



2012/2013 Annual Report



Eolus 2012/2013



- Net sales amounted to SEK 1,204.9 M (1,887.9).
Operating profit totaled SEK 146.7 M (81.2). Profit before tax was SEK 135.3 M (41.9). Net profit for the period after tax amounted to SEK 141.6 M (28.3), corresponding to SEK 5.75 per share (1.24).
- Net profit for the fiscal year was positively impacted by SEK 21.5 M through the revaluation of long-term tax liabilities due to a reduction of the Swedish corporate tax rate from 26.3% to 22%. Net profit for the period after tax was positively impacted by a change in value amounting to SEK 40.2 M (neg: 42.4) pertaining to financial derivative instruments.
- During the fiscal year, 30 (81) wind turbines with a total capacity of 62.1 MW (155.3) were installed.
- Electricity generated by the Group's wind turbines amounted to 220.9 GWh (111.2), with an average income of SEK 0.54/kWh (0.57).
- Generating capacity of the Group declined with 17.0 MW during the fiscal year. This was due to the divestment of six used wind turbines with a capacity of 9.4 MW and a decline in the current inventory to 16.7 MW.
- In September, Eolus divested the construction-ready Mullberg Project in the Municipality of Berg, with a capacity of 80 MW, to Skanska and Jämtkraft. The transaction confirms that Eolus can also develop and supply the market with high-quality, large-scale projects.
- During the first quarter, Eolus passed the 400-installation mark when the Hakarp wind farm, in the Municipality of Ronneby, was completed. This also meant that the target of installing 200 wind turbines within a period of three years had been achieved.
- In December, Eolus divested wind power projects in Lerkaka, in the Municipality of Borgholm, and in Stensåsa, in the Municipality of Vetlanda, to the Danish wind power company, European Wind Investment A/S (EWI). During spring 2013, five turbines with a total capacity of 10 MW were installed at Lerkaka and during the autumn, after the end of the fiscal year, seven turbines with a total capacity of 14 MW were installed at Stensåsa.
- In May, Eolus signed a contract to transfer 14 operational wind turbines (30 MW), with an expected annual generation of 80 GWh, to Munich Re. This is Eolus's largest-ever contract with an individual customer and comprises the wind farms in Hakarp (Ronneby), Kaptensberget (Hofors) and Åsen (Sandviken). Under the contract, Eolus is also responsible for operation and management of the wind farms.
- Restructuring measures were implemented during the first quarter, which reduced the workforce by 20 positions and led to the closure of three local offices. A new function-focused organization was launched on November 1, 2012.

FIVE-YEAR SUMMARY

	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Net sales, KSEK	1,204,945	1,887,924	1,628,966	1,408,812	730,969
Operating profit, KSEK	146,720	81,239	211,282	143,088	65,127
Profit before tax KSEK	135,316	41,885	205,636	130,207	70,967
Net profit, KSEK	141,564	28,259	151,951	99,037	50,822
Earnings per share, SEK	5.75	1.24	6.71	4.63	2.81
No. of turbines installed	30	81	50	54	29
Installed turbines, MW	62.1	155.3	100.0	96.6	48.2
Electricity generation, GWh	220.9	111.2	86.0	66.7	39.7

The 2012/2013 fiscal year is the first fiscal year to which Eolus has applied International Financial Reporting Standards (IFRS). The 2011/2012 fiscal year has been restated according to the same standards.

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ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Hässleholms Kulturhus on Saturday, January 25, 2014 at 3:30 p.m. In conjunction with the Annual General Meeting, Eolus will hold its traditional wind power seminar. Anyone wishing to participate in the Annual General Meeting:

- Must be registered as a shareholder in the shareholder register maintained by Euroclear Sweden AB on January 20, 2014.
- Must have notified the company of their attendance by not later than January 20, 2014. When notifying the company, name, personal identity number/corporate registration number, telephone number, address, shareholding and, where applicable, any details concerning proxies and advisors must be included.
- To be eligible to participate in the Annual General Meeting, shareholders whose shares are registered in the name of a trustee must also request that their shares be temporarily re-registered in their own names in the shareholder register maintained by Euroclear Sweden AB. Shareholders must inform the trustee thereof well in advance of January 20, 2014, which is the date on which such registration must be completed to ensure their inclusion in the shareholder register printed by Euroclear Sweden AB on the date specified.



Message from the CEO

This has been an eventful year for Eolus. Despite the current market situation, with the continuation of historically low prices for electricity and electricity certificates, 2012/2013 has been the second-best year in Eolus's history in terms of earnings. Eolus's broad customer base is the company's tour-de-force and during the fiscal year, we delivered wind power facilities to customers across all segments in which we operate. This confirms that investments in energy and the environment are proving attractive to a wide range of players and that Eolus's flexible business model is also effective in these challenging times.

During the year, we secured our two largest contracts with individual customers, Munich Re and European Wind Investment A/S (EWI). Both of these investors placed their trust in Eolus to make their first investments in Swedish wind power. This is testimony to Eolus's reputation as a leading player in the Swedish market. In the coming years, institutional investors – both foreign and domestic – will account for a major portion of Eolus's total sales. However, consolidation through offers of community-shared ownership in projects will continue to play an important role in our operations.

The contract with Munich Re, in which 14 wind turbines were transferred, also entails that Eolus was entrusted with the operation and management of all three wind farms. This is an important cornerstone in the new turnkey concept of carefree ownership, including operation and administration services, that Eolus is now offering the market. Over the next few years, the potential for growth and positive development in the segment for operation and management services is strong. We see growing demand for these types of services, which minimize loss and maximize profit.

At the beginning of the fiscal year, Eolus divested the construction-ready Mullberg Project, with a capacity of 80 MW, to Skanska and Jämtkraft. The transaction confirms that our project development maintains high quality and that we can also deliver large-scale projects to demanding investors.

In February 2013, the Land and Environment Court recommended admissibility under the Swedish Environmental Code for Blekinge Offshore's offshore wind farm, with a capacity of up to 2,500 MW, in the bay of Hanö. The matter is now pending final approval by the Government. In the company's international operations, a number of key partnership agreements for possible future wind power installations were signed during the year.

Net profit was SEK 141.6 M, which means that Eolus has continued the company's annual tradition of reporting a profit since the company was founded in 1990. Although we completed 30 wind turbines with a capacity of approximately 62 MW, the rate of installation was lower than 2011/2012, which was a record year. 29 of the 30 installed turbines were divested to external customers. The lower installation rate was due to our focus on reducing our stock of turbines constructed during previous fiscal years. Assets in operation declined with 17 MW, net, during the year, which unlocked a great deal of capital for future investments.

The significance of wind power for the Swedish electricity supply is growing steadily. In 2012, wind power generated 7.2 TWh of renewable electricity. That figure has already been passed this year and according to Swedish Wind Energy's latest forecast, wind power will generate 8.8 TWh of renewable electricity in 2013. This is a fantastic leap from the 2 TWh generated by wind power in 2008. Until the balance sheet date, Eolus had participated in the installation of 417 wind turbines, with a capacity of 613 MW, giving us a significant market share. Wind power is also growing globally, driven by Chinese and North American markets. However, Europe continues to be the market with most wind power installations.

In terms of cost, we can now see that onshore wind power is performing well compared with new generation from other sources of energy. This was particularly evident in the UK Government's decision to guarantee subsidies of almost SEK 1/kWh for the construction of a new nuclear power station. Due to technologi-

cal advancements and high-quality projects, Swedish wind power developers are installing generating plants that also yield a high return when subsidies are nearly 40% lower. Continuing the development of wind power would therefore seem wise for both economic and environmental reasons.

As a whole, the industry has matured rapidly and installation costs have fallen significantly in recent years. This is due to a range of factors, including intensifying competition between turbine manufacturers and the strong Swedish krona. Significantly lower installation costs have been instrumental in this continued development, despite the low price levels for electricity and electricity certificates. The Swedish system for supporting renewable energy, the Electricity Certificate System, has proved highly cost-efficient as a stimulus for the development of renewable energy sources. It provides good opportunities to continue raising the level of ambition for the transition to a sustainable society. As a country, Sweden is also well-suited to wind power development due to its size, wind resources and good access to load balancing.

Eolus is well positioned to continue as one of the leading and most profitable wind power developers in Sweden and the Nordic region. A large project portfolio, competent employees and a strong financial position provide opportunities for developing projects in any size that proves profitable, despite the currently low price levels for electricity and electricity certificates, while we are also well equipped to take advantage of new market opportunities.

Per Witalisson
CEO



Eolus – the first commercial wind power developer in Sweden

When the company was founded in 1990, Eolus was the first commercial wind power developer in Sweden. The company's combined experience over the past 23 years has made Eolus a leading wind power player in Sweden. Even under adverse market conditions, Eolus's comprehensive project portfolio

enables the company to offer attractive investment opportunities to a wide range of customers. The company has expanded, but has also continued to report a profit every year. 23 years of consecutive profit – we are very proud of this trend and intend to continue the tradition.



Bengt Simmingsköld,

THE FOUNDER OF EOLUS.

Why did you found Eolus?

"Wind power installations are very capital intensive so to afford the installation of a 225 kW wind turbine, we had to find people who were willing to be pioneers and invest in wind power. When Eolus was founded in 1990, the very knowledgeable and dedicated teacher in Köping, Olof Karlsson, became the company's first Chairman. I became the CEO .

Olof and I acquired found 160 hectares of land in Grönhögen, on southern Öland, with ideal wind conditions. The Municipality of Mörbylånga sold us the land, on the condition that we would install at least one wind turbine within two years. By early 1991, Eolus Vind AB had installed its first two 225 kW Vestas wind turbines on its own land in Grönhögen. The 225 kW-turbines have been two of Sweden's best performers and continue to generate slightly more than 500,000 kWh per turbine per year."

Over the years, much of Eolus's success has been due to co-owned wind turbines. How did you arrive at that idea?

"Eolus originally comprised several small and a few larger shareholders. Bengt Johansson, the former Chairman of Eolus, has been one of Eolus's largest shareholders from the start. A lot of people from Öland were partners in Eolus when the company started. It was this

local engagement that convinced people to invest. As we continued to evolve, leased land and installed turbines in other locations, local stakeholders were often interested in financing the turbines. Quite early we realized that owning all of these turbines ourselves would require so much capital that it would slow down the pace of Eolus's development. We made money by being experts in turbine installation, including all of the administration surrounding permits for the turbines. We invested our profit in some turbines in operation."

What has been most exciting about helping to build Eolus?

"Being able to prove that a wind power company can be profitable has been the most exciting experience for me. To ensure long-term profitability, installation of the turbines must be so efficient that they can be sold cheaply and yield a reasonable return for their new owners. And the environmental benefit of wind turbines – as a source of renewable energy – has been an added bonus. I have met many competent and dedicated individuals throughout my time at Eolus. People who are also committed to future generations."

What makes Eolus unique?

"You learn more and more in every industry over the years. Eolus is the oldest wind power developer in Sweden. There can only be one! Eolus's combined concept of installing multiple wind turbines, divesting most of them, and managing some of the others is unique in Sweden."

What do you think the future holds for Eolus?

"A comprehensive portfolio with wind turbine leases, some one-hundred completed sites with building/environmental permits in place for large wind turbines, large-scale foreign installations in view and soon, hopefully, a permit to install a wind farm for about SEK 50 billion in the Bay of Hanö in Blekinge makes me feel very optimistic."

SIGNIFICANT DATES:

1990 Eolus Vind is founded to construct and manage wind turbines

1990/1991 Land is acquired on Öland, and Eolus installs its first two wind turbines with a capacity of 225 kW.

2003/2004 Eolus installs its 100th turbine at Löberöd in Skåne, in the south of Sweden. The head office is relocated from Osby to Hässleholm.

2006/2007 Eolus participates in the construction of two wind turbines in Estonia, as part of its international expansion strategy.

2008/2009 Eolus's Class B share is listed on NASDAQ OMX First North. 29 wind turbines, with a capacity of 48.2 MW, mean that Eolus has now installed more than 200 turbines since the company was founded.

2009/2010 In 2009, Eolus is named the fastest-growing company in southern Sweden in Dagens Industri's gazelle survey. The Parent Company raises SEK 158 M through a new share issue. Both sales and total assets surpass SEK 1 billion.

2010/2011 50 wind turbines with a total capacity of 100 MW are installed, and Eolus has now passed the 300-installation mark. The subsidiary, Blekinge Offshore, submits an environmental permit application for the Blekinge Offshore Project, one of the largest offshore wind power facilities in Europe. Eolus acquires Svenska Vindbolaget AB through a non-cash issue.

2011/2012 Eolus's largest project to date, Tolvmanstegen, is completed in the Municipality of Strömstad. Tolvmanstegen comprises a total of 22 turbines with an installed capacity of 44 MW. Eolus founds a subsidiary in Norway.

2012/2013 Eolus passes the 400-installation mark, when the Hakarp wind farm in the Municipality of Ronneby is completed. During the fiscal year, the company's largest-ever contracts with individual customers are secured. German reinsurance company Munich Re acquires 14 operational wind turbines and Eolus signed an agreement to divest 12 wind turbines to Danish company European Wind Investment A/S (EWI).

Company presentation

BUSINESS CONCEPT

Eolus aims to create added value in all stages of project development and wind power operation, and to offer attractive and competitive investment objects in Nordic and Baltic countries to both local and international investors. The Group comprises the Parent Company, Eolus Vind AB (publ), and the subsidiaries Ekovind AB, Svenska Vindbolaget AB, Blekinge Offshore AB, Eolus Elnät AB, SIA Eolus, Eolus Vind Norge A/S as well as the subsidiary, OÜ Baltic Wind Energy. In addition to the above companies, the group also owns several other companies formed to develop specific wind power projects.

Eolus Vind's main concept is to develop and construct wind power facilities in areas with ideal wind potential. Projects are mainly realized through sales of turnkey wind farms. The business model also allows parts of the project portfolio to be realized through sales of project rights, meaning projects with the relevant permits under the Environmental Code, and projects under development. Eolus also uses its own wind power facilities to generate electricity. Holdings of operational facilities constitute long and short-term inventories, of which individual facilities are always for sale. The long-term inventory is gathered in Ekovind AB.

MARKET

Over the years, Eolus has built up a broad and varied customer base. The original concept of selling shares in individual turbines to private individuals and small business owners has evolved into one of the most robust customer bases in the market, enabling Eolus to post a profit every year since the company was founded in 1990, regardless of the market situation for wind power, or the economic situation in Sweden or anywhere else in the world.

Through sales of turnkey wind farms and shares in individual turbines, Eolus has provided opportunities for thousands of private individuals and companies to invest in wind power and thus be part of the transition to a sustainable society. Although the internal distribution between customer groups will progressively shift toward larger investors, both domestic and foreign, Eolus's strategy to offer community-shared ownership and cooperative investments in suitable projects will continue.





DESCRIPTION OF CUSTOMER GROUPS

Eolus's customer base is broad and diverse. Some of the most important segments are described below.

Wind turbine cooperatives

Selling ownership units (eighths or sixteenths) in individual wind turbines and wind farms has proven highly successful for Eolus over the years. This business model, which enables property owners, local residents, small businesses, farmers, forest owners and private individuals to invest, has led to a varied customer base. Although larger investors progressively will account for a larger portion of the company's total sales, this customer group will remain significant for Eolus.

For wind farms with several different cooperative owners, a service company is formed to take care of operation and management. The cooperative group shares income and expenses (except for the capital costs of each individual owner) from all turbines on the farm, which provides security and risk diversification for individual owners. In terms of depreciation, wind power on leased land is classed as plant and machinery, which provides favorable depreciation opportunities and plays a key role in investment for some customers. Investments in wind power also generates a stable cash flow, which is vital for investors operating in industries where earnings vary considerably from quarter-to-quarter.

Utilities

Utilities are a natural group of customers for a company like Eolus. Over the years, Eolus has sold both turnkey wind farms and operational turbines to companies in this customer group. Eolus secured contracts with both foreign and Swedish utilities during the fiscal year, and Danish wind power company European Wind Investment A/S (EWII) accounted for the largest single business transaction. Seven of the twelve wind turbines comprised by the transaction were completed after the end of the fiscal year.

Utilities possess a great deal of knowledge about the electricity market and energy investments. Wind power investments are guided by profitability and sustainability requirements, and the opportunity to offer renewable energy to customers.

Public-sector investors

In recent years, it has become increasingly common for municipalities and county councils to invest in wind power. One contributing factor is the opportunity for investors with high and relatively consistent electricity consumption throughout the day, and from year to year, not having to pay energy tax of SEK 0.29/kWh under certain circumstances. Another driving factor is that wind power investment facilitates the transition to a sustainable society based on renewable energy. In addition, municipal investors can usually secure favorable financing terms for their investments. Eolus has participated in, and secured, public procurements for wind turbines during the fiscal year.

Institutional investors

Institutional investors have different investment horizons for their various investments. Ownership in infrastructure, such as wind power, is driven by long-term investment with relatively stable returns, which – in turn – generates security in commitments to customers in the reinsurance and pension investment segments. Investment is often equity based or financed with a low debt leverage. Swedish institutional investors have shown more restraint with regard to direct investment in infrastructure than their foreign counterparts. In recent years, a number of major global investors have invested in the Swedish market and in 2013, Eolus divested 14 wind turbines in operation, with a capacity of 30 MW, to the German company Munich Re. Munich Re has also assigned Eolus to operate and manage these wind power facilities.

This customer segment holds major potential for further development, for both Eolus and the industry as a whole. Although specific wind power projects in other countries may offer higher expected returns, foreign investors see Sweden as a secure country for investment due to the significantly lower level of political and financial risk. There is also potential for development since Swedish institutional investors may start to invest in the same manner as their foreign counterparts.

FUTURE OUTLOOK

The past fiscal year was characterized by Eolus's continued efforts to meet market requirements for profitable investments when overall pricing levels for electricity and electricity certificates remained historically low. However, pricing levels for both electricity and electricity certificates were generally higher than during the 2011/2012 fiscal year. In the first quarter of the fiscal year, Eolus implemented a reorganization and adaptation of the operations, while maintaining a focus on development and realization of the strongest projects in the project portfolio. Investing in wind power can be profitable for both Eolus and investors, even in the prevailing market situation. This was confirmed during the fiscal year when Eolus secured contracts with customers across all customer segments in which the company operates. Two major contracts were signed – with German reinsurance company Munich Re, and Danish company European Wind Investment A/S – which is proof that Eolus can live up to market's high expectations. Overall, wind power investments made in the current market situation, have a potentially lower downside and a potentially higher upside than investments made two to four years ago. This due to significant lower , when the cost of investment was considerably higher than it is today.

Many different factors can influence electricity and electricity certificate pricing, with varying degrees of impact on the pricing scenario over time. As a result, the electricity market is subject to volatility that Eolus and other players must be able to manage. This applies to wind power as well as other sources of power generation. In Sweden, electricity pricing is significantly impacted by the fill rates in Swedish and Norwegian hydro reservoirs, the availability of Swedish nuclear power and coal prices in Europe, since these are the marginal price setters when trading on Nord Pool Spot (the Nordic Power Exchange). Major uncertainty factors are how global shale gas and oil reserves will be developed and the price trend for emission allowances in Europe. The economy obviously plays a major role in demand for electricity and other energy and thus impacts the pricing scenario.

Modern society cannot function without electricity. This means that there will always be a need for new generation, to replace the old generation. From an environmental and sustainability perspective, combined with a geopolitical perspective, there will also be a need to replace fossil-fuel electricity generation with green alternatives such as wind power. As a country, Sweden is well suited to the continued development of wind power, due to our excellent wind resources, a relatively sparse population and high access to load balancing. Since the electricity market is integrated in Northern Europe, the opportunities for Sweden to create a new export industry in the form of electricity generation are ideal, in the same way that other raw materials are exported. In addition to continued opportunities for development in Sweden, there are also key markets in our neighboring countries, where the wind power industry is far less mature. Eolus therefore conducts operations in Norway and the Baltic countries.

Eolus deems that electricity pricing over time will not remain at the historically low level that currently exists. This is partly because the water levels in Swedish and Norwegian reservoirs will vary and since Swedish nuclear power has historically shown variable availability. The lifespan of nuclear power will also be limited, despite the upgrades that have been implemented. However, large-scale development of global shale gas deposits and shale gas may continue to drive energy prices down. Since profitable projects can be realized with existing price levels, opportunities for Eolus to install wind power facilities that generate good overall economic efficiency for both the company and its customers will continue. As the wind power market in Sweden matures, the significance of Eolus's operations in the Baltic countries and Norway will increase. Compared with Sweden, wind power in these markets is highly underdeveloped and offers major potential for a company with Eolus's long experience and proven business model.





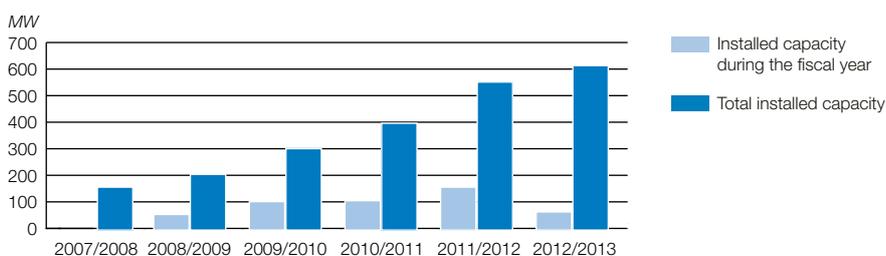
PROJECT PORTFOLIO AND DEVELOPMENT

Eolus was the first commercial wind power developer in Sweden and has developed extensive expertise in the installation of wind power facilities since the company was first founded in 1990. By the end of the fiscal year, Eolus had participated in the installation of 417 wind turbines with a total capacity of 613 MW.

Projects comprise three phases: pre-study, project development and construction. The installation phase is completed after approved

commissioning by either divesting the facility to the customer or transferring it to the groups electricity production. Profit recognition takes place when commissioning of the facility has been approved. Since there are relatively few objects in the installation phase at any one time, sales and earnings may vary considerably from quarter to quarter. The project development operations are mainly financed by equity and advance payments from customers. At present, Eolus conducts project development operations in Sweden, Norway and the Baltic countries.

EOLUS'S CUMULATIVE INSTALLED CAPACITY



EOLUS'S SWEDISH PROJECT PORTFOLIO

On the balance sheet date, the Group's Swedish project portfolio comprised sites for 1,939 onshore wind turbines with an estimated capacity of 4,613 MW. Development is also conducted in Estonia, Latvia and Norway as well as through the Blekinge Offshore Project, in which Eolus owns 56%.

	Group Aug. 31, 2013		Group Aug. 31, 2012	
	No. of turbines	Total capacity, MW	No. of turbines	Total capacity, MW
Pre-study	470	1,081	486	1,118
Project development	1,228	2,975	1,377	3,299
Projects with final permits	204	481	157	363
Under construction	37	76	53	110
Total	1,939	4,613	2,073	4,890

OPERATION AND MANAGEMENT – NEW SEGMENT

During the fiscal year, Eolus launched a concept for successful ownership of wind power facilities by offering total operation and management services. This signifies a new and broader offering of consultancy services to the market. The extensive experience secured by Eolus as the owner of a major wind turbine portfolio and the supplier of such services to other parties has now been packaged into an attractive total solution. The services are categorized into issues related to financial administration, technical services, work environment, environmental issues, health and safety.

Eolus sees major potential for development in this segment since wind power owners, regardless of the size of their investment, have a major need for professional management of their facilities to maximize availability and long term yield. Particularly when the combined price levels for electricity and electricity certificates are relatively low. The platform for Eolus's new market offering is based on Munich Re's trust in Eolus to operate and manage the 14 wind turbines that were divested to Munich Re during the year.

THE ENVIRONMENT

Wind power is a renewable energy source that reduces CO² emissions from the total amount of electricity generated. Eolus always strives to reduce the environmental impact of its operations. At the sites selected by Eolus for development, detailed studies are conducted of the acoustic noise and shadow flicker effects for local residents, as well as the impact on flora and fauna, archaeological remains and any other interests. Environmental impact assessments are performed. No installations are commenced at sites considered unsuitable. Using data obtained from studies of various interests and by engaging in dialog with municipalities and county administrative boards at an early stage, projects can be designed with the least possible impact on all adjoining parties. A wind turbine will offset the energy consumption in its manufacturing phase after about seven months of operation.

VISION

Eolus vision is to be the most profitable wind power developer and an attractive partner in the transition to a sustainable society.

CORE VALUES

Responsibility

We take responsibility for the transition to a sustainable society. We act responsibly in our contact with authorities, local residents, customers and shareholders.

Commitment

We aim for local community participation through local shared ownership in wind turbines, through a decentralized organization and by engaging in early and continuous dialog with residents living near our wind power facilities.

Results

Our income statement is positive and our balance sheet shows financial strength. Through our wind farms we aim to offer profitable investment opportunities for our customers as well as for the land owners.

Trust

By acting in a manner consistent with responsibility, participation and results, we shall inspire the trust of our shareholders, customers, banks, authorities, land owners and the public.

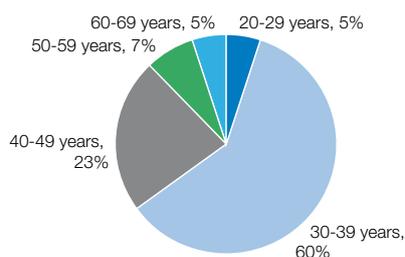
ORGANIZATION AND EMPLOYEES

Eolus is a knowledge-intensive company with a small-scale organization. This means that the company depends on the knowledge, commitment, experience and creativity of each individual employee. In order to retain and recruit personnel, Eolus aims to be the most attractive employer in the market.

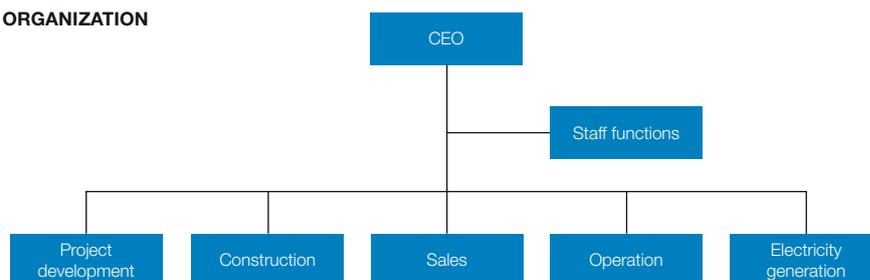
The organizational structure is functional, to leverage the unique expertise of each employee. The project development, for example, contain special functions such as land acquisition, permitting process, wind evaluation and grid expertise. The project director, construction director, operation director and sales director report directly to the CEO, Per Witalisson. Deputy CEO Hans-Christian Schulze holds the position of sales director. Catharina Persson, CFO, is responsible for the company's financial department, which is one of the staff functions. Management comprises of Per Witalisson, CEO, Hans-Christian Schulze, Deputy CEO, Catharina Persson, CFO, and Karl Olsson, general counsel.



AGE DISTRIBUTION



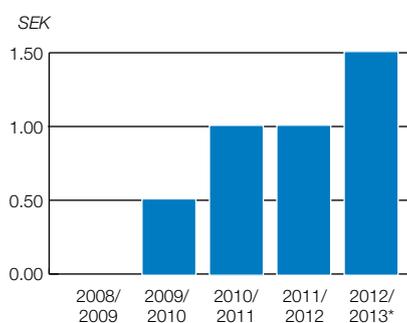
ORGANIZATION



Share and ownership structure



DIVIDENDS



*proposed dividend

SHARE PRICE PERFORMANCE



THE SHARE

Eolus's Class B share has been traded on NASDAQ OMX First North since May 28, 2009 under the ticker EOLU B, with the ISIN code SE0002109330. During the 2012/2013 fiscal year, a total of 4,122,435 Class B shares were traded at prices ranging from SEK 20.70 to SEK 31.10. The closing price paid on the balance sheet date of August 31, 2013 was SEK 29.00, corresponding to a market capitalization of about SEK 722 M (based on the total number of the company's shares outstanding).

OWNERSHIP STRUCTURE

On October 31, 2013, Eolus had 2,908 shareholders. The company's ten largest shareholders are presented in the table. All shares are freely transferable and, as far as the Board is aware, there are no shareholders' agreements or any other arrangements that could result in changes to control of the company. Nor are there any agreements to hold shares for a certain period of time (lock-up agreements).

SHAREHOLDERS ON OCTOBER 31, 2013¹

Shareholders	No. of Class A shares	No. of Class B shares	Total no. of shares	% of capital	% of votes
Bengt Johansson, directly and through companies	481,900	1,862,869	2,344,769	9.4%	18.3%
Hans-Göran Stennert, directly and through SEB Private Bank S.A	320,000	594,984	914,984	3.7%	10.4%
Åke Johansson	175,200	567,200	742,400	3.0%	6.4%
Bengt Simmingsköld, directly and through companies and related parties	79,225	199,195	278,420	1.1%	2.7%
Niclas Eriksson	0	900,000	900,000	3.6%	2.5%
Länsförsäkring Kronoberg	48,800	385,175	433,975	1.7%	2.4%
SIX SIS AG	0	789,439	789,439	3.2%	2.2%
Försäkringsaktiebolaget Avanza Pension	0	710,275	710,275	2.9%	1.9%
Skandinaviska Enskilda Banken S.A.	0	642,984	642,984	2.6%	1.8%
Hans-Christian Schulze, directly and through related parties	0	501,836	501,836	2.0%	1.4%
Other shareholders	180,500	16,467,418	16,647,918	66.8%	50.1%
	1,285,625	23,621,375	24,907,000	100.0%	100.0%

¹ In accordance with the share register maintained by Euroclear on October 31, 2013 and thereafter with any changes known by the company.

Intervals	No. of shares	Percentage of capital, %	No. of shareholders	Percentage of shareholders, %
1-500	283,445	1.1%	1,463	50.3%
501-1,000	325,463	1.3%	383	13.2%
1,001-5,000	1,532,847	6.2%	626	21.5%
5,001-10,000	1,274,838	5.1%	174	6.0%
10,001-15,000	852,564	3.4%	68	2.3%
15,001-20,000	727,567	2.9%	41	1.4%
20,001-	19,910,276	80.0%	153	5.3%
	24,907,000	100.0%	2,908	100.0%

Source: Euroclear

DIVIDEND POLICY

The Board of Directors has adopted a dividend policy entailing that dividends issued by Eolus in the long term will be determined by the company's earnings and should correspond to 20-50% of profit after tax. However, dividends will be adapted to the company's investment requirements and financial position. Dividends are paid to shareholders that are recorded in the shareholder register maintained by Euroclear on the record date determined at the Annual General Meeting. The payment of dividends is arranged by Euroclear or, in the case of nominee-registered shares, in accordance with each nominee's procedures. Should a shareholder be unreachable through Euroclear, the shareholder's claim on the company regarding dividend amounts will remain and only be restricted by limitation regulations. At the end of the limitation period, the dividend amount will accrue to the company. There are no special regulations, restrictions or procedures pertaining to dividends for shareholders not resident in Sweden.

SHARE CAPITAL

The share capital amounts to SEK 24,907,000, distributed between 1,285,625 Class A shares each carrying one (1) voting right and 23,621,375 Class B shares each carrying

one-tenth (1/10) voting right. The total number of shares outstanding is 24,907,000, each with a quotient value of SEK 1. According to the Articles of Association, the number of Class A shares to be issued is not less than 1,028,500 and not more than 4,114,000, while the number of Class B shares is not less than 17,085,900 and not more than 68,343,600. All shares outstanding are fully paid and entitle the holder to an equal share of the company's assets and earnings. Should the company go into liquidation, shareholders will be entitled to share in any surplus in proportion to the number of shares they hold.

Shares in Eolus are not subject to offers received on account of mandatory bids, redemption rights or exercising obligations. The company's shares have not been the target of public takeover bids during the current or preceding fiscal years. Eolus has not issued any warrants or convertible debentures entitling subscription to new shares in the company. Shares in Eolus have been issued in accordance with Swedish law and are denominated in Swedish kronor (SEK). The shares are registered electronically in accordance with the record day provision in the Articles of Association and the account is operated by Euroclear Sweden AB.

Eolus has implemented 11 new share issues since the company was founded in 1990. The purpose of all new share issues has been to facilitate faster expansion than the company's earnings growth has enabled. The share capital trend from when the company was founded is presented in the table.

FINANCIAL INFORMATION

Eolus aims to provide fast and accurate financial information. The company's financial information is issued in accordance with existing legislation and the applicable regulations for public companies. Financial information is primarily provided in interim reports, year-end reports and annual reports. The mass media, capital market, shareholders and other stakeholders are regularly informed about major business events and other important information through press releases and via Eolus's website: www.eolusvind.com. Presentations and interviews with the CEO are also available on the website.

SHARE CAPITAL TREND

Year	Event	Total share capital, SEK	Change in share capital, SEK	No. of Class A shares	No. of Class B shares	Change in Class A shares	Change in Class B shares	Quotient value, SEK
1990	Company foundation	1,200,000	1,200,000	5,000	7,000	5,000	7,000	100.00
1991	New share issue	3,000,000	1,800,000	5,000	25,000	-	18,000	100.00
1996	New share issue	5,000,000	2,000,000	5,000	45,000	-	20,000	100.00
2001	New share issue	6,000,000	1,000,000	6,000	54,000	1,000	9,000	100.00
2003	New share issue	8,000,000	2,000,000	6,000	74,000	-	20,000	100.00
2005	New share issue	10,000,000	2,000,000	7,500	92,500	1,500	18,500	100.00
2006	New share issue	12,000,000	2,000,000	9,000	111,000	1,500	18,500	100.00
2007	Non-cash issue	14,100,200	2,100,200	9,000	132,002	-	21,002	100.00
2007	New share issue	16,114,400	2,014,200	10,285	150,859	1,285	18,857	100.00
2007	New share issue	18,114,400	2,000,000	10,285	170,859	-	20,000	100.00
2008	100:1 share split	18,114,400	-	1,028,500	17,085,900	1,018,215	16,915,041	1.00
2009	New share issue	22,643,000	4,528,600	1,285,625	21,357,375	257,125	4,271,475	1.00
2011	Non-cash issue	24,907,000	2,264,000	1,285,625	23,621,375	-	2,264,000	1.00
		24,907,000		1,285,625	23,621,375			1.00

Financial summary

CONSOLIDATED SUMMARY OF EARNINGS, FINANCIAL POSITION AND CASH FLOW

KSEK	2012/2013 IFRS	2011/2012 IFRS	2010/2011	2009/2010	2008/2009
Income statement					
Net sales	1,204,945	1,887,924	1,628,966	1,408,812	730,969
Operating profit	146,720	81,239	211,282	143,088	65,127
Profit after financial items	135,316	41,885	205,636	130,207	70,967
Net profit	141,564	28,259	151,951	99,037	50,822
Balance sheet					
Non-current assets	462,588	638,113	432,985	392,199	216,809
Current assets	1,100,223	1,316,465	998,583	1,004,137	526,713
Assets	1,562,811	1,954,578	1,431,568	1,396,336	743,522
Equity, Eolus's shareholders	962,813	844,732	844,594	612,311	357,354
Equity, non-controlling interests	-1,971	47	71	54	50
Provisions	-	-	121,893	65,653	49,800
Non-current liabilities	260,101	431,627	232,765	229,007	115,365
Current liabilities	341,868	678,172	232,245	489,311	220,953
Equity, provisions and liabilities	1,562,811	1,954,578	1,431,568	1,396,336	743,522
Cash-flow statement					
Cash flow from operating activities	447,748	-139,281	148,059	-134,869	10,022
Cash flow from investing activities	124,102	-229,047	-57,689	-203,101	-1,477
Cash flow from financing activities	-231,289	206,828	-5,653	280,679	51,094
Cash flow for the year	340,561	-161,500	84,717	-57,291	59,639
Cash and cash equivalents at beginning of year	42,703	204,220	119,512	176,835	117,187
Exchange-rate differences in cash and cash equivalents	2	-17	-9	-32	9
Cash and cash equivalents at year-end	383,266	42,703	204,220	119,512	176,835

The 2012/2013 fiscal year is the first fiscal year to which Eolus has applied International Financial Reporting Standards (IFRS).
The 2011/2012 fiscal year has been restated according to the same standards.

Key figures for the Group

KEY FIGURES FOR THE GROUP

	2012/2013 IFRS	2011/2012 IFRS	2010/2011	2009/2010	2008/2009
No. of turbines installed	30	81	50	54	29
Installed turbines, MW	62.1	155.3	100.0	96.6	48.2
Generating capacity at year-end, MW	62.7	55.4	38.6	33.8	20.1
Electricity generation, GWh	220.9	111.2	86.0	66.7	39.7
Average number of employees, full-time positions	40	58	43	38	30
Operating margin, %	12.2	4.3	13.0	10.2	8.9
Profit margin, %	11.2	2.2	12.6	9.2	9.7
Return on capital employed, %	19.8	6.8	22.3	20.7	17.7
Return on equity after tax, %	15.7	3.8	20.9	20.4	15.3
Equity/assets ratio, %	61.6	43.2	59.0	43.9	48.1
Earnings per share, SEK	5.75	1.24	6.71	4.63	2.81
Equity per share, SEK	38.66	33.92	37.30	27.04	19.73
Dividend per share, SEK	1.50*	1.00	1.00	0.50	-
No. of shares at year-end, 000s	24,907	24,907	22,643	22,643	18,114
Average number of shares during the year, 000s	24,907	24,907	22,643	21,402	18,114

* Proposed dividend.

The 2012/2013 fiscal year is the first fiscal year to which Eolus has applied International Financial Reporting Standards (IFRS). The 2011/2012 fiscal year has been restated according to the same standards.

DEFINITIONS OF KEY FIGURES

Operating margin	Operating profit expressed as a percentage of net sales
Profit margin	Profit/loss after financial items expressed as a percentage of net sales
Return on capital employed	Profit after financial items plus interest expenses expressed as a percentage of average capital employed
Capital employed	Total assets minus non-interest-bearing liabilities
Return on equity after tax	Net profit expressed as a percentage of average equity
Equity/assets ratio	Equity expressed as a percentage of total assets
Earnings per share	Net profit divided by the weighted average number of shares during the year
Equity per share	Equity divided by the number of shares at year-end

The electricity market



In 1996, the Swedish electricity market was deregulated (however, the electric power grid used for distribution remains a monopoly). This means that customers are free to choose their electricity supplier. All generated electricity is transmitted to the electric power grid for further distribution to customers and traded through Nord Pool Spot, a joint electricity exchange for the Nordic market.

HOW ARE ELECTRICITY PRICES SET?

Electricity prices are set on Nord Pool Spot, which is a marketplace (exchange) for producers of electricity and electricity retailers. The price is determined by supply and demand. When supply of electricity is high, the spot price falls and during periods of less supply, the spot price rises. The Swedish and Nordic electricity market is tightly interconnected with European electricity markets, which means that the price on Nord Pool Spot is impacted by generating capacity and demand in the rest of Europe. Since Europe is largely dependent on fossil fuels for electricity generation, Nordic electricity prices are impacted when prices for fossil fuels and emission allowances are high. Pricing in the electricity market is based on marginal price on the market, which is usually coal and gas and therefore raises the price. In the same way that individual households can fix their electricity prices, power producers can hedge their electricity deliveries. This enables secure calculations and safeguards against price declines.

ELECTRICITY PRICE DURING THE 2012/2013 FISCAL YEAR

During the fiscal year, the price trend on Nord Pool Spot rose from very low levels at the end of the preceding fiscal year. Although the levels are generally low from an historical perspective, the recovery was significant for profitability in the generation phase, regardless of generation source.

THREE CATEGORIES DETERMINE END-USER COSTS

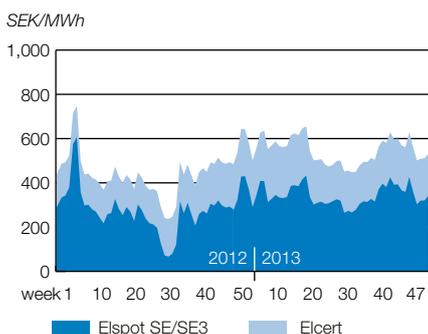
The costs faced by customers fall into three categories – electricity costs, transmission tariffs and taxes. While customers cannot influence transmission costs or taxes, they can make an active choice from whom they purchase their electricity from.

ELECTRICITY PRICE AREAS

On November 1, 2011, Sweden was divided into four electricity price areas. The boundaries between the four areas run along areas where the electricity grid lacks transmission capacity. Svenska Kraftnät made this division of four areas to demonstrate where a build-out of the grid is required, and where electricity generation should be increased to better meet consumption needs in the relevant area and thus reduce the need for transporting electricity.

In northern Sweden, electricity generation is greater than electricity consumption. However, in southern Sweden, more electricity is used than the amount that is generated. Combined with the lack of transmission capacity, this leads to Electricity Price Area differentials. Something that never occurred when Sweden was one Electricity Price Area. The division has led to a higher-than-average price in Electricity Price Areas 3 and 4 than in Areas 1 and 2. However, the differences have not reached the levels predicted on a monthly basis. Some days, in particular, the price difference can be significant. However, the price differences show the need for electricity generation expansion in the two southernmost Electricity Price Areas. Wind power has a key role to play here and it is vital that development can take place in southern Sweden.

SPOT PRICES FOR ELECTRICITY AND ELECTRICITY CERTIFICATES



ENERGY MIX (NET GENERATION OF ELECTRICITY, 2008-2012)

TWh	2008	2009	2010	2011	2012
Hydropower	66.3	64.6	67.1	65.7	78.0
Nuclear power	61.3	50.0	55.6	57.7	61.4
Cogeneration	8.0	9.9	12.5	9.7	8.7
Wind power	2.0	2.5	3.5	6.1	7.2
Cogeneration in industry	6.1	5.9	6.4	5.7	6.2
Condensation power	0.1	0.1	0.3	0.2	0.6
Total net generation	143.8	133.0	145.5	145.0	162.1

Source: Swedish Energy Agency

Electricity certificates

– how the system works

The electricity certificate system introduced in 2003 is a market-based and technology-neutral support regime for increasing the proportion of renewable electricity that is generated. The extra income generated by electricity certificates increases opportunities for renewable energy sources to compete with non-renewable energy sources. Electricity certificate is given to a producer of electricity based on renewable energy sources. Renewable energy sources are defined as wind power, solar energy, wave energy, geothermal energy, biofuels, small-scale hydropower and peat when burnt in CHP plants.

All electricity retailers are required to purchase electricity certificates corresponding to a certain proportion of their sales – the quota obligation. The price of electricity certificates is settled in trading between renewable electricity producers and electricity retailers. The system aims to increase the generation of renewable electricity in a cost-efficient and technology-neutral manner. The most efficient renewable electricity generation will be expanded due to the subsequent competition between the renewable energy sources.

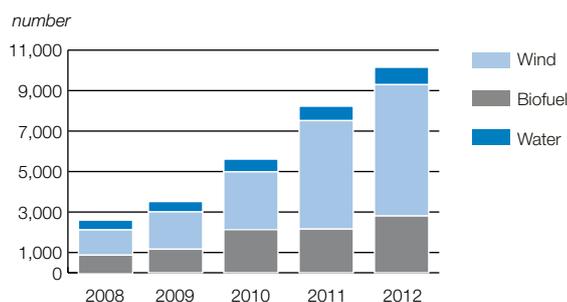
In 2012, the amount of renewable electricity generation in the electricity certificate system was 21.4 TWh, of which wind power accounted for 7.2 TWh. Apart from electricity certificates, there is no other type of investment or operation support for Swedish wind power. The electricity certificate system is disengaged from the Swedish government budget to the extent that consumers finance the system. However, the government receives revenues from the system through value-added tax. Most of the electricity certificates issued for renewable electricity generation go to

electricity from biofuel. In 2012, about 51.9% went to biofuel-fired plants, while 33.4% went to wind power. However, wind power is now the fastest-growing driver of the system and accounts for the highest number of electricity certificates issued to new facilities. According to the Swedish Energy Agency, the average cost for electricity certificates faced by customers in 2012 was about SEK 0.036/kWh ex VAT. This is the lowest cost for end-users since 2007.

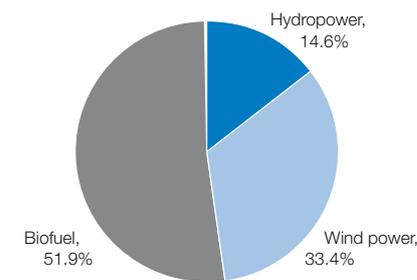
On January 1, 2012, Sweden and Norway formed a joint electricity certificate market. Instead of working separately, the countries will work together to promote more efficient use of renewable resources and increase the proportion of renewable electricity that is generated. Within the framework of the joint electricity certificate market, the aim is to increase the generation of renewable electricity between 2012 and 2020 by 26.4 TWh. This corresponds to about 10% of the electricity generated in Sweden and Norway. Since renewable electricity producers can receive electricity certificates regardless of whether electricity is generated in Norway or Sweden, investments will be made where conditions and profitability are best. The Swedish electricity certificate market was planned on the basis of biofuel investments being more common in Sweden, hydropower being more common in Norway, and wind power being more or less equal in both countries. However, in terms of experience, it should be noted that Norway lags behind Sweden in regard to handling wind power installations, which indicates, in the immediate years at least, that most wind power development will take place in Sweden.



ELECTRICITY CERTIFICATES ISSUED TO NEW FACILITIES FOR EACH ENERGY SOURCE, 2008-2012



DISTRIBUTION OF RENEWABLE ELECTRICITY GENERATION IN THE ELECTRICITY CERTIFICATE SYSTEM, 2012



Wind power in Sweden and globally



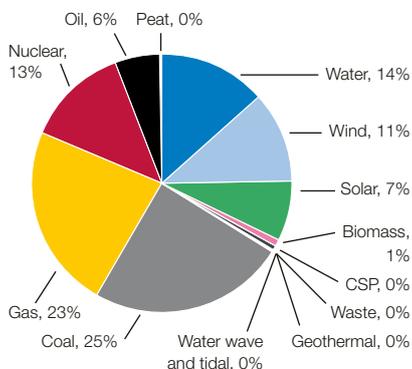
Wind power as a source of energy has shown strong development over the past five years, both in Sweden and globally. In 2008, the global installed capacity was 120,624 MW and by 2012, this figure had increased to 282,587 MW. This represents an increase of more than 130%, while the costs for the construction of new installations have fallen. The rapid pace of development signifies that wind power is playing an increasing role in the energy mix. To support the growth of new renewable electricity, countries have adopted a range of mechanisms. The most common mechanism is a feed-in tariff (FIT), comprising fixed payment per generated kilowatt hour (kWh). On the other hand, Sweden has introduced a technology-neutral electricity certificate system that aims to support the growth of renewable energy at the lowest possible cost. The Swedish system offers a lower level of financial support but is more politically stable, since it places no burden on the national budget. On January 1, 2012, Sweden and Norway launched a joint electricity certificate system.

first half of 2013, a further 323 MW installed wind power capacity was added according to statistics from Swedish Wind Energy.

EUROPE

In Europe, Germany has the highest number of wind power installations. At the end of 2012, the total installed capacity in Germany was 31,308 MW. With an installed capacity of 22,796 MW, Spain is the second-largest wind power producer in Europe, followed by the UK, Italy and France. In 2012, Germany accounted for 20% of the newly installed capacity across all 27 EU member states. In 2012, new wind power with a total capacity of 11,566 MW was installed in the EU, bringing the total amount to 106,040 MW. The trend in the 2000s has been that new power generation in the EU has come from renewable sources and gas, while more oil, coal and nuclear power plants have been taken out of service than the number of newly constructed installations. In the 2000s, 27.7% of the capacity installed in the EU has been wind power.

EUROPE'S ELECTRICITY GENERATION MIX



Source: EWEA

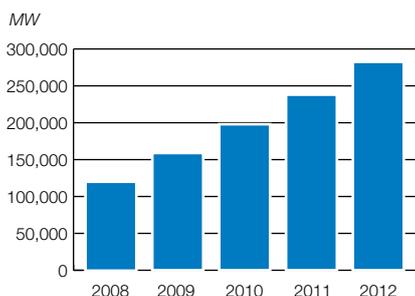
SWEDEN

At the end of 2012, there were 2,385 wind turbines in Sweden with a capacity of 3,607 MW, according to statistics compiled by the Swedish Energy Agency. In 2012, a further 842 MW of wind power capacity was added, which corresponds to about 7% of the wind power capacity installed in the EU during the year. Total generation amounted to 7.2 TWh, an increase of 263% compared with 2008. In 2012, 4.4% of Swedish electricity was generated by wind power. At the end of 2012, Västra Götaland, Skåne and Västernorrland accounted for the largest proportion of installed capacity. In combination, these three counties accounted for about 1,527 MW of the installed capacity in Sweden. During the

GLOBAL

From a global perspective, Europe, the US and China are the most important markets for wind power. Of the total 44,799 MW installed worldwide in 2012, some 13,124 MW was added in the US and 12,960 MW in China. This represents a total market share of 58.2%. However, installed capacity in Europe remains higher than in Asia and North America. Due to China's growing economy and subsequent major energy requirements, the country's role as a global leader in terms of installed capacity is expected to continue. In Asia, India is another key market and, like China, has domestic turbine manufacturers that helped to drive prices for wind turbines down from a global perspective.

GLOBAL CUMULATIVE INSTALLED CAPACITY, 2008-2012



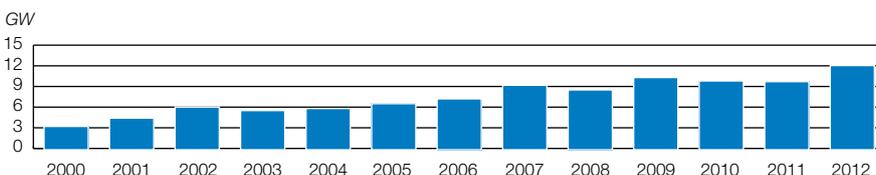
Source: GWEC

ANNUAL INSTALLED CAPACITY IN SWEDEN

MW	up to and including 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Installed capacity	416	58	47	64	237	267	386	542	747	842

Source: Swedish Energy Agency

ANNUAL INSTALLED CAPACITY IN THE EU, 2000-2012



Source: EWEA

Wind power finance

Owning wind farms offers several benefits. Historically, wind power has yielded high returns and since modern society is dependent on energy, the potential to make money on wind power investments will continue. The most costly item for a wind power installation is the actual wind turbine. Turbines are mainly purchased in EUR, which entails an element of risk. Eolus applies currency hedging to safeguard its capital investment calculations. The wind turbine accounts for a total of 75-80% of the costs for a turnkey facility. Other costs include foundations, road construction and grid connection.

In the operational phase, costs usually comprise leasing fees to the land owner, service and maintenance, insurance, property tax and management costs. Operating expenses, excluding capital costs, are between SEK 0.12-0.16/kWh. Capital costs are additional and will vary, depending on the owner's capital contribution.

Two options are available for wind turbine ownership: either selling the electricity generated on the open market, which is the most common choice, or generating electricity for own consumption. In both cases, income is generated by selling electricity certificates and, in some cases, from grid compensation, which is compensation for reduced transmission losses in the power grid. In terms of depreciation, wind power on leased land is classed as plant and machinery, which provides favorable depreciation opportunities. For turbine owners who sell their electricity, the generation is considered a financial investment. There are other benefits for wind turbine owners who generate electricity for own consumption. In some circumstances, it is possible to avoid energy tax, which at present is SEK 0.293/kWh.

Since the company was founded in 1990, Eolus has aimed to sell shares in suitable facilities as well as complete turnkey wind turbines and wind farms. The company has thus acquired a unique broad and major customer base, which has also contributed to creating local acceptance for wind power. Eolus takes responsibility for the entire process – from identifying a suitable location and signing a lease with the land owner until the wind turbines are in place and fully operative – which provides

major security for customers. Eolus can also contribute to parts of the process on a consultancy basis, upon customer request. In wind farms with several different cooperative owners, a service company is formed in which income and expenses are shared (except for the capital costs of each individual owner), which provides security and risk diversification for individual owners. Eolus offers total operation and management services to provide secure and carefree ownership of divested facilities, turbines and farms installed by other players, or individual wind turbines.

INCOME FROM WIND POWER FALLS INTO THREE CATEGORIES:

1. Sales of the electricity generated. Can take the form of either continuous sales at the current market price, or price hedging.
2. Sales of electricity certificates and guarantees of origin. Guarantees of origin are awarded for electricity generated from renewable sources and sold in the market like electricity certificates. Sales of electricity certificates can be hedged in the same manner as sales of electricity generation. For more information about electricity certificates, refer to page 17.
3. In some cases, compensation for reduced transmission losses in the power grid, or "network optimization." The reason for this compensation is that locally generated electricity reduces transmission losses in grid and regional networks. The compensation is about SEK 0.02-0.03/kWh in the relevant areas.

Wind power owners can apply various strategies when selling their electricity and electricity certificates, depending on the degree of risk that the owner is prepared to take in order to benefit from price rises versus the certainty of avoiding any price declines. Both electricity and electricity certificates can be hedged, or hedging can be combined with variable electricity prices.

TECHNICAL/ECONOMIC LIFESPAN

The technical lifespan for new wind power facilities is estimated to be about 25 years. An exact period is difficult to determine since the industry has developed rapidly and the latest models are relatively new. Eolus has based its estimations on an economic life of 20 years.



The Group's electricity generation



Eolus has gathered the Group's wind turbines in the Ekovind AB subsidiary for long-term management. Income is derived from sales of electric power, sales of the electricity certificates awarded to renewable electricity producers and, in some cases, compensation from the grid owner for reduced transmission losses in the grid (grid compensation). Ekovind can also receive income from sales of wind turbines. The Parent Company, Eolus Vind AB, focuses on the project development, construction and sales operations as well as the short-term ownership of wind farms. Since installation processes can be subject to major periodical variations between various years and quarters, the operations in Ekovind AB also provide a means for the Group to stabilize its cash flow.

In accordance with Eolus business concept and business plan, individual operational facilities – regardless of whether they comprise a long or short-term part of the inventory – are always for sale. This means that the status of long-term inventories under management in Ekovind AB may change during fiscal years, in terms of the number of turbines as well as their generating capacity. During the 2012/2013 fiscal year, the number of owned wind turbines changed due to the divestment of six wind turbines in operation. As a result, the total generating capacity in Ekovind AB declined 9.4 MW.

At the end of the fiscal year, the Eolus Group owned, fully or partly, 43 wind turbines with a capacity of 63 MW. The Group's proportion of electricity generated by these turbines was estimated to be 154 GWh. During the fiscal year, the electricity generated by the Group's wind turbines was estimated to be 220.9 GWh, with an average income of SEK 0.54/kWh. During the fiscal year, a large proportion of the short-term inventories accumulated in 2011/2012 and at the beginning of the fiscal year were divested to external customers.

The proprietary management of wind turbines has led to expertise within the Group that also enables Eolus to offer maintenance services to other wind turbine owners. This ranges from all types of administration and operation of wind power facilities to specific areas of wind power management. For example, Munich Re has contracted Eolus to handle all operation and management of the company's wind farms at Hakarp, Kaptensberget and Åsen.

FACTS:

On August 31, 2013, residual value for the Group's wind power facilities that are recognized as non-current assets was SEK 439.2 M. Accelerated depreciation is an option for the management of wind power facilities, since wind turbines on leased land can be depreciated for tax purposes according to the "accelerated depreciation" method.

PROPRIETARY WIND TURBINES RECOGNIZED AS NON-CURRENT ASSETS ON DECEMBER 1, 2013

Turbine	Municipality	Manufacturer	Year of commenced operation	Capacity, kW	Share-holding	Eolus's proportion of capacity	Est. generation, MWh
Kristinelund 5	Mörbylånga	Vestas	1996	225	100%	225	600
Magnilund	Halmstad	Bonus	1997	600	50%	300	575
Täppeshusen 1	Höganäs	Vestas	1998	500	100%	500	750
Täppeshusen 2	Höganäs	Vestas	1998	500	100%	500	750
Elise, Ruuthsbo	Ystad	Vestas	1999	600	100%	600	1,150
Pinan, Öckerö	Öckerö	Vestas	1999	660	50%	330	850
Heden	Ängelholm	Enercon	2001	600	100%	600	1,200
Täppeshusen 3	Höganäs	Vestas	2001	660	100%	660	1,100
Lörby 2	Sölvesborg	Enercon	2003	600	100%	600	1,200
Annevind	Landskrona	Enercon	2003	1,800	100%	1,800	3,600
Jordboen	Höör	Enercon	2004	2,000	100%	2,000	3,400
Nasva 1 Ösel,	Estonia	Enercon	2007	800	100%	800	1,800
Nasva 2 Ösel,	Estonia	Enercon	2007	800	100%	800	1,800
Hörby Väst	Sölvesborg	Enercon	2007	800	100%	800	1,500
St Istad 4	Borgholm	Enercon	2007	2,000	100%	2,000	5,500
Sturkö 1	Karlskrona	Enercon	2008	800	100%	800	1,800
Sturkö 2	Karlskrona	Enercon	2008	800	100%	800	1,800
Lörby 4	Sölvesborg	Enercon	2009	800	100%	800	1,800
Håkantorp 2	Vara	Enercon	2009	2000	100%	2,000	5,300
Isgrannatorp 1	Kristianstad	Enercon	2009	2000	100%	2,000	4,600
Klemedstorp 1	Eslöv	Enercon	2009	2000	100%	2,000	5,600
Klemedstorp 4	Eslöv	Enercon	2009	2000	100%	2,000	5,600
Hedeberga	Tomelilla	Enercon	2010	800	100%	800	2,100
Gårdslösa 3	Borgholm	Enercon	2010	2,000	100%	2,000	5,100
Gårdslösa 5	Borgholm	Enercon	2010	2000	100%	2,000	5,100
Fågelbacka 2	Mellerud	Vestas	2010	2000	100%	2,000	5,350
Annelöv 3	Landskrona	Enercon	2010	2300	100%	2,300	4,000
Betåsberget 2	Strömsund	Vestas	2011	2000	100%	2,000	5,000
Tolvmanstegen 24	Strömstad	Vestas	2012	2,000	100%	2,000	5,200
Hästhalla 1	Lidköping	Enercon	2012	2,000	100%	2,000	4,900
Hästhalla 2	Skara	Enercon	2012	2,000	100%	2,000	4,900
Hästhalla 3	Skara	Enercon	2012	2,000	100%	2,000	4,900
Hästhalla 4	Lidköping	Enercon	2012	2,000	100%	2,000	4,900
TOTAL				44,645		44,015	103,725

Blekinge Offshore



Location of the wind farm.



View from Karlshamn.



View from Vettekulla.

One of the largest offshore wind farms in both Europe and the world, Blekinge Offshore, has been planned off the coast of Blekinge in the Bay of Hanö. Fully developed, the farm's 500-700 wind turbines could replace the production loss that arose in Electricity Price Area 4 when both of the nuclear reactors at Barsebäck were phased out – nearly 8 TWh annually. With 56% of the shares, Eolus is a majority shareholder in Blekinge Offshore and other project partners include the wind power company VindIn, owned by the Swedish energy intensive industry.

The location of the farm, just outside Hanö, offers several benefits. Reliable average wind speeds, good opportunities for grid connection with the mainland at Karlshamn, a suitable water depth and few residents nearby. Due to the need for additional generating capacity to reduce the major difference between generation and consumption of electricity in the area, the location in Electricity Price Area 4 represents yet another advantage. Total investment in the project is estimated to be more than SEK 50 billion.

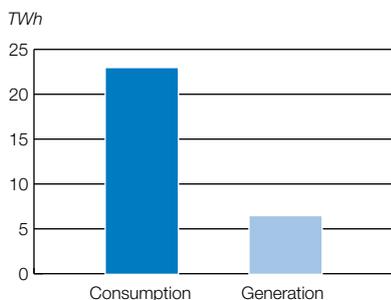
Blekinge Offshore has also agreed to establish an environmental and development fund with annual provisions from the farm's total income. The fund will support the environment, science and research as well as employment in Blekinge.

In November 2012, a main hearing commenced in the Swedish Land and Environment Court and the Court's opinion was handed down on February 7, 2013. With the finding that the first request to install 2,500 MW is permissible under the Swedish Environmental Code, the matter was referred to the Swedish Government for a final decision regarding admissibility. One of the few public players to oppose the project is the Swedish Armed Forces, which contested both the first request for 2,500 MW and the alternative request for 1,000 MW. In Svenska Kraftnät's development plan for the Swedish grid (Perspective Plan 2025), a possible installation of the wind farm has been considered.

ABOUT BLEKINGE OFFSHORE:

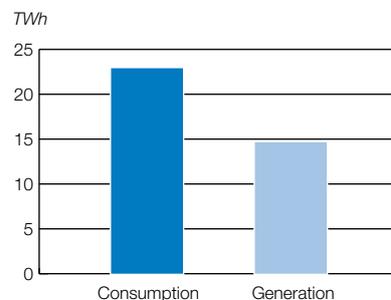
- Size: 500-700 wind turbines with a generating capacity of up to 8 TWh.
 - An environmental and development fund will be used to develop Blekinge.
 - Two requests, 2,500 MW or, alternatively, 1,000 MW.
 - Up to 2,000 new jobs.
 - Optimum location in Electricity Price Area 4.
 - Favorable opportunities for grid connection in Karlshamn.
 - Average wind speeds of about 8.5 m/s.
- Read more at www.blekingeoffshore.se.

CURRENT SITUATION



The gap between generation and demand in Electricity Price Area 4 is the highest in Sweden. There is a deficit of 16.5 TWh compared with consumption.

WITH BLEKINGE OFFSHORE



If Blekinge Offshore's planned wind farm in the Bight of Hanö is granted permission to commence the production of renewable electricity, half of the current deficit will disappear.

Contract with Munich Re

In July, Eolus secured the largest contract to date with an individual customer when 14 wind turbines (30 MW) with an estimated annual generation of about 80 GWh were transferred to Munich Re. The contract entailed that MEAG, on behalf of Munich Re, acquired the wind farms Hakarp in the Municipality of Ronneby, Kaptensberget in the Municipality of Hofors and Åsen in the Municipality of Sandviken. Hakarp comprises eight Vestas V90 2.0 MW turbines with a hub height of 105 meters. Kaptensberget and Åsen comprise a total of six Siemens SWT-101 2.3 MW turbines with hub heights of 99.5 meters, and are the first Siemens turbines installed by Eolus. Eolus has also been contracted to handle all operation and management of the three wind farms.

ABOUT MEAG:

MEAG manages the assets of Munich Re and ERGO. MEAG is represented in Europe, Asia and North America and also offers its extensive knowledge to institutional investors and private shareholders outside the Group. On September 30, 2013, assets managed by MEAG were valued at EUR 228 billion.

MEAG



The inauguration of Hakarp.

Lerkaka



In 2013, Eolus installed five Vestas V90 2.0 MW turbines with hub heights of 80 meters at Lerkaka in the Municipality of Borgholm. The estimated annual generation is 24 GWh. The farm commenced operation in July, ahead of schedule, due to a successful partnership with sub-contractors and Vestas.

The Lerkaka project was part of a business transaction secured by Eolus with Danish wind power company European Wind Investment A/S (EWI) on December 2012 concerning the acquisition of two projects with sites for a total of twelve wind turbines. The transaction entailed that EWII acquired both the Lerkaka project and the Stensåsa project in the Municipality of Vetlanda from Eolus and subsequently signed an agreement with Eolus regarding the construction of turnkey facilities.

The farm was inaugurated by Eolus and EWII in conjunction with the Harvest Festival on Öland on September 28, 2013.

ABOUT EWII:

European Wind Investment A/S is a Danish company that owns and manages wind power facilities in Denmark, Germany and Sweden. EWII is owned by TREFOR. The Lerkaka project was EWII's first investment in the Swedish market. Following the completion of Lerkaka, EWII owned 28 wind turbines.



The inauguration of Lerkaka.

Knuts Kulle

Knuts Kulle wind farm is situated in the Municipality of Gnosjö in Electricity Price Area 4 and comprises three Vestas V90 2.0 MW turbines with hub heights of 105 meters. The estimated annual generation is 18.3 GWh. The farm could probably be considered a classic Eolus project, in that the farm is divested in shares that are operated by a joint service company. The ownership group comprises a total of 22 entities, including private individuals, companies and an economic association, while one-eighth of a turbine is operated as a subdivided-share turbine.

Knuts Kulle commenced operation in July 2013 and was inaugurated on September 14, 2013.



The inauguration of Knuts Kulle.



International Operations



Øyfjellet, view from Digermulaksla, Norway.



Øyfjellet, view from Stortuva, Norway.



Øyfjellet, view from Holandsvika, Norway.

Eolus operates with subsidiaries in the Baltic countries and Norway, as well as in the Swedish market. Looking toward neighboring countries has been a natural process for Eolus. As the Swedish market matures, looking toward markets in nearby countries that are far less mature but offer major potential for wind power development is considered wise from a business perspective.

In the case of Norway, where Eolus established operations in spring 2012, this has also been a natural process due to the joint electricity market and the joint market for electricity certificates that was launched at the end of 2011. In the Baltic countries, the reason for developing the domestic electricity generation from such sources as wind power is geopolitical – to reduce dependency on Russia, which has used energy supply as a political lever on a number of occasions. On August 31, 2013, the international portfolio contained sites for slightly more than 470 wind turbines, with a potential capacity of about 1,220 MW. Most of the projects in the international portfolio are currently in the feasibility or engineering phases. During the 2012/2013 fiscal year, several strategic agreements regarding studies to identify suitable locations for wind power were signed with large property owners such as Statskog in Norway and Bergvik Skog in Latvia.

ESTONIA

Eolus's first foreign installation was made in Estonia through the start-up of OÜ Baltic Wind Energy. This led to the construction of two wind turbines, each with a capacity of 800 kW, on the island of Ösel in 2007. Eolus owns land on the island of Ösel, in contrast to normal practice in the company's other operations. On the land owned by Eolus, comprising some 586 hectares, and on properties not owned by the company, projects with sites for about 50 wind turbines, with a total capacity of 140 MW, are under development. Eolus's operations in Estonia are mainly self-financed through management of the company's land-holdings and the two wind turbines used by the company for electricity generation. Estonia has the highest installed wind power capacity in the Baltic region, which was 269 MW at the end of 2012.

LATVIA

SIA Eolus conducts the Groups operations in Latvia, which has areas with ideal wind potential along the Baltic Sea coastline and in the country's centrally located flat terrain. In 2012, Latvia's installed capacity was 68 MW, which demonstrates strong potential for Eolus. At the end of the 2012/2013 fiscal year, a feasibility study was conducted for about 170 wind turbines with a capacity of 430 MW. In 2013, Eolus signed an agreement with Bergvik Skog for exclusive rights to assess their landholdings in Latvia, comprising some 100,000 hectares, to identify suitable sites for profitable wind power projects. On sites considered suitable, Eolus has a subsequent option to sign agreements for wind power development. The Latvian operations also include overseeing the potential for taking over ongoing projects in Lithuania.

NORWAY

Most of the international portfolio is located in Norway. On the balance sheet date of August 31, sites for 150 wind turbines with a total capacity of about 450 MW were in the engineering phase. The largest project in this context is Øyfjellet, which is located outside the town of Mosjøen in the Municipality of Vefsn in Nordland County. Øyfjellet was Eolus's first project in Norway, following the establishment of the Eolus Vind Norge A/S subsidiary in spring 2012. The project has potential for 80-110 wind turbines with a capacity of up to 300-330 MW. At the end of 2012, the installed capacity in Norway was no more than 703 MW. Øyfjellet enjoys major public acceptance and the response from relevant Norwegian authorities has been positive. Sites for about 100 wind turbines with a total capacity of 200 MW are currently in the feasibility phase. In 2013, Eolus signed an agreement with Norway's largest property owner, Statskog, concerning an assessment of possibilities for Eolus to install wind power facilities on selected properties. Statskog owns some 20% of all land in Norway, which provides considerable opportunities for wind power development in the future.

CUMULATIVE INSTALLED WIND POWER CAPACITY

MW	Installed 2012	Total installed capacity
Estonia	86	269
Latvia	21	68
Norway	166	703

Source: EWEA



Latvia.



Õsel, Estonia.

Board of directors



HANS-GÖRAN STENNERT, CHAIRMAN

Born 1954. Elected 2008. Holds a Master of Business Administration degree and has extensive experience from positions and assignments in the IKEA Group, including Board member of INGKA Holding BV, which was the IKEA Group's holding company between 1993-2007. Has been Chairman of the Board for the past nine years.

Other assignments:

Företagsfabriken i Kronoberg AB (Chairman of the Board)

Shareholding in Eolus:

320,000 Class A shares, 594,984 Class B shares



JAN BENGTSSON, BOARD MEMBER

Born 1954. Elected 2013. Jan holds a Master of Business Administration degree and has been CEO of Almi Invest since 2008. His previous experience includes CFO positions at Teligent AB, Spring Mobile AB, BrainHeart Capital and AU-system AB.

Stockholm AB (Board member), Almi Invest Norra Mellansverige AB (Chairman), Almi Invest Småland and Öarna AB (Board member), Almi Invest AB (Board member) Edoc AB (Board member) and Styrelseakademin Stockholm (Board member).

Other assignments:

SamInvest Mitt AB (Board member), Partnerinvest Övre Norrland AB (Board member), Almi Invest

Shareholding in Eolus:

None



FREDRIK DAVEBY, BOARD MEMBER

Born 1962. Elected 2009. CEO of Länsförsäkring Kronoberg since 2002. Previous experience from positions at Södra, the Swedish Government Offices and LRF.

Shareholding in Eolus:

10,000 Class B shares

Other assignments:

Hjalmar Petri Holding AB with subsidiaries (Chairman), Länsförsäkringar AB (publ) (Board member) and Länsgården AB (Chairman and CEO).

OTHER DISCLOSURES REGARDING THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The assignments of Board members and senior executives described above pertain to assignments outside the Eolus Group. Reported shareholdings comprise both direct, indirect and related parties' shareholdings in accordance with the shareholder register maintained by Euroclear on October 31,

2013 and thereafter with any changes known by the company. Members of the Board were elected at the Annual General Meeting on January 26, 2013 for the period until the 2014 Annual General Meeting. No separate agreements with major shareholders, customers, suppliers or other parties exist under which Board members or senior executives have been elected or appointed. No agreements exist with the company or any of its

subsidiaries concerning benefits after the completion of each assignment. There are no close family ties between the company's Board members and senior executives. Nor do any conflicts of interest exist, whereby the private interests of Board members and senior executives could conflict with those of the company. All Board members and senior executives can be reached by contacting the company's head office.



NICLAS ERIKSSON, BOARD MEMBER

Born 1964. Elected 2013. Niclas holds a Master of Science in Business and Economics degree and has operated his own investment business since 1992. His previous experience includes positions with brokerage firm Consensus and financial company Capinova. He was previously a Board member of the listed company, Net Entertainment.

Other assignments:

Oakleys Restaurant AB (Board member), Vasastaden Holding AB (Board member), Kungstadens Fastighet AB (Chairman), Fastighets AB Åleviken (Board member), Fastighets AB Jägarmästaren-

fast 11 (Chairman), Vassholmen Aktiebolag (Board member), Lekebergshallen i Fjugesta AB (Chairman), Vasastaden Asset Management AB (Board member), TandblekningNU i Göteborg AB (deputy Board member), Timber Drying Specialists Sweden AB (Board member), Extendere Trading & Services AB (deputy Board member), Butiksfastigheter i Ljusdal AB (Chairman), Vasastaden Equities AB (Board member), Agrokultura AB (publ) (Board member) and Isogenica Ltd UK (Board member).

Shareholding in Eolus:

900,000 Class B shares



SIGRUN HJELMQVIST, BOARD MEMBER

Born 1956. Elected 2011. Executive Partner, Facesso AB. Master of Science in Engineering and Licentiate of Engineering in Applied Physics degrees from the Royal Swedish Institute of Technology. Active in the Ericsson Group between 1979-2000, most recently as CEO of Ericsson Components AB. Investment Manager at Brain-Heart Capital between 2000-2005.

Other assignments:

Addnode Group AB (publ) (Chairman of the Board), Almi Invest Stockholm AB (Chairman of the Board), Almi Invest Östra Mellansverige AB (Chairman of the Board), Bluetest AB (Board member), Ragn Sellsföretagen AB (Board member), Silex Microsystems AB (Board member) and the Technical University of Denmark (DTU) (Board member).

Shareholding in Eolus: 1,000 Class B shares



TORD JOHANSSON, BOARD MEMBER

Born 1955. Elected 2012. Tord is the Executive Director of ITAB Shop Concept AB, XANO Industri AB and Kieryd Gård AB.

Other assignments:

Ravingatans Fastighets Aktiebolag (Chairman of the Board), Blue Wall Construction AB (Board

member), Exergon Skandinaviska Aktiebolag (deputy Board member), Förvaltnings AB Ulf Gustafsson i Vetlanda (Board member), ITAB Scanflow AB (Board member), Prolight Försäljning AB (Board member) and Övre Kullen AB (Board member).

Shareholding in Eolus:

385,889 Class B shares



BENGT SIMMINGSKÖLD, BOARD MEMBER

Born 1945. Elected 1990. Holds Master of Business Administration and Master of Science in Engineering degrees and has been involved in wind power since the mid-1970s through the construction of his own wind turbine and as a wind power advisor for the National Board for Industrial and Technical Development (NUTEK). Bengt was CEO of Eolus Vind AB from when the company was founded in 1990 until October 2010.

Other assignments:

Fjärrvärme i Osby AB (deputy Board member), Istad Wind Power Management AB (deputy Board member), Kråge Vind AB (Board member) and Sikor AB (Board member and owner).

Shareholding in Eolus:

79,225 Class A shares, 199,195 Class B shares

Group Management

**HANS-CHRISTIAN SCHULZE,
Deputy CEO and Sales Director**

Born 1982. Employed since 2011, when Eolus acquired Svenska Vindbolaget AB. Hans-Christian Schulze founded Svenska Vindbolaget in 2008 and was CEO of the company. Hans-Christian is an electrical power engineer and has previously worked at Carl Bro, Vattenfall and Grontmij. Has been Deputy CEO since August 2012.

Other assignments:

IOWN AB
(Board member)

Shareholding in Eolus:

501,836 Class B shares.



CATHARINA PERSSON, CFO

Born 1975. Employed since October 2013. Catharina Persson holds a Master of Business Administration degree and her most recent position was CFO at the listed company ACAP Invest AB.

Other assignments:

None

Shareholding in Eolus:

None

PER WITALISSON, CEO

Born 1971. Employed since 2006 and CEO since August 2012. Per Witalisson holds a Master of Business Administration degree and was previously an auditor at Ernst & Young between 1996-2006, where he was also an authorized public accountant between 2003-2006.

Other assignments: Dalboslättens Vind AB (Board member), Eslövs Vind AB (Board member), Gärdslösa Drift AB (Board member), Isgrannatorp Drift AB (Board member) and Istad Wind Power Management AB (Board member)

Shareholding in Eolus: 50,975 Class B shares

KARL OLSSON, General Counsel

Born 1963. Employed since 2011. Karl Olsson has been employed as a lawyer at Setterwalls and Linklaters legal firms, and as a company lawyer in Vattenfall AB's Group staff unit.

He has also been an employee and member of the management team at Awapatent AB and prior to joining Eolus, conducted his own business Terrier Law AB.

Other assignments: Skogskovall AB (Board member) as well as Terrier Law AB (Board member)

Shareholding in Eolus: 752 Class B shares

Director's report

The Board of Directors and CEO of Eolus Vind AB, Corp. Reg. No. 556389-3956, hereby submit the Annual Report and Consolidated Financial Statements for the September 1, 2012 - August 31, 2013 fiscal year.

All amounts are in thousands of Swedish kronor (KSEK), unless specified otherwise. Figures in parentheses pertain to the preceding year.



Information about business operations

Eolus aims to create added value in all stages of project development and wind power operation, and to offer attractive and competitive investment objects in Nordic and Baltic countries to both local and international investors. The Group comprises the Parent Company, Eolus Vind AB (publ), and the subsidiaries Ekovind AB, Svenska Vindbolaget AB, Blekinge Offshore AB, Eolus Einät AB, SIA Eolus, Eolus Vind Norge A/S as well as the sub-subsidiary, OÜ Baltic Wind Energy. In addition to the above companies, several other companies formed to develop specific wind power projects are also included, see Parent Company, Note 11.

Eolus Vind's main concept is to develop and construct wind power facilities in areas with ideal wind potential. Projects are mainly realized through sales of turnkey operational facilities. The business model also allows parts of the project portfolio to be realized through sales of project rights, meaning projects with the relevant permits under the Environmental Code, and projects under development. Eolus also uses its own wind power facilities to generate electricity. Holdings of operational facilities constitute stocks or non-current assets, of which individual facilities are always for sale.

WIND POWER DEVELOPMENT

Since the company was first founded in 1990, Eolus has developed extensive expertise in the installation of wind power facilities. On the balance sheet date, Eolus had participated in the installation of 417 wind turbines with a total capacity of 613 MW. Projects comprise three phases: pre-study, project development and construction. Following approved commissioning, the installation phase is concluded by either divesting the wind power facility to a customer or transferring it to the Group's electricity generation operations. Profit recognition takes place when commissioning of the facility has been approved. Since there are relatively few objects in the installation phase at any one time, sales and earnings may vary considerably from quarter to quarter. The construction phase are mainly financed by equity and advance payments from customers.

INTERNATIONAL DEVELOPMENT

On the balance sheet date, the international portfolio included sites for slightly more than 470 wind turbines with a potential capacity of about 1,220 MW. International projects are currently in the feasibility and engineering phases.

Estonia

Through the sub-subsidiary OÜ Baltic Wind Energy, Eolus conducts operations including project development on its own land, comprising 586 hectares with ideal wind potential on the island of Ösel. Project development of about 50 wind turbines, corresponding to 140 MW, is currently taking place on properties owned by Eolus as well as other parties. At present, the Estonian operations are mainly self-financed through management of the company's land as well as the two wind turbines previously installed by the company on the island of Ösel.

Latvia

The western parts of Latvia, along the coast of the Baltic Sea, has areas with ideal wind potential. Areas with good wind resources are located in the wide, flat terrain toward the center of the country. Eolus is conducting feasibility studies for about 170 wind turbines, with a planned capacity of about 430 MW, through its subsidiary SIA Eolus. The Latvian office is also conducting evaluations of ongoing projects in Lithuania.

Norway

Eolus Vind A/S was established outside Trondheim in the preceding fiscal year. The Norwegian venture comprises acquisitions of projects at an advanced stage, as well as proprietary project development. Projects with sites for about 150 wind turbines and capacity totaling 450 MW are currently in the engineering phase, of which the largest is the Øyfjellet Project, outside the town of Mosjøen in central Norway. If the relevant permits are granted, it should be possible to install an estimated 80-110 wind turbines with a capacity of 300-330 MW on the project site. Projects with sites for about 100 wind turbines with a capacity of 200 MW are currently in the pre-study phase.

ELECTRICITY GENERATION

The Group owns wind power facilities for generation of electricity. Income is derived from sales of electric power and from sales of the electricity certificates awarded to renewable electricity producers. On the balance sheet date of August 31, 2013, the Group owned, fully or partly, 43 wind turbines with a total capacity of 63 MW. The Eolus Group's proportion of electricity generated by these turbines was estimated to be 154 GWh. On the balance sheet date, the Parent Company owned, fully or partly, 16 (20) wind turbines with a capacity of 23 (30) MW. The Parent Company's proportion of the electricity generated by these turbines was estimated at about 60 (79) GWh.

CONSULTANCY OPERATIONS

Over the years, the company has developed extensive expertise in almost all areas related to the construction and operation of wind turbines. Eolus can therefore draw upon its own staff to provide technical and management consultancy services for owners of wind farms. During the fiscal year, Eolus launched complete operation and management services for owners of wind farms, providing security for investors and better opportunities for maximizing production. The asset management package includes such services as financial administration, purchasing insurance, overseeing compliance with applicable permits, operational monitoring, service agreement management and workplace health and safety. Eolus also offers some of these operation and management services separately, upon customer request. In addition to operation and management of existing facilities, Eolus performs consultancy services in the project development and construction phases. These consultancy services include procurement, project management, wind resource assessments, noise impact assessments and environmental impact assessments. In the segment reporting, income and expenses from the consultancy operations are included in the development segment.

EARNINGS AND FINANCIAL POSITION

	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
	IFRS	IFRS	BFN	BFN	BFN
Overview Group					
Net sales	1,204,945	1,887,924	1,628,966	1,408,812	730,969
Operating profit	146,720	81,239	211,282	143,088	65,127
Profit after financial items	135,316	41,885	205,636	130,207	70,967
Return on capital employed, %	20	7	22	21	18
Return on equity after tax, %	16	4	21	20	15
Total assets	1,562,811	1,954,578	1,431,568	1,396,336	743,522
Equity/assets ratio, %	62	43	59	44	48
Average number of employees	40	58	43	38	30

The 2012/2013 fiscal year is the first fiscal year to which Eolus has applied International Financial Reporting Standards (IFRS). The 2011/2012 fiscal year has been restated according to the same standards.

The Group's information pertaining to 2010/2011 has been restated following changes in accounting policy pertaining to unrealized changes in value of financial instruments outstanding.

	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
	RFR2	RFR2	BFN	BFN	BFN
Overview Parent Company					
Net sales	1,079,202	2,020,911	1,628,774	1,584,010	742,108
Profit after financial items	28,913	115,850	177,160	128,596	69,475
Total assets	1,210,398	1,403,900	1,142,211	1,177,694	657,645
Equity/assets ratio, %	60	59	66	46	50
Average number of employees	37	57	42	37	28

DEFINITIONS OF KEY FINANCIAL FIGURES

Return on equity after tax

Net profit expressed as a percentage of average equity

Equity/assets ratio

Equity expressed as a percentage of total assets

Return on capital employed

Profit after financial items plus interest expenses expressed as a percentage of average capital employed

Capital employed

Total assets minus non-interest-bearing liabilities

The Group's sales and earnings

Net sales for the Group amounted to SEK 1,204.9 M (1,887.9). Operating profit (EBIT) amounted to SEK 146.7 M (81.2) and profit before tax was SEK 135.3 M (41.9). Depreciation/amortization and impairment of property, plant and equipment and intangible assets amounted to SEK 54.2 M (33.6). Net profit for the period totaled SEK 141.6 M (28.3). Carrying amounts for wind turbines during the year were impaired by SEK 19.7 M to adjust to the changed price levels in the market. SEK 15.1 M pertains to the impairment of non-current assets and SEK 4.6 M to the impairment of inventories.

Liquidity

On August 31, 2013, the Group's cash and cash equivalents including current investments amounted to SEK 383.3 M (42.7). In addition to cash and cash equivalents, secured credit lines for overdraft facilities and bank guarantees totaled SEK 195.0 M. At the end of the fiscal year, unutilized credit margins amounted to SEK 195.0 M. On the corresponding date in the preceding year, overdraft facilities totaled SEK 151.0 M and SEK 89.1 M was undrawn. Interest-bearing liabilities amounted to SEK 271.6 M (481.1). Net debt amounted to SEK n/a M (438.4), resulting in a net debt/equity ratio of n/a (0.5) times. The Group's equity amounted to SEK 960.8 M (844.8) and the equity/assets ratio was 61.6% (43.2).

Investments and cash flow

Investments amounted to SEK 7.5 M (241.6) and divestments were SEK 131.7 M (12.6). Divestments mainly comprised sales of operating wind power facilities.

The Group's cash flow from operating activities before changes in working capital amounted to SEK 97.1 M (126.2) and cash flow from financing activities amounted to SEK 124.1 M (neg: 229.0). Cash flow for the period was SEK 340.6 M (neg: 161.5).

Significant events during the fiscal year

During the fiscal year, 30 (81) wind turbines with a total capacity of 62.1 MW (155.3) were installed and completed. Income from development and sales of turnkey wind power facilities and projects amounted to SEK 1,086.1 M (1,827.0).

During the fiscal year, the Group's total generating capacity declined 17.0 MW. Generating capacity from turbines recognized as non-current assets declined 9.4 MW due to sales of six turbines in operation. Wind turbines recognized as inventories declined 7.6 MW during the fiscal year. At the end of the period, the Group's generating capacity was 62.7 MW with an estimated annual generation of 154 GWh. Electricity generated by the Group's wind turbines amounted to 220.9 GWh (111.2), with an average income of SEK 0.54/kWh (0.57). In comparable facilities, generation was lower than the year-earlier period in 2011/2012.

In September, Eolus divested the construction-ready Mullberg Project in the Municipality of Berg, with a capacity of 80 MW, to Skanska and Jämtkraft. The transaction confirms that Eolus can also develop and supply the market with high-quality, large-scale projects.

During the first quarter, Eolus passed the 400-installation mark when the Hakarp wind farm, in the Municipality of Ronneby, was completed. This also meant that the target of installing 200 wind turbines within a period of three years had been achieved.

In December, Eolus divested wind power projects in Lerkaka, in the Municipality of Borgholm, and in Stensåsa, in the Municipality of Vetlanda, to the Danish wind power company, European Wind Investment A/S (EWI). During spring, five turbines with a total capacity of 10 MW were installed at Lerkaka and handed over to the customer. The remaining seven turbines were installed and handed over, according to schedule, in November 2013.

On February 7, the Land and Environment Court ruled in favor of the environmental permit application submitted by Blekinge Offshore to install an offshore wind farm, with a capacity of up to 2,500 MW, in the bay of Hanö. The matter was also submitted to the Government for final approval. In its statement, the Court ruled the activities admissible under the Swedish Environmental Code.

In May, Eolus signed a contract to transfer 14 operational wind turbines (30 MW), with an expected annual generation of 80 GWh, to Munich Re. This is Eolus's largest-ever contract with an individual customer and comprises the wind farms in Hakarp (Ronneby), Kaptensberget (Hofors) and Åsen (Sandviken). Under the contract, Eolus is also responsible for operation and management of the wind farms.

At the Annual General Meeting in Hässleholm on January 26, 2013, two new Board members were elected – Jan Bengtsson and Niclas Eriksson. In conjunction with the Annual General Meeting, Eolus arranged a wind power seminar on the theme "Green and profitable energy" which attracted some 300 participants.

On June 19, the Government decided to overrule an appeal by the Swedish Armed Forces concerning building permits for seven wind turbines in the Municipality of Mellerud, which had been constructed by Eolus in 2010.

Environmental impact

Through its wind power holdings, the Parent Company and the Ekovind subsidiary conduct activities that are licensable or subject to notification requirements under the Swedish Environmental Code. The company and the Group hold the relevant environmental permits. When the duty to notify applies, notification is a prerequisite for granting a building permit under the Environmental Code. Wind power is a clean and renewable source of energy with very little environmental impact throughout the turbine's lifespan. During operation, the negative environmental effects are mainly noise and shadow casting.

Employees

The average number of employees during the year was 40 (58), of whom 12 were women, corresponding to 30%. For information regarding distribution of the number of employees and salaries paid, other remuneration, social security expenses pertaining to the Board of Directors and the CEO, as well as remuneration of senior executives, please refer to Notes 8 and 9.

Significant risks and uncertainties

Significant risks

A number of risk factors considered significant for the future development of Eolus Vind are outlined below. The following risks are not ranked in order of priority and do not claim to be comprehensive.

Operational and market-related risks

DEPENDENCE ON REGULATIONS, LEGISLATION AND POLICIES

The installation of wind power facilities is covered by various regulations. Up until August 1, 2009, a building permit or approved detailed development plan was always required, as well as either an environmental permit under the Swedish Environmental Code or an approved environmental application under the Swedish Planning and Building Act. The law was amended on August 1, 2009 and building permits or detailed development plans are no longer required for facilities that are granted environmental permits according to certain conditions under the Swedish Environmental Code. The amendment aimed to reduce opportunities for appealing a project in relation to determination under both the Planning and Building Act and the Environmental Code. Environmental permits granted after August 1, 2009 require active authorization by the relevant municipality that the application has been approved. In practice, this means that municipalities have retained their right of veto. Both building permits and environmental permits can be appealed, which can cause delays or make projects impossible to implement. Under the Planning and Building Act, municipalities in Sweden exercise a planning monopoly. Project implementation is therefore dependent on the willingness of each individual municipality to contribute to a sustainable energy supply. Political will can change rapidly due to changing opinion, the distribution of seats in building and planning committees, and so forth.

Without consideration for the socio-economic environmental costs, it is currently cheaper to generate electricity from such sources as oil or coal. Wind power is therefore dependent on subsidies that make it profitable to generate electricity in an environmentally sustainable manner. In 2008, the EU adopted the Renewable Energy Directive, through which Sweden has agreed that at least 49% of its energy consumption will be derived from renewable energy sources by 2020. Through its energy and climate change agreement, the Swedish Government has raised this target by an additional percentage point. The Swedish Electricity Certificate System will continue to apply until 2035. The Riksdag has adopted a national planning framework for wind power, entailing annual electricity generation of 30 TWh by 2020. In 2012, electricity generated from wind power amounted to 7.2 TWh. Swedish Wind Energy's forecast for 2013 is 8.8 TWh. On January 1, 2012 a joint Swedish-Norwegian market for electricity certificates was launched with the objective to increase the amount of electricity generated from renewable sources by 26.4 TWh between 2012 and 2020.

Although conditions for the wind power industry have become clearer in recent years, there is no guarantee that future Swedish parliaments will not make other decisions, entailing weaker terms for wind power in Sweden, which could affect the company's operations and financial position. The division of Sweden into four electricity price areas means that the compensation for generated electricity varies depending on the supply and demand situation in the actual area. Within a few years, these variations are expected to decrease as restraints on the transmission capacity between the areas are developed.

The Swedish Armed Forces narrow-minded introduction of "stop zones" around ten military airports as well as other military establishments will have an adverse impact on the future development of wind power in Sweden. Particularly in Electricity Price Areas 3 and 4 where the need for new electricity generation is greatest.

DEPENDENCE ON AGREEMENTS

The company has not entered into any operational or financial agreements with terms considered uncommon for the industry. When installing wind power facilities, the company's activities include signing agreements with manufacturers for wind turbine deliveries. Advance payments to suppliers can add up to considerable amounts. Since the size of the company's wind power projects has increased in recent years, while the number of manufacturers in the market is limited and delivery times are relatively long, the inability of a particular supplier to fulfill agreements could have a significantly adverse effect on the company's financial position.

DEPENDENCE ON STRATEGIC PARTNERS

Eolus installs wind power facilities from world-class manufacturers using the highest possible technical and overall economic efficiency. The wind power industry is undergoing rapid growth and the number of manufacturers that want to establish a market presence has increased in recent years. This competition among manufacturers has led to better terms and reduced dependence on individual suppliers. Although new manufacturers are becoming established in markets where Eolus operates, it may take time for them to establish construction and service organizations.

DEPENDENCE ON KEY INDIVIDUALS AND EMPLOYEES

Eolus is a knowledge company with a small organization, where dependence on the knowledge, experience and creativity of individual employees is high. The loss of key individuals could have significantly adverse effects on the company in the short term.

EARNING CAPACITY

The investment cost per generated kWh in a wind turbine varies greatly, due to wind resources at the actual location. Establishing wind farms on appropriate sites with accurate generation assessments are therefore crucial to the company's earning capacity. Wind resources can vary from year to year for each individual facility. Generation can vary +/- 15%, compared with a normal wind year. The market price for electricity will vary over time. The price trend for electricity certificates is dependent on how rapidly renewable electricity generation is expanded in relation to the quota obligation that applies for consumers in regard to purchasing electricity certificates. Through a partnership with Axpo Sverige AB, a leading player on the Nord Pool Spot electricity exchange, Eolus acquires risk management support for selling electricity. The partnership aims to secure future income from electricity generation, achieve long-term profitability, minimize the risk that market volatility will have a negative impact on Eolus's earnings, generate positive results from price hedging and manage the need for load balancing in a cost-efficient manner. Eolus hedges a predetermined portion of the generation volume, which means that volume and profile risk is eliminated. The main costs for wind turbine management are interest expenses, depreciation, leases, costs for service and maintenance and insurance expenses. Rising market interest rates have a negative impact on the earnings trend. Investment decisions are usually based on an estimated economic life of 20 years. If the actual life fell short of the estimated life, this would have a negative impact on profitability. With such a long time horizon, there is an additional risk of future costs for service and maintenance differing from the cost basis of the investment decision.

COMPETITION

Since development of the wind power industry has accelerated sharply in recent years, the number of actors on the market has risen significantly. Under current conditions, this has increased the supply of projects and turnkey facilities in the market. In the project development phase, Eolus competes with individual consultants, major utilities and international wind power developers. In regard to sales of electricity, wind power-based electricity competes with all other types of electricity generation since all electricity is traded on a joint market. The Electricity Certificate System is technology-neutral which favors generation of the most cost-efficient renewable electricity.

Financial risks

CAPITAL REQUIREMENTS AND FINANCING ABILITY

Since development of the wind power industry has accelerated sharply in recent years, the number of actors on the market has risen significantly. Under current conditions, this has increased the supply of projects and turnkey facilities in the market. In the project development phase, Eolus competes with individual consultants, major utilities and international wind power developers. In regard to sales of electricity, wind power-based electricity competes with all other types of electricity generation since all electricity is traded on a joint market. The Electricity Certificate System is technology-neutral which favors generation of the most cost-efficient generation of renewable electricity.

The agreement comprises a one-year contract with a limit of SEK 195 M for bank overdraft facilities and bank guarantees, and a two-year contract with a limit of SEK 135 M for financing stocks of operational wind power facilities. The one-year contract expired on October 31, 2013 and is currently being renegotiated. The Board adopted a financing policy entailing that the equity/assets ratio in electricity generation operations is not to fall below 30%.

EXCHANGE-RATE CHANGES

A major portion of Eolus's wind turbine payments are made in EUR. Exchange-rate fluctuations against the SEK can thus affect the profitability of wind turbine installations. This is offset by either currency futures or sales in EUR. The Board has adopted a currency policy entailing that at least 75% of the estimated net flow over a 12-month period is to be hedged. On the balance sheet date, the company's outstanding currency derivatives amounted to EUR 26.0 M. These had a positive market value of SEK 4.0 M.

INTEREST-RATE RISK

The electricity generation operations are largely financed by bank loans. Changes in market interest rates may therefore affect future earnings and profitability. The Board has adopted a policy for interest-rate hedging. Under this policy, the average fixed-interest term in the electricity generation operations is not to be less than 2.5 years. At the end of the 2012/2013 fiscal year, 96% of the Group's liabilities to credit institutions were covered by interest-rate hedging instruments. On the balance sheet date, these had a negative market value of SEK 14.1 M.

Significant events after the end of the fiscal year

After the balance sheet date, nine turbines with a capacity of 17.6 MW were put into operation.

In November, seven turbines with a total capacity of 14 MW were completed at Stensåsa and handed over to the Danish wind power company European Wind Investment (EWI) as part of the agreement signed in December 2012.

In November, Eolus signed an agreement with the Municipality of Värmdö regarding the sale of a turnkey wind turbine at Nötåsen wind farm that will be installed during 2014. A public procurement process was held prior to the transaction and Eolus's tender was considered most favorable.

In December, Eolus sold 1.25 wind turbines in Rockneby wind farm in the Municipality of Kalmar to Blekinge County Council.

In December, Eolus signed an agreement with Vestas for the delivery of 29 wind turbines with a capacity of 59 MW to the Skalleberg farm in the Municipality of Hjo, Mungseröd farm in the Municipality of Tanum, Ramsnäs farm in the Municipality of Laxå and Alered farm in the Municipality of Falkenberg.

Outlook

Both the Board of Directors and executive management consider the development of the company's core operations to be positive. The major need for renewable electricity in the form of wind power will continue in all of the company's markets in coming years. Eolus has a high-quality project portfolio that will continue to generate a large number of realizable permits over the next few years. Good access to projects that are also realizable under present conditions will be a key factor in high profitability when pricing levels on the volatile electricity market rise. During the fiscal year, Eolus launched a concept for successful ownership of wind power facilities including total operation and management services. This offering has big potential, since wind-power owners have a major need for professional management of their facilities.

Corporate governance

Eolus Vind AB (publ) is a Swedish public limited liability company and the company's Class B shares are traded on the unofficial marketplace, NASDAQ OMX First North. The company is required to observe the corporate governance provisions of the Articles of Association and the Swedish Companies Act. The Board of Directors of Eolus has thereby established rules of procedure for its work, instructions regarding the division of responsibilities between the Board of Directors and CEO, describing their duties and reporting obligations and established instructions for financial reporting. The rules of procedure are reviewed annually. The Swedish Code of Corporate Governance (The Code) is not mandatory for Eolus at present. However, the company follows the development of corporate governance issues and the Code carefully, and applies best practices. During the 2012/2013 fiscal year, the company did not breach any of the regulations issued by the stock market on which the company's shares are traded, or any fair dealing practices.

Shareholders

On August 31, 2013, Eolus had 2,916 shareholders according to the register maintained by Euroclear Sweden AB. Shareholders with a direct and indirect shareholding who represent more than 10% of the votes are Bengt Johansson and Hans-Göran Stennert. The largest shareholders of Eolus shares are presented on page 12. The number of shares held by individuals with an insider position are presented on the company's website: www.eolusvind.com.

Shares

On August 31, 2013, the share capital in Eolus Vind AB amounted to SEK 24,907,000, distributed between 1,285,625 Class A shares and 23,621,375 Class B shares. Class A shares carry one voting right, while Class B shares correspond to one-tenth (1/10) of a voting right. All shares carry equal rights to the company's assets, profit and dividends.

Dividend policy

The Board of Directors has adopted a dividend policy entailing that dividends issued by Eolus in the long term will be determined by the company's earnings and correspond to 20-50% of profit after tax. However, dividends will be adapted to the company's investment requirements and financial position.

Annual General Meeting

The company's supreme decision-making body is the Annual General Meeting. Notice convening the Annual General Meeting or an Extraordinary General Meeting where matters such as changes to the company's Articles of Association will be dealt with, must be issued not earlier than six weeks and not later than four weeks prior to the meeting. All shareholders who are registered in the shareholder register and have notified their intention to attend in time, are entitled to participate and vote at the meeting. There are no restrictions on how many votes each shareholder may cast. Those shareholders who cannot attend may be represented by a proxy. The Annual General Meeting was held in Hässleholm on January 26, 2013. In conjunction with the Annual General Meeting, Eolus arranged a wind power seminar that attracted some 300 participants. The next Annual General Meeting will be held in Hässleholm on January 25, 2014.

Nomination Committee

The Nomination Committee for the 2014 Annual General Meeting has been appointed in accordance with a resolution adopted at the 2013 Annual General Meeting. As announced on July 24, 2013, the Nomination Committee comprises Anders Dahlvig (Chairman), Hans-Göran Stennert (Board Chairman), Johan Unger and Hans Johansson. The Nomination Committee's task ahead of the 2014 Annual General Meeting is to present proposals concerning the number of Board members to be elected by the AGM, Board members' fees, the composition of the Board, the Chairman of the Board, the Chairman of the AGM, as well as auditors and auditors' fees.

The Board and senior executives

At the AGM, Board members Fredrik Daveby, Sigrun Hjelmqvist, Tord Johansson, Bengt Simmingsköld and Hans-Göran Stennert were re-elected and two new members, Jan Bengtsson and Niclas Eriksson, were elected. Following the Annual General Meeting, the Board of Directors for Eolus thus comprised seven regular members. Hans-Göran Stennert was re-elected as Chairman of the Board.

Senior executives during the fiscal year were the CEO, Per Witalisson, Deputy CEO, Hans-Christian Schulze, and General counsel, Karl Olsson. On October 1, 2013, CFO Catharina Persson also became a member of Group Management.

During the 2012/2013 fiscal year, the Board of Directors for Eolus held 11 minuted meetings. The company's CEO and Deputy CEO participated in the Board's meetings as rapporteurs. The General counsel participated as secretary.

Committees

The Board of Directors has reviewed the matter of whether separate committees should be established for auditing and remuneration matters. The Board has determined that these issues are of such importance that they should be prepared and resolved by the Board in its entirety and that this should take place without any inconvenience. The entire Board will therefore prepare matters including quality assurance of the company's financial reporting, risk monitoring and internal control and prepare proposals for the AGM regarding remuneration and fees to senior executives and auditors.

Remuneration and fees

REMUNERATION OF THE BOARD

The Annual General Meeting on January 26, 2013 resolved that the remuneration of non-executive Board members comprise a fixed fee of SEK 250,000 for the Chairman of the Board and SEK 125,000 each for other Board members. For the 2012/2013 fiscal year, remuneration of the Board totaled SEK 1,000,000, according to the policy described above.

REMUNERATION OF SENIOR EXECUTIVES

Remuneration of the CEO is determined by the Board. Remuneration of other senior executives is determined by the CEO in consultation with the Chairman of the Board. The company's pension obligations are covered in all cases by continuous insurance premiums. During the 2012/2013 fiscal year, salaries paid to the CEO, Per Witalisson, totaled SEK 947,000 and pension premiums totaled SEK 182,000. Salaries paid to the Deputy CEO, Hans-Christian Schulze, totaled SEK 810,000, and pension premiums totaled SEK 111,000. In addition to the CEO and Deputy CEO, Group Management also comprised the General Counsel Karl Olsson during the fiscal year. Total salaries paid to Group Management during the fiscal year amounted to SEK 2,681,000, and pension premiums to SEK 457,000.

Auditors

The Annual General Meeting on January 26, 2013 resolved to elect public accounting firm Ernst & Young AB for a mandate period of one year, with Authorized Public Accountant Håkan Persson as Auditor in Charge and Authorized Public Accountant Johan Thuresson as co-auditor. The address of the company's auditors is Ernst & Young AB, Oxtorget, SE-343 24 Älmhult, Sweden. Fees to auditors are paid according to agreement. During the 2012/2013 fiscal year, fees paid to auditors amounted to SEK 987,000, of which SEK 647,000 pertained to auditing and SEK 340,000 to other assignments.

Proposed distribution of profit

The following earnings are at the disposal of the Annual General Meeting:

SEK	
Share premium reserve	417,732,574
Profit brought forward	153,930,653
Net profit	-1,178,518
Total	570,484,709

SEK	
dividend to the shareholders	37,360,500
to be carried forward	533,124,209
Total	570,484,709

The Board of Directors proposes a dividend of SEK 1.50 (1.00) per share be paid for the 2012/2013 fiscal year in accordance with the company's dividend policy.

The proposed record date for the dividends is Wednesday, January 29, 2014. Payment of the dividend is expected to take place on Monday, February 3, 2014. The Board of Directors deems that the proposal is consistent with the prudence rule in Chapter 17, Section 3 of the Swedish Companies Act, according to the following statement:

The proposed dividend is considered justifiable in view of the earnings trend after the end of the fiscal year. The proposed distribution of profits is also considered justifiable in view of the requirements concerning equity, consolidation requirements, liquidity and other financial circumstances for both the Parent Company and the Group.

Consolidated income statement

KSEK	Note	2012/2013	2011/2012
Net sales	5	1,204,945	1,887,924
Other operating income	11	61,219	2,136
Total operating income		1,266,164	1,890,060
Change in stocks of work in progress, finished products and work in progress on another party's account		-198,919	352,456
Cost of goods and engineering		-769,826	-1,993,530
Other external expenses		-51,306	-47,508
Personnel costs		-27,209	-38,256
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	14	-54,193	-33,593
Other operating expenses	11	-17,991	-48,390
Total operating expenses		-1,119,444	-1,808,821
Operating profit		146,720	81,239
Profit/loss from participations in associated companies		3	-410
Financial income	12	1,488	827
Financial expenses	12	-12,895	-39,771
Loss from financial items		-11,404	-39,354
Profit before tax		135,316	41,885
Tax	13	6,248	-13,626
Net profit for the year		141,564	28,259
Attributable to Parent Company shareholders		143,111	30,997
Attributable to non-controlling interests		-1,547	-2,738
Total		141,564	28,259
Earnings per share before dilution	23	5.75	1.24
Earnings per share after dilution	23	5.75	1.24

Consolidated statement of comprehensive income

KSEK	Note	2012/2013	2011/2012
Net profit for the year		141,564	28,259
Other comprehensive income			
Items that may be reclassified to profit or loss			
Translation difference	23	79	-162
Other comprehensive income, net after tax		79	-162
Comprehensive income for the year		141,643	28,097
Attributable to Parent Company shareholders		143,190	30,835
Attributable to non-controlling interests		-1,547	-2,738
Total		141,643	28,097

Consolidated balance sheet

KSEK	Note	Aug 31, 2013	Aug 31, 2012	Sept 1, 2011
ASSETS				
Non-current assets				
Property, plant and equipment	14	458,772	619,102	428,779
Investments in associated companies	16	327	324	1,529
Deferred tax assets	13	358	15,214	-
Other financial assets		3,131	3,473	3,649
Total non-current assets		462,588	638,113	433,957
Current assets				
Inventories, work in progress and advance payments to suppliers	21	653,033	1,143,077	752,917
Accounts receivables	19	19,585	96,953	282,491
Derivative instruments	18	4,004	-	7,551
Current tax assets		11,138	-	108
Other current receivables		21,214	25,665	38,762
Prepaid expenses and accrued income		7,983	8,067	7,717
Current investments		-	-	8,460
Cash and cash equivalents	20	383,266	42,703	204,220
Total current assets		1,100,223	1,316,465	1,302,226
TOTAL ASSETS		1,562,811	1,954,578	1,736,183
EQUITY AND LIABILITIES				
Equity				
	23			
Share capital		24,907	24,907	22,643
Other capital contributed		439,913	439,913	442,177
Reserves		-83	-162	-
Profit brought forward		498,076	380,074	376,903
Equity attributable to Eolus's shareholders		962,813	844,732	841,723
Non-controlling interests		-1,971	47	71
Total equity		960,842	844,779	841,794
Non-current liabilities				
Non-current interest-bearing liabilities	22	133,822	282,414	232,765
Non-current provisions	25	8,551	10,079	8,100
Deferred tax liabilities	13	115,528	139,134	118,475
Other non-current liabilities		2,200	-	-
Total non-current liabilities		260,101	431,627	359,340
Current liabilities				
Current interest-bearing liabilities	22	137,731	198,730	20,014
Accounts payable		25,463	102,909	84,116
Derivative instruments	18	14,080	61,601	11,598
Current tax liabilities		-	16,010	27,098
Accrued expenses and deferred income	24	74,625	135,426	87,206
Advance payments from customers		83,800	140,668	283,430
Other current liabilities		6,169	22,828	21,587
Total current liabilities		341,868	678,172	535,049
TOTAL EQUITY AND LIABILITIES		1,562,811	1,954,578	1,736,183

Consolidated cash flow statement

KSEK	Note	2012/2013	2011/2012
Operating activities			
Operating profit		146,720	81,239
Adjustments for items not affecting cash flow	26	-16,618	87,903
		130,102	169,142
Interest received		2,448	543
Interest paid		-3,492	-23,522
Income tax paid		-31,972	-19,950
Net cash flow from operating activities before changes in working capital		97,086	126,213
Adjustments of working capital			
Increase/Decrease in inventories		457,675	-390,160
Increase/Decrease in operating receivables		90,927	255,947
Increase/Decrease in operating liabilities		-197,940	-131,281
Cash flow from operating activities		447,748	-139,281
Cash flow from investing activities			
Acquisition of participations in subsidiaries		-4,836	-8,181
Acquisition of property, plant and equipment		-2,646	-233,446
Divestment of property, plant and equipment		131,662	10,161
Acquisition of financial assets		-78	-
Divestment of financial assets		-	2,419
Cash flow from investing activities		124,102	-229,047
Cash flow from financing activities			
Borrowings		115,256	249,966
Amortization of loans		-322,815	-20,967
Capital contribution		1,377	2,736
Dividends		-24,907	-24,907
Payments to non-controlling interests		-200	-
Cash flow from financing activities		-231,289	206,828
Cash flow for the year			
		340,561	-161,500
Cash and cash equivalents, beginning of the year		42,703	204,220
Exchange-rate differences in cash and cash equivalents		2	-17
Cash and cash equivalents, end of period		383,266	42,703

Consolidated statement of changes in equity

KSEK	Note 23	Share capital	Other capital contributed	Reserves	Profit brought forward	Total Eolus's shareholders	Non-controlling interests	Total equity
At September 1, 2012		24,907	439,913	-162	380,074	844,732	47	844,779
Net profit for the year					143,111	143,111	-1,547	141,564
Other comprehensive income				79	-	79	-	79
Total comprehensive income				79	143,111	143,190	-1,547	141,643
Transactions with shareholders								
Dividends					-24,907	-24,907		-24,907
Acquisition of shares from non-controlling interests					-202	-202		-202
Acquisition of shares, share of non-controlling interests							-1,847	-1,847
Capital contribution from non-controlling interests						-	1,376	1,376
At August 31, 2013		24,907	439,913	-83	498,076	962,813	-1,971	960,842
KSEK	Note 23	Share capital	Other capital contributed	Reserves	Profit brought forward	Total Eolus's shareholders	Non-controlling interests	Total equity
At August 31, 2011 according to adopted balance sheet		22,643	442,177	-	382,757	847,577	71	847,648
Adjustment for change in accounting policies for 2011/2012 Annual Report					-2,983	-2,983		-2,983
Effect of transition to IFRS					-2,871	-2,871		-2,871
At September 1, 2011		22,643	442,177	-	376,903	841,723	71	841,794
Net profit for the year					30,997	30,997	-2,738	28,259
Other comprehensive income				-162		-162	-	-162
Total comprehensive income		-	-	-162	30,997	30,835	-2,738	28,097
Transactions with shareholders								
Dividends					-24,907	-24,907		-24,907
Acquisition of shares from non-controlling interests					-2,919	-2,919	-24	-2,943
Capital contribution from non-controlling interests							2,738	2,738
New share issue		2,264	-2,264			-		-
At August 31, 2012		24,907	439,913	-162	380,074	844,732	47	844,779

Notes for the Group

NOTE 1 ACCOUNTING POLICIES AND VALUATION PRINCIPLES

These consolidated financial statements comprise the Swedish Parent Company, Eolus Vind AB, Corporate Registration Number 556389-3956 and its subsidiaries. The Group's main operations comprise the development and construction of wind turbines for sale or for proprietary management.

The Parent Company is a limited liability company registered and headquartered in Sweden. The address of the head office is Tredje Avenyn 3, Håssleholm, Sweden, under the postal address Box 95, SE-281 21 Håssleholm, Sweden.

The Board of Directors approved these consolidated financial statements on December 12, 2013 and they will be presented for adoption at the Annual General Meeting on January 25, 2014.

APPLIED REGULATIONS

The consolidated financial statements for the Eolus Vind AB Group were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Furthermore, the Swedish Annual Accounts Act and recommendation RFR 1 Supplementary Accounting Rules for Groups were applied.

These financial statements are the first to be prepared in accordance with International Financial Reporting Standards. Information regarding the effect of the transition to IFRS is provided in Note 4.

The Parent Company applies the same accounting policies as the Group except for the cases described under the section "Parent Company's accounting policies." The Parent Company applies the Annual Accounts Act and recommendation RFR 2. The deviations arising between accounting policies are due to the limitations on the possibility of applying IFRS in the Parent Company as a result of the Annual Accounts Act and applicable tax regulations.

BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared based on the going concern assumption and historical cost, unless otherwise stated. The Group's presentation currency is SEK, which is the Parent Company's functional currency. All figures are presented in thousands of SEK (KSEK), unless otherwise stated.

CONSOLIDATION BASIS

The consolidated financial statements encompass the Parent Company and its subsidiaries. The financial statements for the Parent Company and subsidiaries included in the consolidated financial statements pertain to the same period and have been prepared in accordance with the same accounting policies.

All intra-Group transactions and balances have been eliminated in their entirety and consequently are not included in these consolidated financial statements.

Subsidiaries

A subsidiary refers to a company in which the Parent Company holds more than 50% of the shares or otherwise exercises a controlling influence. Subsidiaries are included in the consolidated financial statements from the date on which the Group gains control of them until the date on which the controlling influence ceases.

Associated companies

An associated company is a company over which the Group exercises a significant influence and is not a subsidiary or a joint venture. Participations in associated companies are recognized in accordance with the equity method.

Non-controlling interests

Non-controlling interests are the portion of the earnings and net assets of a non-wholly owned subsidiary that accrue to other owners than Parent Company shareholders. Their share of earnings is included in the Group's recognized profit and the share of net assets is included in the Group's equity.

Translation of accounts of foreign subsidiaries

The foreign subsidiaries are translated to SEK since this is the Group's accounting currency. Income statements are translated at the average exchange rate and the balance sheet is translated at the closing day rate. All surplus values recognized in conjunction with an acquisition of a foreign subsidiary, such as goodwill and other

previously unrecognized intangible assets, are considered to accrue to the subsidiary in question and, for this reason, are translated at the closing day rate. Translation differences are recognized in other comprehensive income. If a subsidiary is divested, the accumulated translation differences are reversed to profit or loss.

Gross accounting

Gross accounting is applied throughout to the recognition of assets and liabilities, except in cases where a receivable and a liability exist with the same counterparty and can be legally offset, and the intention is to do so. Gross accounting is also applied regarding income and expenses, unless otherwise stated.

Classification of assets and liabilities

Non-current assets, non-current liabilities and provisions are expected to be recovered or fall due for payment more than 12 months after the balance sheet date. Current assets, current liabilities and provisions are expected to be recovered or fall due for payment within 12 months after the balance sheet date.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currency are restated at the closing day rate, and unrealized exchange-rate gains and exchange-rate losses are included in profit or loss.

RELATED-PARTY TRANSACTIONS

Transactions with related parties take place on market-based conditions. A related party refers to the companies over which Eolus has a controlling or significant influence in terms of operational and financial decision-making. The sphere of related parties also includes the companies and natural persons who have the opportunity to exercise a controlling or significant influence over the Group's financial and operational decisions.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations from September 1, 2011

Business combinations are recognized in accordance with the acquisition method. The purchase consideration comprises the fair value of acquired assets, liabilities and issued shares. The purchase consideration also includes the fair value of all assets and liabilities that are part of the contractual, contingent purchase consideration. Acquisition-related costs are expensed when they arise and are recognized as other expenses. Identifiable assets acquired and liabilities assumed are initially recognized at fair value on the acquisition date. For each acquisition, the Group determines whether all non-controlling interests in the acquired company are recognized at fair value (known as full goodwill) or at the proportionate share of net assets of the acquired company.

The amount at which the purchase consideration, any non-controlling interests and fair value of previous shareholdings exceeds the fair value of the Group's share of identifiable assets acquired is recognized as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets in the event of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

Goodwill on acquisitions of subsidiaries is recognized as intangible assets. Goodwill is tested annually to identify any impairment requirements and is recognized at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversed. A gain or loss on the divestment of a unit includes the remaining recognized value of goodwill pertaining to the divested unit.

Goodwill is distributed by cash-generating units when testing for any impairment requirement. Distribution is made between the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill item arose.

No business combinations were implemented in the 2011/2012 and 2012/2013 fiscal years. In accordance with common practice in the industry, wind power projects are often conducted in separate companies. This means that acquisitions and divestments of projects and completed wind turbines are conducted as share transactions. The assets that are acquired in this manner are recognized at fair value in the consolidated financial statements.

Business combinations prior to September 1, 2011

Since the Group is a first-time adopter of IFRS, it has been decided to apply IFRS 3 Business Combinations prospectively from the date of the transition to IFRS. Accordingly, business combinations that took place prior to the transition date have not been restated.

SEGMENT REPORTING

Operating segments are recognized in a manner that corresponds to the internal reporting to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the performance of the operating segments. For the Group, this function has been identified as the CEO.

Eolus's operating segments comprise:

- *Development*: involving pre-study, project development, construction and divestment of wind power facilities. It also includes technical and administrative consultancy services for wind power stakeholders.
- *Electricity generation*: encompassing the operation of fully or partly owned wind turbines, the sale of electric power and the divestment of electricity certificates allocated to producers of renewable electricity.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at cost less depreciation and any impairment.

Expenses for improving the performance of the assets beyond the original level increase the carrying amount of the assets. Expenses for repairs and maintenance are recognized as costs.

Property, plant and equipment are derecognized from the balance sheet when they are divested or if they cannot be expected to provide any financial benefits in the future, either through use or by being sold. Gains and losses are calculated as the difference between the sale amount and the asset's carrying amount. Gains or losses are recognized in profit or loss in the accounting period in which the asset was divested as either other expenses or other income.

Property, plant and equipment are depreciated systematically over the estimated useful lives of the assets. The useful life is tested at every accounting period end and is adjusted as necessary. Any residual value of the asset is taken into account when determining the depreciable amount of the asset. The straight-line depreciation method is applied to all types of assets.

The following depreciation periods are applied:

	<i>Number of years</i>
Buildings and land improvements	20 years
Wind turbines, foundations and electrical installations	20 years
Equipment	5 years

INTANGIBLE ASSETS EXCLUDING GOODWILL

Intangible assets with limited lives are recognized at cost less amortization and any impairment. Intangible assets are amortized systematically over the estimated useful lives of the assets. The useful life is tested at every accounting period end and is adjusted as necessary. Any residual value of the asset is taken into account when determining the depreciable amount of the asset.

Eolus did not acquire any intangible assets. Internally generated intangible assets are recognized if they are controlled by the company and have financial benefits that will exceed the amount of expenses for their acquisition and development for more than three years. Eolus did not generate any such assets.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

If there is an indication that property, plant and equipment or an intangible asset has declined in value, the recoverable amount of the asset is calculated. The asset is impaired to its recoverable amount if the calculated recoverable amount is less than the carrying amount. The recoverable amount is the highest of the net realizable value and value in use in the operations. The recoverable amount is assessed by cash-generating unit.

Previously recognized impairment losses are reversed if the recoverable amount is deemed to exceed the carrying amount. However, the recognized reversal is not at an amount that is greater than what the carrying amount would have been if no impairment had been recognized in previous periods.

FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the following categories.

- Financial assets measured at fair value in profit or loss.
- Loan receivables and accounts receivable measured at amortized cost in accordance with the effective interest method.
- Financial assets held to maturity measured at amortized cost in accordance with the effective interest method.
- Available-for-sale financial assets measured at fair value in other comprehensive income.

Classification depends on the purpose for which the financial asset was acquired. Management determines the classification of financial assets when they are first recognized.

Management initially classifies financial instruments to one of the four categories above, and such classifications are regularly evaluated. Eolus holds financial assets in the categories of "financial assets measured at fair value in profit or loss," "Loan receivables and accounts receivable" and "available-for-sale financial assets." "All purchases and sales of financial assets are recognized on the transaction date.

Financial assets measured at fair value in profit or loss

Financial assets measured at fair value in profit or loss are financial assets held for trading. A financial asset is classified in this category if it was principally acquired for the purpose of being sold within the near future. Derivatives are always classified as held for trading regardless of whether they are part of a hedging relationship. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current assets.

The Group's assets in this category comprise currency futures, currency options and interest-rate swaps. Flexible forward contracts and Booster contracts were also held in the 2011/2012 and 2012/2013 fiscal years. A new policy has since been adopted which no longer allows such forward contracts.

Loan receivables and accounts receivable

Loans receivable and accounts receivable are non-derivative financial assets that have fixed or fixable payments that are not listed on an active market.

Loan receivables are initially measured at fair value and are subject to regular and systematic analysis in order to determine the amounts at which the receivables are expected to be received. If a loan receivable is deemed to be doubtful, a reserve is established comprising the difference between the carrying amount and the expected cash flow. Any interest income on loan receivables is included in financial income.

Accounts receivable are initially determined at fair value. A reserve is established for doubtful receivables when there is objective evidence that the full value of the asset will not be received. Losses attributable to doubtful receivables are recognized in profit or loss under other operating expenses, refer to Note 19.

The Group's cash and cash equivalents, accounts receivable, and other current receivables are included in this category.

Available-for-sale financial assets

Available-for-sale financial assets are assets that are not derivatives and are either identified as available for sale or cannot be classified into any of the other categories. These assets are included in non-current assets if management does not intend to dispose of them within 12 months after the end of the reporting period.

The Group's available-for-sale financial assets comprise securities.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date, that is, the date on which the Group commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs, which applies to all financial assets not measured at fair value in profit or loss. Financial assets measured at fair value in profit or loss are initially measured at fair value, while attributable transaction costs are recognized in profit or loss. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has assumed essentially all risks and benefits connected with the right of ownership. Available-for-sale financial assets and financial assets measured at fair value in profit or loss are measured at fair value after the date of acquisition. Loan receivables and accounts receivable are initially recognized after the date of acquisition at cost by applying the effective interest method.

Gains and losses arising as a result of revaluations of the category of financial assets measured at fair value in profit or loss are recognized in the periods in which they arise. Changes in interest-rate derivatives are recognized in net financial items. Positive changes in value of currency derivatives are recognized as other operating income, while losses are recognized as other operating expenses.

Dividend income from securities in the category of financial assets measured at fair value in profit or loss is recognized in profit or loss as a portion of financial income once the Group's right to receive payment has been established.

Impairment principles for financial assets

- Loan receivables and accounts receivable

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets requires impairment. A financial asset or group of financial assets requires impairment and is impaired

only if there is objective evidence of an impairment requirement due to one or more events having occurred after the asset was first recognized (a loss event) and that this event (or these events) has an effect, that can be reliably estimated, on the estimated future cash flows for the financial asset or group of financial assets.

For the category of loan receivables and accounts receivable, impairment is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future loan losses that have not occurred), discounted to the original effective interest of the financial asset. The asset's carrying amount is impaired and this impairment loss is recognized in the consolidated income statement.

Impairment principles for financial assets - Available-for-sale financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets requires impairment. For equity instruments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of an instrument to a level that is below its cost is considered to be evidence of an impairment requirement. If such evidence exists for an available-for-sale financial assets, the accumulated loss – calculated as the difference between the cost and current fair value less any previous impairment losses recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment of equity instruments that has previously been recognized in profit or loss is not reversed in profit and loss. However, if the fair value of a debt instrument classified as available for sale increases and this increase can be objectively attributed to an event after the impairment loss was recognized, the impairment loss is reversed in profit or loss.

FINANCIAL LIABILITIES

The Group's financial liabilities are divided into two categories:

- Financial liabilities measured at fair value in profit and loss
- Financial liabilities measured at amortized cost

Liabilities are initially measured at fair value less any transaction costs that have arisen. In subsequent periods, these liabilities are measured at amortized cost in accordance with the effective interest method. Eolus's accounts payable, borrowing and other current liabilities and accrued expenses are included in this category.

CALCULATION OF FAIR VALUE

Financial instruments measured at fair value are classified either as fair value in net profit for the year or available for sale. Measurement can be based on any of the following conditions.

- Quoted market price (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices that are observable for the asset or liability, either directly (quoted prices) or indirectly (derived from quoted prices) (level 2).
- Unobservable market inputs for the asset or liability (level 3)

The fair value of financial instruments traded in an active market is based on quoted market prices on the balance sheet date. A market is considered to be active if quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length. Eolus does not currently recognize any financial instruments belonging to category 1.

The fair value of financial instruments not traded in an active market (for example, OTC derivatives) is determined using valuation techniques. Market information is used for this as far as possible when it is available, whereas company-specific information is used as little as possible. If all significant inputs required for measurement are observable, then level 2 measurement is applied. The fair value of unquoted securities is based on cash flows discounted at an interest rate based on the market interest rate and a risk mark-up specific to these unquoted securities. The fair value of currency futures is determined by using the exchange rates for currency futures on the balance sheet date where the resulting value is discounted to the present value, meaning level 2.

If one or more significant inputs are not based on observable market information, the instrument in question is classified as level 3. Eolus does not currently recognize any financial instruments belonging to this category. No reclassifications between the various categories took place during the period.

HEDGE ACCOUNTING

Hedge accounting involves derivative instruments being recognized in the balance sheet on the contract date and measured at fair value, both initially and when subsequently revalued. The method for recognizing the gain or loss arising in conjunction with revaluations depends on whether the derivative has been identified as a hedging instrument and, if this is the case, the nature of the item that is hedged. Hedging may pertain to:

- hedging fair value attributable to a recognized asset or liability, or a binding commitment (fair value hedging),
- hedging a specific risk that is associated with a recognized asset or liability or a highly probable forecast transaction (cash-flow hedging), or
- hedging a net investment in a foreign operation.

Eolus does not currently apply hedge accounting.

BORROWING COSTS

Borrowing costs comprise interest and other expenses arising when a company borrows money. Borrowing costs attributable to financing an asset, that require a considerable time to complete for the intended use or sale, are capitalized as a portion of the asset's cost. Eolus does not currently have any borrowing costs that met the criteria for being capitalized. Other borrowing costs are recognized as an expense in the period in which they arise.

INVENTORIES

Current wind power projects, both proprietary projects on another party's account, were valued at the lowest of costs incurred and fair value. Current wind power projects are recognized in the balance sheet on the asset side under the heading "Work in progress." The amount for this year includes incurred personnel costs of about SEK 20,337,000 (17,801,000).

INTANGIBLE CURRENT ASSETS

Electricity certificates

Sweden has a certificate system for the purpose of promoting the use of renewable electricity. Facilities affected by these systems receive certificates, free of charge, issued by Svenska Kraftnät (Swedish national grid) in line with the generation of electricity that qualified under the scheme. Awarded certificates are recognized as intangible assets under current assets at fair value on the date of receipt. The corresponding amount is recognized as income under net sales. Eolus does not currently have any electricity certificates.

PROVISIONS

Provisions are recognized when the Group has an legal or informal commitment due to previous events and when it is probable that a payment will be required to settle the commitment and the amount can be reliably calculated. For cases in which the company expects an established provision to be compensated by an external party, for example within the framework of an insurance contract, such expected compensation is recognized as a separate asset, but only when it is essentially certain that compensation will be received.

If the time value is significant, the future payment is calculated at its present value.

The calculations are made by applying a discount rate, taking into account specific risks associated with the commitment. An increase in the commitment is recognized as an interest expense.

Provisions for after-treatment costs

According to the Swedish Environmental Code, financial guarantees must be provided as security for dismantling and after-treating the locations of the wind turbines. The future costs are estimated for each turbine with guidance from investigations carried out for the specific turbines. Provisions are established at the present value of the calculated future cost. Provisions are continuously adjusted upward using the discount rate and this upward adjustment is recognized as a financial expense.

Provisions for restructuring costs

A restructuring provision is recognized during the period in which the Group is legally or informally bound to the plan. Provisions may only be made for the expenses arising as a direct effect of the restructuring and that are an effect or the remaining contractual commitments with no lasting financial benefit or that comprise a fine due to the termination of the commitment. Provisions are tested at the end of every reporting period.

CONTINGENT LIABILITIES

A contingent liability comprises a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or several uncertain future events, which are not within Eolus's control, happening or not happening. Contingent liabilities may also be a commitment originating from events that have occurred but that have not been recognized as a liability or provision because it is not likely that the commitment will be settled or the amount of the commitment cannot be reliably calculated.

EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits such as salaries, social security expenses, vacation pay and bonuses are expensed in the period in which the employees performed the services.

Severance pay

Severance pay is paid when employment is terminated before the normal age of retirement or when the employee accepts voluntary redundancy in exchange for such remuneration. Eolus recognizes severance pay when the Group has an existing legal or informal commitment when it is more probably that an outflow of resources will be required to settle the commitment than not, and when the amount can be reliably calculated.

Pensions

Eolus's pension obligations only encompass defined-contribution plans.

A defined-contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all of the remuneration to the employees that is associated with the employees' service in current and earlier periods. The Group's payments into defined-contribution pension plans are charged to net profit for the year in the year in which they are attributable.

LEASING AGREEMENTS

Financial leasing agreements, whereby the Group essentially assumes all of the risks and benefits associated with ownership of the leased item, are recognized in the statement of financial position at the fair value of the leased property or, if the value is lower, at the present value of future minimum lease payments. Lease payments are recognized as financing costs and amortization of debt. Financially leased assets are depreciated over the expected useful life.

Leasing agreements whereby the lessor essentially retains all of the risks and benefits of ownership are classified as operational. Leasing fees are expensed on a straight-line basis in the income statement during the lease term. Any incentives received when the leasing agreement was signed are initially taken into account.

Eolus only has leasing agreements classified as operational agreements.

INCOME

Income is recognized to the extent that it is probably that the financial benefits will accrue to the Group and if income can be reliably calculated. The following criteria must also be met before income is recognized:

Divestment of wind power facilities

Income is recognized when the material risks and benefits associated with ownership of the facilities have been transferred to the purchaser and when the amount of income can be reliably calculated.

The projects comprise three phases: pre-study, project development and construction. The installation phase is completed after approved testing by divesting the wind power facility to the customer or transferring it to the proprietary electricity generation operations. Profit recognition takes place once approved testing has been completed. Since there are relatively few objects in the installation phase at any one time, sales and earnings may vary considerably from quarter-to-quarter. The engineering operations are primarily financed by equity and advance payments from customers.

Sale of electricity

Income attributable to the sale of produced electricity is recognized in the period in which delivery is made. Income from the sale of electricity certificates on account with the Swedish Energy Agency is recognized in the period in which the sale took place. Electricity certificates are recognized in the balance sheet as intangible current assets when they are registered in the Swedish Energy Agency's account and recognized as accrued income when the certificates have been earned but not yet registered.

Sale of services

Income from service assignments on current account are recognized in line with invoicing. Income from fixed-price service assignments are recognized when the work has essentially been completed.

Interest

Interest income is recognized as it is earned (calculated on the basis of the returns of the underlying assets according to the effective interest rate).

Dividends

Dividends are recognized in profit or loss when the shareholders' rights to receive payment have been determined.

GOVERNMENT SUBSIDIES

Subsidies are measured at fair value when there is reasonable assurance that the subsidy will be received and the Group will fulfill the conditions associated with the subsidy. Subsidies linked to a non-current asset reduce the recognized cost of the asset. Subsidies intended to cover costs are recognized in profit and loss as other operating income.

INCOME TAX

Tax expense for the period includes current and deferred tax. Tax is recognized in profit or loss, except when the tax pertains to items recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income and equity, respectively.

Current income tax

Current tax assets and tax liabilities for current and earlier periods are determined at amounts that are expected to be recouped from or paid to the Swedish Tax Agency. The tax rates and tax law applied to calculate the amount are those adopted or announced on the balance sheet date.

Deferred income tax

Deferred tax is recognized on the balance sheet date in accordance with the balance sheet method for temporary differences between the tax and accounting amounts of the assets and liabilities.

Deferred tax assets are recognized for all deductible temporary differences, including loss carryforwards, to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences can be utilized.

The valuations of deferred tax assets are to be assessed on every balance sheet date and adjusted to the extent that it is no longer probable that a sufficient profit will be generated for the entire or a portion of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are determined at the tax rates applicable for the period in which the asset is settled or the liability paid, based on the tax rates (and legislation) adopted or announced on the balance sheet date.

Deferred tax assets and tax liabilities are offset if a legal right to offset the current tax assets against the current tax liabilities exists and the deferred tax is attributable to the same unit in the group and the same tax authority.

RECOGNITION OF CASH FLOWS

Cash and cash equivalents comprise available cash, bank balances available at the bank and other liquid investments with an original due date of less than three months that are exposed to insignificant value fluctuations. Inward and outward payments are recognized in the cash flow statement. Cash flow from operating activities is recognized in accordance with the indirect method.

NOTE 2 SIGNIFICANT ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

Certain estimates and assumptions are made when the Board of Directors and CEO prepare the financial statements in accordance with applicable accounting policies that affect the carrying amounts of assets, liabilities, income and costs. The areas in which estimates and assumptions are of great significance to the Group and that could impact the income statement and balance sheet if they were to change are described below:

PROVISIONS FOR DOUBTFUL RECEIVABLES

Accounts receivable are initially measured at fair value and thereafter at the expected realizable value. An estimate of doubtful receivables is based on an objective evaluation of all outstanding amounts is carried out at year-end. Losses attributable to doubtful receivables are recognized in profit or loss under other operating expenses. Refer to Note 19.

AFTER-TREATMENT COSTS

Costs for dismantling and after-treatment are estimated for each turbine with guidance from investigations carried out for specific turbines. The basis is a normal value per megawatt (MW) of installed output. The residual value is handled as a deductible item in the disposal analysis and is taken into account in these standard amounts. The time factor is taken into account through discounting. The price trend can be assumed to be equal to the long-term inflation target of 2%, while a certain level of technological progress should reduce the cost trend. These assumptions are continuously evaluated.

LEGAL DISPUTES

Provisions for disputes are estimates of the future cash flows required to settle obligations. Disputes primarily refer to contractual obligations pertaining to agreements with customers and suppliers, but other types of disputes also arise in normal business activities.

ASSESSMENT OF USEFUL LIVES FOR PROPERTY, PLANT AND EQUIPMENT

Eolus previously applied depreciation periods of 15 years for wind power facilities. Based on experience gained and in light of improvements in technological performance, the Board has deemed that a depreciation period of 20 years better reflects the expected useful life. These assumptions that form the basis of the assessment are continuously reevaluated and local differences are also taken into consideration. The useful lives for all components of the wind turbines, foundations and electrical installations are deemed to be the same, which is why there is no further division.

ASSESSMENT OF IMPAIRMENT REQUIREMENTS FOR WIND POWER FACILITIES

The wind power facilities are tested for impairment every balance sheet date. The most significant factor affecting an impairment test is whether the carrying amounts are in line with estimated market prices. The market price is primarily affected by the price trend in the forward market for electricity and electricity certificates, and for operating expenses for the wind power facilities. Management has good understanding of prevailing market prices since wind power facilities are sold continuously.

RECOGNITION OF TAX

An assessment is made on each balance sheet date of whether it is probable that a taxable profit will be available against which loss carryforwards or confirmed deductible temporary differences can be utilized. The value is adjusted accordingly if it is no longer probable that all or part of the deferred tax asset can be utilized.

NOTE 3 CHANGES IN ACCOUNTING POLICIES

These are the first consolidated financial statements that have been prepared for the Eolus AB Group in accordance with IFRS. Key accounting policies are summarized under section 2 above. The applied accounting policies include new and amended standards issued by the IASB and interpretations of existing standards that came into force in 2012/2013.

The following new standards, and amendments and interpretations of existing standards, have been published and are compulsory for fiscal years beginning on or after January 1, 2013, but have not been applied prospectively by Eolus.

- IFRS 7 Financial Instruments: Disclosures has been amended. Disclosures are to be provided on financial assets and financial liabilities that have been offset in the statement of financial position or can be contractually offset. The amendments to IFRS 7 have been approved by the EU and apply to fiscal years beginning on or after January 1, 2013. The amendment is to be applied retrospectively in accordance with IAS 8. The Group does not expect any impact on the financial statements or the disclosures contained in them due to the amendments to IFRS 7.
- IFRS 9 Financial Instruments: Recognition and Measurement (not yet approved by the EU and no date for approval has currently been scheduled.) IFRS 9 will probably come into effect in fiscal years beginning on or after January 1, 2015. The standard includes a reduction in the number of measurement categories for financial assets and entails that the two main classifications for recognition are amortized cost and at fair value in net profit for the year. Pending the adoption of all sections of the standard, the Group has not evaluated the effects of implementation.
- IFRS 10 Consolidated Financial Statements and amendment to IAS 27 Separate Financial Statements. Following a decision by the EU, IFRS 10 will be applied to fiscal years beginning on or after January 1, 2014. IFRS 10 replaces the section in IAS 27 regarding preparation of consolidated financial statements. IFRS 10 also contains rules from SIC 12 Special Purpose Entities. The remaining rules contained in IAS 27 are the accounting of subsidiaries, joint ventures and associated companies in separate financial statements. The rules pertaining to how consolidated financial statements are to be prepared have not been changed. More specifically, the amendment addresses how a company is to determine whether a controlling influence exists and thus whether a company is to be consolidated. In addition, IFRS 10 contains a number of clarifications on the application on the new definition of "control." The standard is to be applied retrospectively in accordance with IAS 8, to fiscal years beginning on or after January 1, 2013. The Group does not expect any impact on its financial position or earnings from the application of this new standard.
- IFRS 11 Joint Arrangements, IAS 28 Investments in Associates and Joint ventures. Following a decision by the EU, IFRS 11 will be applied to fiscal years beginning on or after January 1, 2014. IFRS 11 addresses the recognition of joint arrangements, which are defined as contractually agreed sharing of control and arrangements with two or more parties having joint control. IFRS 11 replaces IAS 31 Interests in Joint ventures and SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. Under IAS 31, the legal form of a unit was decisive for how the arrangement in question was to be recognized, whereas IFRS 11 focuses on the significance of the rights and obligations agreed between the parties. The standard is to be applied with a modified retrospective approach. The standard is to be applied to fiscal years beginning on or after January 1, 2013. The Group does not expect any impact on its financial position or earnings from the application of this new standard.
- IFRS 12 Disclosure of Interests in Other Entities. Following a decision by the EU, IFRS 12 will be applied to fiscal years beginning on or after January 1, 2014. Under IFRS 12, companies owning interests in subsidiaries, associated companies, joint arrangements and structured entities are to provide disclosures on such interests. The purpose of these disclosures is to enable users of the financial statements to evaluate the possible effect of these interests on the financial statements and any risks associated with the interests. The disclosures are also intended to enhance understanding of the effect on the financial statements if management were to change its opinion regarding the consolidation of the unit in question. The standard is to be applied retrospectively in accordance with IAS 8. The standard is to be applied to fiscal years beginning on or after January 1, 2013. The Group does not expect any impact on its financial position or earnings from the application of this new standard.
- IFRS 13 Fair Value Measurement. IFRS 13 is to be applied to fiscal years beginning on or after January 1, 2013. IFRS 13 does not describe when fair value is to be calculated but how it is to be measured when IFRS requires or permits fair value measurement. In accordance with IFRS 13, new types of disclosures are to be provided to clarify the measurement techniques to be applied and the measurement data (inputs) to be used in these techniques, as well as the effects that the measurement has on profit or loss. The standard contains several clarifications on how fair value is to be measured in various contexts. The standard is to be applied retrospectively in accordance with IAS 8. The standard is to be applied to fiscal years beginning on or after January 1, 2013. The Group does not expect any impact on its financial position or earnings from the application of this new standard.
- IAS 19 Employee Benefits - amendment. IAS 19 is to be applied to fiscal years beginning on or after January 1, 2013. The proposal entails significant changes in the recognition of defined-benefit pension plans, for example, the option of deferring actuarial gains and losses as a part of the "corridor" is no longer permissible. Instead, such gains and losses are to be recognized continuously in other comprehensive income. Sensitivity analyses are to be conducted regarding reasonable changes to all assumptions made in the calculation of the pension liability. In addition, sensitivity analyses are to be conducted regarding reasonable changes to all assumptions made in the calculation of the pension liability. The standard is to be applied retrospectively in accordance with IAS 8, to fiscal years beginning on or after January 1, 2013. The Group does not expect any impact on its financial position or earnings from the application of this new standard since it does not have any defined-benefit pension plans.
- IAS 28 Investments in Associates, consequential amendments were made to IAS 28 in conjunction with the issue of IFRS 10 and IFRS 11. The amendments are to be applied from January 1, 2013. Under IFRS 11, joint ventures are to be recognized in accordance with the equity method in IAS 28. The Group's assessment is that the amendments to IAS 28 will not affect its financial position or earnings.
- IAS 32 Financial Instruments: Presentation has been amended. The amendment entails a clarification of the legally enforceable right to set off and items settled on a net basis. The amendments to IFRS 32 have been approved by the EU and apply to fiscal years beginning on or after January 1, 2014. The standard is to be applied retrospectively in accordance with IAS 8. Advance application is permitted if disclosures are provided on offsetting in accordance with the amendment in IFRS 7. The Group's assessment is that the amendments to IAS 32 will not affect its financial position or earnings.

NOTE 4 TRANSITION TO FINANCIAL REPORTING IN ACCORDANCE WITH IFRS

This Annual Report comprises the first consolidated financial statements that have been prepared in accordance with IFRS. The Group's previously prepared annual reports were stated in accordance with the Annual Accounts Act and the applicable advisory guidelines, recommendations and statements for large companies from the Swedish Accounting Standards Board.

The accounting policies found in Note 1 were applied when the consolidated financial statements were prepared on August 31, 2013, and applied to the comparable information presented for August 31, 2012 and to the preparation of the statement of financial position on September 1, 2011.

An explanation of the effect of the transition from the former accounting policies to IFRS on the Group's earnings, position and cash flow is shown in the following tables.

ADOPTED OPTIONAL EXEMPTIONS FROM IFRS

The optional exemptions from full retrospective application permitted by IFRS 1 that the Group applied to the transition from the former accounting policies to IFRS are stated below. Other optional exemptions from full retrospective application are not relevant to the Group.

Exemptions for business combinations

IFRS 1 provides the option of applying IFRS 3 Business Combinations prospectively from the date of the transition to IFRS or from a specific date prior to the transition date. This provides transition relief from full retrospective application that would require statement of all business combinations prior to the transition date. The Group has decided to apply IFRS 3 prospectively for business combinations taking place after the date of the transition to IFRS. Accordingly, business combinations that took place prior to the transition date have not been restated.

Exemptions for accumulated translation differences

Eolus has decided to apply the transition rule in IFRS 1 that allows accumulated translation differences arising on the translation of foreign subsidiaries to be reset to zero at the start of the 2011/2012 fiscal year. This provides transition relief compared with determining the accumulated translation differences in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, from the date on which the subsidiary or associated company was formed or acquired. The Group has decided to recognize all accumulated translation differences as profit brought forward on the date of the transition to IFRS.

EFFECT ON EARNINGS AND FINANCIAL POSITION

The following table presents the effects of the above applications on the consolidated income statement for 2011/2012 and the balance sheet for September 1, 2011 and August 31, 2012. The transition from the former accounting policies has also entailed a different structure and classification compared with those used earlier. The transition to IFRS did not have any impact on the Group's cash flow.

CONSOLIDATED BALANCE SHEET AT SEPTEMBER 1, 2011

	Note	September 1, 2011		
		According to former policies	Effect of IFRS	According to IFRS
Non-current assets				
Property, plant and equipment		428,779	-	428,779
Investments in associated companies		558	971	1,529
Other financial assets		3,649		3,649
Total non-current assets		432,986	971	433,957
Current assets				
Inventories	g)	456,825	296,092	752,917
Accounts receivables		282,491	-	282,491
Derivative instruments	d)	-	7,551	7,551
Current tax assets		108	-	108
Other current receivables		38,762	-	38,762
Prepaid expenses and accrued income		7,717	-	7,717
Current investments		8,460	-	8,460
Cash and cash equivalents		204,220	-	204,220
Total current assets		998,583	303,643	1,302,226
TOTAL ASSETS		1,431,569	304,614	1,736,183
Equity attributable to Parent Company shareholders				
Share capital		22,643	-	22,643
Other capital contributed		442,177	-	442,177
Profit brought forward		379,774	-2,871	376,903
Equity attributable to Eolus's shareholders		844,594	-2,871	841,723
Non-controlling interests		71		71
Total equity		844,665	-2,871	841,794
Non-current liabilities				
Non-current interest-bearing liabilities		232,765	-	232,765
Non-current provisions	e)	1,238	6,862	8,100
Deferred tax liabilities	h)	120,656	-2,181	118,475
Total non-current liabilities		354,659	4,681	359,340
Current liabilities				
Current interest-bearing liabilities		20,014	-	20,014
Accounts payable		84,116	-	84,116
Derivative instruments	d)	-	11,598	11,598
Current tax liabilities		27,098	-	27,098
Accrued expenses and deferred income		87,206	-	87,206
Advance payments from customers	g)		283,430	283,430
Other current liabilities	d)	13,811	7,776	21,587
Total current liabilities		232,245	302,804	535,049
EQUITY AND LIABILITIES		1,431,569	304,614	1,736,183

**CONDENSED CONSOLIDATED INCOME STATEMENT
SEPTEMBER 1, 2011 – AUGUST 31, 2012**

	Note	According to former policies	Effect of IFRS	According to IFRS
Net sales	a) b) c)	1,911,930	-24,006	1,887,924
Other operating income		2,136	-	2,136
Total operating income		1,914,066	-24,006	1,890,060
Change in stocks of work in progress, finished products and work in progress on another party's account		350,456	2,000	352,456
Cost of goods and engineering	a) b)	-2,007,522	13 992	-1 993 530
Other external expenses		-47,420	-88	-47,508
Personnel costs	a)	-38,652	396	-38,256
Depreciation/amortization of property, plant and equipment and intangible assets	a) e) f)	-41,972	8,379	-33,593
Other operating expenses	a) d)	-48,492	102	-48,390
Operating profit		80,464	775	81,239
Profit/loss from participations in associated companies		-410	-	-410
Financial income		827	-	827
Financial expenses	a) e)	-37,334	-2,437	-39,771
Profit before tax		43,547	-1,662	41,885
Tax		-14,294	668	-13,626
Net profit for the year		29,253	-994	28,259
		According to former policies	Effect of IFRS	According to IFRS
Statement of comprehensive income				
Translation differences attributable to translation of foreign subsidiaries		-	-161	-161
Other comprehensive income, net after tax		-	-161	-161
Comprehensive income for the year		29,253	-1,155	28,098
Attributable to Parent Company shareholders		31,991	-1,155	30,836
Attributable to non-controlling interests		-2,738	-	-2,738

CONSOLIDATED BALANCE SHEET AT AUGUST 31, 2012

	Note	According to former policies	Effect of IFRS	According to IFRS
August 31, 2012				
Non-current assets				
Property, plant and equipment	c) e)	606,600	12,502	619,102
Investments in associated companies		308	16	324
Deferred tax assets	h)	-	15,214	15,214
Other financial assets		3,473	-	3,473
Total non-current assets		610,381	27,732	638,113
Current assets				
Inventories	g)	1,014,750	128,327	1,143,077
Accounts receivables		96,953	-	96,953
Other current receivables		25,665	-	25,665
Prepaid expenses and accrued income		8,067	-	8,067
Cash and cash equivalents		42,703	-	42,703
Total current assets		1,188,138	128,327	1,316,465
TOTAL ASSETS		1,798,519	156,059	1,954,578
Equity attributable to Parent Company shareholders				
Share capital		24,907	-	24,907
Other capital contributed		439,913	-	439,913
Reserves	a)	-	-162	-162
Profit brought forward		385,868	-5,794	380,074
Equity attributable to Eolus's shareholders		850,688	-5,956	844,732
Non-controlling interests		47	-	47
Total equity		850,735	-5,956	844,779
Non-current liabilities				
Non-current interest-bearing liabilities		282,412	-	282,414
Non-current provisions	e)	1,047	9,032	10,079
Deferred tax liabilities	h)	126,782	12,352	139,134
Total non-current liabilities		410,241	21,386	431,627
Current liabilities				
Current interest-bearing liabilities		198,730	-	198,730
Accounts payable		102,909	-	102,909
Derivative instruments	d)	-	61,601	61,601
Current tax liabilities		16,021	-11	16,010
Accrued expenses and deferred income		135,426	-	135,426
Advance payments from customers	g)	-	140,668	140,668
Other current liabilities	d)	84,457	-61,629	22,828
Total current liabilities		537,543	140,629	678,172
EQUITY AND LIABILITIES		1,798,519	156,059	1,954,578

COMMENTS ON RECONCILIATION BETWEEN FORMER ACCOUNTING POLICIES AND IFRS:

- a) In accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, profit/loss items in foreign operations have been restated at the transaction rate/average exchange rate, which led to minor adjustments of previously recognized amounts.

- b) For wind power facilities sold including a service obligation, these costs were previously recognized in conjunction with the divestment. Under IFRS, this obligation is to be viewed as a portion of the purchase consideration instead of as a cost. Consequently, this leads to reduced income on the date of sale but adds income in line with the service obligation being fulfilled.
- c) For business deals that include both the purchase and sale of property, plant and machinery, both the acquired and divested assets are measured at fair value in accordance with IFRS. This entails adjustment of net sales and property, plant and equipment.
- d) Under the former accounting policies, receivables and liabilities in foreign currency that were effectively hedged against currency fluctuations were valued at the forward rate. Under IFRS, both the currency futures (derivative instruments) and the hedged items are measured at fair value.
- e) Future estimated expenses for dismantling wind turbines after their useful lives and the after-treatment of land were recognized as a liability after deductions for estimated residual values. The liability is recognized under the heading "non-current provisions" and interest is calculated on it. For acquisitions from the transition date of September 1, 2011, the corresponding amount has been recognized as an asset at cost and depreciated over the estimated useful life.
- f) Eolus previously applied a depreciation period of 15 years for wind power facilities acquired prior to September 1, 2011, and applies a depreciation period of 20 years for subsequent acquisitions. The Board has deemed that a depreciation period of 20 years better reflects the expected useful lives of newly constructed turbines. In conjunction with the transition to IFRS, the changed assessment is now also applied to wind power facilities that were previously depreciated over a period of 15 years.
- g) Work in progress and advance payments from customers were previously recognized at net amounts. Under IFRS, these amounts are to be recognized gross.
- h) Differences between the carrying and tax amounts of assets and liabilities give rise to deferred tax assets or liabilities. Receivables and liabilities are recognized at net amount when there is right to settle them as a net payment. This is normally the case for Swedish Group companies when there is a right to pay and receive Group contributions with tax deduction rights and tax liability.

Retained earnings

Except for reclassifications, all adjustments described above are recognized in the opening balance of retained earnings in the statement of financial position on September 1, 2011.

NOTE 5 OPERATING SEGMENT

Eolus's operating segments comprise:

- *Development:* involving feasibility, engineering, installation and divestment of wind power facilities. It also includes technical and consultancy services for wind power stakeholders.
- *Electricity generation:* encompassing the operation of wholly or partly owned wind turbines, the sale of electric power and the divestment of electricity certificates allocated to producers of renewable electricity.

2012/2013	Develop- ment	Electricity generation	Joint eliminations	Group total
Income for the segments				
Net sales, external customers	1,086,066	118,879	-	1,204,945
Transactions between segments				
Other income, external customers	41,843	19,376	-	61,219
Expenses	-978,702	-100,041	-	-1,119,444
(of which depreciation/ amortization and impairment)	(-5,168)	(-49,025)	-	(-54,193)
Operating profit	108,506	38,214	-	146,720
Profit from participations in associated companies				
	-	-	3	3
Interest income	-	-	1,488	1,488
Interest expenses	-	-	-12,895	-12,895
Profit before tax	108,506	38,214	-11,404	135,316
Tax				
			6,248	6,248
Net profit for the year	108,506	38,214	-5,156	141,564
Segment's assets at August 31, 2013				
	466,888	667,960	427,963	1,562,811
Assets include:				
Purchase of non-current assets	1,184	-	5,800	6,984

2011/2012	Develop- ment	Electricity generation	Joint eliminations	Group total
Income for the segments				
Net sales, external customers	1,824,922	63,002	-	1,887,924
Transactions between segments	219,350	-	-219,350	-
Other income, external customers	2,121	15	-	2,136
Expenses	-1,981,521	-46,650	219,350	-1,808,821
(of which depreciation/ amortization and impairment)	(-6,234)	(-27,359)	-	(-33,593)
Operating profit	64,872	16,367	-	81,239
Profit from participations in associated companies	-	-	-410	-410
Interest income	-	-	827	827
Interest expenses	-	-	-39,771	-39,771
Profit before tax	64,872	16,367	-39,354	41,885
Tax	-	-	-13,626	-13,626
Net profit for the year	64,872	16,367	-52,980	28,259
Segment's assets at August 31, 2012				
	957,163	905,766	91,649	1,954,578

Assets include:

Purchase of non-current assets	8,244	227,764	-	236,008
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99.998% of the Group's income is attributable to Sweden. No single customer represents more than 10% of the Group's income.

Non-current assets	Aug 31, 2013	Aug 31, 2012
Sweden	441,488	603,333
Estonia	20,742	19,566
Total	462,230	622,899

NOTE 6 NOTE 6 ACQUISITION AND DIVESTMENT OF PROJECTS AND COMPLETED WIND TURBINES

In accordance with industry practice, wind power projects are often conducted in separate companies. This means that certain acquisitions and divestments of projects and completed wind turbines are conducted as share transactions. A number of such transactions were carried out in the 2011/2012 and 2012/2013 fiscal years. All of these transactions are deemed to be divestments or acquisitions of assets and thus are not recognized as business combinations. Assets acquired through share transactions are measured at fair value on the acquisition date. For transactions involving the exchange of assets, both the acquired and delivered assets were measured at market value.

NOTE 7 RELATED-PARTY TRANSACTIONS

OWNER STRUCTURE AT OCTOBER 31, 2013

	Number of Class A shares	Number of Class B shares	Share of equity (%)	Share of votes (%)
Largest shareholders				
Bengt Johansson, directly and through companies	481,900	1,862,869	9.4	18.3
Hans-Göran Stennert, directly and through SEB Private Bank S.A	320,000	594,984	3.7	10.4
Åke Johansson	175,200	567,200	3.0	6.4
Bengt Simmingsköld, directly and through companies and related parties	79,225	199,195	1.1	2.7
Niclas Eriksson	-	900,000	3.6	2.5
Länsförsäkring Kronoberg	48,800	385,175	1.7	2.4
SIX SIS AG	-	789,439	3.2	2.2
Försäkringsaktiebolaget Avanza Pension	-	710,275	2.9	1.9
Skandinaviska Enskilda Banken S.A.	-	642,984	2.6	1.8
Hans-Christian Schulze, directly and through related parties	-	501,837	2.0	1.4
Other shareholders	180,500	16,467,417	66.8	50.1
Total	1,285,625	23,621,375	100	100

Loans from and loans to related parties	Aug 31, 2013	Aug 31, 2012
Liabilities to related parties	1,500	435
Interest expense	21	42
Receivables from related parties	928	1,701

Sales to and purchases from related parties	2012/2013	2011/2012
Sales to related parties	4,350	2,375
Purchases from related parties	1,500	-

Sales to and purchases from related parties

In the 2011/2012 fiscal year, Board member Bengt Johansson acquired 25% of a wind turbine through Domneåns Kraftaktiebolag. In the 2012/2013 fiscal year, Deputy CEO Hans-Christian Schulze acquired 12.5% of a wind turbine. These sales took place on the basis of identical conditions that applied to external investors who acquired parts of turbines, in other words, market-based conditions. On August 29, 2013, Eolus Vind AB acquired all of the shares in two companies containing wind power projects under development and 1% of the shares in Blekinge Offshore AB from Vingkraft AB, a company owned by Anders Nilsson, CEO of Blekinge Offshore AB. These transactions also took place at arm's length, that is, on market-based conditions.

Loans from and loans to related parties

The purchasers of wind turbines paid advance payments according to a payment plan. Eolus pay market interest for payments that are earlier than the scheduled payment plan. Board member Bengt Johansson also provided a short-term loan to Eolus Vind AB through Domneåns Kraftaktiebolag during the 2012/2013 fiscal year. The loan accrued market interest and was repaid before the end of the accounting period. On August 31, 2012 and August 31, 2013, Blekinge Offshore AB had receivables from Vingkraft AB pertaining to shareholders' contributions. These receivables have been settled.

Eolus has not provided any guarantees or sureties to or for the benefit of Board members or other senior executives. No Board members or other senior executives had any direct or indirect share transactions with the Group in 2012/2013 or 2011/2012, other than those described above and the remuneration stated in Note 9.

Parent Company's transactions with other Group companies

0.1% (12.2) of the Parent Company's sales pertains to intra-Group invoicing. The Parent Company's operating expenses include intra-Group purchases at only insignificant amounts.

The same pricing policies apply to both purchases and sales between Group companies and to transactions with external parties.

NOTE 8 SALARIES, REMUNERATION AND NUMBER OF EMPLOYEES

	2012/2013		2011/2012	
	Salaries and other remuneration	Social security expenses (of which pension costs)	Salaries and other remuneration	Social security expenses (of which pension costs)
Sweden	19,077	9,594	32,698	13,454
		(2,893)		(4,058)
Estonia	195	67	168	71
		(-)		(-)
Norway	761	110	-	-
		(-)		
Group	20,033	9,771	32,866	13,525
		(2,893)		(4,058)

	2012/2013		2011/2012	
	Salaries and other remuneration (of which bonus)	Pension costs	Salaries and other remuneration (of which bonus)	Pension costs
Board and CEO	1,947	182	4,504	932
	(38)		(-)	
Other employees	18,086	2,711	28,362	3,126
	(645)		(-)	
Group	20,033	2,893	32,866	4,058
	(683)		(-)	(-)

GENDER DISTRIBUTION IN THE GROUP FOR BOARD MEMBERS AND OTHER SENIOR EXECUTIVES

	Aug 31, 2013		Aug 31, 2012	
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
Board members	7	6	8	6
CEO and other senior executives	3	3	9	9
Group	10	9	17	15

AVERAGE NUMBER OF EMPLOYEES

	2012/2013		2011/2012	
	Average number of employees	Of whom men	Average number of employees	Of whom men
Sweden	37	25	57	41
Estonia	1	1	1	1
Norway	2	2	-	-
Group	40	28	58	42

NOTE 9 REMUNERATION OF SENIOR EXECUTIVES

Remuneration of key individuals in Group management	2012/2013	2011/2012
Salaries and other benefits	2,643	5,767
Pension	457	1,671
Severance pay	-	1,053
Variable remuneration	104	-
Total	3,204	8,491

REMUNERATION OF, AND SEVERANCE PAY AND LOANS TO, SENIOR EXECUTIVES

For the 2012/2013 fiscal year, the CEO, Deputy CEO and General Counsel are considered to be senior executives. Remuneration of the CEO was decided by the Board. The CEO decided on remuneration of senior executives after consultation with the Board Chairman. The level of remuneration for individual executives is to be based on such factors as position, expertise, experience and performance. Remuneration comprises fixed salary and may also comprise pension, variable salary and other benefits. The variable salary is to be based on the achievement of quantitative and qualitative targets. The company's pension obligations are covered in all cases by continuous insurance premiums. No Board fees are paid to employees of the Eolus Group.

CEO of the Parent Company

Per Witalisson received salary, pension benefits and car benefits during the 2012/2013 fiscal year. The age of retirement is 65. The employment contract can be terminated by the company with a notice period of six months and by the CEO with a notice period of six months. Decisions on salaries and benefits to the CEO are made by the Board of Eolus Vind.

Board of Directors of the Parent Company

The Annual General Meeting held on January 26, 2013 resolved that the Board Chairman was to receive SEK 250,000 and the other Board members were to each receive SEK 125,000. No Board member received remuneration from Eolus other than Board fees and the business transactions described under Note 7. Bengt Simmingsköld and Ingvar Svantesson received remuneration in 2011/2012. Proposals on remuneration of the Board are presented by the Nomination Committee. The Annual General Meeting held on January 26, 2013 elected four men and one woman to the Board and two men were elected as new Board members.

There are no agreements regarding severance pay, salaries or similar benefits for Board members or Eolus personnel.

Remuneration and other benefits 2012/2013	Basic salary/ Board fee	Variable remuneration	Pension costs	Car benefits	Total
Board of Directors:					
Chairman of the Board Hans-Göran Stennert	250	-	-	-	250
Board member Fredrik Daveby	125	-	-	-	125
Board member Sigrun Hjelmqvist	125	-	-	-	125
Board member Bengt Simmingsköld	125	-	-	-	125
Board member Thord Johansson	125	-	-	-	125
Board member Niclas Eriksson	125	-	-	-	125
Board member Jan Bengtsson	125	-	-	-	125
Senior executives:					
Per Witalisson, CEO	909	38	182	40	1,169
Hans-Christian Schulze, Deputy CEO	780	30	111	-	921
Other senior executives (1 individual)	888	36	164	26	1,114
Total	3,577	104	457	66	4,204

Remuneration and other benefits 2011/2012	Basic salary/ Board fee	Variable remuneration	Pension costs	Car benefits	Total
Board of Directors:					
Chairman of the Board Hans-Göran Stennert	255	-	-	-	255
Board member Fredrik Daveby	125	-	-	-	125
Board member Natsue Ellesson	126	-	-	-	126
Board member Sigrun Hjelmqvist	126	-	-	-	126
Board member Bengt Johansson	134	-	-	-	134
Board member Bengt Simningsköld	555	-	-	-	555
Board member Ingvar Svantesson	254	-	-	-	254
Board member Thord Johansson	125	-	-	-	125
Senior executives:					
Gustaf Ekberg, CEO until July 9, 2012	1,955*	-	728	-	2,683
Per Witalisson, CEO from August 21, 2012	849	-	204	20	1,073
Hans-Christer Schulze, Deputy CEO from August 21, 2012	646	-	100	-	746
Other senior executives (6 individuals)	3,287	-	639	63	3,989
Total	8,437	-	1,671	83	10,191

*Severance pay of SEK 1,053,000 is included in this amount.

NOTE 10 REMUNERATION OF AUDITORS

	2012/2013	2011/2012
Ernst & Young AB		
Audit assignment	647	437
- audit activities in addition to the audit assignment	-	-
Tax consultancy	132	181
Other services	208	875
Total	987	1,493
Grant Thornton		
Audit assignment	-	99
- audit activities in addition to the audit assignment	-	-
Tax consultancy	-	-
Other services	-	-
Total	-	99
Revisorgruppen Trøndelag AS		
Audit assignment	19	-
- audit activities in addition to the audit assignment	4	-
Tax consultancy	-	-
Other services	-	-
Total	23	-
Group total	1,010	1,592

The Annual General Meeting held on January 26, 2013 resolved to elect public accounting firm Ernst & Young AB for a mandate period of one year with Authorized Public Accountant Håkan Persson as Auditor in Charge and Authorized Public Accountant Johan Thuresson as co-auditor.

Audit assignment pertains to the statutory audit and fees for advisory services. Audit activities in addition to the audit assignment pertain to examining the administration and financial information as stipulated by ordinances, the Articles of Association, regulations and agreements that result in reports or other documents that are intended to serve as basis for assessment for parties other than the adviser. Other services are those that cannot be attributable to any other the other headings.

NOTE 11 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income	2012/2013	2011/2012
Exchange-rate gains attributable to project activities	898	1,394
Capital gains attributable to divestment of wind power facilities	17,361	6
Fair value of change in currency derivatives	40,701	-
Other	2,259	736
Total	61,219	2,136
Other operating expenses		
Exchange-rate losses attributable to project activities	17,946	2,307
Capital losses attributable to divestment of wind power facilities	-	1,459
Capital losses attributable to other non-current assets	6	101
Fair value of change in currency derivatives	-	44,248
Other	39	275
Total	17,991	48,390

Eolus hedges future forecast payment flows in accordance with an established finance policy. The difference between the price paid and forward rate results in exchange-rate gains and exchange-rate losses, which are recognized as "other operating income" and "other operating expenses" respectively.

NOTE 12 FINANCIAL INCOME AND EXPENSES

Financial income	2012/2013	2011/2012
Interest income		
Loans and receivables	1,048	20
Exchange-rate differences on loans	440	-
Other financial income	1	807
Total financial income	1,488	827
Financial expenses		
Interest expenses		
Bank loans	-17,711	-15,419
Loans from shareholders	-21	-42
Other financial expenses	-2,507	-3,489
Exchange-rate differences	-3,479	-7,514
Fair value of change in interest-rate derivatives	10,824	-13,307
Total financial expenses	-12,895	-39,771

No portion of borrowing costs was capitalized as a non-current asset in 2012/2013 or in 2011/2012.

NOTE 13 TAX

	2012/2013	2011/2012
Current tax:		
Current tax on net profit for the year	5,417	10,681
Adjustments for previous years	-	-
Total current tax	5,417	10,681
Deferred tax:		
Occurrence and reversal of temporary differences	11,580	2,944
Income due to changed tax rate	-23,245	-
Income tax	-6,248	13,626

Reconciliation of effective tax rate	2012/2013	2011/2012
Profit before tax	135,316	41,885
Tax calculated at Swedish tax rate	35 588	11,015
Difference between Swedish and foreign tax rates	-2	-5
Non-taxable income	-22,328	-
Non-deductible expenses	1 002	1,291
Interest surcharge for tax allocation reserve	1,121	1,324
Income due to changed tax rate	-23,245	-
Loss carryforwards not recognized as assets	1,616	-
Total tax expense/tax income	-6,248	13,626

A significantly positive effect on earnings was recognized due to corporate tax in Sweden being lowered from 26.3% to 22%. Excluding this effect, the average effective tax rate was 12.6% (32.5).

No tax is attributable to other comprehensive income. No income tax was recognized against equity in the consolidated financial statements during the year.

	2012/2013		2011/2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Temporary differences attributable to:				
Property, plant and equipment and intangible assets	574	387	498	6,584
Assets measured at fair value	3,098	3,059	16,201	8
Other temporary differences:				
Provisions	1,968	-	4,073	-
Untaxed reserves	-	94,197	-	104,551
Inventories and work in progress	332	23,501	1,501	35,057
Total temporary differences	5,972	121,144	22,273	146,200

Recognized in the statement of financial position:	2012/2013	2011/2012
Deferred tax assets		
Deferred tax assets to be utilized after more than 12 months	358	-
Deferred tax assets to be utilized within 12 months	-	15,214
	358	15,214
Deferred tax liabilities		
Deferred tax liabilities to be paid after more than 12 months	115,528	139,134
	115,528	139,134
Deferred tax liabilities (assets), net	-115,170	-123,920

Reconciliation of deferred taxes	2012/2013	2011/2012
At January 1	-123,920	-118,476
Exchange-rate differences	-6	8
Tax expenses/income recognized in profit or loss	-11,580	-2,944
Income due to changed tax rate	21,480	-
Acquisition of subsidiaries	-1,143	-2,508
At December 31	-115,170	-123,920

The Group's loss carryforwards at August 31, 2013 amounted to SEK 20,787,000 (17,271,000), all attributable to Sweden. The entire amount pertains to companies in which there is no right to receive Group contributions for tax purposes. No deferred tax assets were recognized since there is great uncertainty regarding future taxable profits.

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Constructions in progress and advance payments	Total
2012/2013					
Opening accumulated cost	9,888	721,877	25,430	870	758,065
Increase through acquisition of companies	-	-	-	-	-
New acquisitions	300	552	332	-	1,184
Divestments and disposals	-	-129,350	-494	-	-129,844
Reclassifications	-	-	550	-870	-320
Exchange-rate differences	-	1,303	416	-	1,719
Closing accumulated cost	10,188	594,382	26,234	0	630,804

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Constructions in progress and advance payments	Total
2012/2013					
Opening accumulated depreciation	0	-126,947	-10,089	0	-137,036
Addition through acquisition of companies	-	-	-	-	-
Depreciation for the year	-	-49,027	-4,866	-	-53,893
Divestments and disposals	-	21,043	353	-	21,396
Reclassifications	-	-	-	-	-
Exchange-rate differences	-	-272	-	-	-272
Closing accumulated depreciation	0	-155,203	-14,602	0	-169,805
Opening accumulated impairment	-1,927	0	0	0	-1,927
Impairment for the year	-300	-	-	-	-300
Closing accumulated impairment	-2,227	0	0	0	-2,227
Net carrying amount at year-end	7,961	439,179	11,632	0	458,772

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Constructions in progress and advance payments	Total
2011/2012					
Opening accumulated cost	9,098	507,714	17,452	1,083	535,347
Increase through acquisition of companies	-	-	1,650	-	1,650
New acquisitions	1,410	227,764	6,834	-	236,008
Divestments and disposals	-	-12,100	-501	-117	-12,718
Reclassifications	-	-	-	-	-
Exchange-rate differences	-620	-1,501	-5	-96	-2,222
Closing accumulated cost	9,888	721,877	25,430	870	758,065

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Constructions in progress and advance payments	Total
2011/2012					
Opening accumulated depreciation	0	-98,428	-6,232	-	-104,660
Depreciation for the year	-	-29,497	-4,078	-	-33,575
Divestments and disposals	-	522	217	-	739
Reclassifications	-	-	-	-	-
Exchange-rate differences	-	456	4	-	460
Closing accumulated depreciation	0	-126,947	-10,089	0	-137,036
Opening accumulated impairment	-1,909	0	0	0	-1,909
Impairment for the year	-18	-	-	-	-18
Closing accumulated impairment	-1,927	0	0	0	-1,927
Net carrying amount at year-end	7,961	594,930	15,341	870	619,102

NOTE 15 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The tables below show the Group's financial assets and liabilities that are subject to financial risk management.

	Aug 31, 2013	Aug 31, 2012
Current and non-current interest-bearing liabilities (Note 22)	271,553	481,144
Less: cash and cash equivalents (Note 20)	-383,266	-42,703
Net liability	-111,713	438,441
Total equity	960,842	844,779
Total capital	849,129	1,283,220

FINANCIAL RISK MANAGEMENT AT EOLUS

Eolus is exposed to a number of financial risks that the Group manages within the framework of the finance policy approved by the Board. The primary risks for the Group are deemed to be: interest-rate risk, currency risk, energy price risk and refinancing risk.

MARKET RISK

Interest-rate risk

The Group's interest-rate risk arises on the basis of borrowing. Borrowing raised at variable interest rates exposes the Group to interest-rate risk pertaining to the cash flow, which is partly offset by cash funds at variable interest rates. Borrowing raised at fixed interest rates exposes the Group to interest-rate risk pertaining to fair value. Changes in market interest rates can have a major impact on future earnings and profitability since the electricity generation operations are largely financed by bank loans. The Group's interest-rate hedging policy stipulates guidelines for reducing the negative effects of changes in market interest rates. Under the policy, the average fixed-interest term in the electricity generation operations is not to be less than 2.5 years. At August 31, 2013, 96% of the Group's liabilities to credit institutions were covered by interest-rate hedging instruments.

Currency risk

Eolus's currency risk exposure primarily arises by purchasing a large portion of wind turbines in EUR. Exchange-rate fluctuations can thus affect profitability in the installation of wind turbines. The Group's finance policy stipulates guidelines for reducing the negative effects of changes in exchange rates. The policy entails that at least 75% of the estimated flow within 12 months is to be hedged. At August 31, 2013, the Group had outstanding currency derivatives amounting to EUR 26.0 M.

Energy price risk

The market price of electricity varies over time and the price trend of electricity certificates depends on the rate at which the generation of renewable electricity is expanded in relation to the quota obligation that consumers have to purchase electricity certificates. Risk arises in the cases in which electricity sales are not hedged, which leads to a direct impact in the Group's operating profit. Eolus hedges a predetermined portion of generation volume, which means that volume and profile risk is eliminated. Hedging takes place with a number of the largest electricity traders to minimize counterparty risk. Electricity certificates are recognized in income in conjunction with generation of the corresponding electricity and are physically received from the Swedish Energy Agency in the month after being earned.

LIQUIDITY AND REFINANCING RISK

Financing risk pertains to the risk of experiencing difficulties in securing financing for the operations at a given point in time. Eolus's project operations comprise constructing turbines that already have buyers in place, and constructing turbines that are to be sold at a later date. If the market for wind power facilities were to perform negatively, it could be more difficult to sell these facilities at acceptable prices. As a result, Eolus would need to finance more turbines than planned, which could lead to a need for more capital. In November 2012, Eolus signed an agreement on confirmed credit limits with Handelsbanken. The agreement comprises a one-year contract with a limit of SEK 195 M for bank overdraft facilities and bank guarantees and a two-year contract with a limit of SEK 135 M for financing inventories of operational wind power facilities. The one-year contract expired on October 31, 2013 and is currently being renegotiated. In a bid to reduce refinancing risk, the Board adopted a financing policy that entails that the equity/assets ratio in electricity generation operations is not to fall below 30% and that the Group's external loan portfolio is to have a maturity structure that guarantees that the company is not exposed to refinancing risks.

Special undertakings, known as covenants, are in place for liabilities to credit institutions. If these undertakings are not fulfilled, the bank can withdraw the credit facilities. In the 2012/2013 fiscal year, all of the covenants to credit institutions were fulfilled.

The Group prepares cash-flow forecasts. Management closely monitors rolling forecasts to ensure that the Group has sufficiently available liquidity to meet the needs of the operations.

The table below provides a summary of the group's liabilities and their impact on future cash flows. The amounts stated in the table are the contractual, undiscounted cash flows that correspond to the carrying amounts.

Aug 31, 2013	<3 month	3 month - 1 year	1-2 years	2-5 years	>5 years	Total
Borrowing	85,865	51,866	13,185	41,854	78,782	271,552
Accounts payable	25,463	-	-	-	-	25,463
Derivative instruments	-	-	-	2,971	11,109	14,080
Other financial liabilities	-	89,969	-	-	2,200	92,169
Total	111,328	141,835	13,185	44,825	92,091	403,264

Aug 31, 2012	<3 month	3 month - 1 year	1-2 years	2-5 years	>5 years	Total
Borrowing	175,566	23,164	24,714	73,430	184,270	481,144
Accounts payable	102,909	-	-	-	-	102,909
Derivative instruments	-	-	-	-	61,601	61,601
Other financial liabilities	158,661	4,836	-	-	-	163,497
Total	437,136	28,000	24,714	73,430	245,871	809,151

CAPITAL RISK

The Group's targets for its capital structure are to safeguard the Group's ability to pursue its operations so that it can continue to generate returns for shareholders and value for stakeholders, and to maintain an optimal capital structure to keep costs for capital down.

To maintain or adjust its capital structure, the Group can change the dividends it pays to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its liabilities.

The Group assesses capital on the basis of the debt/equity ratio. This key figure is calculated as net debt divided by total capital. Net debt is calculated as total borrowing

(including the items of current borrowing and long-term borrowing in the consolidated balance sheet), less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheet plus net debt.

The debt/equity ratio at August 31, 2013 and August 31, 2012 was as follows:

	Aug 31, 2013	Aug 31, 2012
Debt/equity ratio	n/a	52%

NOTE 16 PARTICIPATIONS IN ASSOCIATED COMPANIES

	2012/2013	2011/2012
At September 1	324	1,279
Acquisitions	5,800	-
Shareholders' contributions	3	-955
Impairment	-5,800	-
At August 31	327	324

Associated companies	Number of participations	Equity/votes (%)	Aug 31, 2013	Aug 31, 2012
Gårdslösa Drift AB	340	33/33	37	37
Isgrannatorp Drift AB	340	33/33	37	37
Istad Wind Power Management AB	480	40/40	48	45
Lunnekullen Vindkraft AB	375	38/38	-	-
Kråge Vind AB	2,000	20/20	205	205
Carrying amount			327	324

Associated companies	Corp. Reg. No.	Registered office	Profit/loss	Equity
Gårdslösa Drift AB	556762-4415	Borgholm	1	112
Isgrannatorp Drift AB	556787-6833	Kristianstad	1	110
Istad Wind Power Management AB	556680-5676	Borgholm	1	119
Lunnekullen Vindkraft AB	556705-3045	Gothenburg	-4	94
Kråge Vind AB	556387-1093	Kristianstad	6	1,025

NOTE 17 FINANCIAL INSTRUMENTS PER CATEGORY

	Loan receivables and accounts receivable	Assets measured at fair value in profit or loss	Available-for-sale financial assets	Total
Aug 31, 2013				
Assets in the balance sheet				
Derivative instruments	-	4,004	-	4,004
Accounts receivables	19,585	-	-	19,585
Other current receivables	21,214	-	-	21,214
Cash and cash equivalents	383,266	-	-	383,266
Total	424,065	4,004	-	428,069

	Liabilities measured at fair value in profit or loss	Other financial liabilities	Total
Liabilities in the balance sheet			
Non-current interest-bearing liabilities	-	133,822	133,822
Current interest-bearing liabilities	-	137,731	137,731
Accounts payable	-	25,463	25,463
Derivative instruments	14,080	-	14,080
Other non-current liabilities	-	2,200	2,200
Advance payments from customers	-	83,800	83,800
Other current liabilities	-	6,168	6,168
Total	14,080	305,384	319,464

	Loan receivables and accounts receivable	Assets measured at fair value in profit or loss	Available-for-sale financial assets	Total
Aug 31, 2012				
Assets in the balance sheet				
Derivative instruments	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Accounts receivables	96,953	-	-	96,953
Other current receivables	25,665	-	-	25,665
Cash and cash equivalents	42,703	-	-	42,703
Total	165,321	-	-	165,321

	Liabilities measured at fair value in profit or loss	Other financial liabilities	Total
Liabilities in the balance sheet			
Non-current interest-bearing liabilities	-	282,414	282,414
Current interest-bearing liabilities	-	198,730	198,730
Accounts payable	-	102,909	102,909
Derivative instruments	61,601	-	61,601
Advance payments from customers	-	140,668	140,668
Other current liabilities	-	22,831	22,831
Total	61,601	606,884	809,153

NOTE 18 DERIVATIVE INSTRUMENTS

	Aug 31, 2013		Aug 31, 2012	
<i>Derivative instruments comprise the following:</i>	Assets	Liabilities	Assets	Liabilities
Currency forward contracts and currency options – held for trading	4,004	-	-	36,697
Interest-rate derivatives – held for trading	-	14,080	-	24,904

Derivative instruments are classified as either current assets or current liabilities. Eolus does not apply hedge accounting. The purpose of the company's holdings of derivative instruments is to reduce the total risk of exchange-rate and interest-rate changes. These instruments are classified as held for trading and measured at fair value on the accounting year-end. The change in value is recognized in profit or loss. Positive changes in value of currency derivatives are recognized as other operating income, while losses are recognized as other operating expenses. Operating profit in the 2012/2013 fiscal year was positively impacted by changes in value of currency derivatives of SEK 40,701,000.

NOTE 19 ACCOUNTS RECEIVABLE

	Aug 31, 2013	Aug 31, 2012
Accounts receivables	19,776	98 023
Reserve for doubtful receivables	-191	-1,070
Accounts receivables, net	19,585	96,953

No security for accounts receivable was provided and the receivables were not pledged.

At August 31, 2013, accounts receivable amounting to SEK 7,339,000 (34,485,000) were past due without any impairment being required.

Age analysis of accounts receivable, past due but not impaired

	Aug 31, 2013	Aug 31, 2012
<30 days	5	435
30-90 days	-8	7,149
91-180 days	3,208	1,244
>180 days	4,134	25,657
Total past due but not impaired accounts receivable	7,339	34,485

The provision for doubtful receivables corresponds to approximately 1% (1) of total accounts receivable and changed as follows.

Provision for doubtful receivables	Aug 31, 2013	Aug 31, 2012
Provision at beginning of year	-1,070	-4,151
Provision for potential losses	-	-
Confirmed losses	-	-400
Reversed, unutilized amount	879	3,481
Exchange-rate effects	-	-
Amount at year-end	-191	-1,070

Provisions for the reversals of reserves for doubtful receivables are included in the item "other operating expenses" in the income statement.

The maximum exposure for credit risk on the balance sheet date is the carrying amount of each category of receivables stated above.

NOTE 20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet and cash-flow statement include the following:

	Aug 31, 2013	Aug 31, 2012
Cash and bank balances	383,266	42,703
Current bank deposits	-	-
Amount at year-end	383,266	42,703

NOTE 21 INVENTORIES

	Aug 31, 2013	Aug 31, 2012
Inventories	207,875	209,136
Work in progress	306,261	514,179
Advance payments to suppliers	138,897	419,762
Amount at year-end	653,033	1,143,077

During the year, turbines in inventory were impaired in an amount of SEK 4,600,000. This impairment was recognized to adjust to the changed price levels in the market. The amount was recognized in the income statement under the item "change in stocks of work in progress, finished products and work in progress on another party's account."

NOTE 22 BORROWING

Non-current borrowing	Aug 31, 2013	Aug 31, 2012
Bank loans (fixed interest rate)	4,000	5,000
Bank loans (variable interest rate)	129,822	277,414
Total non-current borrowing	133,822	282,414

Current borrowing

Bank loans (variable interest rate)	137,731	198,730
Total current liabilities	137,731	198,730

Total borrowing	271,553	481,144
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Loans against collateral are included in total borrowing comprising:

Chattel mortgages	354,000	262,000
Security assignment of wind turbines	281,163	395,913
Blocked bank balances	19,654	1
Shares in associated companies	54	54
Shares in subsidiaries	-	-
Total borrowing against security	654,870	657,968

BANK LOANS

The Group's exposure, on the basis of loans, to interest-rate changes and contractual dates for renegotiations of interest rates are as follows:

	Aug 31, 2013	Aug 31, 2012
6 months or less	267,553	476,144
6-12 months	-	-
1-5 years	4,000	5,000
More than 5 years	-	-
Total	271,553	481,144

Total borrowing includes bank loans and other borrowing against security amounting to SEK 654,870,000 (657,968,000). No collateral in the form of property mortgages was provided for loans.

The carrying amount and fair value of non-current borrowing are as follows:

Non-current borrowing, valuation of loans	Carrying amount		Fair value	
	Aug 31, 2013	Aug 31, 2012	Aug 31, 2013	Aug 31, 2012
Bank loans	133,822	282,414	133,822	282,414
Bank overdraft facilities	-	-	-	-
Total	133,822	282,414	133,822	282,414

The carrying amounts and fair values are the same since no borrowing costs are recognized and loans essentially bear variable interest.

Carrying amounts per currency for the Group's borrowing are as follows:

Borrowing per currency	Aug 31, 2013	Aug 31, 2012
SEK	266,910	475,517
EUR	4,643	5,627
Total	271,553	481,144

The repayment plan for non-current liabilities is summarized in the table below.

The maturity dates for non-current loans are as follows:

Non-current borrowing, maturity dates	Aug 31, 2013	Aug 31, 2012
Between 1 and 2 years	13,185	24,714
Between 2 and 5 years	41,854	73,430
More than 5 years	78,783	184,270
Total	133,822	282,414

BANK OVERDRAFT FACILITIES

Bank overdraft facilities	Aug 31, 2013	Aug 31, 2012
Amount granted	100,000	151,000

Unutilized credit is included in liabilities that fall due within one year from the balance sheet date and amounts to

- 89,141

Special undertakings, known as covenants, are in place for liabilities to credit institutions. If these undertakings are not fulfilled, the bank can withdraw the credit facilities. In the 2012/2013 fiscal year, all of the covenants to credit institutions were fulfilled.

NOTE 23 EQUITY**SHARE CAPITAL AND OTHER CAPITAL CONTRIBUTED**

Disclosure on number of shares	Aug 31, 2013	Aug 31, 2012
Number of issued and fully paid shares		
Class A shares (number of votes per share 1) quotient value SEK 1	1,285,625	1,285,625
Class B shares (number of votes per share 1/10) quotient value SEK 1	23,621,375	23,621,375
Number of issued and fully paid shares	24,907,000	24,907,000

Profit brought forward

At September 1, 2011	376,903
Net profit for the year	30,997
Dividend paid for 2010/2011	-24,907
Transactions with non-controlling interests	-2,919
At August 31, 2012	380,074

At September 1, 2012**380,074**

Net profit for the year	143,111
Dividend paid for 2011/2012	-24,907
Transactions with non-controlling interests	-202
At August 31, 2013	498,076

RESERVES

	Translation reserve	Total
At September 1, 2011		
Translation differences	-162	-162
At August 31, 2012	-162	-162
Translation differences	79	79
At August 31, 2013	-83	-83

TRANSLATION RESERVE

Translation differences arising when the financial statements of foreign subsidiaries are consolidated are recognized in the translation reserve.

EARNINGS PER SHARE**Before and after dilution**

Earnings per share are calculated by dividing the earnings attributable to the Parent Company shareholders by a weighted average number of outstanding common shares for the period.

Earnings per share before dilution	2012/2013	2011/2012
Earnings attributable to Parent Company shareholders	143,111	30,997
Weighted average number of outstanding common shares	24,907,000	24,907,000
Earnings per share before dilution	5.75	1.24

The Parent company has no potential common shares that affect earnings per share after dilution.

NOTE 24 ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income	Aug 31, 2013	Aug 31, 2012
Accrued payroll expenses and personnel costs	6,207	9,944
Accrued expenses and deferred income pertaining to projects	60,817	115,444
Other accrued expenses	7,601	10,038
Total	74,625	135,426

NOTE 25 PROVISIONS

Provisions	After-treatment costs for disposal of wind turbines	Lease fees	Total
Recognized in profit and loss	9,032	1,047	10,079
additional provisions, interest			
reversed amounts pertaining to divested turbines	253	-	253
utilized during the year	-1,668	-	-1,668
Exchange-rate differences	-	-124	-124
At August 31, 2013	11	-	11
	7,628	923	8,551

COMMITMENTS REGARDING AFTER-TREATMENT

According to the Swedish Environmental Code, financial guarantees must be provided as security for dismantling and after-treating the locations of the wind turbines. Costs for dismantling and after-treatment are estimated for each turbine with guidance from investigations carried out for specific turbines. The basis is a normal value of SEK 250 per megawatt (MW) of installed output for steel hubs. About SEK 100 per MW is added if the turbine is constructed using concrete. The amounts apply to the cost scenario at the transition date of September 1, 2011. The residual value is handled as a deductible item in the disposal analysis and is taken into account in these standard amounts. The time factor is taken into account through discounting. The price trend can be assumed to be equal to the long-term information target of 2%, while a certain level of technological progress should reduce the cost trend. Provisions are established at the present value of the calculated future cost. In accordance with IAS 37, point 60, provisions are continuously adjusted upward using the discount rate and this upward adjustment is recognized as a borrowing cost (interest expense).

COMMITMENTS REGARDING LEASING

The provision pertains to the commitment to pay future leases for turbines that have been sold.

NOTE 26 RECONCILIATION ITEMS BETWEEN PROFIT BEFORE TAX AND NET CASH FLOW

<i>Items not affecting cash flow</i>	2012/2013	2011/2012
Depreciation and impairment of property, plant and equipment	54,193	33,593
Exchange-rate differences	-21,378	-6,275
Capital gains from divestment of non-current assets	-23,624	-1,331
Changes in provisions	245	-469
Measurement of derivatives at fair value	-40,701	57,554
Capital gain/loss and deferred payment attributable to divestment of subsidiaries	6,451	-
Effect of swap transactions	8,196	4,831
Total	-16,618	87,903

NOTE 27 COMMITMENTS**INVESTMENT COMMITMENTS**

No agreements regarding the acquisition of property, plant and equipment or intangible assets had been signed at the end of the accounting period or in the preceding year.

OPERATING LEASES

Leasing costs amounting to SEK 2,064,000 (2,072,000) pertaining to office premises, cars and office machinery are included in profit or loss. The leasing periods vary between three months and three years and most leasing contracts can be extended at the end of the period on market-based conditions. However, it is common that the contracts are discontinued.

<i>Operating leases, fees included in profit or loss</i>	2012/2013	2011/2012
Machinery and equipment	12	12
Premises	1,649	1,619
Other	403	441
Total	2,064	2,072

Future total minimum lease fees for irrevocable operating leasing contracts:

<i>Future total minimum rent for irrevocable operating leasing contracts:</i>	2012/2013	2011/2012
Within 1 year	1,579	729
Between 1 and 5 years	2,151	1,612
More than 5 years	-	-
Total	3,730	2,341

NOTE 28 CONTINGENT LIABILITIES AND PLEDGED ASSETS

The Group has contingent liabilities pertaining to legal claims that have arisen in the normal business operations.

No significant liabilities are expected to arise on the basis of these contingent liabilities, other than those for which provisions have been made (Note 25).

<i>Pledged assets for liabilities to credit institutions</i>	2012/2013	2011/2012
Chattel mortgages	354,000	262,000
Security assignment of wind turbines and leases	281,163	395,913
Blocked bank balances	19,654	1
Shares in associated companies	54	54
Shares in subsidiaries	-	-
Total	654,871	657,968

NOTE 29 KEY EVENTS AFTER THE END OF THE FISCAL YEAR

After the balance sheet date, nine turbines with a capacity of 17.6 MW were put into operation.

In November, seven turbines with a total capacity of 14 MW were completed at Stensåsa and handed over to the Danish wind power company European Wind Investment (EWI) as part of the agreement signed in December 2012.

In November, Eolus signed an agreement with the Municipality of Värmdö for the sale of a turnkey wind turbine in Nötåsen wind farm that will be installed in 2014. A public procurement process was held prior to the transaction and Eolus's tender was the most favorable.

In December, Eolus sold 1.25 wind turbines in Rockneby wind farm in the Municipality of Kalmar to Blekinge County Council.

In December, Eolus signed an agreement with Vestas for the delivery of 29 wind turbines with capacity of 59 MW to the Skalleberg farm in the Municipality of Hjo, Mungseröd farm in the Municipality of Tanum, Ramsnäs farm in the Municipality of Laxå and Alered farm in the Municipality of Falkenberg.

Parent Company income statement

KSEK	Note	2012/2013	2011/2012
Net sales	2	1,079,203	2,020,911
Change in stock of work in progress, finished products and work in progress on another party's account		-203,520	322,807
Other operating income	21	1,075	2,121
Total operating income		876,758	2,345,839
Cost of goods and engineering		-735,139	-2,128,860
Other external expenses	4	-29,933	-32,003
Personnel costs	3	-26,075	-38,398
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	10	-5,967	-8,109
Other operating expenses	21	-17,952	-2,408
Total operating expenses		-815,066	-2,209,778
Operating profit		61,692	136,061
Loss from participations in Group companies	11	-13,202	-4,966
Profit/loss from participations in associated companies	12	-5,800	295
Profit/loss from other securities and receivables that are non-current assets		-422	1,176
Interest income and similar profit/loss items	5	1,536	1,952
Interest expense and similar profit/loss items	5	-14,891	-18,668
Loss from financial items		-32,779	-20,211
Profit after financial items		28,913	115,850
Appropriations	7	-22,643	-8,736
Profit before tax		6,270	107,114
Tax on profit for the year	6	-7,447	-29,891
Net profit/loss for the year		-1,177	77,223

Parent Company statement of comprehensive income

	Note	2012/2013	2011/2012
Net profit/loss for the year		-1,177	77,223
Other comprehensive income		-	-
Tax attributable to other comprehensive income	6	-	-
Other comprehensive income, net after tax		-	-
Comprehensive income/loss for the year		-1,177	77,223

Parent Company balance sheet

KSEK	Note	Aug 31, 2013	Aug 31, 2012
ASSETS			
Property, plant and equipment	10		
Land and buildings		221	221
Wind turbines, foundations and electrical installations		38,347	39,818
Equipment		8,326	12,407
		46,894	52,446
Financial assets			
Participations in Group companies	11	184,950	183,104
Participations in associated companies	12	240	240
Other securities held as non-current assets	13	1,734	1,734
Deferred tax assets	6	294	1,711
Other long-term receivables		1,273	1,690
		188,491	188,479
Total non-current assets		235,385	240,925
Inventories, etc.			
Finished products and goods for resale		204,688	323,674
Work in progress		152,520	209,137
Advance payments to suppliers		138,360	424,056
		495,568	956,867
Current receivables			
Accounts receivables		18,831	96,665
Receivables from Group companies		54,897	45,160
Current tax assets		10,899	-
Other current receivables		16,122	20,751
Prepaid expenses and accrued income	14	4,318	4,581
		105,067	167,157
Cash and bank balances		374,378	38,951
Total current assets		975,013	1,162,975
TOTAL ASSETS		1,210,398	1,403,900

KSEK	Note	Aug 31, 2013	Aug 31, 2012
EQUITY AND LIABILITIES	18		
Restricted equity			
Share capital		24,907	24,907
Statutory reserve		22,259	22,259
		47,166	47,166
Non-restricted equity			
Share premium reserve		417,733	417,733
Profit brought forward		153,930	101,615
Net profit/loss for the year		-1,177	77,223
		570,486	596,571
Total equity		617,652	643,737
Untaxed reserves	8	143,662	142,342
Provisions	9	923	1,047
Non-current liabilities to credit institutions	16	12,012	26,362
Current liabilities			
Liabilities to credit institutions	16	73,634	172,428
Advance payments from customers		83,800	140,668
Accounts payable		23,120	96,850
Liabilities to Group companies		186,664	14,298
Current tax liabilities		-	15,399
Other liabilities		4,731	22,289
Accrued expenses and deferred income	15	64,200	128,480
Total current liabilities		436,149	590,412
TOTAL EQUITY AND LIABILITIES		1,210,398	1,403,900
Pledged assets	20	378,477	265,945
Contingent liabilities	20	33,858	50,347

Parent Company cash flow statement

KSEK	Note	2012/2013	2011/2012
Operating activities			
Operating profit		61,692	136,061
Adjustments for items not affecting cash flow	19	5,795	8,025
		67,487	144,086
Interest received		1,348	4,360
Interest paid		-15,946	-18,125
Income tax paid		-32,328	-42,599
Net cash flow from operating activities before changes in working capital		20,561	87,722
Adjustments of working capital			
Increase/Decrease in inventories		461,299	-350,192
Increase/Decrease in operating receivables		72,989	160,599
Increase/Decrease in operating liabilities		-70,393	-136,711
Cash flow from operating activities		484,456	-238,582
Cash flow from investing activities			
Acquisition of participations in subsidiaries		-6,087	-11,738
Divestment of participations in subsidiaries		859	480
Divestment of participations in associated companies		-	545
Acquisition of participations in associated companies		-5,800	-
Acquisition of property, plant and equipment		-506	-6,752
Divestment of property, plant and equipment		139	116
Acquisition of financial assets		-	-7
Divestment of financial assets		417	5,583
Cash flow from investing activities		-10,978	-11,773
Cash flow from financing activities			
Borrowings		59,000	169,566
Amortization of loans		-172,144	-2,862
Group contributions paid		0	-28,713
Dividends		-24,907	-24,907
Cash flow from financing activities		-138,051	113,084
Cash flow for the year		335,427	-137,271
Cash and cash equivalents, beginning of the year		38,951	176,222
Exchange-rate differences in cash and cash equivalents			
Cash and cash equivalents, end of period		374,378	38,951

Parent Company statement of changes in equity

KSEK	Note 18	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Total equity
At September 1, 2012		24,907	22,259	417,733	178,838	643,736
Net profit for the year					-1,177	-1,177
Total comprehensive income					-1,177	-1,177
Transactions with shareholders						
Dividend for 2011/2012					-24,907	-24,907
At August 31, 2013		24,907	22,259	417,733	152,754	617,652

KSEK	Note 18	Share capital	Ongoing new share issue	Statutory reserve	Share premium reserve	Profit brought forward	Total equity
At August 31, 2011		22,643	2,264	22,259	417,733	185,129	650,028
Net profit for the year						77,223	77,223
Group contributions						-79,521	-79,521
Tax attributable to Group contributions						20,914	20,914
Total comprehensive income						18,616	18,616
Transactions with shareholders							
New share issue		2,264	-2,264				
Dividend for 2010/2011						-24,907	-24,907
At August 31, 2012		24,907	0	22,259	417,733	178,838	643,737

Notes for the Parent Company

NOTE 1 PARENT COMPANY'S ACCOUNTING POLICIES

REGULATIONS AND PROVISIONS APPLIED

The Parent Company's annual accounts have been prepared in accordance with recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. This means that IFRS is applied with the exemptions and additions described below.

FINANCIAL ASSETS

Certain financial assets are measured at fair value in the consolidated financial statements. In the Parent Company, financial assets are measured at an amount that is the lowest of cost and the replacement cost.

OWNERSHIP OF SUBSIDIARIES

Participating interests in subsidiaries are recognized in the Parent Company according to the cost method. Dividends from subsidiaries are recognized in the Parent Company's income statement. However, no dividends from subsidiaries were made in 2012/2013 or 2011/2012.

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS

From 2012/2013, the Parent Company recognizes Group contributions paid and received as appropriations, in accordance with the alternative method stated in RFR 2 Accounting for Legal Entities. Shareholders' contributions are recognized directly against the equity of the recipient and are capitalized in shares and participations from the donor to the extent that impairment is not required.

UNTAXED RESERVES

The amounts deposited in untaxed reserves comprise taxable temporary differences. Deferred tax liabilities attributable to the untaxed reserves are not recognized separately in the Parent company due to the connection between accounting and taxation. The amounts are included in untaxed reserves instead.

NOTE 2 OPERATING INCOME

The Parent Company's sales primarily comprise turnkey wind power project. The generation of electric power from completed turbines in inventory comprises a small portion of the Parent Company's income. All sales took place in Sweden.

NOTE 3 SALARIES AND REMUNERATION OF EMPLOYEES AND OTHER FEES

All of the Group's employees in Sweden are employed in the Parent Company. The members of the Parent Company's management team also comprise Group Management. Salaries, other remuneration, social security expenses, the number of employees and gender distribution for Parent Company management are presented in Notes 8 and 9 of the consolidated financial statements.

Gender distribution in the Group for Board members and other senior executives, and other details regarding remuneration of the Board and senior executives are presented in Note 9 for the Group.

NOTE 4 AUDIT FEE

	2012/2013	2011/2012
Ernst & Young AB		
Audit assignment	541	413
Audit activities in addition to the audit assignment	-	-
Tax consultancy	132	181
Other services	208	875
Total	881	1,469

NOTE 5 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS, INTEREST EXPENSE AND SIMILAR PROFIT/LOSS ITEMS

	2012/2013	2011/2012
Interest income and similar profit/loss items		
Loans and receivables	963	1,753
Loans and receivables to Group companies	572	193
Other financial income	1	6
Interest income and similar profit/loss items	1,536	1,952

	2012/2013	2011/2012
Interest expense and similar profit/loss items		
Bank loans	-5,560	-3,691
Loans from shareholders	-21	-42
Liabilities to Group companies	-3,815	-2,833
Other financial expenses	-2,015	-4,589
Exchange-rate differences	-3,480	-7,513
Interest expense and similar profit/loss items	-14,891	-18,668

NOTE 6 TAX

	2012/2013	2011/2012
Current tax:		
Current tax on net profit for the year	-6,030	-28,554
Total current tax:	-6,030	-28,554
Deferred tax:		
Occurrence and reversal of temporary differences	-1,417	-1,337
Income tax	-7,447	-29,891

	2012/2013	2011/2012
Reconciliation of effective tax rate		
Profit before tax	6,270	107,114
Tax calculated at Swedish tax rate	-1,649	-28,170
Non-taxable income	-	1,619
Non-deductible expenses	-5,516	-3,066
Interest surcharge for tax allocation reserve	-282	-274
Total tax expense/tax income:	-7,447	-29,891

No income tax was recognized against equity during the year.

Deferred income tax attributable to:

	2012/2013		2011/2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Temporary differences				
Provisions	294	-	1,711	-
Total temporary differences	294	-	1,711	-
Recognized in balance sheet:			2012/2013	2011/2012
Deferred tax assets				
Deferred tax assets to be utilized within 12 months			294	1,711
Deferred tax liabilities (assets), net			294	1,711
Reconciliation of deferred taxes			2012/2013	2011/2012
At January 1			1,711	-
Tax expenses/income recognized in profit or loss			-1,417	1,711
At December 31			294	1,711

NOTE 7 APPROPRIATIONS

	2012/2013	2011/2012
Change in tax allocation reserve	-3,522	-12,657
Depreciation in excess of plan	2,202	3,921
Group contributions paid	-21,323	-
Total appropriations	-22,643	-8,736

NOTE 8 UNTAXED RESERVES

	Aug 31, 2013	Aug 31, 2012
Tax allocation reserves	103,689	100,167
Accumulated depreciation in excess of plan	39,973	42,175
Total untaxed reserves	143,662	142,342

NOTE 9 PROVISIONS

Provisions pertain to future lease fees for sold wind turbines for which Eolus has a commitment with the land owners.

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Total
2012/2013				
Opening accumulated cost	2,148	63,296	22,001	87,445
New acquisitions	300	-	206	506
Divestments and disposals	-	-	-444	-444
Reclassifications	-	-	-	-
Closing accumulated cost	2,448	63,296	21,763	87,507

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Total
2012/2013				
Opening accumulated depreciation	-	-23,478	-9,594	-33,072
Depreciation for the year	-	-1,471	-4,196	-5,667
Divestments and disposals	-	-	353	353
Reclassifications	-	-	-	-
Closing accumulated depreciation	-	-24,949	-13,437	-38,386
Opening accumulated impairment	-1,927	-	-	-1,927
Impairment for the year	-300	-	-	-300
Closing accumulated impairment	-2,227	-	-	-2,227
Net carrying amount at year-end	221	38,347	8,326	46,894

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Total
2011/2012				
Opening accumulated cost	2,130	63,296	15,694	81,120
New acquisitions	18	-	6,734	6,752
Divestments and disposals	-	-	-427	-427
Closing accumulated cost	2,148	63,296	22,001	87,445

	Land and buildings	Wind turbines, foundations and electrical installations	Equipment	Total
2011/2012				
Opening accumulated depreciation	-	-19,239	-5,958	-25,197
Depreciation for the year	-	-4,239	-3,853	-8,092
Divestments and disposals	-	-	217	217
Closing accumulated depreciation	-	-23,478	-9,594	-33,072
Opening accumulated impairment	-1,909	-	-	-1,909
Impairment for the year	-18	-	-	-18
Closing accumulated impairment	-1,927	-	-	-1,927
Net carrying amount at year-end	221	39,818	12,407	52,446

NOTE 11 PARTICIPATIONS IN GROUP COMPANIES

	2013/2012	2012/2011
At September 1	183,104	176,812
Acquisitions	7,387	11,739
Divestments	-3,146	-510
Shareholders' contributions	8,519	0
Impairment	-10,914	-4,937
At August 31	184,950	183,104
Profit from participations in Group companies	2013/2012	2012/2011
Impairment	-10,914	-4,937
Loss in conjunction with divestments	-2,288	-29
Total	-13,202	-4,966

Subsidiaries and sub-subsidiaries in the Group are listed in the table on the right.

	Number of participations	Equity/ votes (%)	Aug 31, 2013	Aug 31, 2012
Group companies				
Eolus Vind Amnehärad AB	1,000	100/100	110	-
<i>Amnehärad Vindkraft Aktiefbolag</i>				
Blekinge Offshore AB	560	56/56	0	0
Bosberget Vindkraft AB	1,000	100/100	85	85
Ekovind AB	130,000	100/100	65,002	65,002
<i>Baltic Wind Energy</i>				
Eolus Elnät AB	1,000	100/100	100	100
Eolus Lerkaka Vindkraft AB	500	100/100	50	
Eolus Vind Norge AS	5,000	100/100	615	615
Eolus Vindpark Ett AB	500	100/100	50	-
<i>Eolus Vindpark Två AB</i>				
Eolus Vindpark Tre AB	500	100/100	50	-
<i>Eolus Vindpark Fyra AB</i>				
Eolus Vindpark Fem AB	500	100/100	50	-
<i>Eolus Vindpark Sex AB</i>				
Eolus Vindpark Sju AB	500	100/100	50	-
<i>Eolus Vindpark Åtta AB</i>				
Eolus Vindpark Nio AB	500	100/100	50	-
<i>Eolus Vindpark Tio AB</i>				
Eolus Vindpark Elva AB	500	100/100	50	-
<i>Eolus Vindpark Tolv AB</i>				
Eolus Vindpark Tretton AB	500	100/100	50	-
<i>Eolus Vindpark Fjorton AB</i>				
Eolus Vindpark Femton AB	500	100/100	50	-
<i>Eolus Vindpark Sexton AB</i>				
Eolus Vindpark Sjutton AB	500	100/100	50	-
<i>Eolus Vindpark Arton AB</i>				
Eolus Vindpark Nitton AB	500	100/100	50	-
<i>Eolus Vindpark Tjugo AB</i>				
Eolus Vindpark Tjugoett AB	500	100/100	50	-
<i>Eolus Vindpark Tjugotvå AB</i>				
Eolus Stensåsa Vindkraft AB	500	100/100	50	-
Knuts Kulle Vindpark AB (formerly Järnunderöd Vind AB)			0	96
Kattegatt Vindkraft AB	16,500	100/100	1,724	1,724
Långmarken Vindkraft AB	1,000	100/100	5,127	-
Lärkeskogen Vindkraft AB	1,000	100/100	93	93
Näset Vindkraft AB	1,000	100/100	0	2,195
Rockneby Vind AB			0	50
SIA Eolus	2,000	100/100	25	25
Skogaryd Vindkraft AB	1,000	100/100	100	100
Skuggetorp Vindkraft AB	1 000	100/100	100	100
Svenska Vindbolaget AB	1,430	100/100	106,861	106,861
<i>Svenska Vindbolaget Vindpark ETT AB</i>				
<i>Svenska Vindbolaget Vindpark TVÅ AB</i>				
<i>Svenska Vindbolaget Vindpark TRE AB</i>				
<i>Svenska Vindbolaget Vindpark FYRA AB</i>				
Vingkraft Hakarp AB			-	3,000
Vingkraft Rönnerum AB	1,000	100/100	850	-
Ölme Vindkraft AB	1,000	100/100	3,058	3,058
Linusvind AB	50,000	100/100	450	-
Carrying amount			184,950	183,104

Group companies	Corp. Reg. No.	Registered office
Eolus Vind Amnehärad AB	556738-6312	Hässleholm
<i>Amnehärad Vindkraft Aktieföretag</i>	556719-3569	Hässleholm
Blekinge Offshore AB	556761-1727	Karlshamn
Bosberget Vindkraft AB	556755-4810	Hässleholm
Ekovind AB	556343-8208	Vårgårda
<i>Baltic Wind Energy</i>	10869166	Saare county, Estonia
Eolus Elnät AB	556639-2477	Hässleholm
Eolus Lerkaka Vindkraft AB	556912-1352	Hässleholm
Eolus Vind Norge AS	998127068	Stjørdal, Norway
Eolus Vindpark Ett AB	556925-8139	Hässleholm
<i>Eolus Vindpark Två AB</i>	556925-8113	Hässleholm
Eolus Vindpark Tre AB	556935-0423	Hässleholm
<i>Eolus Vindpark Fyra AB</i>	556935-0357	Hässleholm
Eolus Vindpark Fem AB	556935-0365	Hässleholm
<i>Eolus Vindpark Sex AB</i>	556935-0373	Hässleholm
Eolus Vindpark Sju AB	556935-0381	Hässleholm
<i>Eolus Vindpark Åtta AB</i>	556935-0480	Hässleholm
Eolus Vindpark Nio AB	556935-0472	Hässleholm
<i>Eolus Vindpark Tio AB</i>	556935-0506	Hässleholm
Eolus Vindpark Elva AB	556935-0498	Hässleholm
<i>Eolus Vindpark Tolv AB</i>	556924-5094	Hässleholm
Eolus Vindpark Tretton AB	556935-0449	Hässleholm
<i>Eolus Vindpark Fjorton AB</i>	556935-0431	Hässleholm
Eolus Vindpark Femton AB	556935-0464	Hässleholm
<i>Eolus Vindpark Sexton AB</i>	556935-0456	Hässleholm
Eolus Vindpark Sjutton AB	556935-0514	Hässleholm
<i>Eolus Vindpark Arton AB</i>	556924-5144	Hässleholm
Eolus Vindpark Nitton AB	556924-5136	Hässleholm
<i>Eolus Vindpark Tjugo AB</i>	556924-5128	Hässleholm
Eolus Vindpark Tjugoett AB	556924-5110	Hässleholm
<i>Eolus Vindpark Tjugotvå AB</i>	556924-5102	Hässleholm
Eolus Stensåsa Vindkraft AB	556911-5362	Hässleholm
Knuts Kulle Vindpark AB (formerly Järnunderöd Vind AB)	556886-5991	Gnosjö
Kattegatt Vindkraft AB	556411-7371	Hässleholm
Långmarken Vindkraft AB	556773-8033	Hässleholm
Lärkeskogen Vindkraft AB	556731-4710	Hässleholm
Näset Vindkraft AB	556721-1023	Hässleholm
Rockneby Vind AB	556898-5161	Kalmar
SIA Eolus	40103392542	Riga, Latvia
Skogaryd Vindkraft AB	556773-9791	Hässleholm
Skuggetorp Vindkraft AB	556773-7993	Hässleholm
Svenska Vindbolaget AB	556759-9013	Hässleholm
<i>Svenska Vindbolaget Vindpark ETT AB</i>	556814-9636	Hässleholm
<i>Svenska Vindbolaget Vindpark TVÅ AB</i>	556814-9560	Hässleholm
<i>Svenska Vindbolaget Vindpark TRE AB</i>	556814-9578	Hässleholm
<i>Svenska Vindbolaget Vindpark FYRA AB</i>	556765-1830	Hässleholm
Vingkraft Hakarp AB	556796-9844	Hässleholm
Vingkraft Rönnerum AB	556796-9836	Sölvesborg
Ölme Vindkraft AB	556755-5965	Hässleholm
Linusvind AB	556832-0054	Sölvesborg

NOTE 12 PARTICIPATIONS IN ASSOCIATED COMPANIES

	2012/2013	2011/2012
At September 1	240	240
Acquisitions	588	-
Divestments	-	-
Shareholders' contributions	75	-
Impairment	-663	-
At August 31	240	240

Associated companies	Number of participations	Equity/votes (%)	Aug 31, 2013	Aug 31, 2012
Istad Wind Power Management AB	480	40/40	40	40
Lunnekullen Vindkraft AB	375	38/38	-	-
Kråge Vind AB	2,000	20/20	200	200
Carrying amount			240	240

Information about the associated companies' corporate registration numbers, registered offices, earnings and equity are provided below. Disclosures on earnings and equity were obtained from the most recently published annual report.

Associated companies	Corp. Reg. No.	Registered office	Profit/loss	Equity
Istad Wind Power Management AB	556680-5676	Borgholm	1	119
Lunnekullen Vindkraft AB	556705-3045	Gothenburg	-4	94
Kråge Vind AB	556387-1093	Kristianstad	6	1,025

Profit/loss from participations in associated companies	2012/2013	2011/2012
Capital gains/losses attributable to divestment		229
Dividends	-	66
Impairment of shareholdings	-663	
Impairment of receivables	-5,137	-
Total	-5,800	295

NOTE 13 OTHER SECURITIES HELD AS FIXED ASSETS

	Number of participations	Equity/votes (%)	Aug 31, 2013	Aug 31, 2012
Holdings in other companies				
Istad Vind AB	1,666	13/13	167	167
Slättens Vind ek förening	645	2/2	1,567	1,567
Carrying amount			1,734	1,734

Information about equity refers to adjusted equity, which means including the equity portion of untaxed reserves. Net profit for the year according to the Annual Report has correspondingly been adjusted, where necessary, by the equity portion of change in untaxed reserves for the year.

Holdings in other companies	Corp. Reg. No.	Registered office	Profit/loss	Equity
Istad Vind AB	556711-3633	Borgholm	-89	2,310
Slättens Vind ek förening	769006-9082	Vara	-677	97,570

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

	Aug 31, 2013	Aug 31, 2012
Prepaid rental charges	79	114
Other prepaid expenses	1,290	1,037
Accrued income	2,949	3,430
Amount at year-end	4,318	4,581

NOTE 15 ACCRUED EXPENSES AND DEFERRED INCOME

	Aug 31, 2013	Aug 31, 2012
Accrued payroll expenses and personnel costs	6,207	9,944
Accrued expenses and deferred income pertaining to projects	53,261	111,746
Other accrued expenses	4,732	6,790
Total	64,200	128,480

NOTE 16 LIABILITIES TO CREDIT INSTITUTIONS

	Aug 31, 2013	Aug 31, 2012
6 months or less	60,475	82,431
6-12 months	13,159	89,997
1-5 years	6,200	11,448
More than 5 years	5,812	14,914
Total	85,646	198,790

Bank overdraft facilities	2013	2012
granted	100,000	150,000

Unutilized credit is included in liabilities that fall due within one year from the balance sheet date and amounts to

	-	88,566
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NOTE 17 RELATED-PARTY TRANSACTIONS

Related-party transactions are described in Note 7. For remuneration of the Board and senior executives, refer to Note 9 for the Group.

NOTE 18 EQUITY**SHARE CAPITAL**

The number of shares is 24,907,000, with a quotient value of SEK 1.00 per share, distributed between 1,285,625 Class A shares each carrying one (1) voting right and 23,621,375 Class B shares each carrying one-tenth (1/10) of a voting right. For more detailed information, refer to Note 23 for the Group.

For changes in share capital, refer to the Parent Company statement of changes in equity on page 63.

NOTE 19 ITEMS NOT AFFECTING CASH FLOW

	2012/2013	2011/2012
Depreciation and impairment of property, plant and equipment	5,967	8,109
Capital gains from divestment of non-current assets	-48	107
Changes in provisions	-124	-191
Total	5,795	8,025

NOTE 20 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets for liabilities to credit institutions	2012/2013	2011/2012
Chattel mortgages	330,000	236,000
Security assignment of wind turbines and leases	28,823	29,945
Blocked bank balances	19,654	-
Shares in associated companies	-	-
Shares in subsidiaries	-	-
	378,477	265,945

Contingent liabilities	2012/2013	2011/2012
Contingent liabilities for the benefit of subsidiaries	33,858	50,347
	33,858	50,347

NOTE 21 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income	2012/2013	2011/2012
Exchange-rate gains attributable to project activities	909	1,379
Capital gains/losses attributable to sale of non-current assets	48	6
Other	118	736
Amount at year-end	1,075	2,121

Other operating expenses	2012/2013	2011/2012
Exchange-rate losses attributable to project activities	-17,946	-2,307
Capital gains/losses attributable to sale of non-current assets	-6	-101
Amount at year-end	-17,952	-2,408

Other operating expenses comprise exchange-rate losses attributable to project activities. Eolus hedges future forecast payment flows in accordance with an established finance policy. The difference between the price paid and forward rate results in exchange-rate gains and exchange-rate losses, which are recognized as "other operating income" and "other operating expenses," respectively.

The undersigned affirm that these consolidated financial statements and this Annual Report have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting principles, and provides a true and fair view of the Group's and the Parent Company's financial position and earnings, and that the Board of Directors' Report provides a fair review of the Group's and Parent Company's operations, financial position and earnings and describes the material risks and uncertainty factors faced by the companies included in the Group.

Hässleholm, December 12, 2013



Hans-Göran Stennert
Chairman



Jan Bengtsson
Board member



Fredrik Daveby
Board member



Niclas Eriksson
Board member



Sigrun Hjelmqvist
Board member



Tord Johansson
Board member



Bengt Simningsköld
Board member



Per Witalis
CEO

Our audit report was submitted on December 12, 2013.

Ernst & Young AB



Håkan Persson
Authorized Public Accountant



Johan Thuresson
Authorized Public Accountant

Audit report

To the Annual General Meeting of Eolus Vind AB (publ),
Corp. Reg. No. 556389-3956

Report on the annual accounts and consolidated financial statements

We have audited the annual accounts and consolidated financial statements of Eolus Vind AB (publ) for the September 1, 2012 - August 31, 2013 fiscal year. The annual accounts and the consolidated financial statements of the company are included in the printed version of this document on pages 31-69.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CEO FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of August 31, 2013 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of August 31, 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory Board of Directors' Report is consistent with the other parts of the annual accounts and the consolidated financial statements.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated financial statements, we have also examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Eolus Vind AB (publ) for September 1, 2012 - August 31, 2013.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated financial statements, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any Board member or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Board of Directors' Report and that the members of the Board of Directors and the CEO be discharged from liability for the fiscal year.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and income statement and statement of financial position for the Group.

Älmhult, December 12, 2013
Ernst & Young AB

Håkan Persson
Authorized Public Accountant

Johan Thureson
Authorized Public Accountant



Definitions

Electricity certificates

A technology-neutral system for promoting the expansion of renewable electricity generation. Producers of renewable electricity receive a certificate for each MWh (megawatt hour) generated, which is then sold to quota obligation electricity producers and consumers.

Electricity area

Geographical divisions to highlight areas that require transmission and generation capacity to be expanded to better meet consumption in the area in question.

Installed capacity

For wind power, capacity is measured in MW and states the performance of the wind turbine.

Hub height

The height of the hub plus the machine room

Nord Pool Spot

The Nordic Power Exchange

Normal year

The definition of an average year of a generated amount of electricity. Determined based on long-term calculations from the Swedish Meteorological and Hydrological Institute (SMHI).

Offshore

Wind power installed in bodies of water.

Swept area

The area of the circle swept by the rotor blades. A turbine with a rotor diameter of 90 meters will have a swept area of more than 6,300 square meters, nearly the same area as a football pitch.

Availability

A measurement for the amount of total time that a wind turbine has been available to generate electricity.

Total height

Height of a wind turbine when one of the blades is at its highest point.

Volatility

A measurement of the price variation of a product (for example, electricity) over a period of time.

Transmission capacity

The amount of electricity that can be transmitted between different areas via the electricity grid.

Units

The unit of measurement for energy is kilowatt hours (kWh)

1 MWh = 1,000 kWh

1 GWh = 1,000,000 kWh

1 TWh = 1,000,000,000 kWh

The unit of measurement for capacity is in watts

1 MW = 1,000,000 W

1 GW = 1,000,000,000 W

Welcome to Eolus

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LAYOUT: Mustasch Reklambyrå AB **COVER PICTURE:** Lerkaka wind farm in the Municipality of Borgholm **PHOTO:** Are Andersen, Johan Funke, Daniel Larsson, Per Pixel Petersson, Pernilla Rudenwall Petrie, Emma Tideman, Marcus Walkin, Eolus Vind **PRINT:** Norra Skåne Offset
TRANSLATION: The Bugli Company. This is a translation of the Swedish version of Eolus Vind Annual Report 2012/2013.

