the Group assumes that an effective hedging relationship can be proven prospectively. In the case of forward-starting swaps, management assumes that the underlying financing arrangements can be continued at a floating rate of interest when the fixed-interest period comes to an end.

At the beginning of the hedge both the hedging relationship and the Group's risk management objectives and strategies with regard to the hedge are formally defined and documented. The documentation includes the definition of the hedging instruments, the hedged items and the type of hedged risk (interest rate risk for the base interest rate concerned). In addition, the documentation includes a description of how the Group intends to monitor the effectiveness of the hedging relationship at inception and in subsequent periods, and of whether the hedges were effective over the entire period of the hedging relationship.

To the extent that effectiveness can be demonstrated retrospectively using the hypothetical derivative method, the gains and losses from changes in the fair value of derivatives are recognized without effect on profit or loss in equity. The ineffective portion is recognized directly through profit or loss in the financial result.

A hedging relationship is considered to be effective as long as its effectiveness can be shown retrospectively to be within a range of 80% to 125%.

3.17 Collateral

The financial liabilities of the solar parks and wind farms are non-recourse loans. The entities included in the group of consolidated companies have for the most part furnished the financing banks or other creditors with collateral for their financial liabilities and, where applicable, contingent liabilities. As is customary with this kind of financing, the property, plant and equipment as well as all rights and future receivables have been assigned to the banks. The current value of the collateral furnished therefore corresponds to the carrying amount of the assets or the reserves (see subsection 5.9), or are immaterial (e.g. a right of subrogation in regard to the feed-in contracts). The principal collateral provided is as follows:

- Enforceable land charges (property, plant and equipment)
- Pledging of capital servicing and project reserve accounts (cash)

- Assignment of the various companies' rights to payment of the electricity feed-in tariff (revenues)
- Assignment of payment and remuneration claims against third parties arising from direct marketing contracts (revenues)
- Assignment of goods stored in a specific place
- Pledging of shareholdings (group of consolidated companies)

3.18 Inventories

The inventories mainly comprise merchandise. They are carried at the lower of amortized cost and net realizable value (the likely realizable sale price less costs incurred prior to sale). The moving average price is applied in determining the amortized cost.

3.19 Deferred taxes

Pursuant to IFRS financial accounting standard IAS 12, deferred taxes must be recognized in relation to temporary differences between the IFRS carrying amount of an asset or debt and its tax base. Under IFRS, the resulting differences may entail corresponding tax credits or tax losses, and the resulting deferred tax assets or liabilities must be recognized. Anticipated tax reductions resulting from the possible use of existing loss carry-forwards must also be recognized if it is likely that taxable income will be generated over the coming five years against which unused tax loss carry-forwards can be offset. However, the statutory limitation on the offsetting of tax loss carry-forwards against profits made during the planning period must be borne in mind.

Under current German tax law, sales of financial investments in limited companies are tax exempt except for a minimum tax rate of 5% on profits from the sale of shares in limited companies and on dividend income.

Deferred tax assets from the use of tax loss carry-forwards must be recognized if it is likely that there will be taxable profits against which existing loss carry-forwards can be offset.

3.20 Trade receivables

Trade receivables are carried at their amortized cost. Impairments are recognized on the basis of past experience through the classification of receivables and other assets according to their age and other objective information relating to their value.

3.21 Other assets: non-financial assets and other receivables

Other assets are carried at their amortized cost. In the case of the other short-term receivables, this was generally their fair value, since the time value of the money is negligible and there is no significant credit risk. The other non-current receivables are made up of prepayments and accrued income.

3.22 Cash and cash equivalents

The cash and cash equivalents comprise bank balances and time deposits which have a high degree of liquidity and a total term of up to three months, as well as cash in hand. These sums are not subject to interest rate risk and are carried at their nominal values. This does not apply to debt servicing and project reserves, which serve as collateral for the solar parks' lending banks and can only be used in agreement with the lending banks for the respective companies.

3.23 Assets held for sale and associated liabilities

Individual non-current assets or groups of assets and any associated liabilities (disposal groups) are presented in this category if they can be sold in their current condition and their disposal is highly probable. A disposal group requires that the assets and liabilities are intended to be sold in a single transaction or as part of an overall plan.

A discontinued operation is a component of an entity which is either intended for sale or has already been sold and which can be clearly separated from the entity's other activities, both from an operating perspective and for the purposes of financial reporting. A discontinued operation must also represent a separate major line of business or a geographical area of operations.

No further depreciation and amortization is recognized for non-current assets held for sale, either singly or as part of a disposal group or as discontinued operations. They are held at the lower of their carrying amount and fair value less costs to sell. If fair value less costs to sell is lower than the carrying amount, they are written down accordingly.

The result of measuring assets held for sale at fair value less costs to sell and profits and losses on the disposal of discontinued operations, along with the result of operations from these units, are recognized separately in the consolidated income statement as the result from discontinued operations. However, the result of measuring individual assets held for sale and disposal groups is recognized in depreciation, amortization and impairment.

3.24 Liabilities, provisions and financial debt
When first recognized on the balance sheet, financial liabilities are carried at fair value. Subsequent measurement is at amortized cost, applying the effective interest method. Other liabilities are carried at their settlement value if, due to their short-term nature, the time value of the money is negligible. Financial debt at the solar parks and wind farms consists of non-recourse loans, i.e. the solar and wind installations constitute the sole collateral for each individual loan.

Other non-current provisions are carried at their prospective settlement value with no discounting; they cover all identifiable obligations at the balance sheet date which are based on business transactions or events occurring before the balance sheet date and whose extent or due date is uncertain. The settlement values calculated are those with the highest likelihood of occurrence.

Non-current provisions are discounted at a suitable risk-free interest rate.

Provisions are only recognized if there is a corresponding legal or constructive obligation towards third parties and the associated probability of occurrence is greater than 50%.

3.25 Revenue
Sales revenues are recognized at the fair value of the consideration received or due. Revenues from the sale of goods and electricity are recognized if the following conditions are met:

- The significant risks and opportunities arising from ownership of the goods are transferred to the buyer.
- Neither the right of disposal normally associated with ownership nor effective control over the purchased goods and products is withheld.
- The amount of revenue can be reliably determined.
- It is likely that economic benefit will be derived from the transaction.
- The costs incurred or yet to be incurred in connection with the sale can be reliably determined.

Revenue from the sale of goods and electricity is therefore generally recognized when the goods and electricity have been supplied and legal title has been transferred.

Section 33g of the German renewable energy sources act (Erneuerbare-Energien-Gesetz – EEG) provided for the introduction of the so-called market premium on 1 January 2012. The market premium is paid by the grid operator to operators of installations producing electricity from renewable sources who opt to sell their electricity directly on the electricity exchange rather than following the EEG remuneration model. On the electricity exchange, installation operators receive the regular market price, which is lower than the remuneration guaranteed under the EEG. The difference between the EEG remuneration and the mean monthly market price on the electricity exchange is then equalized by the market premium. The actual volume of directly marketed electricity is measured via meter readings.

The market premium and the flexibility premium paid by the grid operator to installation operators pursuant to sections 33g and 33i EEG constitute genuine subsidies and as such are not subject to VAT.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income must be recognized if it is likely that the economic benefit will flow to the Group and the amount of the revenue can be reliably determined. Interest income must be accrued or deferred on the basis of the outstanding nominal amount via the applicable effective interest rate. The effective interest rate is the exact rate by which the expected future payments over the lifetime of the financial asset will be discounted from the net carrying value of that asset on initial recognition.

3.26 Share-based compensation programme

Share options (equity-settled share-based payment transactions) are measured at their fair value at the time they are granted. The fair value of the obligation is recognized as personnel expenses over the vesting period, and a capital reserve is recognized at the same time (reserve for equity-settled employee remuneration to be met through equity instruments). The options issued are measured via a binomial option price model.

3.27 Leasing

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability towards the lessor must be shown on the consolidated balance sheet as a liability arising from finance leases. The lease payments are thus divided into interest expenses and payment of lease liabilities in such a way as to ensure a constant rate of repayment of the outstanding liability. Interest expenses are recognized directly in the income statement.

Rental payments on operating leases are recognized as expenses on a straight-line basis over the lease term.

The Group has financed solar installations via leasing agreements whereby the material risks and opportunities are transferred to Capital Stage, thus establishing finance leases. The solar installations in the various solar parks are used as a collateral for the corresponding liabilities.

3.28 Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to shareholders by the weighted average number of shares in circulation during the period. Diluted earnings per share are calculated by dividing the earnings attributable to shareholders by the weighted average number of shares in circulation during the period, plus the number of exercisable options. The options are taken into consideration from the date on which the performance target is permanently reached or exceeded.

3.29 Segment reporting

During the reporting period, the focus of the Capital Stage Group's business activities did not change from the previous year, remaining on the operation and development of solar parks and wind farms. Accordingly, the allocation of the consolidated assets and debts to the various segments remained unaltered. The Group's segments are administration, PV parks, PV service, wind farms and financial investments.

The PV parks segment comprises the German, French and Italian solar parks plus any holding companies. In the reporting year the following companies were included for the first time: MTS4 S.r.l., Solaire Ille SARL, Centrale Photovoltaique SauS 06 SARL, CS Solarpark Bad Endbach GmbH, Capital Stage France Beteiligungsgesellschaft mbH, Le Communal Est Ouest SARL, ARSAC 4 S.A.S., ARSAC 7 S.A.S., CSG IPP GmbH, Pfeffenhausen-Egglhausen Photovoltaik GmbH, Capital Stage Biscaya Beteiligungs GmbH, Énergie Solaire Biscaya S.A.S., Labraise Sud SARL, Haut Lande SARL, La Gouardoune Centrale Solaire SARL, Communal Le Court S.A.S. and Lagravette S.A.S.

The segment's principal business activity is electricity production. The segment's sales revenues come mainly from either the feed-in tariffs paid by the various local providers or the market premium paid for direct marketing of electricity on the energy markets.

The PV service segment comprises the development of the plant operations company Capital Stage Solar Service GmbH and the Group's financial investment in Eneri PV Service S.r.l. The principal business activities of the segment are the technical and commercial operation of both the Group's and external solar park installations. The sales revenues earned by this segment mainly comes from plant operation charges.

The wind farms and the associated general partner are included in the wind farms segment. Windkraft Kirchheilingen IV GmbH & Co. KG was added in the year under review. The segment's principal business activity is electricity production. The segment's sales revenues come mainly from either the feed-in tariffs paid by the various local providers or the market premium paid for direct marketing of electricity on the energy markets.

The financial investments segment includes shares in Helvetic Energy GmbH and Calmatopo Holding AG. The segment's principal business activity is the acquisition, holding and selling of these investments. The segment's revenues mainly consist of the revenue generated by Helvetic Energy GmbH. The financial investment in BlueTec GmbH & Co. KG was sold with effect from 28 March 2014 to ALANOD GmbH & Co. KG.

Activities carried out by Capital Stage AG for all the companies in the Group are pooled in the administration segment. The segment administration includes the Capital Stage AG.

The segment reporting is done in accordance with the accounting methods applied in the consolidated balance sheet and is based on the internal reporting system.

The assets, provisions and liabilities presented in the consolidated balance sheet have been allocated to the appropriate segments. The investments presented in the segment reporting relate to acquisitions of property, plant and equipment and financial assets.

Inter-segment business transactions are conducted on the same conditions as ones with external third parties.

Group revenue of TEUR 71,654 generated from feeding electricity into the national grid is paid directly to the various solar parks and wind farms by the local power companies. However, this does not create any dependency on these entities, since the tariffs are guaranteed by law in the individual countries.

The various segments' revenues from third parties were as follows: TEUR 64,083 in the PV parks segment, TEUR 7,571 in the wind farms segment, TEUR 5,697 in the financial investments segment and TEUR 475 in the PV service segment. Around 51% of revenue is generated in Germany (previous year: 63%), 7% in Switzerland (previous year: 17%), 19% in Italy (previous year: 20%) and 23% in France (previous year: 0%). Out of total assets (property, plant and equipment) amounting to TEUR 675,648 (previous year: TEUR 408,120), TEUR 326,676 (previous year: TEUR 288,143) are situated in Germany, TEUR 89 (previous year: TEUR 111) in Switzerland, TEUR 86,235 (previous year: TEUR 83,825) in Italy and TEUR 262,648 (previous year: TEUR 36,042) in France.

The reconciliation of revenues between the segments and overall Group revenue is mainly attributable to the elimination of plant operation charges for the Group's own parks.

The difference between the overall carrying amount of the various segments' assets and the total carrying amount of the Group's assets is largely attributable to debt consolidation.

3.30 Risk management

The Capital Stage Group's risk management system is designed to detect potential risks at an early stage and evaluate them precisely. Risk identification is therefore of great importance for the Capital Stage Group. For detailed information on the various types and classes of risk we refer to the management report.

4. Notes to the consolidated statement of comprehensive income

4.1 Revenue

TEUR 77,826
Previous year: TEUR 56,991

Revenue is recognized when the work or services are performed and a price has been agreed or is determinable and payment thereof appears probable. The invoicing for and payment of the feed-in tariffs for December 2014 takes place the following year. The breakdown of revenue is shown in the segment reporting.

4.2 Other income

TEUR 32,210
Previous year: TEUR 14,981

Other income mainly consists of income recognized through profit or loss of TEUR 25,089 from the initial consolidation of solar parks and wind farms in Italy, France and Germany (previous year: TEUR 13,839). In the course of the provisional purchase price allocation process, all acquired assets and debts were identified and their fair value determined. This resulted in differences which were recognized in the 2014 income statement. New findings concerning the technical characteristics of the solar modules at four solar parks in

Italy resulted in changes to the provisional purchase price allocation. These changes produced income of TEUR 4,246.

4.3 Cost of materials

TEUR -3,831
Previous year: TEUR -6,463

This consists mainly of expenses of TEUR 3,264 incurred by Helvetic Energy GmbH (previous year: TEUR 5,920) for the purchase of merchandise, as well as expenses of TEUR 567 (previous year: TEUR 543) for externally supplied electricity and other articles for operating solar parks and wind farms.

4.4 Personnel expenses

TEUR -6,591
Previous year: TEUR -6,299

In 2014 the Group employed an average of 66 people (previous year: 67), of whom 22 worked for Capital Stage AG, 11 for Capital Stage Solar Service GmbH and 33 for Helvetic Energy GmbH.

A breakdown of management board remuneration is given in section 12 of the notes.

The wages and salaries include employee bonus expenses. Management bonus payments for the management board totalled TEUR 930 (previous year: TEUR 571).

Personnel expenses of TEUR 65 (previous year: TEUR 60) were recognized in the 2014 income statement for the share-based compensation programme (see note 5.12).

in TEUR	2014	2013
Salaries	5,982	5,805
Personnel expenses, share-based payment	65	60
Other personnel expenses	26	10
Social security expenses	518	424
Total	**6,591**	**6,299**

4.5 Other expenses

TEUR -14,324
Previous year: TEUR -8,808

Type of expense in TEUR	2014	2013
Due diligence and expert advice	1,212	771
Legal and tax advice	453	264
Drawing up and auditing financial statements	215	198
Publications and annual general meeting	202	183
Investor relations and designated sponsoring	113	121
Premises costs	542	633
Costs of solar parks and wind farms	8,670	4,435
Costs of ongoing business operations	1,539	1,700
Other taxes on operations	1,054	365
Miscellaneous	324	138
Total	**14,324**	**8,808**

The other operating expenses mainly comprise the costs of operating the parks, acquisition and administration costs, stock exchange listing costs, legal, tax consultation and auditing costs and general administration costs such as office costs, travel costs, insurance, advertising costs, telecommunications, vehicle costs and supervisory board remuneration. The following two tables provide a more detailed view of the items 'Costs of solar parks and wind farms' and 'Costs of ongoing business operations'.

The costs of solar parks and wind farms are made up as follows:

Costs of solar parks and wind farms in TEUR	2014	2013
Technical and commercial management	2,509	1,161
Repairs and maintenance	1,716	1,192
Rent	1,471	953
Insurance	694	473
Legal and tax advice	444	3
Services	235	94
Fees, incidental and travel expenses	154	129
Lawn maintenance	150	23
Security	83	93
Other	1,214	315
Total	**8,670**	**4,435**

The costs of ongoing business operations are made up as follows:

Costs of ongoing business operations in TEUR	2014	2013
Vehicle costs	370	334
Supervisory board fees	223	226
Marketing and advertising	220	310
Telecommunications	199	244
Travel expenses	118	121
Insurance	49	0
Office supplies	33	31
Research and development	1	29
Other	326	405
Total	**1,539**	**1,700**

4.6 Depreciation, amortization and impairment

TEUR -38,923
Previous year: TEUR -18,733

This item includes amortization of intangible assets and impairment losses (TEUR 17,041; previous year: TEUR 3,896) and depreciation of property, plant and equipment and impairment losses (TEUR 21,882; previous year: TEUR 14,837). The bulk of the amortization of intangible assets and impairment losses (TEUR 12,524, previous year: TEUR 3,550) relates to capitalized electricity feed-in contracts. The depreciation of property, plant and equipment mainly relates to energy generation installations (TEUR 21,765, previous year: 14,666).

On 7 August 2014 the Italian senate finally adopted a law amending decree no. 91/2014 and reducing the feed-in tariffs previously guaranteed for solar parks as of 1 January 2015. Operators of photovoltaic installations with a capacity of more than 200 kW were given a choice between three options. After considering all the relevant factors, Capital Stage chose the option of reducing the feed-in tariff by 8% as of 1 January 2015.

For this reason an impairment test as defined in IAS 36.12 was performed on all Italian solar parks, which resulted in an impairment loss of TEUR 7,764 on the capitalized feed-in contracts. The recoverable amount of the intangible assets (exclusive licences and feed-in contracts) is equal to their value in use and amounts to TEUR 100,017 as of the reporting date. The discount rate used was 4.60%. The impairment is attributed in full to the PV parks segment.

Two sensitivity analyses were also carried out in addition to the impairment test. The first sensitivity test assumed an increase/decrease in the discount rate of 0.5 percentage points. If the discount rate had been 0.5 percentage points higher (lower) the impairment loss would have increased by TEUR 2,757 (decreased by TEUR 2,500). For the second sensitivity analysis the cash flows from the individual photovoltaic installations were increased/reduced by 10%. If the cash flows had been 10% higher (lower) the impairment loss would have decreased by TEUR 1,525 (increased by TEUR 2,519).

In December 2014 the management of Capital Stage lodged an appeal with the Italian administrative court against the decision to cut the feed-in tariff. The company also reserves the right to appeal to the International Centre for the Settlement of Investment Disputes (ICSID).

Impairment testing of the goodwill for Helvetic Energy GmbH resulted in an impairment loss of TEUR 4,204. For further information we refer to section 5.2 Goodwill.

When the assets of Capital Stage Göttingen Photovoltaik GmbH were classified as a disposal group they were written down to fair value less costs of disposal of TEUR 523.

No impairment losses were recognized as a result of impairment testing the previous year.

4.7 Financial result

TEUR -22,512
Previous year: TEUR -15,836

This amount breaks down as follows:

in TEUR	2014	2013
Income from financial investments	0	6
Interest income	1,128	1,034
Interest expenses	-23,267	-13,285
Costs of valuing and selling financial assets	0	-3,351
Earnings attributable to non-controlling interests	-373	-240
Total	**-22,512**	**-15,836**

4.8 Income from financial investments

The disposal of the financial investment in BlueTec GmbH & Co. KG meant that no income was generated from financial investments in the reporting year. Earnings attributable to non-controlling interests relate to the non-controlling interests of Windkraft Sohland GmbH & Co. KG, BOREAS Windfeld Greußen GmbH & Co. KG. and Windkraft Olbersleben II GmbH & Co. KG.

4.9 Taxes on income

TEUR 2,200
Previous year: TEUR -1,789

in TEUR	2014	2013
Earnings before taxes on income	23,855	15,833
Expected taxes on income (30%)	-7,157	-4,750
Differences due to local tax rates and changes in tax rates	-334	436
Increase/reduction in corporation tax	0	130
Taxes from other periods	106	-97
Effects of tax-free income	8,898	4,155
Tax effects of non-deductible operating expenses	-24	-707
Effects of using or writing down tax loss carry-forwards	-1,421	-454
Other and compensatory tax effects	-24	-125
Other valuation differences	2,156	586
Other permanent differences	0	-963
Taxes on income	2,200	-1,789

With current tax expenses of TEUR 1,572 (previous year: TEUR 1,064) and deferred tax income of TEUR 3,772 (previous year: deferred tax expenses of TEUR 725), the total tax income recognized in the statement of comprehensive income was TEUR 2,200 (previous year: TEUR 1,789).

The recognition of deferred tax assets and liabilities within the Group takes into account the average tax rate for the Group, which includes trade tax, corporation tax and the solidarity surcharge.

Deferred tax assets arising from the use of tax loss carry-forwards must be recognized if it is probable that existing loss carry-forwards may be offset against income.

The Group's provisional loss carry-forwards as of 31 December 2014 came to TEUR 64,802 (previous year: TEUR 43,608) (trade tax) and TEUR 69,144 (previous year: TEUR 42,090) (corporation tax). Of this, totals of TEUR 39,729 (previous year: TEUR 34,693) (trade tax) and TEUR 36,995 (previous year: TEUR 26,601) (corporation tax) will probably not be used within a reasonable period. Accordingly, no deferred tax assets have been recognized for these amounts.

Deferred tax assets and liabilities arise due to valuation differences in relation to the following balance sheet items:

Deferred taxes	2014		2013	
	Asset TEUR	Liability TEUR	Asset TEUR	Liability TEUR
Fixed assets	1,288	60,010	954	41,426
Current assets	289	138	0	0
Liabilities	3,629	638	826	735
Tax loss carry-forwards	8,334	0	3,493	0
Interest carry-forward	0	0	291	0
Total	**13,540**	**60,786**	**5,564**	**42,161**
Offsetting	0	0	0	0
Balance sheet figures	**13,540**	**60,786**	**5,564**	**42,161**

4.10 Other comprehensive income

TEUR -2,935
Previous year: TEUR 53

Other comprehensive income consists mainly of hedge accounting reserves introduced for the first time in the reporting year by designating hedging relationships in accordance with IAS 39, as well as the corresponding deferred taxes. Amounts recognized in equity will be reclassified in full as at profit or loss once the corresponding hedged items have expired. Other comprehensive income also includes currency translation differences as of the end of the period. They are reclassified to the income statement if part or all of the foreign operation is sold.

5. Notes to the consolidated balance sheet

5.1 Intangible assets

TEUR 145,425
Previous year: TEUR 91,426

Intangible asset developments are set out in the statement of changes in fixed assets. The intangible assets mainly comprise project rights as well as rights deriving from the electricity feed-in contracts amounting to TEUR 144,727 (previous year: TEUR 90,686). Electricity feed-in contracts are amortized over 18 to 30 years, in line with the useful lives of photovoltaic installations and wind turbines and the existing land leases. Project rights are amortized over 20 years.

Details of assets provided as collateral are given in note 3.17. There are no contractual obligations to acquire intangible assets, nor have any significant non-current assets been sold.

5.2 Goodwill

TEUR 2,623
Previous year: TEUR 6,827

The goodwill as of the reporting date mainly derives from the acquisition of a 100% shareholding in Helvetic Energy GmbH and Capital Stage Solar Service GmbH respectively. Helvetic Energy GmbH (Financial Investments segment) accounts for goodwill of TEUR 957 (previous year: TEUR 5,161). Capital Stage Solar Service GmbH (PV Service segment) accounts for goodwill of TEUR 1,481 (previous year: TEUR 1,481). The goodwill is subject to regular (at least annual) impairment testing.

Impairment testing of the acquired goodwill is performed on the basis of the prospective free cash flow of the respective cash-generating units (CGUs). The CGUs are identical to the corresponding legal units. The payments anticipated on the basis either of long-term contracts or expectations based on past business performance are discounted by using a risk-weighted interest rate (WACC). For the value-in-use calculation, the discount rate for the five-year detailed planning period up to 31 December 2014 was between 4.07% (Capital Stage Solar Service GmbH) and 6.12% (Helvetic Energy GmbH) (previous year: between 5.15% and 8.75%).

A growth rate of 1.00% (previous year: 1.00%) was assumed for the perpetual annuity.

The cash inflows determined by this method are compared with the carrying amounts, including goodwill, of the respective CGUs. The carrying amount for Helvetic Energy GmbH before impairment testing was TEUR 6,699. Goodwill accounted for TEUR 5,161 of the total. The recoverable amount for Helvetic Energy GmbH is equal to its value in use and amounts to TEUR 2,495 as of the reporting date.

Management plans cash flows and the underlying budgets for a period of five years.

Cash flows react most sensitively to the amount of revenue generated. After two years of losses, management has reduced its plans for the next five years substantially. Planning is now based on the reporting year. The general assumption is that the company has managed to achieve a certain level of stability in the reporting year. In addition, a new customer was acquired at the end of the year which theoretically has a great deal of potential. Management assumes that this potential can be realised in the years ahead and so that revenue will increase in subsequent periods.

As the cash flow forecasts are now much lower, the impairment test revealed an impairment loss of TEUR 4,204. Goodwill has therefore been written down accordingly. The impairment is attributed in full to the financial investments segment.

Two sensitivity analyses were also carried out in addition to the impairment test. The first sensitivity test assumed an increase/decrease in the discount rate of 0.5 percentage points. If the discount rate had been 0.5 percentage points higher (lower) the impairment loss would have increased by TEUR 305 (decreased by TEUR 373). For the second sensitivity analysis the cash flows from the CGUs were increased/reduced by 10%. If the cash flows had been 10% higher (lower) the impairment loss would have decreased by TEUR 339 (increased by TEUR 339).

In the previous year there was no indication of impairment.

Since the discounted cash inflows of CGU Capital Stage Solar Service GmbH show a surplus of TEUR 22,158 over their total carrying amounts, including goodwill, a sensitivity analysis was not performed. However, neither a 0.5% increase in the WACC nor a 10% reduction in the forecast discounted cash flows would result in an impairment of goodwill.

5.3 Property, plant and equipment

TEUR 675,648
Previous year: TEUR 408,120

Developments in property, plant and equipment are set out in the statement of changes in non-current assets. Property, plant and equipment consist of energy generation installations (TEUR 648,741, previous year: TEUR 407,703), installations under construction (TEUR 26,415, previous year: TEUR 9) and other equipment (TEUR 492, previous year: TEUR 408).

Movements of the finance lease assets included under property, plant and equipment were as follows:

TEUR	2014	2013
Cost of acquisition		
As of 1 January	22,278	22,278
Additions	0	0
Disposals	0	0
As of 31 December	**22,278**	**22,278**
Depreciation and amortization		
As of 1 January	3,610	2,372
Additions	746	1,238
Disposals	0	0
As of 31 December	**4,356**	**3,610**
Book value 31 December	**17,922**	**18,668**

Details of assets provided as collateral are given in note 3.17. There are no contractual obligations to acquire property, plant or equipment, nor have any significant non-current property, plant and equipment assets been sold.

5.4 Financial assets

TEUR 6
Previous year: TEUR 7,785

Loans and interest of some TEUR 7,779 relating to a solar park in Italy acquired in early 2014 were shown in the other loans category the previous year. In the reporting year they were reclassified as loans to affiliated companies.

The financial investment in BlueTec GmbH & Co. KG was written off the previous year as a result of impairment testing and sold with effect from 28 March 2014. The resulting disposal gain of some TEUR 902 was recognized in other income.

The financial investments changed as follows:

TEUR	2014	2013
As of 1 January	7,785	3,049
Additions	0	8,087
Disposals	-7,779	0
Valuation changes	0	-3,351
As of 31 December	6	7,785

5.5 Other receivables (non-current)

TEUR 5,970
Previous year: TEUR 4,523

These consist of encroachment easements, advance payments for leases and other long-term receivables.

5.6 Inventories

TEUR 1,926
Previous year: TEUR 2,055

The inventories consist of merchandise. In the financial year, the cost of materials for inventories came to TEUR 3,831 (previous year: TEUR 6,463). No collateral was provided. Impairments on inventories amounted to TEUR 28 as of the reporting date (previous year: TEUR 79). Reversals of impairments amounted to TEUR 15 (previous year: TEUR 47).

5.7 Trade receivables

TEUR 9,341
Previous year: TEUR 4,517

The receivables are recoverable and due in the short term. No impairments were required as of the balance sheet date, and there were no overdue receivables on that date.

5.8 Other current assets

TEUR 12,336
Previous year: TEUR 6,715

Other current assets break down as follows:

in TEUR	2014	2013
Non-financial assets	10,022	3,084
Other curent receivables	2,314	3,631
Total	**12,336**	**6,715**

The non-financial assets of TEUR 10,022 (previous year: TEUR 3,084) mainly comprise tax reimbursement claims of TEUR 5,635 (previous year: TEUR 2,675) and VAT tax credits not yet received or not yet due for payment. Input VAT amounting to TEUR 4,387 (previous year: TEUR 409) is expected to be refunded the following year.

Other current receivables consist largely of prepaid expenses of TEUR 1,399 (previous year: TEUR 2,370).

No impairments were required in the reporting year or the previous year.

5.9 Cash and cash equivalents

TEUR 118,722
Previous year: TEUR 55,659

The cash and cash equivalents consist exclusively of cash and bank balances. They include debt servicing and project reserves of TEUR 30,126 (previous year: TEUR 18,635) which serve as collateral for the solar parks' lending banks and can only be used in agreement with the lending banks for the respective companies. Pursuant to IAS 7, movements in cash and cash equivalents are shown in the cash flow statement. Details of assets provided as collateral are given in note 3.17.

5.10 Assets held for sale and associated liabilities

TEUR	262
Previous year: TEUR	0

Assets held for sale and associated liabilities consist solely of the photovoltaic plant and one advance lease payment at Capital Stage Göttingen Photovoltaik GmbH. In the course of restructuring its portfolio, Capital Stage decided to sell the main assets of Capital Stage Göttingen Photovoltaik GmbH. The transaction is expected to be completed by the end of the second quarter 2015.

5.11 Shareholders' equity

TEUR	243,479
Previous year: TEUR	207,401

Developments in equity are detailed in the consolidated statement of changes in 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, 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 then came to 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 company's 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 had the option of receiving the dividend either fully in cash or partly in the form of shares in Capital Share AG. The proposal by the management and supervisory boards was approved by a clear majority. The dividend was paid on 16 September 2014.

The option offered by Capital Stage AG for the first time of taking the dividend either all in cash or partly in the form of shares at a subscription price of EUR 3.70 was very popular with shareholders. Shareholders representing approximately 57% of outstanding share capital chose to receive shares. In total, 1,114,738 new bearer shares were issued. The new shares have dividend rights from 1 January 2014 onwards. The capital increase was entered in the commercial register of the Hamburg district court on 17 September 2014.

Subscribed capital increased as a result to EUR 73,554,144.00.

A contingent capital increase was adopted by the shareholders' meeting on 31 May 2007 (Contingent Capital I). The exercise of share options at a nominal value of EUR 1.00 from this contingent capital increased share capital by a further 280,000 shares.

Altogether, the company received gross proceeds from the capital increases of some EUR 22.0 million from the issue.

As a result of capital increases, the capital reserves rose from EUR 88,492,360.15 to EUR 104,420,171.45.

As of the reporting date, share capital therefore comes to EUR 73,834,144.00, divided into 73,834,144 shares with a nominal value of EUR 1.00 per share.

Authorized capital
As of the reporting date 31 December 2014 and following the partial use of the authorization granted at the shareholders' meeting held on 26 June 2014, the management board was still authorized, subject to the approval of the supervisory board, to increase the share capital of the company by up to EUR 35,104,965.00 on or before 25 June 2019 through the single or multiple issue of up to 35,104,965 new no-par-value bearer shares for subscription in cash and/or in kind (Authorized Capital 2014). All shareholders are entitled to subscription rights. The new shares may also be is-

sued to one or more credit institutes or other companies named under section 186 paragraph 5 sentence 1 of the German stock corporation act (AktG) with the obligation that they be offered to shareholders (indirect subscription right) or partly by way of a direct subscription right (for instance, to eligible shareholders who have previously given an irrevocable subscription guarantee) and in any case by way of indirect subscription rights pursuant to section 186 paragraph 5 of the AktG.

The management board is authorized, subject to the consent of the supervisory board and to further conditions, to exclude the subscription rights of shareholders.

The supervisory board is authorized to amend the wording of section 4 paragraphs 1 and 6 of the Articles of Association as appropriate to reflect the use of Authorized Capital 2014 either after the full or partial execution of the increase in share capital or, if some or all of Authorized Capital 2014 has not been used by 25 June 2019, after the expiry of the authorization period.

Contingent capital

In 2014, subscription rights were exercised for 280,000 company shares. Share capital is therefore now conditionally increased by up to EUR 1,255,000.00 from the issue of up to 1,255,000 no-par bearer shares (Contingent Capital I). However, the contingent capital increase will only be carried out to the extent that holders of the share options granted by Capital Stage AG in the period up to 30 May 2012 pursuant to the resolution passed by the shareholders' meeting on 31 May 2007 in connection with the 2007 share-based compensation programme exercise their options to acquire company shares, and the company does not issue treasury shares in fulfilment of the subscription rights. New company shares resulting from the exercise of these subscription rights participate in profits from the beginning of the financial year for which the annual general meeting has not decided how to use the annual net profit when the subscription rights are exercised. The supervisory board is authorized to amend the wording of section 4 paragraphs 1 and 3 of the Articles of Association as appropriate to reflect the issue of option shares.

The share capital is conditionally increased by up to EUR 32,364,703.00 through the issue of up to 32,364,703 new no-par-value bearer shares, each representing EUR 1.00 of share capital (Contingent Capital II).

The conditional capital increase will only be implemented to the extent that holders of bonds with warrants or convertible bonds and parties who have conversion/option obligations from bonds with warrants or convertible bonds issued or guaranteed by the company or a direct or indirect 100% owned affiliate of the company before 25 June 2019, based on the resolution of the annual general meeting on 26 June 2014, exercise their option or conversion rights or, in the case of those obliged to exercise option or conversion rights, duly fulfil said obligation. The issue of new shares shall be made in accordance with the respective option or conversion price to be decided in accordance with the above resolution. The new shares participate in profits from the beginning of the financial year in which they are created through the exercise of option or conversion rights or the fulfilment of option or conversion obligations. The bonds with warrants or convertible bonds shall be offered to the shareholders for subscription. They can also be underwritten by a bank or a syndicate of banks with the obligation to offer them for subscription to shareholders. The management board is authorized, subject to the consent of the supervisory board and further conditions, to exclude the statutory subscription rights of shareholders.

The management board is authorized, subject to the consent of the supervisory board, to specify further details regarding the execution of a contingent capital increase. The supervisory board is authorized to amend the wording of sections 4 paragraphs 1 and 4 of the Articles of Association as appropriate to reflect the use of the Contingent Capital II either after the full or partial execution of the increase in share capital or, if some or all of the Contingent Capital II has not been used by 25 June 2019 (inclusive), after the expiry of the authorization period.

Furthermore, share capital is conditionally increased by up to EUR 2,320,000.00 through the issue of up to 2,320,000 no-par-value bearer shares (Contingent Capital III). With the consent of the supervisory board, the management board is authorized by 19 June 2017 (inclusive), pursuant to the specific provisions laid down in the share-based compensation programme 2012, to grant up to 2,320,000 share options on company shares with a term of up to seven years, whereby each share option confers the right to acquire one share in the company. These share options are designated exclusively for members of the management board, as well as selected senior management personnel and other high-performing company personnel. With respect to members of the company's management board, the supervisory board has the sole right to grant share options. The share options may also be assigned to a bank, on the provison that the bank is required on the company's instructions to transfer the options to their designated beneficiaries, who are the sole parties entitled to exercise the options in question. Shareholders do not have any option rights. The conditional capital increase will only be executed to the extent that holders of the options to acquire company shares duly exercise their option rights, and the company does not furnish its own shares in fulfilment of said options. The new shares participate in profits from the beginning of the financial year in which they are created through exercise of the option. The supervisory board is authorized to amend the wording of section 4 paragraphs 1 and 5 of the Articles of Association as appropriate to reflect the issue of option shares.

The consolidated distributable profit is determined as follows:

TEUR	31.12.2014	31.12.2013
Consolidated profit for the year after third-party holdings	25,525	13,368
Profit carried forward	45,548	32,388
Withdrawal from retained earnings	0	3,705
Dividend distribution	-7,244	-3,913
Consolidated distributable profit	63,829	45,548

The capital reserve of TEUR 100,802 stems from the increase in share capital of TEUR 2,520 entered in the Company Register on 28 January 2002 and from the share premium received on the capital increases carried out in 2010 (TEUR 2,464), 2011 (TEUR 12,194), 2012 (TEUR 20,488), 2013 (TEUR 48,014) and 2014 (TEUR 15,122).

The currency adjustment item of TEUR -130 (previous year: TEUR -106) relates exclusively to currency translation from Swiss francs to euros for the Swiss subsidiaries.

In addition to the currency adjustment item, other reserves include the hedge reserve (including corresponding deferred taxes) of TEUR -2,911 (previous year: n.a.) as a result of introducing hedge accounting in the reporting year.

Non-controlling interests consist of third-party interests in the following companies: Solarpark Brandenburg GmbH, Parco Eolico Monte Vitalba S.r.l., Solaire IIIe SARL and Centrale Photovoltaique SauS 06 SARL.

Capital management

The aim of our capital management is to ensure that the Group can meet its financial obligations. The Group's long-term goal is to increase enterprise value. On the balance sheet date, the Group had an equity ratio of 24.70% (previous year: 34.96%).

The following table shows the Group's equity, equity ratio and cash and cash equivalents.

	31.12.2014	31.12.2013
Equity in TEUR	243,479	207,401
Equity ratio in %	24.70	34.96
Cash and cash equivalents in TEUR	118,722	55,659

5.12 Share-based payment

To enable Capital Stage AG to grant share options as remuneration components with a long-term incentive effect, on 31 May 2007, the annual general meeting of Capital Stage AG decided to conditionally increase the company's equity capital by up to EUR 2,520,000.00 through the issue of up to 2,520,000 no-par-value bearer shares (Conditional Capital I). The purpose of Conditional Capital I is to safeguard the subscription rights attached to the share options issued during the period from 1 June 2007 to 30 May 2012 pursuant to the authorization resolution of the Capital Stage AG annual general meeting on 31 May 2007 in connection with the share-based compensation programme 2007 (AOP2007). The parties entitled to subscribe are the members of the Capital Stage AG management board, selected senior management personnel and other high-performing company personnel.

When the AOP2007 expired, a new share-based compensation programme (AOP2012) was adopted and Contingent Capital III was created at the shareholders' meeting held on 20 June 2012.

Warrants were offered in 2008, 2009, 2010, 2011, 2012, 2013 and 2014. One option entitles its holder to subscribe to one Capital Stage AG no-par-value bearer share with voting rights. The option holder is entitled to exercise these options either individually or as a whole. Options from the 2008, 2009 and 2010 tranches can no longer be exercised.

To create long-term incentives, the subscription rights attached to the share options cannot be exercised until after the expiry of a vesting period. There is a vesting period of two years for the AOP 2007 and of four years for the AOP2012. The subscription price (base price) for both programmes is the arithmetic mean of the closing price of Capital Stage AG shares in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last five trading days preceding the date on which the options are granted. Condition for the exercise of subscription rights is that the performance target has been met. The performance target for the AOP2007 has been achieved if the price of shares in Capital Stage AG in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange exceeds the base price by at least 25% during the ten trading days preceding the date on which the subscription rights are exercised. The performance target for the AOP2012 has been achieved if the price of shares in Capital Stage AG in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange exceeds the base price by at least 30% during the ten trading days preceding the date on which the subscription rights are exercised. The applicable exercise period is deemed to be the period in which the relevant subscription rights may first be exercised, because the performance target having been reached or exceeded.

Share-based compensation programme 2007 (AOP2007)

On 1 April 2010, 17 June 2011 and 1 April 2012 the following options were issued from the 2007 share-based compensation programme, which can still be exercised or were exercised in the reporting year.

Year of distribution	2012	2011	2010
Exercise period	01.04.2014 – 31.03.2017	17.06.2013 – 16.06.2016	01.04.2012 – 31.03.2015
Base price	3.08 EUR	2.22 EUR	1.96 EUR
Exercise price on issue	3.85 EUR	2.78 EUR	2.45 EUR
Options offered and accepted	685,000	350,000	150,000
No. of shares on 1 Jan. 2014	685,000	115,000	60,000
Exercised options	-165,000	-55,000	-60,000
Lapsed options	-340,000	0	0
No. of shares on 31 Dec. 2014	180,000	60,000	0
Exercisable as of 31 Dec. 2014	180,000	60,000	0

In 2014, 280,000 options were exercised, of which 100,000 by management board members. In the reporting period, 340,000 options expired, of which 180,000 were held by management board members. As of the reporting date, the number of outstanding options therefore went down from 860,000 as of 31 December 2013 to 240,000, all of which are held by members of the management board. 240,000 options from the AOP 2007 can be exercised as of the reporting date 31 December 2014.

Share-based compensation programme 2012 (AOP2012)

On 21 March 2013 and 26 June 2014, the following share options were granted under the share-based compensation programme for 2012:

Year of distribution	2014	2013
Exercise period	27.06.2018-26.06.2021	22.03.2017-21.03.2020
Base price	3.74 EUR	3.81 EUR
Exercise price on issue	4.86 EUR	4.95 EUR
Options offered and accepted	250,000	600,000
No. of shares on 1 Jan. 2014	0	600,000
Exercised options	0	0
Lapsed options	0	-300,000
No. of shares on 31 Dec. 2014	250,000	300,000
Exercisable as of 31 Dec. 2014	0	0

No options were exercised in the financial year 2014. In the reporting period, 300,000 options expired, of which 150,000 were held by management board members. As of the reporting date there were a total of 550,000 options outstanding (previous year: 600,000), of which 150,000 were held by management board members. The tranches from the AOP2012 are in the vesting period until March 2017 and June 2018 respectively, so no options can be exercised from the AOP2012 as of the reporting date.

Pursuant to IFRS 2, the share options are recognized in the balance sheet at their fair value, whereby fair value is then recognized as personnel expenses over the vesting period. Accordingly, the warrants must be valued on their issue through the use of a suitable model which takes into account the capital-market-oriented characteristics of the warrants. Non-capital-market-oriented characteristics, such as the vesting period, must be reflected by taking into account anticipated fluctuations in employee numbers. The total value arrived at on the basis of the option’s value and the estimated number of options still exercisable at the end of the vesting period must be distributed pro rata over the vesting period and recognized in the income statement as personnel expenses. The anticipated fluctuation rates are based on those experienced over recent years.

The options issued in 2014 were valued using a binomial option price model on the basis of a price per share of EUR 3.74 (previous year: EUR 3.81) on the date of issue. Where relevant, the expected option period applied by the model was adjusted on the basis of the management's best estimates in respect of the effect of their non-transferability, exercise restrictions and the probability of the market conditions connected to the options actually transpiring, as well as assumptions relating to the beneficiaries' exercise behaviour. The calculations are based on anticipated volatility of 30.0% (previous year: 30%), an assumption based on the historic volatility one year prior to issue.

Further assumptions made were a risk-free interest rate of 1.00% (previous year: 1.00%) p.a. as well as a exercise price at issue of EUR 4.86 (previous year: EUR 4.95). The liquidity inherent in the Capital Stage AG share was compared with the liquidity within the peer group of Capital Stage AG. Due to the substantially lower liquidity of the shares, a discount of the option value was applied.

Personnel expenses of TEUR 63 (previous year: TEUR 39) from the AOP2012 and of TEUR 2 (previous year: TEUR 21) from the AOP2007 were recognized in the income statement for 2014. In subsequent years the programme is expected to entail recognition of personnel expenses of a further TEUR 192 (previous year: TEUR 172), with the actual amount depending on fluctuations in the number of beneficiaries between now and the end of the vesting period. The weighted mean fair value on the balance sheet date of the share options granted in 2014 was EUR 0.91 (previous year: EUR 0.93). The weighted mean fair value of all share options in existence on 31 December 2014 was EUR 0.26 (previous year: EUR 0.07).

5.13 Liabilities, provisions and financial debt

TEUR 681,534
Previous year: TEUR 343,629

Type of liability	Total amount	Remaining term up to one year	Remaining term one to five years	Remaining term over five years
	TEUR	TEUR	TEUR	TEUR
Trade payables (previous year)	13,284 (2,119)	13,284 (2,119)	0 (0)	0 (0)
Other current debt (previous year)	7,755 (5,135)	7,755 (5,135)	0 (0)	0 (0)
Other non-current debt (previous year)	2,746 (1,758)	0 (0)	0 (727)	2,746 (1,031)
Financial liabilities (previous year)	621,363 (308,173)	43,108 (22,028)	172,005 (90,984)	406,250 (195,161)
Liabilities to non-controlling interests (previous year)	11,996 (4,027)	11,996 (4,027)	0 (0)	0 (0)
Leasing liabilities (previous year)	17,874 (18.761)	920 (888)	4,025 (3,884)	12,929 (13,989)
Tax provisions (previous year)	950 (904)	950 (904)	0 (0)	0 (0)
Other provisions for restoration obligations (previous year)	5,566 (2,752)	0 (0)	0 (0)	5,566 (2,752)
Total liabilities (previous year)	681,534 (343,629)	78,013 (35,101)	176,030 (95,595)	427,491 (212,933)

The trade payables mainly relate to invoices from suppliers received by individual solar parks and wind farms. These invoices are paid at the beginning of the following year.

Neither during the current nor the previous financial year were any conditional lease payments made (e.g. stepped rent). No options are in place to extend existing contracts.

The carrying amounts of current financial liabilities and other current liabilities are approximately equal to their market value.

Changes in provisions are as follows:

Table of changes in provisions in TEUR	As of 01.01.2014	Additions	Reversals	Consolidation, currency adjustments, reclassification	Used	As of 31.12.2014
Tax provisions	904	571	-2	122	-645	950
Provisions for restoration obligations	2,752	15	0	2,899	-100	5,566
Other provisions						
Provisions for personnel expenses	*764*	*1,562*	*0*	*0*	*-1,190*	*1,136*
Provisions for preparing and auditing financial statements	*97*	*191*	*-3*	*8*	*-117*	*176*
Provisions for land leases	*43*	*84*	*0*	*0*	*-82*	*45*
Miscellaneous other provisions	*1,344*	*1,554*	*-758*	*58*	*-1,154*	*1,044*
Provisions	**5,904**	**3,977**	**-763**	**3,087**	**-3,288**	**8,917**

In assessing the extent of our restoration obligations, there is a small degree of uncertainty which relates exclusively to the amount of the corresponding provision. This results from the fact that the date of the required restoration work on the energy generation installation is fixed by the term of the lease. In determining the actual restoration costs, an average inflation rate of 2% has been assumed. Provisions are accreted to their present value on an annual basis. The expenses for accrued interest on the provisions were TEUR 112 in 2014 (previous year: TEUR 68).

Provisions for personnel expenses include bonuses for employees and management board members.

Other current liabilities break down as follows:

TEUR	31.12.2014	31.12.2013
Personnel and social security liabilities	2	4
Outstanding invoices	2,401	2,248
Other taxes	3,604	1,243
Accruals and deferred income	1,019	1,175
Miscellaneous	729	465
Total	**7,755**	**5,135**

The finance lease liabilities break down as follows:

	Minimum lease payments		Present value of minimum lease payments	
	31.12.2014 TEUR	31.12.2013 TEUR	31.12.2014 TEUR	31.12.2013 TEUR
Remaining term up to one year	1,552	1,552	920	888
Remaining term one to five years	6,207	6,207	4,025	3,884
Remaining term over five years	15,469	17,020	12,929	13,989
	23,228	24,779	17,874	18,761
Less financing costs	-5,354	-6,018		
Present value of minimum lease payments	17,874	18,761	17,874	18,761
Of which current liabilities			920	888
Of which non-current liabilities			16,954	17,873

6. Additional disclosures related to financial assets and liabilities

Book value, valuation and fair value according to classes and measurement categories

Category of financial instrument in TEUR	Measurement category *	Book value 31.12.2014 (31.12.2013)	Valuation under IAS 39*			Fair value as of 31.12.2014 (31.12.2013)
			Amortised cost	Fair value in equity	Fair value through profit or loss	
Financial assets						
Cash and cash equivalents (previous year)	L&R	118,722 (55,659)	118,722 (55,659)			118,722 (55,659)
Trade receivables (previous year)	L&R	9,341 (4,517)	9.341 (4,517)			9,341 (4,517)
Other short-term receivables (previous year)	L&R	657 (1,129)	657 (1,129)			657 (1,129)
Financial investments (previous year)	FV-option	6 (6)			6 (6)	6 (6)
Financial liabilities						
Trade payables (previous year)	AC	13,284 (2,119)	13,284 (2,119)			13,284 (2,119)
Financial liabilities (previous year)	AC	605,749 (306,994)	605,749 (306,994)			650,369 (322,044)
Leasing liabilities (previous year)	AC	17,874 (18,761)	17,874 (18,761)			17,445 (15,555)
Liabilities to non-controlling interests (previous year)	AC	11,996 (4,027)	11,996 (4,027)			11,996 (4,027)

Category of financial instrument in TEUR	Measurement category *	Book value 31.12.2014 (31.12.2013)	Valuation under IAS 39*			Fair value as of 31.12.2014 (31.12.2013)
			Amortised cost	Fair value in equity	Fair value through profit or loss	
Liabilities from contingent consideration (previous year)	n.a.	2,000 (0)			2,000 (0)	2,000 (0)
Other financial liabilities (previous year)	AC	547 (219)	547 (219)			547 (219)
Derivative financial liabilities						
Derivatives in a hedging relationship (previous year)	n.a.	8,409 (n.a.)		4,100 (n.a.)	4,309 (n.a.)	8,409 (n.a.)
Derivatives not in a hedging relationship (previous year)	FLHfT	4,167 (1,652)			4,167 (1,652)	4,167 (1,652)

* L&R: Loans and Receivables; FAHfT: Financial Assets Held for Trading; AC: Amortized Cost; FL-HfT: Financial Liabilities Held for Trading.

The fair values of financial instruments were measured on the basis of the market information available on the reporting date using the following methods:

Cash and cash equivalents, other current receivables and trade receivables generally have short remaining terms to maturity. Carrying amounts as of the reporting date are therefore approximately equal to fair values.

Financial investments measured at fair value through profit or loss include the investment in Eneri PV Service S.r.l. The financial investment was assigned to the IAS 39 category ‘measured at fair value through profit or loss’ (‘fair value option’) due to the unified monitoring of the financial instrument via the risk management system and the appraisal of their performance on the basis of fair value.

Trade liabilities and other financial liabilities generally have short remaining terms to maturity, so the carrying amounts are approximately equal to their fair values.

The fair values of liabilities to banks, mezzanine liabilities (pooled in the class of financial debt) and leasing liabilities are measured as the present values of expected future cash flows. They are discounted at standard market rates for their maturities.

Liabilities towards non-controlling interests are held at the present value of the potential settlement amount, in line with IAS 32.23.

Liabilities from contingent consideration are measured at fair value through profit or loss and consist solely of the earn-out from the acquisition of Capital Stage France Beteiligungsgesellschaft mbH (including the investment in Le Communal Est Ouest SARL).

Derivative financial liabilities at fair value through profit or loss relate both to derivative financial instruments in a hedging relationship and to derivative financial instruments not in a hedging relationship. These financial instruments consist solely of derivative interest rate hedges. The fair values of the interest rate swaps are measured on the basis of discounted expected future cash flows. Values were derived from the yield curves applicable as of the reporting date.

Fair value hierarchy

The financial instruments held at fair value through profit or loss by the Group as of 31 December 2014 comprise shares assigned, pursuant to IAS 39, to the category 'at fair value through profit or loss' (the fair value option), liabilities from contingent consideration as well as interest rate hedges. In some cases the interest rate hedges are interest rate swaps, classified as derivatives held for trading, and interest rate swaps in a hedging relationship as defined in IAS 39.

Fair value is not always available as a market price. Often it must be determined on the basis of various valuation parameters. Depending on the availability of observable parameters and the significance of these parameters for measuring fair value as a whole, the fair value measurement is assigned to level 1, 2 or 3. This fair value hierarchy is defined as follows:

- Input parameters for level 1 are quoted prices (unadjusted) on active markets for identical assets or debts that the company can access on the measurement date.
- Input parameters for level 2 are listed prices other than those used for level 1, which can either be observed for the asset or debt directly or indirectly, or which can be derived indirectly from other prices.
- Input parameters for level 3 are unobservable inputs for the asset or debt.

Assets and debts consistently measured at fair value are reclassified from one level to another if necessary, e.g. if an asset is no longer traded on an active market or is traded for the first time.

Fair value hierarchy 31.12.2014 (31.12.2013) in TEUR	Level		
	1	2	3
Assets			
Financial investments (fair value option)			6 (6)
Liabilities			
Liabilities from contingent consideration			2,000 (0)
Derivative financial liabilities			
Derivatives not in a hedging relationship		4,167 (1,652)	
Derivatives in a hedging relationship		8,409 (n.a.)	

Interest rate hedges are measuring using yield curves and acknowledged mathematical models (present value calculation). The market values recognized in the balance sheet therefore correspond to level 2 of the fair value hierarchy defined in IFRS 13.

With the exception of the interest rates, the financial investments carried at fair value in the consolidated balance sheet (and the disclosures on the fair values of financial instruments) are based on level 3 information and input factors.

No sensitivity analysis was carried out in the reporting year, because the financial assets were immaterial. In the previous year, financial investments were valued every six months using the discounted cash flow method (DCF). In the DCF analysis, the forecast free cash flows are discounted by a weighted interest rate (WACC) and net debt (interest-bearing liabilities less freely available cash and cash equivalents) is then deducted. The figure thus arrived at reflects the economically well-founded value of the company. The forecast free cash flows can be taken from the budgeted balance sheets and income statements, and their plausibility can then be checked against available sources of objective information, such as market, industry and sectoral studies, before making any necessary adjustments.

For reasons of materiality these measurement methods were also not used in the reporting year.

There were no changes between measurement levels in the reporting year.

For each class of assets and liabilities not measured at fair value in the balance sheet and for which fair value is not approximately equal to the carrying amount, the following table shows the level of the fair value hierarchy to which the measurement of fair value has been assigned overall.

Fair value hierarchy 31.12.2014 (31.12.2013) in TEUR	Level		
	1	2	3
Liabilities			
Financial liabilities at amortised cost			
Financial liabilities		650,369	
(previous year)		(322,044)	
Leasing liabilities		17,445	
(previous year)		(15,555)	

The following overview provides a detailed reconciliation of the assets and liabilities regularly measured at fair value in level 3.

TEUR	2014	2013
Financial assets		
As of 1 January	6	3,050
Purchases (including additions)	0	307
Gains/losses in profit or loss	0	-3,351
As of 31 December	**6**	**6**
Liabilities from contingent consideration		
As of 1 January	0	0
Purchases (including additions)	2,000	0
As of 31 December	**2,000**	**0**

The following table shows the net profits and losses from the financial instruments recognized in the consolidated income statement categorized by measurement categories:

TEUR	2014	2013
Loans and receivables (L&R)	778	519
Financial liabilities measured at amortized cost (AC)	-19,420	-13,460
Financial instruments at fair value through profit or loss	-3,832	-2,632
Of which held for trading (FAHfT and FLHfT)	-3,832	712
Of which fair value option	0	-3,344
Total	**-22,474**	**-15,573**

Net gains and losses from financial instruments comprise measurement effects, recognition and reversal of impairment losses, interest and all other earnings effects from financial instruments. The item 'Financial instruments at fair value through profit or loss' includes gains and losses from the investment in Eneri PV Service S.r.l. and the previous year also from the investment in BlueTec GmbH & Co. KG (fair value option) as well as from instruments not designated as hedging instruments in a hedging relationship in line with IAS 39. In addition, the item 'held for trading' includes gains and losses from the ineffective portion of financial instruments designated as hedging instruments in accordance with IAS 39. Measurement gains and losses on financial instruments not recognized through profit or loss are shown in the overview of income and expenses recognized directly in equity.

The following interest income and expenses originate from financial instruments not measured at fair value through profit or loss:

in TEUR	2014	2013
Interest income	1,009	519
Interest expenses	19,694	13,613
Total	**-18,685**	**-13,094**

Interest rate swaps

The fair value of the interest rate swaps on the balance sheet date is determined by discounting future cash flows through application of both the yield curves on the balance sheet date and the credit risk of the contracts.

As of the reporting date the Group held 37 (previous year: 5) interest rates swaps under which the Group receives interest at a floating rate and pays interest at a fixed rate. These are what are known as amortizing interest rate swaps, whose nominal volume is reduced at regular defined intervals. The following table shows the nominal amounts as of the reporting date, the average (volume-weighted) fixed interest rates and the fair values. It distinguishes between interest rate swaps that are part of an effective hedging relationship pursuant to IAS 39 and those that are not.

	31.12.2014	31.12.2013
Nominal volume in TEUR	157,400	37,626
Of which in a hedging relationship	129,162	0
Of which not in a hedging relationship	28,238	37,626
Average interest rate in %	2.60	2.65
Fair value in TEUR	-12,576	-1,652
Of which in a hedging relationship	-8,409	0
Of which not in a hedging relationship	-4,167	-1,652

Effectiveness tests carried out as of 31.12.2014 showed an effectiveness level for all hedging relationships of 94.38% to 105.96%, which is well within the permitted range. The ineffective portion of the swaps in a hedging relationship and changes in the market value of swaps that are not in a hedging relationship, amounting to TEUR 3,832 in total, were recognized through profit or loss. The effective portion of TEUR 4,100, as well as deferred taxes of TEUR 1,189, were recognized in equity without effect on profit or loss.

Principles of risk management

The main risk for Capital Stage's financial assets and liabilities and its planned transactions is interest rate risk. Risk management aims to limit this risk by means of ongoing activities. Depending on the assessment of the risk, derivative hedging instruments are used to do so. To minimize default risk, only respected banks with good credit ratings are used as counterparties for interest rate hedges. Hedging is generally limited to risks that affect the Group's cash flow.

Interest rate risk

Interest rate risk is the risk of changes in the fair value or future cash flows from a financial instrument due to changes in market interest rates. Exposure to interest rate risk comes from acquisition financing and from financing arrangements for individual assets, to the extent that they are at floating rates. As these financing arrangements are nearly all hedged in full by means of unconditional interest rate swaps for the complete nominal volume, the fluctuations recognized in the income statement are only marginal. However, changes in market expectations of interest rates alter the measurement of gains and losses expected from the interest rate hedge, which are reflected solely in the hedging reserve – to the extent that the derivatives form part of an effective hedging relationship. For derivatives not in a hedging relationship in line with IAS 39, the change in expectations has a direct impact on earnings.

Interest rate risks are illustrated by means of sensitivity analyses in accordance with IFRS 7.
If market interest rates as of 31 December 2014 had been 100 basis points higher, earnings before taxes would have been TEUR 1,371 higher and the hedge reserve in equity before taxes would have been TEUR 6,017 higher. This is because an increase in market interest rates as of the reporting date reduces net cash outflows from the interest rate hedges over the entire duration of the interest rate swaps and so increases their present value. In view of the level of interest rates as of the reporting date, no sensitivity analysis was carried out for a reduction of 100 basis points in the interest rate. No sensitivity analysis was carried out the previous year for reasons of materiality.

Credit risk

Credit risk is the risk that counterparties are unable to meet their obligations as agreed. The receivables held by the solar parks and wind farms are mostly trade receivables from selling the electricity produced. In all the markets in which Capital Stage operates, the sale of electricity is based on contractually defined remuneration rates governed and safeguarded by law. The receivables are all short-term and are generally settled within two months. In the reporting period the default rate for trade receivables was 0% (previous year: 0%).

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations as they fall due. The financial liabilities did not pose any liquidity risk since as of the reporting date the Group held cash and cash equivalents of TEUR 118,722 (previous year: TEUR 55,659). The Group also receives ongoing cash flows from the solar parks and wind farms; there is a high degree of certainty that these cash flows can be expected to continue and they are ample to service the interest payments, principal repayments and financial liabilities. The management board has ultimate responsibility for liquidity risk management. To this end, it has established a suitable system for managing short-, medium- and long-term financing and liquidity requirements. The Group manages liquidity risks by maintaining suitable reserves and through the ongoing monitoring of forecast and actual cash flows, as well as coordinating the maturity profiles of financial assets and liabilities.

IFRS 7 also requires a maturity analysis for derivative and non-derivative financial liabilities. The following maturity analysis shows how non-discounted cash flows in connection with liabilities as of 31 December 2014 (31 December 2013) affect the Group's future liquidity.

Type of liability in TEUR	Book Value 31.12.2014	Remaining term up to one year	Remaining term one to five years	Remaining term over five years
Non-derivative financial liabilities				
Financial liabilities (previous year)	605,749 (306,994)	57,631 (45,955)	242,668 (143,173)	556,359 (269,252)
Leasing liabilities (previous year)	17,874 (18,761)	1,552 (1,552)	6,207 (6,207)	15,469 (17,020)
Trade payables (previous year)	13,284 (2,119)	13,284 (2,119)	0 (0)	0 (0)
Liabilities to non-controlling interests (previous year)	11,996 (4,027)	11,996 (4,027)	0 (0)	0 (0)
Liabilities from contingent consideration (previous year)	2,000 (0)	2,000 (0)	0 (0)	0 (0)
Other financial liabilities (previous year)	547 (219)	547 (219)	0 (0)	0 (0)
Derivative financial liabilities				
Interest rate derivatives not in a hedging relationship (previous year)	4,167 (1,652)	849 (877)	2,522 (2,505)	806 (220)
Interest rate derivatives in a hedging relationship (previous year)	8,409 (n.a.)	879 (n.a.)	2,643 (n.a.)	5,136 (n.a.)

The basic procedure for calculating these amounts is as follows:

If the counterparty can demand a payment at various dates, the liability is shown as of the earliest date. Interest payments made on financial instruments with floating rates are calculated using forward interest rates. The cash flows of the financing and leasing liabilities are made up of undiscounted interest payments and capital repayments. The liabilities to non-controlling interests have a put option which can be exercised at any time and are therefore classified as short term. Undiscounted net payments are shown for the derivative financial instruments.

7. Notes to the consolidated cash flow statement

The cash flow statement is presented separately.

The cash flow statement shows the changes in the Capital Stage Group's cash and cash equivalents. The cash funds meet the definition of cash and cash equivalents set out in the notes in relation to the main measurement principles. The cash flow statement has been prepared in conformity with IAS 7, classifying the changes in cash and cash equivalents into cash flows from operating, investing and financing activities. We are presenting the cash flow from operating activities using the indirect method.

The cash and cash equivalents consist exclusively of cash and bank balances. They include debt servicing and project reserves of TEUR 30,126 (previous year: TEUR 18,635) which serve as collateral for the solar parks' lending banks and can only be used in agreement with the lending banks for the respective companies.

All interest payments are shown in the cash flow from financing activities. In 2014, interest payments of TEUR 23,448 (previous year: TEUR 12,649) were made. The cash flow from operating activities includes tax expenses of TEUR 1,567 (previous year: TEUR 398).

8. Contingent liabilities and other obligations

The Group had an obligation of TEUR 776 under rental agreements as of the reporting date (previous year: TEUR 999).

There are also standard leases which are classified pursuant to IAS 17.8 as operating leases. The leased items are capitalized by the lessor rather than the lessee. The sum of future minimum lease payments due to binding operating leases for the period from one year to five years amounts to TEUR 95. There are no lease payments presented in the category of over five years, because the longest contract expires at the end of March 2018. These disclosures are made in accordance with IAS 17.35.

	Other liabilities up to one year in TEUR	Other liabilities one to five years in TEUR	Other liabilities over five years in TEUR
Rental agreements (previous year)	237 (236)	539 (763)	0 (0)
Leases (previous year)	97 (88)	95 (155)	0 (0)
Commercial leases (previous year)	2,174 (767)	9,369 (3,345)	46,902 (17,066)

Expenses from lease liabilities in the reporting year came to TEUR 127 (previous year: TEUR 95) and for commercial leases and compensation for use TEUR 1,471 (previous year: TEUR 947).

9. Events after the balance sheet date

On 23 December 2014 Capital Stage acquired a portfolio of solar parks in the Friuli region of Italy, around 100 kilometres north-east of Venice. The seller was the international photovoltaic specialist GP JOULE, which is based in Schleswig-Holstein. The solar park portfolio has a capacity of 26.7 MWp and commenced operations between February and September 2013. Capital Stage AG is responsible for commercial management and GP JOULE for the technical management. The transaction was completed on 11 February 2015. Due to a lack of final information, no purchase price allocation could be made by the date of publication of the consolidated balance sheet. Total assets and earnings are expected to rise, but the increase cannot yet be quantified.

On 9 February 2015 Capital Stage AG signed a framework agreement for a loan of EUR 10.0 million with a well-known bank in Hamburg. Capital Stage Solar IPP GmbH and Capital Stage Wind IPP GmbH are jointly liable for the loan. This short-term line of credit provides general working capital (especially bridge financing for possible refunds from the tax authority for corporation and capital gains tax) and excludes interim equity financing for projects.

On 12 February 2015 Capital Stage acquired its first portfolio of solar parks in the United Kingdom, in the south-east of England and Wales. The British portfolio consists of seven solar parks and has a capacity of 53.4 MWp. All seven parks are already connected to the grid. The total volume of the acquisition, including debt, is GBP 67.7 million (approximately EUR 90 million). The acquisition is still subject to standard conditions precedent.

There were no other significant events after the end of the financial year.

10. Transactions with related parties

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 million was taken out on arm's-length terms from Lobelia Beteiligungs GmbH, Grünwald, as temporary bridge financing for the subsequent acquisition of CS Solarpark Bad Endbach GmbH. The loan was repaid in full on 23 September 2014.

As of the reporting date there were no outstanding balances from transactions with related parties.

11. Earnings per share

The weighted average number of ordinary shares used in calculating the diluted earnings per share was calculated as following from the weighted average number of ordinary shares used in calculating the basic earnings per share:

	31.12.2014	31.12.2013
Weighted average number of the calculation of the basic earnings per share	72,017,994	55,912,956
Shares assumed to have been issued for no consideration		
Employee options	127,768	11,122
Weighted average number of the calculation of the diluted earnings per share	72,145,762	55,924,078
Earnings per share in EUR, basic	0.35	0.24
Earnings per share in EUR, diluted	0.35	0.24

12. Management board

The Capital Stage AG management board chairman is Felix Goedhart (Hamburg).
Dr Zoltan Bognar was the second management board member until 30 September 2014.
Dr Christoph Husmann was appointed as the second member of the Capital Stage AG management board on 1 October 2014.

Details of their membership in other supervisory and advisory boards:

Felix Goedhart:
- Gottfried Schulz GmbH & Co. KG, Ratingen, administrative board member
- Gottfried Schultz Automobilhandels SE, supervisory board member
- BlueTec GmbH & Co. KG, Trendelburg, advisory board member until 8 April 2014
- Calmatopo Holding AG, Flurlingen, Switzerland, president of the administrative board
- HSV Fußball AG, Hamburg, supervisory board member since 26 May 2014

To create long-term incentives, management board members are granted share options under the share-based compensation programme. These were adopted in 2007 and 2012 by the shareholders' meeting. The last tranche of the share-based compensation programme AOP2007 was issued in the financial year 2012. Since 2013 options have been granted as part of the share-based compensation programme AOP2012. The subscription rights attached to the share options may only be exercised after a waiting period. There is a vesting period of two years for the share-based compensation programme AOP2007 and of four years for the share-based compensation programme AOP2012. The subscription price (base price) for both programmes is the arithmetic mean of the closing price of Capital Stage AG shares in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last five trading days preceding the date on which the options are granted. Condition for the exercise of subscription rights is that the performance target has been met. The performance target for the AOP2007 has been achieved if the price of shares in Capital Stage AG in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange exceeds the base price by at least 25% during the ten trading days preceding the date on which the subscription rights are exercised. The performance target for the AOP2012 has been achieved if the price of shares in Capital Stage AG in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange exceeds the base price by at least 30% during the ten trading days preceding the date on which the subscription rights are exercised. The applicable exercise period is deemed to be the period in which the relevant subscription rights may first be exercised, because the performance target having been reached or exceeded.

Management board members receive a gross annual salary for their services. They also receive an annual performance-related bonus. The annual bonus for Mr Goedhart is 3% of consolidated profit for the year. Gross annual salary and annual bonus together (excluding other benefits) should not exceed TEUR 800. Dr Husmann receives an annual bonus for the last financial year as defined by the supervisory board, taking the company's earnings and financial position as well as his personal performance into account. The annual bonus becomes due for payment immediately after the supervisory board meeting in which the corresponding annual financial statements are approved and the bonus is fixed. The arrangements for Dr Husmann are the same as those for Dr Zoltan Bognar, who left the management board in 2014.

No substantially different compensation payments will be made in case employment of the board members is terminated.

Remuneration for management board members during 2014 came to TEUR 1,531 (previous year: TEUR 1,215). This amount breaks down as follows:

Remuneration granted (all amounts in EUR)	Felix Goedhart - CEO Joined: 01.10.2006			
	2013	2014	2014 (min.)	2014 (max.)
Fixed salary	341,864.78	320,000.00	320,000.00	320,000.00
Other benefits	-*	23,653.68	23,653.68	23,653.68
Total	**341,864.78**	**343,653.68**	**343,653.68**	**343,653.68**
Short-term variable remuneration	431,110.24	480,000.00	0.00	480,000.00
Long-term variable remuneration	-	-	-	-
Total	**431,110.24**	**480,000.00**	**0.00**	**480,000.00**
Retirement benefit expenses	-	-	-	-
Total remuneration	**772,975.02**	**823,653.68**	**343,653.68**	**823,653.68**

Remuneration granted (all amounts in EUR)	Dr Christoph Husmann - CFO Joined: 01.10.2014			
	2013	2014	2014 (min.)	2014 (max.)
Fixed salary	-	75,000.00	75,000.00	75,000.00
Other benefits	-	1,968.33	1,968.33	1,968.33
Total	**-**	**76,968.33**	**76,968.33**	**76,968.33**
Short-term variable remuneration	-	n.a.**	0.00	100,000.00
Long-term variable remuneration	-	-	-	-
Total	**-**	**n.a.****	**0.00**	**100,000.00**
Retirement benefit expenses	-	-	-	-
Total remuneration	**-**	**76,968.33**	**76,968.33**	**176,968.33**

Remuneration granted (all amounts in EUR)	Dr Zoltan Bognar - Management board member Joined: 01.01.2010 / Left: 30.09.2014			
	2013	2014	2014 (min.)	2014 (max.)
Fixed salary	282,447.98	264,999.96	264,999.96	264,999.96
Other benefits	-*	15,027.49	15,027.49	15,027.49
Total	**282,447.98**	**280,027.45**	**280,027.45**	**280,027.45**
Short-term variable remuneration	159,800.41	350,000.00	0.00	350,000.00
Long-term variable remuneration	-	-	-	-
Total	**159,800.41**	**350,000.00**	**0.00**	**350,000.00**
Retirement benefit expenses	-	-	-	-
Total remuneration	**442,248.39**	**630,027.45**	**280,027.45**	**630,027.45**

Remuneration accured (all amounts in EUR)	Felix Goedhart CEO Joined: 01.10.2006		Dr Christoph Husmann CFO Joined: 01.10.2014		Dr Zoltan Bognar Management board member Joined: 01.01.2010 Left: 30.09.2014	
	2014	2013	2014	2013	2014	2013
Fixed salary	320,000.00	341,864.78	75,000.00	-	264,999.96	282,447.98
Other benefits	23,653.68	-*	1,968.33	-	15,027.49	-*
Total	**343,653.68**	**341,864.78**	**76,968.33**	**-**	**280,027.45**	**282,447.98**
Short-term variable remuneration	421,309.83	275,000.00	n.a.**	-	350,000.00	159,800.41
Long-term variable remuneration	-	-	-	-	-	-
Total	**421,309.83**	**275,000.00**	**n.a.****	**-**	**350,000.00**	**159,800.41**
Retirement benefit expenses	-	-	-	-	-	-
Total remuneration	**764,963.51**	**616,864.78**	**76,968.33**	**-**	**630,027.45**	**442,248.39**

** Included in the fixed salery in 2013 / ** to be determined by the supervisory board*

The fixed salary is the fixed annual salary paid to the members of the management board. Other benefits consist of a company car and employer's contributions to private health insurance. The bonus is shown as short-term variable remuneration. The long-term variable remuneration is the fair value of the share options in the share-based compensation programme at the time they were granted. No further share options were granted to the management board members in 2014, so no fair value is shown for comparison with the previous year.

13. Supervisory board

Chairman:	Dr Manfred Krüper, independent management consultant, Essen
Deputy chairman:	Alexander Stuhlmann, independent management consultant, Hamburg
Other members:	Dr Cornelius Liedtke, a partner in the Büll & Liedtke Group, Hamburg Albert Büll, a partner in the Büll & Liedtke Group, Hamburg Dr Jörn Kreke, entrepreneur, Hagen Professor Fritz Vahrenholt, independent management consultant, Hamburg

Membership in other supervisory and advisory boards:

Dr Manfred Krüper:	Coal & Minerals GmbH, Düsseldorf, supervisory board chairman Power Plus Communication GmbH, Mannheim, supervisory board chairman Odewald & Cie, Berlin, advisory board member EQT Partners Beteiligungsberatung GmbH, Munich, Senior Advisor EEW Energy from Waste GmbH, Helmstedt, member of the supervisory board
Alexander Stuhlmann:	alstria office REIT-AG, Hamburg, supervisory board chairman Euro-Aviation Versicherungs-AG, Hamburg, supervisory board chairman HCI Capital AG, Hamburg, supervisory board chairman GEV Gesellschaft für Entwicklung und Vermarktung AG, Hamburg, supervisory board chairman since 1 January 2015 LBS Bausparkasse Schleswig-Holstein-Hamburg AG, Hamburg, supervisory board member until 31 August 2014 Frank Beteiligungsgesellschaft mbH, Hamburg, advisory board chairman Siedlungsbaugesellschaft Hermann und Paul Frank mbH & Co. KG, Hamburg, advisory board chairman Studio Hamburg Berlin Brandenburg GmbH, Berlin, advisory board member until 31 December 2014 Ludwig Görtz GmbH, Hamburg, administrative board member until 30 June 2014 HASPA Finanzholding, Hamburg, member of the board of trustees

Dr Cornelius Liedtke:	GL Aktiengesellschaft, Hamburg, supervisory board member Dichtungstechnik G. BRUSS GmbH & Co. KG, Hoisdorf, advisory board member
Albert Büll:	Verwaltung URBANA Energietechnik AG, Hamburg, supervisory board member Verwaltung Kalorimeta AG, Hamburg, supervisory board member Kalorimeta AG & Co. KG, Hamburg, advisory board chairman URBANA Energietechnik AG & Co. KG, Hamburg, advisory board chairman Dichtungstechnik G. BRUSS GmbH & Co. KG, Hoisdorf, advisory board member
Dr Jörn Kreke:	Douglas Holding AG, Hagen, Westphalia, supervisory board chairman Kalorimeta AG & Co. KG, Hamburg, advisory board member URBANA Energiedienste GmbH, Hamburg, supervisory board member URBANA Energietechnik AG & Co. KG, Hamburg, advisory board member
Professor Fritz Vahrenholt	RWE Innogy GmbH, Essen, supervisory board chairman until January 2014 Aurubis AG, Hamburg, supervisory board member Novatec Solar GmbH, Karlsruhe, shareholder committee member Putz & Partner Unternehmensberatungs AG, Hamburg, supervisory board member Körber-Stiftung, Hamburg, member of the board of trustees Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e.V., Munich, member of the senate Bilfinger Venture Capital GmbH, Mannheim, advisory board member Innogy Venture Capital GmbH, Essen, chairman of the investment committee

The total remuneration owed to supervisory board members for their activities and for which provisions were made, came to TEUR 223 (a figure equal to the remuneration approved by the 2014 annual general meeting for the 2013 financial year, plus value added tax).

14. Corporate governance

The declaration of conformity with the Corporate Governance Code pursuant to section 161 of the AktG has been made and is permanently available for inspection by shareholders on the company website.

15. Auditor's fee

The fee charged by the auditors for their services up to 31 December 2014 was TEUR 143. In addition to the audit of the financial statements mentioned above, further expenses of TEUR 29 are recognized in the financial statements for other certification services provided by the auditors.

16. Notification requirements

During the period from 1 January 2014 to 25 March 2015, Capital Stage AG received the following disclosures pursuant to section 21 paragraph 1 or paragraph 1a of the WpHG.

Capital Stage AG, Hamburg, Germany, was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG that the share of voting rights held by Joh. Berenberg Gossler & Co. KG, Hamburg, Germany, exceeded the thresholds of 3% and 5% on 3 March 2014 and amounted to 6.49% (4,698,158 voting shares).

Furthermore, Capital Stage AG, Hamburg, Germany was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of voting rights held by Joh. Berenberg Gossler & Co. KG, Hamburg, Germany, fell below the thresholds of 3% and 5% on 4 March 2014 and amounted to 0% (0 voting shares).

Capital Stage AG, Hamburg, Germany, was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of voting rights held by Albert Büll Beteiligungsgesellschaft mbH, Hamburg, Germany, fell below the threshold of 5% on 3 March 2014 and amounted to 4.72% (3,419,948 voting shares).

Capital Stage AG, Hamburg, Germany, was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of the voting rights in Capital Stage AG, Hamburg, Germany, held by Albert Büll Holding GmbH & Co. KG, Hamburg, Germany, fell below the 5% threshold on 3 March 2014 and amounted to 4.72% of the voting rights (3,419,948 voting shares), with 4.72% of the voting rights (3,419,948 voting shares) being attributed pursuant to section 22 paragraph 1 no. 1 WpHG.

Attributed voting rights were held by the following controlled company, whose share of the voting rights in Capital Stage AG comprises 3% or more: Albert Büll Beteiligungsgesellschaft mbH.

Capital Stage AG, Hamburg, Germany, was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of the voting rights in Capital Stage AG, Hamburg, Germany, held by Albert Büll GmbH, Hamburg, Germany, fell below the 5% threshold on 3 March 2014 and amounted to 4.72% of the voting rights (3,419,948 voting shares), with 4.72% of the voting rights (3,419,948 voting shares) being attributed pursuant to section 22 paragraph 1 no. 1 WpHG.

Attributed voting rights were held by the following controlled companies, whose share of the voting rights in Capital Stage AG each comprises 3% or more: Albert Büll Holding GmbH & Co. KG and Albert Büll Beteiligungsgesellschaft mbH.

In a letter dated 5 March 2014, Capital Stage AG was notified pursuant to section 21 paragraph 1 of the WpHG that the share of the voting rights in the company held by Mr Albert Büll, Germany, fell below the threshold of 5% of the voting rights on 3 March 2014, on that date amounting to 4.72% of the voting rights (3,419,948 voting shares), with 4.72% of the voting rights being attributed pursuant to section 22 paragraph 1 no. 1 of the WpHG.

Attributed voting rights were held by the following controlled companies, each of whose shares of the voting rights in Capital Stage AG comprises 3% or more: Albert Büll GmbH, Albert Büll Holding GmbH & Co. KG and Albert Büll Beteiligungsgesellschaft mbH.

Furthermore, Capital Stage AG, Hamburg, Germany, was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of voting rights held by Albert Büll Beteiligungsgesellschaft mbH, Hamburg, Germany, exceeded the threshold of 5% on 4 March 2014 and amounted to 5.97% (4,322,448 voting shares).

Capital Stage AG, Hamburg, Germany, was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of the voting rights in Capital Stage AG, Hamburg, Germany, held by Albert Büll Holding GmbH & Co. KG, Hamburg, Germany, exceeded the 5% threshold on 4 March 2014 and amounted to 5.97% of the voting rights (4,322,448 voting shares), with 5.97% of the voting rights (4,322,448 voting shares) being attributed pursuant to section 22 paragraph 1 no. 1 WpHG.

Attributed voting rights were held by the following controlled company, whose share of the voting rights in Capital Stage AG comprises 3% or more: Albert Büll Beteiligungsgesellschaft mbH.

Capital Stage AG, Hamburg, Germany, was notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of the voting rights in Capital Stage AG, Hamburg, Germany, held by Albert Büll GmbH, Hamburg, Germany, exceeded the 5% threshold on 4 March 2014 and amounted to 5.97% of the voting rights (4,322,448 voting shares), with 5.97% of the voting rights (4,322,448 voting shares) being attributed pursuant to section 22 paragraph 1 no. 1 WpHG.

Attributed voting rights were held by the following controlled companies, whose share of the voting rights in Capital Stage AG each comprises 3% or more: Albert Büll Holding GmbH & Co. KG and Albert Büll Beteiligungsgesellschaft mbH.

Capital Stage AG, Hamburg, Germany, was also notified on 5 March 2014 pursuant to section 21 paragraph 1 WpHG, that the share of voting rights in the company held by Mr Albert Büll, Germany, exceeded the 5% threshold on 4 March 2014 and amounted to 5.97% of the voting rights (4,322,448 voting shares), with 5.97% of the voting rights (4,322,448 voting shares) being attributed pursuant to section 22 paragraph 1 no. 1 WpHG.

Attributed voting rights were held by the following controlled companies, each of whose shares of the voting rights in Capital Stage AG comprises 3% or more: Albert Büll GmbH, Albert Büll Holding GmbH & Co. KG and Albert Büll Beteiligungsgesellschaft mbH.

Capital Stage AG, Hamburg, Germany was notified on 14 May 2014 pursuant to section 21 paragraph 1 WpHG that the share of voting rights in the company held by ETHENEA Independent Investors S.A., Munsbach, Luxembourg, fell below the 3% voting rights threshold on 14 May 2014, on that date amounting to 2.93% (2,126,000 voting shares).

Capital Stage AG, Hamburg, Germany was notified on 13 May 2014 pursuant to section 1 paragraph 1 WpHG that the share of voting rights in the company held by ETHENEA Independent Investors S.A., Munsbach, Luxembourg, exceeded the 3% voting rights threshold on 13 January 2015, on that date amounting to 3.34% (2,465,000 voting shares).

Apart from this the company did not receive any new notifications pursuant to section 21 paragraph 1 or 1a WpHG from previous years:

Pursuant to section 21 paragraph 1 WpHG, Blue Elephant Venture GmbH, Pöcking, Germany, notified us on 22 August 2011 that the share of the voting rights in Capital Stage AG, Hamburg, Germany, (SIN 609 500) held by Blue Elephant Venture GmbH, Pöcking, Germany, on 12 July 2011 exceeded the 5% voting rights threshold, on that date amounting to 7.40% (2,562,500 voting rights).

Pursuant to section 21 paragraph 1 WpHG, Dr Peter-Alexander Wacker, Germany, notified us that his share of the voting rights in Capital Stage AG, Hamburg, Germany, on 12 July 2011 exceeded the 5% threshold, on that date amounting to 7.40% (2,562,500 voting rights). Pursuant to section 22 paragraph 1 sentence 1 no. 1 WpHG, 7.40% (2,562,500) of the voting rights are ascribable to him via Blue Elephant Venture GmbH.

Pursuant to section 21 paragraph 1 of the WpHG, Dr. Liedtke Vermögensverwaltung GmbH has notified us that the share of the voting rights in Capital Stage AG, Hamburg, Germany, held by Dr. Liedtke Vermögensverwaltung GmbH, Hamburg, Germany, on 7 March 2013 exceeded the 10% threshold, on that date amounting to 10.32% of the voting rights (5,469,186 voting rights).

Pursuant to section 21 paragraph 1 WpHG, AMCO Service GmbH, Hamburg, Germany, has notified us that the share of the voting rights in Capital Stage AG, Hamburg, Germany, held by AMCO Service GmbH, Hamburg, Germany, fell below the 25% threshold on 11 October 2013, on that date amounting to 22.56% of the voting rights (15,247,719 voting shares).

17. Approval for submission to the supervisory board

The consolidated financial statements as of 31 December 2014 were approved by the management board for submission to the supervisory board on 25 March 2015.

18. Consolidated statement of changes in fixed assets

in TEUR	Other intangible assets	Electricity feed-in contracts/project rights	Goodwill
Costs of acquisition			
As of 1 January 2013	600	73,264	6,888
Additions	175	22	0
Changes in scope of consolidation	96	25,664	0
Disposals	-53	-90	-61
Transfers	132	0	0
Currency translation	0	0	0
As of 31 December 2013	**950**	**98,860**	**6,827**
Depreciation and amortization			
As of 1 January 2013	179	4,362	0
Additions	84	3,812	0
Disposals	-53	0	0
Change in fair value measurement / impairment	0	0	0
Currency translation	0	0	0
As of 31 December 2013	**210**	**8,174**	**0**
Book value 31 December 2012	**421**	**68,902**	**6,888**
Book value 31 December 2013	**740**	**90,686**	**6,827**
Costs of acquisition			
As of 1 January 2014	950	98,860	6,827
Additions	54	0	0
Changes in scope of consolidation	22	66,759	0
Disposals	0	0	0
Reclassified as held for sale	0	0	0
Transfers	0	0	0
Currency translation	0	0	0
As of 31 December 2014	**1,026**	**165,619**	**6,827**
Depreciation and amortization			
As of 1 January 2014	210	8,174	0
Additions	118	12,718	4,204
Disposals	0	0	0
Change in fair value measurement / impairment	0	0	0
Reclassified as held for sale	0	0	0
Currency translation	0	0	0
As of 31 December 2014	**328**	**20,892**	**4,204**
Book value 31 December 2012	421	68,902	6,888
Book value 31 December 2013	740	90,686	6,827
Book value 31 December 2014	**698**	**144,727**	**2,623**

Other property, plant and equipment	Assets under construction	Power generating systems	Financial assets	Total
824	1,794	341,367	10,817	435,554
186	10	382	8,087	8,862
0	0	105,147	0	130,907
-15	0	-6	-443	-668
-136	-1,795	1,799	0	0
-4	0	0	0	-4
855	**9**	**448,689**	**18,461**	**574,651**
320	0	26,538	7,768	39,167
171	0	14,666	0	18,733
-42	0	-218	-443	-756
0	0	0	3,351	3,351
-2	0	0	0	-2
447	**0**	**40,986**	**10,676**	**60,493**
504	**1,794**	**314,829**	**3,049**	**396,387**
408	**9**	**407,703**	**7,785**	**514,158**
855	9	448,689	18,461	574,651
211	37,656	207	0	38,128
0	742	250,656	0	318,179
-11	0	0	-17,882	-17,893
0	0	-614	0	-614
0	-11,992	11,992	0	0
8	0	0	0	8
1,063	**26,415**	**710,930**	**579**	**912,459**
447	0	40,986	10,676	60,493
118	0	21,765	0	38,923
0	0	0	-10,103	-10,103
0	0	0	0	0
0	0	-562	0	-562
6	0	0	0	6
571	**0**	**62,189**	**573**	**88,757**
504	1,794	314,829	3,049	396,387
408	9	407,703	7,785	514,158
492	**26,415**	**648,741**	**6**	**823,702**

19. Consolidated segment reporting

for the consolidated statement of comprehensive income
from 1 January to 31 December 2014 (from 1 January to 31 December 2013)

in TEUR	Administration	PV Parks	PV Services
Sales	**661**	**64,083**	**2,858**
(previous year)	0	39,375	2,167
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**-5,209**	**80,408**	**1,147**
(previous year)	-3,954	43,897	1,107
Depreciation and amortization	**-97**	**-31,269**	**-37**
(previous year)	-102	-15,567	-31
Earnings before interest and taxes (EBIT)	**-5,306**	**49,139**	**1,110**
(previous year)	-4,056	28,330	1,076
Financial income	**24,401**	**399**	**1**
(previous year)	12,126	918	1
Financial expenses	**-185**	**-25,080**	**-9**
(previous year)	-4	-12,935	-13
Earnings before taxes on income (EBT)	**18,910**	**24,458**	**1,102**
(previous year)	8,066	16,313	1,064
Taxes on income	**1,711**	**-129**	**10**
(previous year)	0	-1,345	14
Earnings after taxes (EAT)	**20,621**	**24,329**	**1,112**
(previous year)	8,066	14,968	1,078
Currency translation differences	**0**	**0**	**0**
(previous year)	0	0	0
Cash flow hedges - effective portion of changes in fair value	**0**	**-4,100**	**0**
(previous year)	0	0	0
Income tax attributable to items that may be reclassified to profit or loss	**0**	**1,189**	**0**
(previous year)	0	0	0
Consolidated comprehensive income	**20,621**	**21,418**	**1,112**
(previous year)	8,066	14,968	1,078
Earnings per share (basic) (in EUR)	**0.29**	**0.33**	**0.02**
(previous year, in EUR)	0.14	0.27	0.02
Assets including financial investments	**198,744**	**822,379**	**1,787**
(As of 31 December 2013)	165,073	465,591	2,595
Capital expenditures (net)	**954**	**-82,065**	**-18**
(previous year)	-555	-43,921	-109
Debt	**4,249**	**770,203**	**1,001**
(As of 31 December 2013)	1,667	414,317	1,810

Hamburg, 25 March 2015

Capital Stage AG

Management board

Felix Goedhart
CEO

Dr Christoph Husmann

Windfarms	Financial investments	Reconciliation	Total
7,571	**5,697**	**-3,044**	**77,826**
7,680	9,720	-1,951	56,991
8,932	**12**	**0**	**85,290**
9,912	-560	0	50,402
-3,281	**-4,239**	**0**	**-38,923**
-2,956	-77	0	-18,733
5,651	**-4,227**	**0**	**46,367**
6,956	-637	0	31,669
141	**37**	**-23,851**	**1,128**
131	-27	-12,066	1,083
-2,555	**-196**	**4,385**	**-23,640**
-1,900	-3,548	1,481	-16,919
3,237	**-4,386**	**-19,466**	**23,855**
5,187	-4,212	-10,585	15,833
409	**199**	**0**	**2,200**
-588	130	0	-1,789
3,646	**-4,187**	**-19,466**	**26,055**
4,599	-4,082	-10,585	14,044
0	**-24**	**0**	**-24**
0	53	0	53
0	**0**	**0**	**-4,100**
0	0	0	0
0	**0**	**0**	**1,189**
0	0	0	0
3,646	**-4,211**	**-19,466**	**23,120**
4,599	-4,029	-10,585	14,097
0.05	**-0.06**	**-0.28**	**0.35**
0.08	-0.07	-0.20	0.24
117,015	**8,361**	**-162,487**	**985,799**
80,714	8,199	-128,981	593,191
-3,090	**-12**	**-1,059**	**-85,290**
-2,040	-5	0	-46,630
104,521	**8,007**	**-145,661**	**742,320**
72,372	7,263	-111,639	385,790

Independent Auditor's Report (translation)

We have audited the consolidated financial statements prepared by the Capital Stage AG, Hamburg/Germany, – comprising the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements – and the group management report combined with the management report for the business year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB („German Commercial Code") are the responsibility of the parent Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of the Capital Stage AG, Hamburg/Germany, comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suit-able view of the group's position and suitably presents the opportunities and risks of future development.

Hamburg/Germany, 25 March 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Dinter)	(p.p. Wendlandt)
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Assurance of the legal representatives

To the best of our knowledge, in accordance with the applicable accounting principles, the financial statements and the consolidated financial statements give a true and fair view of the assets, financial position and results of the company and the group and the combined management report and group management report of the business including operating results and the position of the company and the group in such a way that a true and fair view is given of the principal opportunities and risks associated with the expected development of the company and the group.

Hamburg, 25 March 2015

Capital Stage AG

Management board

Felix Goedhart CEO	Dr Christoph Husmann

This is a translation of the annual report of Capital Stage AG 2014. In case of doubt the German version shall prevail.

Notes

Notes

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