



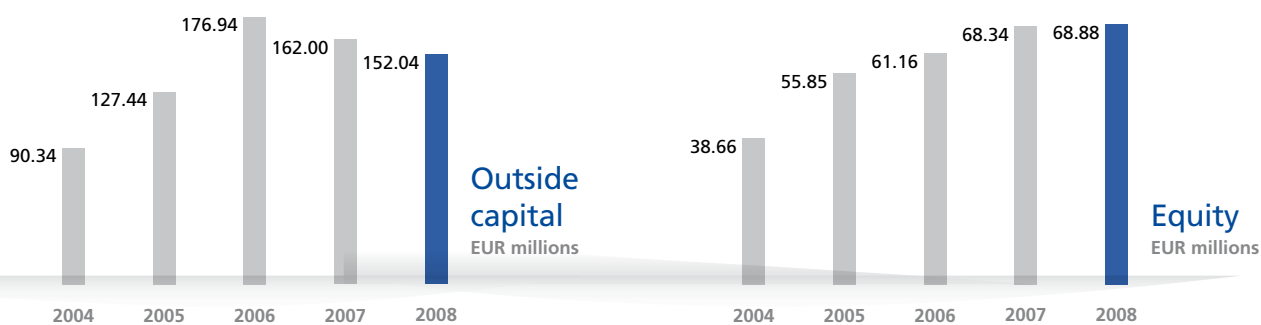
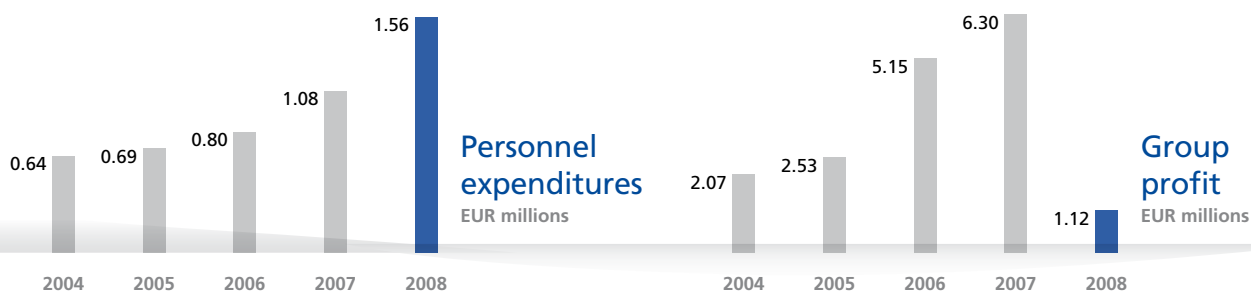
Re:Generation

WEB Windenergie AG
Annual Report 2008

Key Figures

Financial figures	2008	2007	2006	2005	2004
EUR millions					
Sales revenue	33.85	33.74	25.71	17.45	14.40
Operating result	11.31	15.57	13.45	7.76	6.05
Financial result	-9.35	-5.94	-4.79	-3.47	-2.61
Profit on ordinary activities	1.96	9.63	8.65	4.29	3.43
Group profit	1.12	6.30	5.15	2.53	2.07
Total assets	224.16	233.64	241.07	186.18	131.19
Equity	68.88	68.34	61.16	55.85	38.66
Equity ratio (%)	30.73	29.25	25.37	30.00	29.47
Operating cash flow	11.57	29.28	8.59	6.88	0.19
Investments	11.38	4.91	53.79	59.262	27.78
Return on equity (%)	1.61	9.22	8.42	4.53	5.35

	2008	2007	2006	2005	2004
Electricity generation	428,241	436,561	326,998	210,403	173,587
MWh					
of which wind power	421,414	430,183	324,665	210,403	173,587
of which hydropower	6,047	6,189	1,991	—	—
of which photovoltaics	5	5	—	—	—
of which other	775	184	342	—	—
Turbines	131	125	125	103	75
Quantity					
of which in Austria	70	66	65	53	31
of which in Germany	49	48	49	45	44
of which in the Czech Republic	6	5	5	5	—
of which in France	6	6	6	—	—
Generating capacity	201.7	196.3	196.9	157.8	105.3
MW					
of which in Austria	106.9	103.5	103.5	83.5	36.9
of which in Germany	76.6	76.5	77.1	70.0	68.4
of which in the Czech Republic	6.2	4.3	4.3	4.3	—
of which in France	12.0	12.0	12.0	—	—



Highlights in 2008

January	<h2>New Parndorf site</h2> <p>The takeover of a wind turbine (WPP) with a capacity of 850 kW adds yet another plant to the portfolio of WEB Windenergie AG. At the same time, this investment secures one of the best locations in Austria: Parndorf in Burgenland, where a Vestas V52 generates approximately 1,900 MWh annually. The reason for sale of the plant by the previous operator – the increased risk of an individual plant – reinforces WEB Windenergie AG's strategy of keeping a portfolio of diverse locations.</p>
March	<h2>Survived cyclone Emma without damage</h2> <p>Cyclone Emma swept straight across Central Europe with wind peaks of over 200 kilometres per hour. The plants of WEB Windenergie AG have integrated gale shutoff mechanisms to take them out of operation automatically and suffered no damage whatsoever as a result. Most of the systems were fully ready for operation again after just a few minutes.</p>
July	<h2>Two more wind turbines in Saxony</h2> <p>With the takeover of the German subsidiary of Windkraft Simonsfeld, WEB Windenergie AG expands its portfolio by two more turbines. In total, the company now operates ten of the twelve plants in the Glaubitz wind park northwest of Dresden.</p>
August	<h2>Wind turbine Bantice goes into operation</h2> <p>WEB Windenergie AG's sixth wind turbine on Czech soil goes into operation in August. The Vestas V90 wind turbine has a nominal capacity of 2 MW, strengthens the company's involvement in the international energy market.</p>
September	<h2>Merger & expansion – Growth through the addition of Steppenwind and Windstrom Gerasdorf</h2> <p>As passed in the 9th Annual General Meeting, Steppenwind Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. & Co. KEG and Windstrom Gerasdorf Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. & Co. KEG have been integrated into the group structure of WEB Windenergie AG. This merger enriches the company's portfolio with four additional plants.</p>
December	<h2>New EU directive on renewable energy provides strong stimulus for wind power</h2> <p>The unanimously passed directive states that by the year 2020, 20% of the energy demand of the EU should be supplied by renewable energy carriers. This corresponds to roughly one third of the electricity produced in Europe. Wind power alone should increase from the current 3% to more than 11%, bearing the largest share in realising this goal. For WEB Windenergie AG, this means prospects for massive expansion in the coming years.</p>



- Harvesting energy
- Creating a future

WEB Windenergie AG plans and operates turbines on the basis of renewable energy, above all wind power. In addition to Austria, the company is also active in Germany, France, Italy, the Czech Republic, Bosnia and Herzegovina, Romania and Bulgaria and currently has over 131 turbines with a total capacity of 202 MW.

Renewable and regenerative energies are harvested from sustainable sources that are in unlimited supply, in contrast to fossil or nuclear energy carriers. Their conversion into electricity does not reduce the reserves of terrestrial resources and thus complies with the concept of a sustainable and responsible economy.

Particularly in view of the constant rise in global energy demand, we must focus on measures to ensure a future-oriented basic energy supply just as we must focus on measures to protect irreplaceable ecosystems and natural structures.

We have set ourselves a goal to bring this commitment into line with economic interests without deviating from the basic principle of sustainable value added.

Re:Generation

Energy from renewable sources – energy for generations. The answer to the most important question facing humanity. Our highest priority is to bring about a paradigm shift in favour of new, freely available energy sources that are inexhaustible from a human perspective. This is absolutely essential in order to protect our natural surroundings as well as to responsibly secure the existence of the generations to follow.

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2008 Was Not an Easy Year

I am pleased to present to you an annual report that not only conveys figures and facts but is also a measure of identity and transparency that defines the self-image of WEB Windenergie AG and guides its journey as an internationally active company.

This past year has put many of us to the test. For the first time since founding our company ten years ago, we were unable to achieve the goals we set for ourselves, due in no small part to the losses in the financial area as well as a significant need for depreciation on our hydropower plant project in Imst. Naturally, we remain committed to our goals and are looking to learn as much as possible for the future in order to take appropriate measures.

Structural optimisations, the strengthening of our core competences as well as filling key positions in the company also required a phase of reflection and newly defined approach.

To be prepared is the motto – prepared for the challenges of a dynamic energy market in which the cards are frequently reshuffled. We must not let ourselves focus on the successes of WEB Windenergie AG and its rapid growth over the last ten years; instead, we must now work to stand at the forefront of the industry in the future as well.

In all these considerations, there is one thing we must not forget – who we are and what makes us so unique as a company. For us, people have always and will always be the focus: above all our shareholders, who put their trust in the vision of a clean energy supply.

This makes it all the more important to work together in 2009 on new projects – with great technical expertise but also with the level of personal involvement and passion that has helped us pursue the correct path in past years.

Sincerely,



Andreas Dangel
Chief Executive Officer

Growing from Successes – Learning from Difficulties

A conversation with WEB Windenergie AG Executive Board members, Andreas Dangel and Dr. Michael Trcka.

After ten successful years, 2008 was not an easy year for WEB Windenergie AG. What were the largest difficulties?

Andreas Dangel: In the middle of a consolidation and optimisation phase, we suffered losses in the financial area ultimately leading to the resignation of the Chief Financial Officer. In addition, a significant amount of impairment crystallised at the Imst hydro-power plant. The 2008 consolidated financial statements will therefore report a decline in profits for the first time in the company's ten-year history.

The earnings were significantly reduced by these losses and depreciation – how high was the impact in total?

Michael Trcka: In total, the profit after taxes was encumbered by roughly EUR 4.5 million. Of this, EUR 2.5 million represents losses from foreign currency option transactions and EUR 2 million write-offs in conjunction with the Imst project.

And what would the results have looked like without these losses, which were after all extraordinary factors?

Michael Trcka: Without these negative factors, the profit after taxes and minority shares would have been around EUR 5.4 million. On the other hand, this shows that our „normal“ results are so strong that we are able to weather such an extraordinary – and hopefully unique – impact without any overall loss for the company.

This means that the operational business continued to go well in 2008?

Andreas Dangel: Yes, 2008 was certainly a good year compared with the historical average. The wind levels and the resulting electricity production were slightly above budget and the total turbine output grew by 7 megawatts.

Were you also victims of the financial crisis with foreign currency options?

Andreas Dangel: The financial crisis at least intensified the problem, and many transactions that were certainly inherently risky resulted in concrete losses particularly for this reason. We see a silver lining in that fact that the crisis brought many things to light that have now also been fixed. As a result, we will now be able to pursue a forthcoming and, above all, conservative financial and investment strategy in the future.

And what were the reasons for devaluation of the turbine project in Imst?

Michael Trcka: The main reason was that construction costs turned out to be considerably higher than planned since the revitalisation of the top level and new construction of the bottom level were more complex than expected. In addition, we also have a different price level for electricity from hydropower than in the last year, which saw an all-time high oil price in July of 2008. For this reason, we had to perform the painful devaluation of the plant in accordance with IFRS accounting regulations.



Andreas Dangl: Nevertheless, the Imst turbine produces clean and valuable green energy – just like all our turbines. I am also confident that we will still take great delight in this turbine. It is an important outpost in western Austria, is responsible for roughly 1.3% of our production volume and will yield sales exceeding EUR 15 million over the next 40 years. Nevertheless, it is not profitable in the shorter time frames typically considered today in financial management.

Have all the adjustments been completed? Were there consequences for the company value?

Michael Trcka: All foreign currency option transactions have been ended. To limit the interest costs, some hedging transactions were concluded in previous years that are also of a partially speculative nature. Since it would be very expensive to withdraw from these deals, we have decided to allow them to continue. However, sufficiently large provisions have been created for potential losses from these deals, so they have also been taken care of.

Due to the devaluation required by IFRS, the Imst hydropower plant is now also very conservatively valued on the balance sheet, and no further financial burdens are expected here either – under the condition that the electricity price does not decline further.

In the area of interest expenditures, which is one of the largest cost pools of the company, the current financial crisis even represents a great opportunity for WEB. Since interest rates have fallen significantly in recent months, we expect annual savings in this area on a magnitude of EUR 0.5 to 1 million.

Andreas Dangl: The value of our company has not suffered. We did have to endure a slight dip in growth, but there is no lasting damage. WEB Windenergie AG remains a healthy company.

Was it necessary to adjust your strategy?

Andreas Dangl: We did not have to adjust our fundamental strategy since our goals remain unchanged. The strategy remains based on the principle of healthy growth.

The 20-20 directive of the EU must mean a very positive impetus for you?

Andreas Dangl: That is correct. Strengthened by this comprehensive commitment on the part of the European Union, we can expand our activities. In general, the „sign of the times“ points toward a new energy future in Europe, which we will be a part of.

Your new projects include two photovoltaic projects. How do you rate the position of photovoltaics or hydropower within the company overall?

Andreas Dangl: Photovoltaics could be very interesting in Italy particularly considering the good insolation and the generally very good business conditions (falling system prices for modules). With regard to the area of hydropower, we see the issue of energy storage with pumped storage hydropower plants in particular to be an interesting solution. In any case, both technologies are ideal and logical extensions to our wind energy turbine parks.

From a regional perspective, which countries do you see as the primary target markets?

Andreas Dangl: Central Europe remains our core market, but Eastern Europe is also very interesting. We are very excited about our involvement in The Wind Company GmbH, in which we hold a 23% stake and which is primarily focused on the target market of North America. The boom in this direction is expanding significantly on the basis of the energy policy goals of US President Obama.

The strategy in the financial area has surely changed due to the losses of the past year?

Michael Trcka: A significant element of our future financial strategy is truly comprehensive risk management. We will analyse financial as well as operational risks very closely and actively control them. This starts with hedging against interest and currency losses and naturally avoiding speculative deals that have nothing to do with our core business. Overall, the financial strategy of WEB will certainly be somewhat more conservative than in the past.

Andreas Dangl,
CEO of WEB Windenergie AG





DI Dr. Michael Trcka,
CFO of WEB Windenergie AG

Nevertheless, it must be clearly stated that every entrepreneurial activity means taking risks. We will not shy away from business risks in the future, but we will manage them more consciously and only enter into risks for which we can bear the consequences.

How has the stock developed over the past year? Were there reactions in the price or trading volume?

Michael Trcka: In the first half of 2008, the stock price rose from EUR 350 to EUR 420. By the end of the year, the price had fallen again to about EUR 390. The average trading volume was around 1.000 shares per month. In comparison with the international stock exchanges, including the Vienna Stock Exchange (the average value of all stocks listed on the ATX fell by half in 2008), the development of our stock price was very pleasing.

One last question: What are your specific expectations for the year 2009?

Andreas Dangl: Our ongoing projects for 2009 are going well and receiving the support they need. This solid development can be seen in the planned investment volume for 2009, which is currently approximately EUR 23 million. We have also never had such a comprehensive and qualitatively outstanding "project pipeline" in the ten-year history of our company. As a result, the topic of a capital increase is once again on the table.

With regard to electricity production, we expect about 420,000 MW/h in 2009. This will produce revenue on the order of EUR 34 million.

Thank you for your time.

Build:Up

Turning visions into reality and exploring new possibilities. From the day our company was founded until now, our growth has been characterised by important steps and developments as well as phases of learning. With this successful concept, we are well equipped to approach new projects and markets with an open mind but also with the necessary experience and competence.

The Company

Our Values

Value-oriented management in harmony with environmental concerns has always been the focus of WEB Windenergie AG.

We consider our top priority to be creating value for all the stakeholders of our company – shareholders, employees, residents, suppliers, etc. – on the basis of positive company development and appropriately taking all the justified interests of these stakeholders into account. This is the foundation of a long-term and profitable collaboration.

The comprehensive understanding of profit has always included consideration of environmental aspects – a perspective that not only gave rise to WEB Windenergie AG but also secures the inheritance of the generations to follow us.

The annual production of the WEB Windenergie Group in 2008 was 427,000 MWh of clean electrical energy. In comparison to electricity generated with the „typical“ Austrian turbine mixture, this represents a savings of roughly 300,700 tons of climate-damaging carbon dioxide (CO₂).

Our Business Model

WEB Windenergie AG's business model as a producer in the energy industry focuses on future markets.

The project planning, operation and sale of electrical energy are the foundation of our business, established by the group through carefully planned investments. These investments support future developments and conform to our strategy based on renewable energy carriers.



As a stock corporation that is not publicly traded, we rely on trust and conviction: the trust of our shareholders that we will undertake our duties professionally and responsibly and the conviction that the untapped power of the natural world still has much to contribute to the world's energy supply.

This responsibility allows us to view and assign value to business processes and projects from a long-term, although definitely profit-oriented, perspective.

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Organisation Structure

CEO
Andreas Dangl

Projects

- Project planning
- Planning
- Project controlling
- Reporting
- Coordination

Engineering & Operation

- Operational management
- Engineering
- Material
- Control centre

Marketing

- Press and public relations work
- Company communication
- New media

Housekeeping

CFO
DI Dr. Michael Trcka

Finance & Controlling

- Accounting
- Cost accounting
- Planning
- Reporting
- Liquidity management
- Annual financial statements
- Trade room & stock register

Legal

- Contract management
- Payroll
- Time recording

IT

- Hardware maintenance
- Security concept
- Telephone system
- Data communications

The group headquarters located in the strategic heart of Europe helps to strengthen our roots while at the same time emphasising the cross-regional orientation of the group.

This internationalisation as well as our activities in the areas of hydropower and photovoltaics present challenges to the company that we address through the optimisation of processes and structures.

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The company moved into the headquarters in Pfaffenschlag, Lower Austria in 2007. From here, we not only take care of daily business but also manage the company's wind parks.



Our Sites

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A constantly growing portfolio of sites and plants ensures stable and continuous energy production by the WEB Windenergie Group. A balanced geographic and technical distribution (wind, water, photovoltaic)

minimises risks in connection with local situations as well as the risk of dependence on climatic conditions.

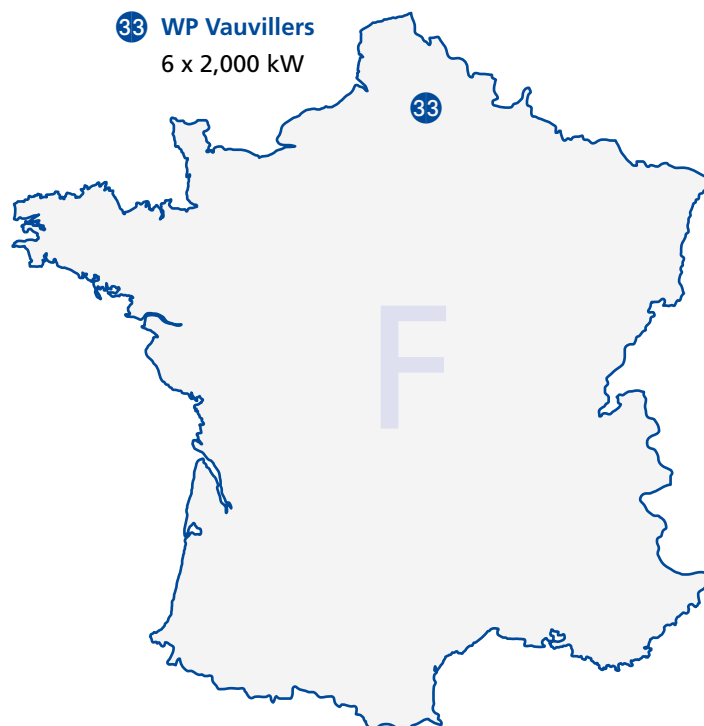
Austria

- | | |
|---|---|
| 1 WEP Michelbach
225 kW | 19 WP Neuhof
12,221 kW
55,56% share |
| 2 WP Hagenbrunn
1 x 600 kW
3 x 660 kW | 20 WP Langmannersdorf
2 x 2,000 kW |
| 3 WEP Vösendorf
600 kW | 22 WP Stattersdorf
4 x 600 kW |
| 4 WEP Grafenschlag
600 kW | 23 HPP Neubruck
288.9 kW
55.55% share |
| 5 WP Oberstrahlbach
3 x 600 kW | 24 WEP Aspersdorf
2,000 kW |
| 6 WEP Parbasdorf
3 x 600 kW | 25 WP Maustrenk
6 x 2,000 kW |
| 7 WP Pottenbrunn
5 x 500 kW
2 x 600 kW
1 x 2,000 kW | 27 WP Sigleß
3 x 2,000 kW |
| 11 WP Seyring
1 x 600 kW
1 x 660 kW
1 x 750 kW | 28 WP Hohenrappersdorf-Spannberg
3 x 2,000 kW |
| 12 WEP Matzen
750 kW | 29 HPP Lasberg
280 kW |
| 14 WP Breitenlee
3 x 850 kW | 30 WP Gols
3 x 2,000 kW |
| 15 WP Tauernwind
4,550 kW
20% share | 31 WEP Auerthal
10 x 2,000 kW |
| 17 WP Sternwind
6,860 kW
49% share | 35 HPP Imst
600 kW |
| | 36 PV Pfaffenschlag
5 kWp |
| | 37 WEP Parndorf
850 kW |



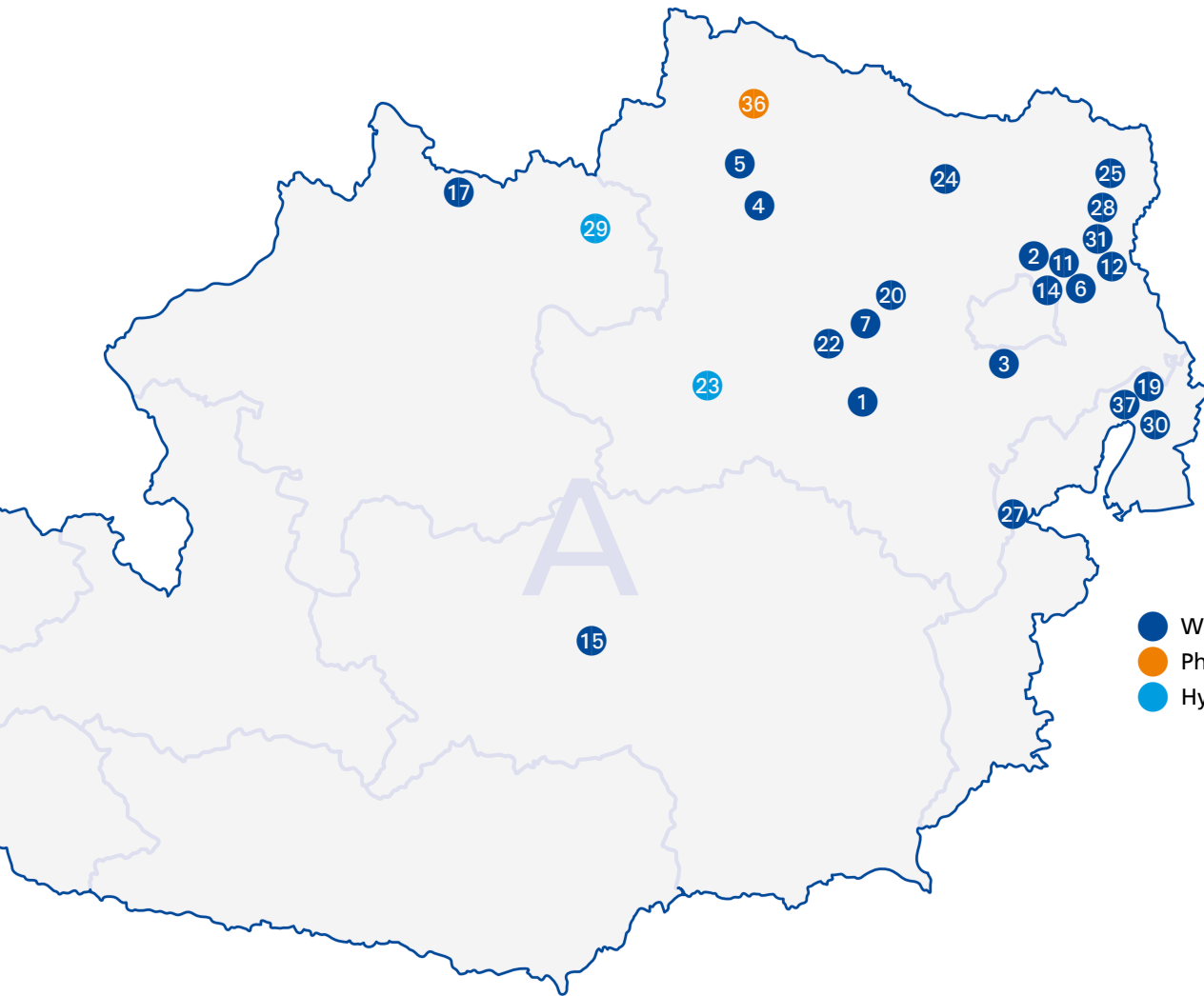
France

- 33** WP Vauvillers
6 x 2,000 kW



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- Wind Energy Plant (WEP)
- Photovoltaic (PV)
- Hydropower plant (HPP)



Germany

- 8** WP Weener
2 x 1,650 kW
- 9** WEP Görmin
1 x 660 kW
- 10** WP Upgant Schott
2 x 600 kW
- 13** WP Glaubitz
10 x 850 kW
- 16** WP Wörbzig
12 x 1,650 kW
- 18** WP Altentreptow
15 x 2,000 kW
- 21** WP Kuhs
3 x 2,000 kW

- 32** HPP Eberbach
1,100 kW
- 34** WP Pensin
3 x 2,000 kW

Czech Republic

- 26** WP Brezany
5 x 850 kW
- 38** WEP Bantice
2,000 kW



The Company

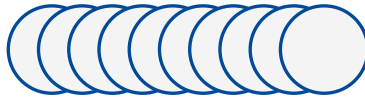
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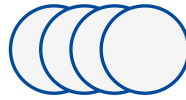
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**WEB Windenergie AG
Turbines in Austria**



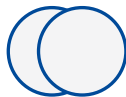
Auersthal (10 WEP)



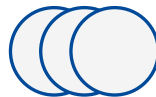
Stattersdorf (4 WEP)



Pfaffenschlag (1 PV)



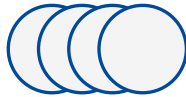
Langmannersdorf (2 WEP)



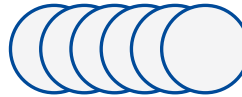
Spannberg (3 WEP)



Imst (1 HPP)



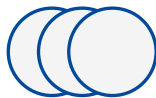
Hagenbrunn (4 WEP)



Maustrenk (6 WEP)



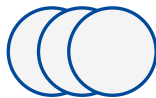
Lasberg (1 HPP)



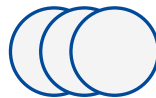
Oberstrahlbach (3 WEP)



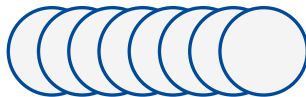
Aspersdorf (1 WEP)



Seyring (3 WEP)



Gols (3 WEP)



Pottenbrunn (8 WEP)



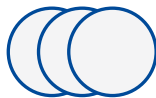
Parndorf (1 WEP)



Matzen (1 WEP)



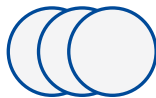
Vösendorf (1 WEP)



Breitenlee (3 WEP)



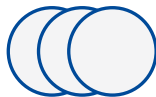
Grafenschlag (1 WEP)



Sigleß (3 WEP)



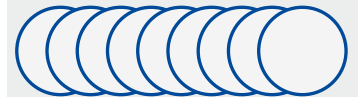
Michelbach (1 WEP)



Parbasdorf (3 WEP)

Affiliated Companies in Austria

**Neuhof I Windkraftanlagen
Errichtungs- und BetriebsgmbH**
55,55% share



Neuhof I (9 WEP)



Neuhof II (2 WEP)



Neubruck (1 HPP)

- Wind Energy Plant (WEP)
- Photovoltaic (PV)
- Hydropower plant (HPP)

WEB Windenergie AG Affiliated Companies Abroad

Germany (48x WEP, 1x HPP)

WEB Windenergie Betriebsgesellschaft Deutschland GmbH

100% share



Wörbzig (12 WEP)



Glaubitz (8 WEP)



Görmin (1 WEP)



Altentreptow (15 WEP)



Kuhs (3 WEP)

WEB Windenergie Glaubitz GmbH

100% share



Glaubitz (2 WEP)

Erste Windpark Weener GmbH & Co. Geiseweg KG

100% share, participation in a
limited partnership



Weener (2 WEP)



Uppant Schott (1 WEP)



Pensin (3 WEP)



Eberbach (1 HPP)

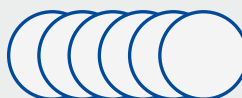


Uppant-Schott (1 WEP)

France (6 WEP)

WEB Energie du Vent SAS

100% share



Vauvillers (6 WEP)

Czech Republic (6x WEP)

WEB Větrná Energie s.r.o.

100% share



Brezany
(5 WEP)

Bantice
(1 WEP)

Bosnia Herzegovina

WEB Energo d.o.o.

70% share

Italy

WEB Italia Energie Rinnovabili S.r.o.

100% share

WEB Windenergie International GmbH

100% share

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WEB Windenergie AG Shareholdings

Partnerships

Windkraft Simonsfeld GmbH & Co KG

2.60% share
636,000 EUR
212 shared

Weinviertler Energie GmbH & Co KEG

17.56% share
150,000 EUR

STERNWIND Errichtungs- und Betriebs-GmbH & Co KG

49% share
735,000 EUR

Corporations in Austria

BEB Bioenergie AG

7.01% share
100,570 EUR
89 shares

Windpark Eschenau GmbH

30% share
10,900.93 EUR

Tauernwind Windkraftanlagen GmbH

(total of 13 WPP)
20% share
7,000 EUR

Sternwind Errichtungs- und Betriebs GmbH

49% share
17,150 EUR

oekostrom AG

5.50% share
919,875 EUR
6,225 shares

PS-KW Energie- optimierungs GmbH

30% share
11,400 EUR

Incorporated Companies Abroad

WEB energie regenerativa s.r.l., Rumänien

50% share
100 RON, or roughly EUR 28

Kraftwerksgesellschaft Ritten Hepperger s.r.l.

24.5% share
4,500 EUR

Our Roots

The cornerstone for today's WEB Windenergie AG was laid in 1994 with the erection of the first wind turbine in Michelbach, Lower Austria.

This project was realised thanks to the participation of committed people who were interested in this issue for various reasons. Trust and confidence in the future of renewable energies created a shared understanding that still forms the foundation for the existence of WEB Windenergie AG today.

Through numerous new, independent projects as well as the incorporation of plants of other operators, the company has expanded continuously over the past 15 successful years.

The most important milestones in our company history are:

- 1994** The predecessor company, „Waldwind KG“, is founded
- 1995** The first kilowatt hour is produced
- 1999** WEB Windenergie AG is founded
- 2005** The company decides to enter into hydropower and photovoltaics
- 2007** Generating capacity passes the 200 MW mark
- 2007** Move to the new company headquarters in Pfaffenschlag

New Turbines & Expansion Projects

Constant expansion of the generating capacity is one of the central strategic goals of WEB Windenergie AG. The events of the year 2008 are listed below. In addition to concluding ongoing expansion projects, important new projects were also initiated that will start to pay off already in 2009.

Seyring/Parbasdorf/Hagenbrunn (A)

At the 9th Annual General Meeting it was decided to integrate the operations of Steppenwind Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. & Co. KEG and of Windstrom Gerasdorf Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. & Co. KEG into WEB Windenergie AG. This expanded the company's portfolio with four additional wind turbines (two in Parbasdorf and one each in Seyring and Hagenbrunn) with a total capacity of 2.460 kW.

Bantice (CZ)

The group's second site in the Czech Republic is being established with a Vestas V90 wind turbines, yet another testament to the company's international orientation. The first plant in Bantice went into operation in July 2008. The overall project also plans for the erection of additional turbines at this site.

Glaubitz (D)

The purchase of the German subsidiary of Windkraft Simonsfeld brought two wind turbines at the Glaubitz wind park into the portfolio of the WEB Windenergie Group. Since 1 July 2008, the group now operates ten of the twelve turbines in the Glaubitz wind park. The remaining turbines are owned by a private German operator. The WEB Windenergie Group has been represented at the Glaubitz site, situated northwest of Dresden in the German state of Saxony, with eight turbines since October 2001.

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Barkow (D)

The planned expansion of the Barkow/Altentreptow wind park (Mecklenburg-Western Pomerania), currently consisting of 15 wind turbines, is now in the realisation phase and will add another plant with a generating capacity of 2 MW to the WEB Windenergie Group as of 2009.

Dobsice (CZ)

Not far from the existing wind energy site Bantice in south Moravia, the WEB Windenergie Group is bringing its first solar power project onto the grid in 2009. In cooperation with the companies Pan Ökoteam (A) and Everto (CZ), a model photovoltaic park is being realised in Dobsice near Znaim that will increase the generating capacity of the group by approximately 1 MW.

The 5 kW photovoltaic plant located at the company's headquarters makes an important contribution to a clean energy supply just like its sibling with a projected capacity in the MW range.



Oberstrahlbach wind park: One of WEB Windenergie AG's first sites (plant numbers 5, 6 and 7).



Employees as a Valuable Resource

Companies are made of people – that could be the motto of the WEB Windenergie Group.

Employees in the company are not merely defined by position and job description but also as mature and responsible decision-makers in their respective areas of competence and within clear structures.

Cooperating on the Future

Particularly in a company environment that is strongly defined by vision and the associated responsibility, cooperation is required between people who have the necessary breadth of perspective as well as a healthy dose of curiosity in order to define goals that have never before been achieved. Creativity and a depth of knowledge are not mutually exclusive. In fact, this combination is essential for exploring new horizons and paving the way for future generations and solutions.

Education and Continuing Development – Not Just a Phrase

The WEB Windenergie Group has established the goal of offering young people in particular the opportunity to start a promising career in an exciting industry. Clear proof of this can be found in the comprehensive training programmes as well as the continuing development events offered by the company in which employees have the opportunity to deepen their expertise. The education is not limited to a specific job or position; rather, it extends across all of the company's fields of activity to promote a holistic understanding.

Continuous Expansion of Staff

Due to the natural growth of the company, the number of employees of the WEB Windenergie Group has increased continuously since its founding.

The average number of employees rose from 22 in the previous year to 31 in the reporting year, an increase of 41%. This increase was evenly distributed between the areas of salaried (+44%) and non-salaried (+33%) employees.

Employees	2008	2007
Salaried	23	16
Non-salaried	8	6
Total	31	22

Perfect Balance of Skills

Already in 2007, the WEB Windenergie Group initiated an expansion of the second management level while simultaneously building up the additionally required capacity in project planning. As a result, the group now has a well balanced competence and skill structure that is perfectly customised for its needs:

Number of employees / area of competence

	Female	Male
Executive management	—	2
Project planning	0.5	1
Engineering & operation	4	16
IT	—	1
Finance	4	—
Legal	—	1
Marketing	0.5	—
Housekeeping	1	—
Total	10	21

2008 annual average as full-time equivalents

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Cross: Regional

The wind knows no borders – at least none shaped by human hand. In harmony with the elements as well as our employees, partners and shareholders, we view our commitment as equally borderless and we harvest the energy of nature at a wide range of locations. This not only reduces dependence on local conditions, it also allows us to view many issues from a different perspective – a global one.

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Stock & Investor Relations

From „Public Participation“ to a Stock Corporation AG

While WEB Windenergie AG was established through the cooperation of committed idealists, the company was able to enrich this key component early on with the aspect of a long-term investment that yields a positive return.

In fact, this mutual interest and investment places high demands on the trust and sense of responsibility of all persons involved. Conversely, this bundling of strengths puts WEB Windenergie AG in a position to take enduring steps to secure the existence of a safe and fruitful energy supply.

The importance of transparency in such an endeavour is self-evident in order to allow each shareholder to actively participate in shaping the future of the company. This transparency is rarely found on the financial market in such a direct form.

Special importance is placed on direct contact with the shareholders in order that their needs and suggestions can be received, answered and implemented as quickly as possible.

It is irrelevant here whether the contact takes place over the telephone, by e-mail or on the website; a fast, comprehensive and, above all, individual response has traditionally been one of the highest priorities of the company.

WEB Stock

On 31 December 2008, the stock of WEB Windenergie AG had a trading price of EUR 380, which amounts to an increase of 16% over the price at the end of 2007 (EUR 327). This gain reflects external factors as well as, in particular, the healthy growth of the WEB Windenergie Group and its business strategy of long-term management.

Since WEB Windenergie AG is not publicly listed, chain reactions such as the financial and economic crisis in late summer of 2008 had no direct effect on WEB Windenergie AG.

Stock Trading in the Traderoom

The Traderoom is an Internet-based platform for the purchase and sale of WEB Windenergie AG stock. Registered users can place their bid or offer as well as accept the bids and offers of others.

The transactions are completed without intervention by WEB Windenergie AG, meaning that they represent the real market situation and serve as a reliable indicator of the current investor interest in the company.

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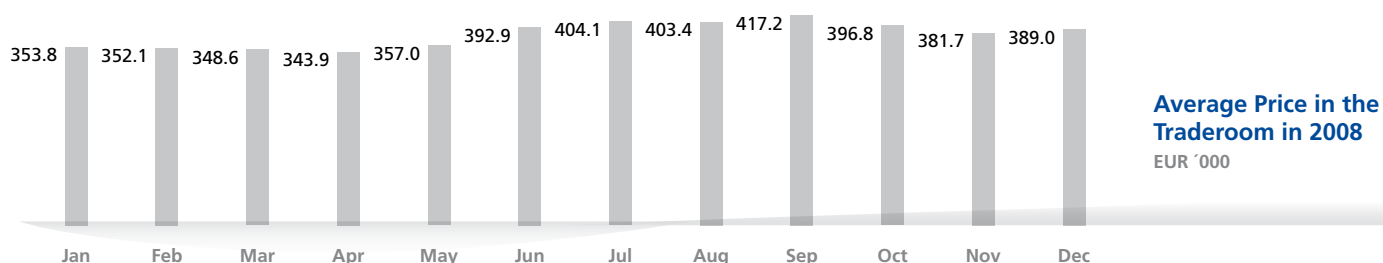
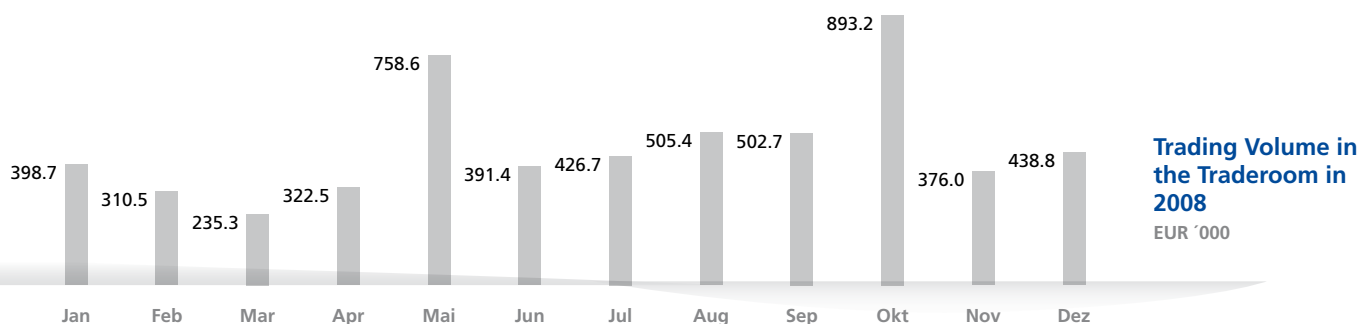
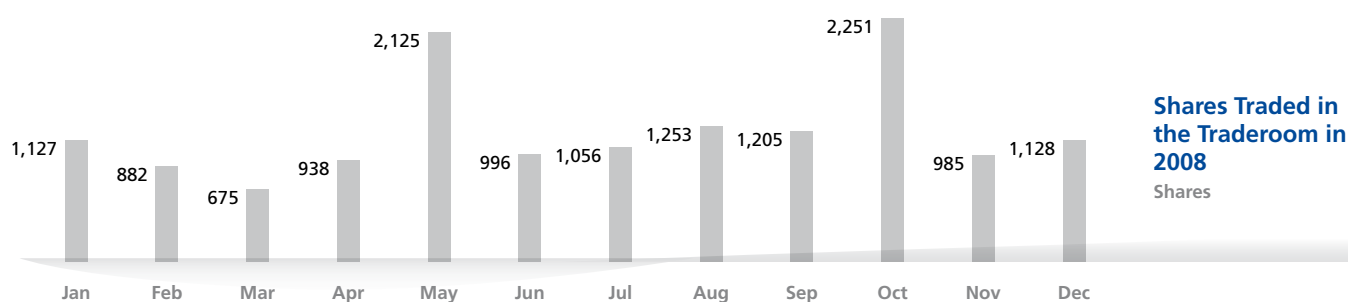
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Shares valued in total at EUR 5,559,913 were traded in the 2008 fiscal year. This represents an increase of 18.4% over 2007, which saw a trading volume of EUR 4,695,505. A similar picture can be seen in the number of shares traded: While 12,170 shares were traded in the Traderoom in 2007, this number increased in 2008 to 14,621, or 20.1% above the

previous year. On annual average in 2008, WEB Windenergie AG stock was priced in the Traderoom at EUR 380.27. The peak month in terms of quantitative trading statistics was October 2008 with a trading volume of 2,251 shares.

Number of traded WEB shares

	2004	2005	2006	2007	2008
In the Traderoom	6,762	10,722	8,619	12,170	14,621
Outside the Traderoom	1,169	1,240	2,602	1,562	1,732
Total	7,931	11,962	11,221	13,732	16,353



Shareholders and Ownership Structure

The number of shareholders of the parent company WEB Windenergie AG remained nearly constant during the 2008 reporting period.

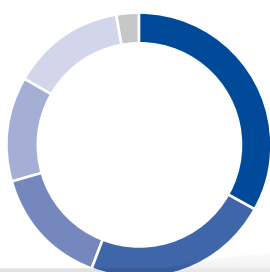
The composition of the shareholders also changed little in comparison with the previous year. 2,802 shareholders each possess a stake of less than 0.1% in the company. This group of shareholders is by far the largest and holds 134,037 of the 274,500 issued shares.

96.2% of WEB Windenergie AG is under Austrian ownership.

Our Shareholders Ask – And We Answer

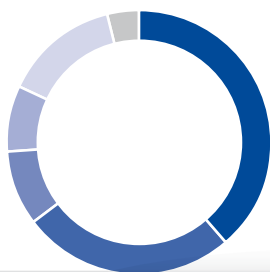
Transparency has traditionally been of paramount importance at WEB Windenergie AG – to a large degree because of its specific history and shareholder structure. This translates above all to the most direct possible communication between shareholders and company executives. In addition to annual general meetings and other personal contact, the Internet represents an important communication channel that is utilised very actively by the shareholders. The guest book forum on the Web site is the primary avenue of communication in this regard. The many questions posed over this medium and our answers to them reflect the mood and information needs of our shareholders better than bare figures and numbers.

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Distribution of the shareholders by region

33.07%	● Waldviertel
22.90%	● Lower Austria excl. the Waldviertel
14.84%	● Vienna
12.64%	● Upper Austria
14.01%	● Austria excl. Lower Austria, Upper Austria and Vienna
2.54%	● Outside Austria



Distribution of the capital by region

38.79%	● Waldviertel
25.95%	● Lower Austria excl. the Waldviertel
9.28%	● Vienna
8.19%	● Upper Austria
14.04%	● Austria excl. Lower Austria, Upper Austria and Vienna
3.74%	● Outside Austria

Corporate Governance

Commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance provides Austrian corporations with a framework for the management and control of enterprises. Stock corporations can voluntarily choose to apply these rules. For WEB Windenergie AG, the Code represents a key component for strengthening trust in the company by shareholders, business partners, employees and the public.

The executive management of WEB Windenergie AG declares that since the middle of 2006 the Austrian Code of Corporate Governance has been voluntarily applied at WEB Windenergie AG and the rules adhered to, subject to the following explanations.

Implementation of the Code of Corporate Governance by WEB Windenergie AG in the 2008 Fiscal Year

The rules contained within the Code exhibit various levels of obligation for a company that commits to upholding them:

- **L rule (legal requirement)** – This rule refers to mandatory legal requirements
- **C rule (comply or explain)** – This rule is to be followed; any deviation must be explained and the reasons stated
- **R rule (recommendation)** – The nature of this rule is a recommendation; non-compliance with this rule requires neither disclosure nor explanation

The deviations from the Code in the 2008 fiscal year are explained below.

The deviations should be understood primarily in connection with the specific type

of the company as well as the manner of association and origins of the persons by whom the company was founded.

Other deviations are of a purely formal nature. The rule numbers correspond to the current version of the Code from January 2009.

C rule 39

The supervisory board shall set up expert committees from among its members depending on the specific circumstances of the enterprise and the number of supervisory board members. These committees shall serve to improve the efficiency of the work of the supervisory board and shall deal with complex issues. However, the supervisory board may discuss the issues of the committees with the entire supervisory board at its discretion. Each chairperson of a committee shall report periodically to the supervisory board on the work of the committee. The supervisory board shall ensure that a committee has the authorisation to take decisions in urgent cases. The majority of the committee members shall meet the criteria for independence of the C-Rule 53. The Corporate Governance Report shall state the names of the committee members and the name of the chairperson. The Corporate Governance Report must disclose the number of meetings of the committees and discuss the activities of the committees.

Because the Supervisory Board of WEB Windenergie AG consists of a maximum of five members, the creation of committees is not considered a useful measure. The Supervisory Board endeavours to be involved in all technical issues. However, consideration is given in the appointment of Supervisory Board members to an appropriate diversity of competence within the areas of finance, legal, engineering and social issues.

C rule 48

The conclusion of contracts with members of the supervisory board in which such members are committed to the performance of a service outside of their activities on the supervisory board for the company or a subsidiary for a remuneration not of minor value shall require the consent of the supervisory board. This shall also apply to contracts with companies in which a member of the supervisory board has a considerable economic interest.

Existing contracts:

Contracts currently exist with the following companies and persons with which individual members of the Supervisory Board have close interests. The contracts have been approved by the Supervisory Board.

Markus Weiss – Supervisory Board member:

Existing project planning framework agreement (acquisition, project planning, construction supervision, etc.)

Magnitude between EUR 0 and EUR 70,000 per year, depending on actual project volume handled. Supervisory Board member Markus Weiss performs organisational and planning work and acts as a principal representative of WEB Windenergie AG in the planning of wind park projects.

C rule 53

The majority of the members of the supervisory board elected by the general meeting or delegated by shareholders in accordance with the articles of incorporation shall be independent of the company and its management board.

A member of the supervisory board shall be deemed as independent if said member does not have any business or personal relations to the company or its management board that constitute a material conflict of interests and is therefore suited to influence the behaviour of the member.

The supervisory board shall define on the basis of this general clause the criteria that constitute independence and shall publish them in the Corporate Governance Report. The guidelines in Annex 1 shall serve as further orientation. According to the criteria defined, it shall be the responsibility of every member of the supervisory board to declare its independence vis-à-vis the supervisory board. The Corporate Governance Report shall clearly explain which members are deemed independent according to this assessment.

In accordance with the definitions of the Code, the Supervisory Board of WEB Windenergie AG consists of three independent and two non-independent members.

Background:

The founding shareholder, Windkraftanlagen Errichtungs- und Betriebs GmbH registered in 3834 Pfaffenschlag, which was intensively involved in founding of the company, submitted a share repurchase offer during the establishment phase of the company.

This offer remains valid until rescinded.

The aforementioned company is entitled to appoint a delegate as member of the Supervisory Board. As of 31 December 2008, the founding shareholder holds approx. 3.8% of the shares in the company, making it the largest shareholder at this point in time.

The founding shareholder manages as a holding company its stakes in various energy production companies based on renewable energies. In no case do any situations of conflicting competitive interests exist.

Executive Board member Andreas Dangl is General Manager of Windkraftanlagen Errichtungs- und Betriebs GmbH. This situation has been known to the respective Supervisory Board since founding of the company. The delegated member of the Supervisory Board is Franz Dangl, brother of the CEO

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Andreas Dangl. Franz Dangl was significantly involved in the founding of the company. Supervisory Board member Stefan Bauer was elected to the Supervisory Board of the company WEB Windenergie AG in 2005 by the annual general meeting and is nephew of the CEO Andreas Dangl. Both Supervisory Board members related to an Executive Board member carry out their duties with the same diligence as any other member and cite to the relevant aspects of liability law.

C rule 66

The company shall prepare quarterly reports in accordance with International Financial Reporting Standards, as adopted by the EU (IAS 34).

The management board shall explain in the annual and interim reports the reasons for and effects of any material changes or deviations affecting the current and/or subsequent business year as well as any material deviations from previously released sales revenues, earnings and strategy targets.

Quarterly reports are not published according to international accounting standards; however, the annual and mid-year financial statements certainly do comply with IFRS.

Boards

Supervisory Board

Mag. Josef Schweighofer

Chairman of the Supervisory Board

Director of Finance and Accounting, Investment and Sales Controlling at Moeller Gebäudeautomatisation GmbH, Schrems; General Manager of Moeller Electric EOOD Bulgaria

Andreas Zajc

Vice Chairman of the Supervisory Board

Member of an international IT group, founding shareholder of WEB Windenergie AG

DI (FH) Stefan Bauer

Member of an internationally active electronics group and shareholder of WEB Windenergie AG since the incorporation of Waldwind KG

Markus Weiss

Entrepreneur and initiator of wind power projects in eastern Lower Austria, WEB regional representative in the Weinviertel

Franz Dangl

Entrepreneur and active for many years in the area of alternative energy concepts

Executive Board

Andreas Dangl

Chief Executive Officer

Born: 2 November 1962
Native of the Waldviertel, founder of WEB Windenergie AG and cofounder of the Interessengemeinschaft Windkraft Österreich (IGW)

DI Dr. Michael Trcka

Chief Financial Officer

Born: 10 November 1970
Doctor of business administration has been head of the finance department of WEB since 1 May 2009. His responsibilities also include coordination of the IT and legal departments.

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● **Shaping the future**
● **of the company together**

Mag. Josef Schweighofer
Chairman of the Supervisory Board

Andreas Dangl
Chief Executive Officer

Markus Weiss
Member of the Supervisory Board

DI (FH) Stefan Bauer
Member of the Supervisory Board





Andreas Zajc
*Vice Chairman
of the Supervisory Board*

DI Dr. Michael Trcka
Chief Financial Officer

Franz Dangl
*Member of the
Supervisory Board*

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Deep:Rooted

For millions of years, nature has established rules that allow for the orderly and sustainable coexistence and continuation of all life. This highly functional yet sensitive equilibrium offers us valuable insight into many areas of life and also serves as a model for our business activities. At the same time, it represents the foundation for our firm conviction that this balance must be maintained.

Group Management Report

Economic Environment (Energy Industry)

New EU Directive Gives Valuable Impetus

The directive passed by the EU in December 2008 for increasing the share of renewable energies in the overall electricity production to 20% by the year 2020 offers a solid basis for future projects and also sends a very positive signal.

The energy industry has long asked for such a signal in order to establish the conditions for rapid expansion of the use of renewable energies.

For the WEB Windenergie Group, this directive is a welcome confirmation of the group's philosophy. It also means that we must exceed the goals we have established for ourselves in order to avoid relinquishing the field to other market players.

Specific consequences – such as the positive effect hoped for at the level of local political decision-making – will show how extensively this directive launched by the EU enters into the self-image of the parties involved.

Strategic Alliances Gain in Importance

Against this background, alliances such as the one with The Wind Company GmbH, which is concerned with international power station projects, have gained in importance as strategic measures. They form the basis for strengthening the position of the company within the borders of the European Union and for expanding the company's position even beyond these borders into new fields of business. Specific motivations for such cooperation include the bundling of know-how and experience in the area of planning wind turbine generators.

Financial Crisis Tends to Favour Long-Term Investments

The consequences of the upheaval on the global financial markets in 2008 have also had a noticeable effect on the readiness of investors to enter into investments in the area of regenerative energies. On the other hand, investments that can claim explainable growth and long-term perspectives have become increasingly attractive to investors.

Whether the global economic crisis should be seen only as such or also as a new opportunity is determined in large part by the market players themselves – above all companies like the WEB Windenergie Group that are in a position to help shape the future today through new projects and activities.

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Business Developments

Installed Capacity and Production Increase Further

The WEB Windenergie Group together with its shareholdings achieved the following output and production values in electricity generation in the year 2008.

The **power station output** was expanded in the 2008 production year with the wind turbines of Windstrom Gerasdorf Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. & Co KG and Steppenwind Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. & Co KG. These plants located in Parbasdorf, Hagenbrunn and Seyring in Lower Austria added a total output of 2,460 kW to WEB Windenergie AG.

WEB Windenergie AG also acquired another plant in Parndorf, Burgenland with an output of 850 kW through a merger with Ing. T.W. Herrmann GmbH.

WEB Windenergie Glaubitz GmbH, which originated from the sale of the plants of Windkraft Simonsfeld in Glaubitz, Germany, brought an additional 1,700 kW into the group as of July 2008.

Finally, a V90 in Bantice, Czech Republic expanded the power plant output by 2,000 kWh as of August 2008.

The shares of WEB Windenergie AG in Windpark Bruck/Leitha GmbH & Co KG were integrated into Windpark Bruck/Leitha GmbH in 2008. The sale of the share in Windpark Bruck/Leitha GmbH resulted in a slight decline in the generation output by 399.6 kW.

In total, the generating capacity of the WEB Windenergie Group increased by 2.75% compared with the previous year.

The total electricity production (WEB Windenergie AG and shareholdings in Austria and abroad) amounted to 428,241.2 MWh during the reporting period. This corresponds to the electricity demands of approx. 122,300 households.

This puts the **electricity production** in 2008 at 1.91% below the level of the previous year, however still 3.03% above the target value. The best results were delivered by the plants in northern Germany and France as well as several wind parks in the Weinviertel. At a few sites in Austria as well as isolated sites in Germany, the total production in 2008 was below the calculated forecast value.

Electricity generation	2008		2007	
	Output MW	Production MWh	Output MW	Production MWh
Austria	91.3	215,358.6	87.9	208,642.9
Germany	76.6	145,034.9	76.5	158,405.1
Czech Republic	6.2	7,255.5	4.3	30,361.5
France	12.0	29,436.7	12.0	6,108.6
Shareholdings	15.6	31,155.5	15.6	33,043.3
Total	201.7	428,241.2	196.3	436,561.4

Profit Situation

Consolidated Income Statement

EUR '000	2008	2007
Sales revenue	33,857.6	33,746.8
Other operational income	2,428.2	2,051.2
Expenditures for materials and other purchased manufacturing services	-827.6	-636.0
Personnel expenditures	-1,560.4	-1,078.8
Amortisation of intangible fixed assets and depreciation of property, plant and equipment	-15,100.0	-12,312.8
Other operational expenditures	-7,481.4	-6,192.8
Subtotal	-22,541.2	-18,169.2
Operating result	11,316.4	15,577.6
Result from shareholdings	293.6	248.3
Result from financial transactions	-1,675.6	1,078.0
Financing expenses	-7,971.8	-7,273.8
Financial result	-9,353.8	-5,947.5
Profit before taxes	1,962.6	9,630.1
Income tax	-294.1	-2,692.9
Profit shares of minority partners	-548.6	-633.9
Profit for the business period	1,119.9	6,303.3

Sales Revenues Up Slightly

The sales revenues of the WEB Windenergie Group in the 2008 fiscal year were EUR 33.858 million, placing them 0.33% above the previous year's value of EUR 33.747 million.

The main reason that greater growth was not achieved despite the additional plants in Parbasdorf, Hagenbrunn, Seyring, Parndorf, Bantice and Glaubitz is the very good wind year of 2007 in which production exceeded the target value by 8.4%.

The sales revenues include leasing revenue from Verbio Ethanol Schwedt GmbH & Co. KG for the leasing of wind turbines in Altentreptow and Wörbzig, Germany in the amount of EUR 6.116 million (2007: EUR 5.526 million).

The total revenue including other revenues amounted to EUR 36.286 million following on EUR 35.798 million in the previous year. The item of other operational income includes revenues such as advertising income, leasing income, subsidies and commissions, compensation for turbine downtime as well as the invoicing of costs to third parties. These revenues were earned primarily by the parent company WEB Windenergie AG.

The expenditures on material and other purchased manufacturing services primarily involves spare parts and materials as well as purchased complete services.

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Personnel Expenditures

The personnel expenditures increased from EUR 1.078 million in the previous year to EUR 1.560 million. This corresponds to a rise of roughly 44%, which can be attributed primarily to the increase in the number of employees in the departments of engineering and operation and project planning as well as strengthening of the administrative structures at the group head office. The average number of employees based on full-time equivalents also increased by 41% over the levels of 2007.

Average number of employees

	2008	2007
Austria	25.0	18.5
Germany	4.0	1.5
Czech Republic	1.0	1.0
France	1.0	1.0
Summe	31.0	22.0

Full-time equivalents

Depreciation

The scheduled depreciation of the WEB Windenergie Group increased in 2008 from EUR 12.312 million to EUR 12.353 million. This increase can be attributed to the turbines newly brought into the WEB Windenergie Group in 2008.

This item also includes the devaluation of the Imst hydroelectric power station in accordance with IAS 36 in the amount of EUR 2.746 million.

Other Operating Expenditures

Other expenditures in the past year amounted to EUR 7.481 million and include, among other things, maintenance expenditures, repairs, leaseholds, leasing expenditures and all administrative and office expenses. This item also includes foreign currency losses in the amount of EUR 1.423 million.

Operating Result

The operating result was EUR 11.316 million, placing it EUR 4.261 million below the previous year's value (2007: EUR 15.577 million).

Financial Result

The financial result of EUR -9.353 million was in the negative range, as was last year's value of EUR -5.947 million. This item includes risk provisioning for the financial derivative transactions still existing on 31 December 2008 in the amount of EUR 1.139 million, which is based on the market value of the transactions as at 31 December 2008. The financial result also includes expenditures for financial derivative transactions ended in 2008. EUR 1.466 million of realised losses were posted in 2008 (2007: profit of EUR 0.264 million).

This item also includes interest earned in the amount of EUR 1.040 million and the results of the disposal of shareholdings in the amount of EUR 0.287 million.

Profit Shares of Minority Partners

The profit shares of minority partners refer to the remaining shares in Neuhof I Windkraftanlagen Errichtungs- und Betriebs-gmbH (4/9 shares) not held by the company totalling EUR 0.548 million.

Group Profit

The group profit was EUR 1.119 million, which is roughly 82% below the level of the previous year at EUR 6.303 million.

Assets and Financial Position

Consolidated Balance Sheet

	31 Dec. 2008		31 Dec. 2007		Change	
	EUR '000	in % of total assets	EUR '000	EUR '000	EUR '000	%
Assets						
Short-term assets	19,698	8.8	23,009	-3,311	-14.4	
Long-term assets	204,471	91.2	210,634	-6,163	-2.9	
Total assets	224,169	100.0	233,643	-9,474	-4.0	
Liabilities						
Equity	68,884	30.7	68,344	540	+0.8	
Minority share	3,249	1.4	3,299	-50	-1.5	
Outside capital	152,036	67.8	162,000	-9,965	-6.2	
Total assets	224,169	100.0	233,643	-9,474	-4.0	

Assets

Short-Term Fixed Assets

The short-term fixed assets consist of liquid funds and fixed deposits of WEB Windenergie AG (EUR 3.9 million), WEB Windenergie Betriebsgesellschaft Deutschland GmbH (EUR 0.1 million), WEB energie du vent SAS (EUR 5.1 million) and the other companies included in the consolidated financial statements. The receivables and other fixed assets include primarily receivables for feeding-in electricity during the current fiscal year that are only billed and paid in the new year as well as receivables for reimbursement of costs.

Property, plant and equipment

This item includes the existing wind turbines of the consolidated companies as well as the plants under construction and advance payments for projects.

The consolidated financial statements according to IFRS were based on a uniform depreciation period of 20 years for all wind turbines of the group; the depreciation periods of the individual financial statements vary between 12 and 16 years.

Financial Investments

This item comprises the shares in the companies Sternwind Errichtungs- und Betriebs GmbH, Tauernwind Windkraftanlagen GmbH, Weinviertler Energie GmbH & Co KG and Windkraft Simonsfeld GmbH & Co KG as well as securities and a shareholder loan to Sternwind Errichtungs- und Betriebs GmbH.

A detailed representation of the development of the financial investments can be found in the Notes (3 (7) Financial Investments).

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Liabilities

Short-Term Liabilities

The short-term liabilities in the amount of EUR 22.9 million (31 Dec. 2007: EUR 22.0 million) comprise short-term liabilities to credit institutes in the amount of EUR 13.8 million, provisions in the amount of EUR 2.5 million (primarily unrealised losses from derivative transactions, tax provisions and provisions for repairs to wind turbines).

The other liabilities amount to EUR 6.6 million. These are trade accounts payable, primarily for wind turbines. The values of these items remain practically unchanged from the previous year.

Long-Term Liabilities

Diese umfassen langfristige Verbindlichkeiten gegenüber Kreditinstituten von 116,1 Mio. EUR. Die langfristigen Rückstellungen betreffen dabei in erster Linie die Rückstellung für die Abbruchkosten der Windkraftwerke nach dem Ende der Nutzungsdauer.

Equity

The share capital of the parent company WEB Windenergie AG was EUR 27.5 million on the balance sheet date. The appropriated capital reserve was EUR 19.8 million, and the other reserves amounted to EUR -0.2 million. These comprise primarily unrealised losses from the valuation of securities in the amount of EUR -0.6 million, the reserve for a cash flow hedge at EUR -0.5 million and the currency conversion differences in the amount of EUR 0.01 million. The cumulative results total EUR 21.7 million.

Minority Share

WEB Windenergie AG holds a share of 55.56% in Neuhof I Windkraftanlagen Errichtungs- und Betriebs GmbH. Since all of this company's earnings are reported on the group's balance sheet (fully consolidated), 44.44% of the equity of Neuhof I Windkraftanlagen Errichtungs und Betriebs GmbH is recorded as a minority share.

Investment Report

In the year 2008, WEB Windenergie AG invested in the following companies and shareholdings.

Name	Field of business	Share %	Investment EUR
WEB Italia Energie Rinnovabili S.r.l.	Erection and operation of photovoltaic plants in Italy	100.00%	10,000
Regenerative Energy Bulgaria EOOD	Erection and operation of wind turbines in Bulgaria	100.00%	2,600
WEB Energo d.o.o.	Erection and operation of wind power and hydropower plants in Bosnia	70.00%	1,020
Kraftwerksgesellschaft Ritten Hepperger S.r.l.	Project planning and erection of a pumped storage hydropower plant	24.50%	2,450

The WEB Windenergie Group invested a total of EUR 6.994 million in project rights and plants under construction in the year 2008. The Bantice plant in the Czech Republic was built for roughly EUR 2.25 million. In total, the group invested EUR 11.377 million in 2008.

Research & Development

The WEB Windenergie Group strives to build up expertise in the optimised operation of its existing plants in order to minimise operating costs and maximise earnings. Beyond this, no research and development activities are pursued.

Non-Financial Performance Indicators

Through responsible and efficient use of CO₂-producing operating equipment and the selection of environmentally-friendly alternatives, WEB Windenergie AG not only reinforces its credibility but also actively embodies its corporate mission statement.

In relation to the CO₂ emissions saved with its wind, water and solar turbines, the quantity of pollutants produced by the company is vanishingly small. Nevertheless, these emissions are constantly evaluated and studied.

The energy efficiency of the group headquarters together with the recording and scrupulous monitoring of all kilometres travelled by car, train or airplane as well as other factors produce a solid overall image of environmentally responsible management.

In total, the turbines operated by the WEB Windenergie Group save roughly 300,000 t of CO₂ per year. In comparison to this, the emissions depicted in the table below represent just 0.04%.

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CO₂ balance sheet WEB Windenergie AG 2008	Total mobility	CO₂ emissions	CO₂ savings
Cause	km	t	t
Use of equipment	—	4.83	—
Vehicle use (company-internal fleet)	382,106	81.75	1.34 ¹
Air travel	38,910	15.30	—
Train travel	20,398	1.31	3.02
Bus/taxi	4,154	0.24	—
Private automobiles	54,669	12.27	—
Total mobility	500,236	115.69	4.36

¹ The savings arise through use of the company's own natural gas automobile.

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Risk Report

Risikomanagement der WEB Windenergie Gruppe

The WEB Windenergie Group views risk management as a key instrument of company management. The goal of the risk management is to protect the group's net assets, financial position and profit situation as well as existing and future potential for growth and success and to react quickly to changes in the business environment.

The risk situation of the group is evaluated on an annual basis. The management identifies and documents the most significant opportunities and risks. These are discussed and evaluated.

Measures are developed and implemented for addressing the identified risks. These measures are aimed both at reducing the possible level of damage as well as decreasing the probability of occurrence. Possible interdependencies between opportunities and risks are taken into account here.

Price Risk and Policy Risk

Long-term guaranteed rates exist for most of the electricity produced by the plants of the WEB Windenergie Group. For this reason, the group is only subject to market price risks and economic risks to a very small extent.

Guaranteed rates term	Share in generation volume
Up to 1 year (2009)	94.86%
Up to 5 years	92.21%
Up to 10 years	58.16%

These rates are secured through existing laws. Changes to these laws or elimination of the rate subsidisation would mean a significant threat to the profitability of the generation plants. However, since all plants of the

WEB Windenergie Group are located within the EU, this risk is considered low.

Technical Risks

On 31 December 2008, the WEB Windenergie Group operated a total of 132 turbines, 70 of which in Austria. The specified total includes 128 wind turbines, three hydropower plants and one photovoltaic plant. With regard to manufacturers, 117 wind turbines come from the world market leader Vestas (including the plants merged into the company from NEG-Micon) and eleven plants from the German manufacturer Enercon. The WEB Windenergie Group thus relies exclusively on manufacturers with extensive market experience, thereby keeping the technical risk as low as possible.

Foundations

Foundation damage in the form of crack formation took place at several Vestas plants of the 2 MW class in Austria. Because certain loads were not adequately taken into account here in the construction phase, WEB Windenergie Gruppe pursued warranty claims against Vestas. The current state of the process offers hope for success by the WEB Windenergie Group.

Gearing

Experience from the past few years has shown us that problems arise to an increased extent on the higher-output turbine types manufactured by Vestas in the form of bearing and gearing damage. The group sees prevention potential here and is increasingly specialising its service department in preventive maintenance and repairs to such damages in order to address this challenge as cost-effectively as possible.

Blades

Further experience has shown that rotor blades of a specific model of the V80 turbine type can sustain significant damage on the blade tip in event of a lightning strike. This can be attributed to an error by the producer in the manufacturing process. The WEB Windenergie Group has not yet experienced such damage but will inspect the affected rotor blades as a precaution and repair the flaw, if identified.

Operational Management / Availability

The total availability of all plants of the group during the reporting period was 95.21%, the technical availability averaged 97.60%. A reduction of the total availability by 1% would mean a loss of sales amounting to roughly EUR 356,000 per year.

Project Planning

The development of new turbine sites is associated with considerable risks. In every phase from evaluation to planning to obtaining the construction and operating approvals, there is a risk that a project must be terminated, meaning a loss of the prior project expenditures. Strict cost management and regular evaluation of project costs, project profitability and the probability of obtaining the construction and operating approvals keep this risk as low as possible.

Financial Risks

Currency Risks

With the exception of the generation plants in the Czech Republic, the electricity generation and sales of the WEB Windenergie Group take place within the euro zone. Because the plants in the Czech Republic were financed in the national currency, the currency risk is restricted to the equity share of the plants. The financing of the plants

of the WEB Windenergie Group takes place in part in foreign currency. The resulting foreign currency risk is partially secured by a hedging strategy (option deal). Additional detailed information can be found in the Notes (4.1. Derivative Financial Instruments).

Interest Risk

The loans for financing of the turbines are subject to variable interest rates. Because the revenues from the turbines are fixed (fixed feed-in rates), there is a significant interest risk. Roughly 30% of this risk is partially secured through hedging transactions (interest rate swaps).

An increase in the interest rate by 1% would encumber the company results by approx. EUR 0.7 million per year. Additional detailed information can be found in the Notes (4.1. Derivative Financial Instruments).

Nonpayment Risk

The WEB Windenergie Group supplies the energy generated by its plants to both partially nationalised and private electricity traders. The majority of the sales (approx. 90%) are earned with OeMAG, the rest with a private company with which a good business relationship has existed for years. The subsidiaries in Germany and the Czech Republic each deliver to the electricity companies responsible for purchasing green electricity.

Liquidity Risks

All projects of the group make use of long-term financing, meaning that no liquidity risk arises from the construction or purchase of turbines. The consequences of fluctuations in the operational payment flows (in particular, fluctuations in the electricity revenues due to the wind situation) are minimised through active liquidity management.

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Outlook

New Projects

After the creation of a five-person project department, the WEB Windenergie Group will work more intensively on new turbine projects in the areas of wind, water and solar energy utilisation. The focus of the new turbine projects will continue to be in the home market of Austria and the core markets of Germany, the Czech Republic and France as well as the entire Eastern European market. The project volume currently under development amounts to 505 MW. Of this, 165 MW are in a concrete planning stage and 340 MW under evaluation.

Through the stake in PS-KW GmbH (project planning of pumped storage hydropower plants), the group has also secured for itself access to the least expensive storage technology currently available for electricity.

The WEB Windenergie Group also expects good positioning in the markets outside of Europe through its stake in The Wind Company GmbH, which is currently active in planning turbines in North America. The local conditions for the utilisation of regenerative energy are considered extremely promising.

Engineering & Operation

In the area of monitoring daily operations as well as organising the maintenance, repair and optimisation of the turbines, the WEB Windenergie Group continues to rely on cooperation agreements with the manufacturers. In parallel to this, however, the company intends to build up and expand its own specific operational know-how.

Through intelligent stocking of spare parts and proactive repairs, the group intends to consciously address the challenges of long term wind turbine operation and optimise the associated processes. The initial focus in the areas of hydropower and solar

technology is on organising the operational management and establishing specialised expertise.

Finance & Controlling

In the area of finance, the WEB Windenergie Group is planning further specific improvements in controlling, reporting and financing. This is intended to achieve clear cost optimisations following on the phase of strong company growth over the last ten years.

In particular, the group is relying increasingly on conservative credit management in order to minimise the business risks in the area of finance.

The WEB Windenergie Group is well situated for the future with a solid foundation with regard to both preserving the achievements to date and pursuing a strategy of continued growth.

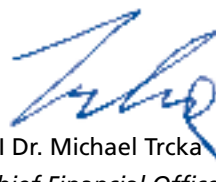
Significant Events After 31 December 2008

See Notes (5. Events After the Balance Sheet Date)

Pfaffenschlag, 20 May 2009



Andreas Dangel
Chief Executive Officer



DI Dr. Michael Trcka
Chief Financial Officer

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Consolidated Income Statement			
1 January – 31 December 2008			
According to IFRS			
	Note	2008	2007
EUR '000			
Sales revenue	(15)	33,857.6	33,746.8
Other operational income	(18)	2,428.2	2,051.2
Expenditures on materials and other purchased manufacturing services		-827.6	-636.0
Personnel expenditures	(16)	-1,560.4	-1,078.8
Amortisation of intangible fixed assets and depreciation of property, plant and equipment	(17)	-15,100.0	-12,312.8
Other operational expenditures	(19)	-7,481.4	-6,192.8
Subtotal		-22,541.2	-18,169.2
Operating result		11,316.4	15,577.6
Result from shareholdings		293.6	248.3
Result from financial investments	(21)	-1,675.6	1,078.0
Financing expenses	(20)	-7,971.8	-7,273.8
Financial result		-9,353.8	-5,947.5
Profit before taxes		1,962.6	9,630.1
Income tax		-294.1	-2,692.9
Profit shares of minority partners		-548.6	-633.9
Profit for the business period		1,119.9	6,303.3
Earnings per share (EUR)		4.08	23.08

Consolidated Balance Sheet
as at 31 December 2008
According to IFRS

Note 31 Dec. 2008 31 Dec. 2007

EUR '000

Assets

Inventories	(1)	530.4	397.5
Receivables from the supply of goods and services	(2)	5,709.4	3,067.0
Liquid funds	(3)	9,902.8	17,580.1
Other receivables and assets	(4)	3,555.5	1,964.4
Short-term assets		19,698.1	23,009.0
Other intangible assets		5,861.9	6,307.9
Goodwill		0.0	2.9
Advance payments made		260.0	260.0
Intangible fixed assets	(5)	6,121.9	6,570.8
Property, plant and equipment	(6)	192,128.8	196,312.5
Shares in associated companies		2,350.9	2,352.1
Other financial investments		3,749.4	5,130.0
Financial investments	(7), (8)	6,100.3	7,482.1
Capital assets		204,351.0	210,365.4
Other long-term assets	(9)	119.6	268.5
Long-term assets		204,470.6	210,633.9
Total assets		224,168.7	233,642.9

Liabilities

Amounts owed to credit institutions	(13)	13,761.1	13,265.8
Other short-term provisions	(10)	2,492.3	2,181.6
Other short-term liabilities	(12)	6,647.3	6,587.5
Short-term liabilities		22,900.7	22,034.9
Amounts owed to banks	(13)	116,109.8	125,508.4
Other long-term liabilities	(12)	7,773.7	8,711.4
Deferred tax liabilities	(11)	2,019.5	2,803.3
Long-term provisions	(10)	3,231.4	2,941.6
Long-term liabilities		129,134.4	139,964.7
Share capital		27,450.0	27,310.1
Capital reserve		19,755.6	19,382.4
Other reserves		-199.2	893.6
Net profit for the year		1,119.9	6,303.3
Cumulative results		20,757.9	14,454.6
Equity	(14)	68,884.2	68,344.0
Minority interest		3,249.4	3,299.3
Total liabilities		224,168.7	233,642.9

Equity per share in EUR

250.94

250.25

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Consolidated Cash Flow Statement

EUR '000

	2008	2007
Profit before taxes	1,963	9,630
Taxes on income	-294	-2,693
Net profit for the year	1,669	6,937
Depreciation (+), appreciation (-) of invested capital	15,853	11,954
Profit / loss from the disposal of assets	156	135
Change in deferred tax assets and liabilities	784	1,038
Change in long-term provisions	290	-2
Adjustment of the removal costs from previous years	-3,504	—
Other non-cash changes	1,108	-255
Cash flow result	16,356	19,807
Change in inventories, other assets	16	-228
Change in receivables	-4,234	8,905
Change in short-term provisions	311	1,002
Change in other long-term liabilities	-938	-987
Change in short-term liabilities	60	784
Cash flow operating result	11,571	29,283
Changes from reorganisation without impact on cash flow	-814	—
Capital investments	-12,481	-4,905
Revenue from the sale of capital assets	2,970	249
Cash flow investments	-9,511	-4,656
Amounts owed to banks	-8,903	-13,263
Shareholder loans	—	-4
Cash flow financial result	-8,903	-13,267
Cash flow operating result	11,571	29,283
Cash flow investments	-9,511	-4,656
Cash flow financial result	-8,903	-13,267
Changes from reorganisation without impact on cash flow	-814	—
Total	-7,657	11,360
Liquid funds at start of year	17,580	6,220
Liquid funds at end of year	9,923	17,580
Change in liquid funds	-7,657	11,360

**Growth
of Group Equity**
EUR '000

	Share capital	Capital reserve	Retained earnings	Other reserves	WEB share- holders	Minority shares	Total capital
As at 1 January 2007	27,310.10	19,382.43	14,454.63	844.45	61,991.60	2,969.12	64,960.73
Unrealised profits (+) / losses (-) from the valuation of securities				100.08	100.08	-23.73	76.36
Currency differences				-50.89	-50.89		-50.89
Net profit for the year			6,303.31		6,303.31	633.90	6,937.21
Dividends paid						-280.00	-280.00
As at 31 December 2007	27,310.10	19,382.43	20,757.94	893.64	68,344.11	3,299.30	71,643.40
As at 1 January 2008	27,310.10	19,382.43	20,757.94	893.64	68,344.11	3,299.30	71,643.40
Capital increase	139.90	373.13			513.03		513.03
Unrealised profits (+) / losses (-) from the valuation of securities				-636.07	-636.07	-38.46	-674.53
Unrealised profits (+) / losses (-) from hedging transactions				-469.08	-469.08		-469.08
Currency differences				12.30	12.30		12.30
Net profit for the year			1,119.96		1,119.96	548.58	1,668.54
Dividends paid						-560.00	-560.00
As at 31 December 2008	27,450.00	19,755.57	21,877.90	-199.21	68,884.25	3,249.42	72,133.67

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Group Schedule of Investments

Procurement and manufacturing costs

EUR '000	31 Dec. 2007	Addition contribution (currency differences)	1 Jan. 2008	Additions	Transfers	Disposals
Intangible assets						
Software	72.4	—	72.4	2.8	—	12.9
Rights of use	7,586.5	—	7,586.5	—	—	70.3
Goodwill	3.5	—	3.5	—	—	—
Advance payments made	260.0	—	260.0	—	—	—
Total intangible assets	7,922.4	—	7,922.4	2.8	—	83.2
Property, plant and equipment						
Property, property- equivalent rights and structures, including structures on third-party grounds	4,810.7	—	4,810.7	616.0	—	88.1
Technical plants and machines	228,662.5	2,014.1 (386.1)	231,062.7	3,239.6	394.6	1,563.2
Other plants, operating and business equipment	877.6	1.9 (1.8)	881.3	524.0	-7.7	25.7
Advance payments made and plants under construction	3,296.3	(81.0)	3,377.3	6,994.5	-1,147.3	374.2
Total property, plant and equipment	237,647.1	2,016.0 (468.9)	240,132.0	11,374.1	-760.4	2,051.2
Total	245,569.5	2,016,0 (468,9)	248,054.4	11,376.9	-760.4	2,134.4

Cumulative depreciation and amortisation						Book values	
31 Dec. 2008	1 Jan. 2008	Currency differences	Annual depreciation	Disposals	Cumulative depreciation/ appreciation	31 Dec. 2007	31 Dec. 2008
62.3	31.6	—	14.6	12.9	33.3	40.8	29.0
7,516.2	1,319.4	—	376.6	12.7	1,683.3	6,267.1	5,832.9
3.5	0.6	—	2.9	—	3.5	2.9	—
260.0	—	—	—	—	—	260.0	260.0
7,842.0	1,351.6	—	394.1	25.6	1,720.1	6,570.8	6,121.9
5,338.6	70.3	—	61.6	—	131.9	4,740.3	5,206.7
233,133.7	41,790.0	62.5	11,732.5	348.0	53,237.0	187,708.9	179,896.7
1,371.9	239.2	2.1	165.0	29.0	377.3	639.7	994.6
8,850.3	72.7	—	2,746.8	—	2,819.5	3,223.6	6,030.8
248,694.5	42,172.2	64.6	14,705.9	377.0	56,565.7	196,312.5	192,128.8
256,536.5	43,523.8	64.6	15,100.0	402.6	58,285.8	202,883.3	198,250.7

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1 The Company

The WEB Windenergie Group defines its core activities as the planning and operation of turbines based on regenerative energies. The international orientation of the company and the technological diversity across projects in the areas of wind power, photovoltaics and hydropower form the basis for a professional approach to the challenges of sustainable energy supply. This mission is of increasing importance in view of not only environmental aspects but also rising energy demand and dwindling fossil resources.

2 Accounting Principles, Balance Sheet and Valuation Methods

2.1 Accounting Principles

The consolidated financial statements of the WEB Windenergie Group as at 31 December 2008 were created in accordance with the International Financial Reporting Standards (IFRS) as applicable within the EU.

The accounting of the companies included in the consolidated financial statements is based on the uniform accounting methods of the WEB Windenergie Group. The consolidated financial statements are prepared in euros.

2.2 Scope of Consolidation and Consolidation Methods

The parent company is WEB Windenergie AG. All companies that are primarily under the control of the parent company (subsidiaries) are included in the consolidated financial statements through consolidation. Primary control exists if the parent company is directly or indirectly in a position to determine the financial and business policies of the company. The inclusion of a subsidiary starts at the time when primary control is acquired and ends at the time when such control is lost.

Companies that are managed jointly (joint enterprises) as well as companies over which the parent company exercises significant direct or indirect influence (associated companies) are included in the balance sheet according to the equity method.

Group-internal transactions, receivables, liabilities and significant unrealised profits (intercompany profits) have been eliminated. Unrealised losses are only eliminated insofar as the unrealised loss is not the consequence of an enacted impairment.

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In addition to the parent company, the scope of consolidation includes the following companies:

	Group share	Method of inclusion
WEB Windenergie AG	100.00%	Consolidation
WEB Windenergie Betriebsgesellschaft Deutschland GmbH	100.00%	Consolidation
Erste Windpark Weener GmbH & Co. Geiseweg KG	100.00%	Consolidation
WEB Windenergie International GmbH	100.00%	Consolidation
WEB Windenergie Glaubitz GmbH	100.00%	Consolidation
WEB Italia Energie Rinnovabili s.r.l.	100.00%	Consolidation
WEB Vetrna energie s.r.o.	100.00%	Consolidation
WEB Energie du Vent SAS	100.00%	Consolidation
Neuhof I Windkraftanlagen Errichtungs- und BetriebsgmbH	55.55%	Consolidation
Regenerative Energy Bulgaria EOOD	100.00%	Not included in the consolida- tion due to lesser significance
WEB Energo d.o.o.	70.00%	Not included in the consolida- tion due to lesser significance
Tauernwind Windkraftanlagen GmbH	20.00%	At equity
Windpark Eschenau GmbH	30.00%	At equity
Sternwind Errichtungs- und Betriebs GmbH	49.00%	At equity
Sternwind Errichtungs- und Betriebs-GmbH & Co KG	49.00%	At equity
PS-KW EnergieoptimierungsGmbH	30.00%	At equity
WEB energie regenerativa s.r.l.	50.00%	At equity
Kraftwerksgesellschaft Ritten Hepperger s.r.l.	24.50%	At equity – business activities only began in 2009

2.3 Currency Conversion

Business Transactions in Foreign Currency

The individual group companies record business transactions in foreign currencies with the mean rate on the day of the respective transaction. The conversion into euro of monetary assets and liabilities in foreign currency at the balance sheet date takes place at the mean rate valid on this day. The resulting foreign currency profits and losses are recorded in the financial year with an impact on income.

Conversion of Individual Annual Financial Statements in Foreign Currency

The functional currency of subsidiaries located outside of the euro zone is the respective national currency. All assets and liabilities listed in the individual annual financial statements of these companies are converted at the ECB valuation rate on the balance sheet date. The items of the income statement are converted at an average rate. Currency profits and losses arising from this are recorded neutrally with respect to income in the item "currency conversion differences" under equity.

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Conversion rates as at 31 Dec. 2008	ECB valuation rate	Credit liability	Cash at banks
CZK	26.875	26.35	27.05
CHF	1.485	1.4835	—
JPY	126.14	125.85	—

2.4 Balance Sheet and Valuation Methods

2.4.1 Goodwill

Goodwill listed on the balance sheet was determined through the purchase method. Insofar as possible, the goodwill arising from company purchases is attributed to the individual wind parks and wind turbines and depreciated over the life of the plants.

2.4.2 Intangible Assets

Intangible assets that have been paid for are listed on the balance sheet at purchase price less cumulative scheduled amortisation and impairment expenses.

Intangible assets have either a determinable or indeterminable useful life. For a determinable useful life, scheduled amortisation of the intangible asset takes place over this period.

The useful lives for important intangible assets are:

	Amortisation period
Rights of use, water rights	16 – 40 years
Software	2 – 3 years

Rights of use obtained by purchase are amortised over the remaining term of the right of use.

2.4.3 Property, plant and equipment

Tangible fixed assets are valued at their purchase or manufacturing costs less cumulative scheduled depreciations and impairment expenses. The same applies to goodwill arising from company purchases, insofar as this is classified under property, plant and equipment, and for the discounted removal costs. The purchase or manufacturing costs include all costs incurred in order to bring the object to its current location and condition. The manufacturing costs of self-built plants include itemised costs as well as reasonable incurred overhead expenses. Financing costs are not included.

	Depreciation period
Wind turbines, hydropower plants	5 – 20 years
Office building	50 years
Hydropower plants (building), operating hall	33 years
Site facilities	10 – 15 years
Other plants, operating and business equipment	2 – 20 years

2.4.4 Financial Assets

Securities are classified as available for sale. They are recognised at current market value, which is determined on the basis of stock market prices. Value changes according to IAS 39 up to the time of sale are integrated into the reserves neutrally with respect to income.

Value changes are recorded with an impact on income in cases in which significant objective reasons for this exist. Securities are recorded in each case on the settlement date.

Other investments for which a fair market value cannot be determined without significant effort are reported at the purchase price.

2.4.5 Inventories

Inventories are reported at the lower value of purchase or manufacturing costs and the net realisable value on the balance sheet date.

The purchase or manufacturing costs include all costs for purchasing and processing as well as other costs incurred in order to bring the inventories to their current location and condition. The manufacturing costs include all itemised costs as well as systematically attributed overhead costs incurred in connection with manufacturing on the basis of average capacity utilisation. The costs per unit are determined according to the floating average pricing method.

The net realisable value is determined from the expected sales revenue less the manufacturing costs that will still be incurred, as determined on the basis of experience.

2.4.6 Trade Accounts Receivable, Other Receivables and Assets

Trade accounts receivable and other receivables are reported at purchase price less impairment for expected unrecoverable portions. Other assets are valued at purchase price less impairment.

2.4.7 Impairment of Non-Financial Assets

Non-financial assets that fall under the scope of IAS 36 are evaluated with regard to retention of the book value (impairment test) if indications pointing to an impairment exist. An annual impairment test must be performed for goodwill, intangible assets with indeterminable useful life and assets not yet ready for use regardless of whether indications pointing to an impairment exist. An impairment occurs if the book value exceeds the realisable value of the asset. The realisable value is the higher of the use value or fair market value less sales costs. The use value is determined using a capital-value-oriented method according to the

discounted cash flow method (DCF method). This involves deriving the relevant payment flows on the basis of financial plans. The discount rate is the pre-tax interest rate that reflects the current market assessments of the current market value of the funds and the specific risks of the asset. An impairment expense in the amount by which the book value exceeds the realisable amount must be taken into account. If the reasons for the impairment disappear in subsequent periods, the impairment is reversed, except in cases of goodwill.

2.4.8 Obligations Toward Employees

Severance provisions are established for employees to the extent necessary.

2.4.9 Provisions

Provisions are created if a legal or actual obligation exists with respect to a third party on the basis of a past event and it is probable that this obligation will result in a cash outflow. The provisions are reported at a value determined according to the best possible estimate at the time the annual financial reports are created. If a reasonable estimate is not possible, no provision is created. If a cash value determined for the provision on the basis of a typical market discount rate differs significantly from the nominal value, the cash value of the obligation is reported. Expenses arising from accumulation of interest on provisions are reported under interest expenses.

2.4.10 Taxes

The income tax expense (the income tax credit) includes the actual taxes and the deferred taxes. For transactions recorded directly under equity, the associated income tax is also recorded under equity with no impact on income.

The actual taxes for the individual companies of the WEB Windenergie Group are

calculated from the taxable income of the companies and the tax rate applied in the respective country.

The deferred taxes are determined for all temporary differences between asset and debt valuations in the IFRS consolidated financial statements and the corresponding tax values at the individual companies. The probable realisable tax advantage from existing losses carried forward is included in this determination. Exceptions to this comprehensive tax deferral exist for differences in non-tax-deductible goodwill and temporary differences associated with shareholdings. Deferred tax assets are not applied if it is not probable that the corresponding tax advantage can be realised. The following tax rates were used as the basis for determination of the deferred taxes: Austria 25%, Germany 25%, France 33.33%, Czech Republic 19%.

2.4.11 Financial Liabilities

Upon inclusion, financial liabilities are recorded in the actually accrued amount. Foreign currency liabilities are valued at the exchange rate valid on the balance sheet date.

2.4.12 Trade Accounts Payable and Other Liabilities

Trade accounts payable and other liabilities are valued at the continued purchase price.

2.4.13 Derivative Financial Instruments

Derivative financial instruments are listed at purchase price upon conclusion of the contract and valued in subsequent periods at the current market value. Unrealised valuation profits and losses are recorded in the income statement.

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2.4.14 Hedging Transactions Associated with Financing

Individual derivative financial instruments, primarily interest and currency swaps, are used in the financing area in order to economically limit and control the risk that existing foreign currency and interest rate might change.

With regard to recording of changes to the fair market values – whether in the income statement with an impact on income or under equity with no impact on income – the decisive factor is whether or not the derivative financial instrument is bound into an effective hedging relationship according to IAS 39. If no hedge accounting exists, the changes in the fair market value of the derivative financial instruments must be recorded with immediate impact on income. On the other hand, if an effective hedging relationship according to IAS 39 exists, the hedging connection is reported as such.

2.4.15 Financing Expenses and Revenue from Financial Investments

Financing expenses comprise the interest and interest-like expenses for the acquired outside financing and financing leasing transactions.

The results of financing transactions include fees, results of financial derivative transactions and securities transactions as well as the results from the sale of shareholdings. Results from exchange rate changes are reported under other operational income or expenses.

The realisation of dividends takes place at the time when the decision to pay out dividends is passed.

2.4.16 Uncertainties in Valuation Judgements and Assumptions

Creation of the consolidated financial statements in accordance with IFRS requires that the company management make valuation judgements and define assumptions regarding future developments that can have a significant influence on the valuation and value of assets and debts, the indication of other obligations on the balance sheet date and the listing of revenues and expenditures over the course of the fiscal year.

In the case of the following assumptions, a non-negligible risk exists that they could lead to further adjustments of asset values and debts in coming fiscal years:

- The value retention of the Imst turbine has been evaluated on the basis of a forecast calculation for the cash flow of the next 40 years and with application of a discount rate adapted to the investment risk. The value of the turbine therefore depends significantly on future electricity price developments.
- Provisions for removal costs are valued on the basis of expert estimates and experience with the costs for removal of similar plants as well as the assumption that a portion of the material being disposed of can be reused.

3 Notes to the Items of the Balance Sheet and Income Statement

(1) Inventories

EUR '000	31 Dec. 2008	31 Dec. 2007
Operating materials and spare parts	530.4	397.5

The inventories primarily involve spare parts for wind turbines.

(2) Trade accounts receivable

EUR '000	31 Dec. 2008	31 Dec. 2007
Receivables from electricity deliveries	4,533.9	1,988.1
Receivables from leasing	900.4	747.9
Other receivables	275.1	331.0
Total	5,709.4	3,067.0

(3) Liquid funds

EUR '000	31 Dec. 2008	31 Dec. 2007
Cash assets	2.7	1.5
Bank balances available at short notice	9,900.1	17,578.6
Total	9,902.8	17,580.1

On the balance sheet date, no restrictions existed regarding the availability of the amounts listed in these items.

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(4) Other receivables and assets

EUR '000	31 Dec. 2008	31 Dec. 2007
Receivables from employees	23.7	28.5
Receivables from finance authorities	616.1	438.6
Advance payments made for repairs	60.0	60.0
Other asset Ritten turbine	752.7	—
Receivables from Sternwind	122.6	—
Receivables from WEB Windpark Barkow GmbH in founding	289.6	—
Other	1,690.9	1,437.3
Total	3,555.6	1,964.4

An amount of EUR 752,700 was reclassified from the item "Advance payments made and plants under construction" to the item "Other receivables and assets" (Ritten hydropower plant project). This reporting change has taken place as of the year 2008 due to the founding of a project company into which the previously incurred up-front costs should be transferred.

(5) Intangible fixed assets and goodwill

The classifications and development of the intangible assets reported on the balance sheet are depicted in the schedule of investments. The intangible investment assets are reported at EUR 6,121,900 (31 Dec. 2007: EUR 6,570,900).

Insofar as possible, the goodwill resulting from company purchases has been retroactively attributed to the time of the purchase of the individual wind park or wind turbines and has been amortised over the operating time of the plant. This reporting change has taken place as of the year 2008. The retroactive change to use of the procurement time resulted in an effect on the results in the previous year of EUR -254,300. The previous year's values were adjusted (restated).

The goodwill exceeding this was entirely amortised in the year 2008. The book value is EUR 0 (31 Dec. 2007: EUR 2,900).

(6) Property, plant and equipment

The classifications and development of the intangible assets reported on the balance sheet are depicted in the schedule of investments. The property, plant and equipment, which are reported with a total book value of EUR 192,128,800 (31 Dec. 2007: EUR 196,312,500), also include leased wind turbines – as in the previous year.

In the current fiscal year, a devaluation according to IAS 36 was made to the item "Advance payments made and plants under construction" in the amount of EUR 2,746,800 (31 Dec. 2007: EUR 0) for the Imst hydropower plant.

Insofar as possible, the goodwill resulting from company purchases has been retroactively attributed to the time of the purchase of the individual wind park or wind turbines and has been depreciated over the operating time of the plant. The capitalised removal costs have also been retroactively discounted. The discounted amount is depreciated together with the plants. This reporting change has been introduced as of the year 2008. The effect of the retroactive changes on the year 2007 amounts to EUR -254,300. All values of the previous year have been adjusted (restated).

(7) Financial investments

The reported financial investments break down as follows:

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EUR '000	Shares in affiliated companies	Shares in associated companies	Securities and shareholdings available for sale	Loans	Total
Value before depreciation					
As at 1 Jan. 2008	120.0	782.1	4,445.8	777.9	6,125.8
Reorganisation	—	—	72.8	—	72.8
Addition	3.6	2.0	775.1	43.8	824.5
Disposal	-120.0	—	-1,379.9	—	-1,499.9
As at 31 Dec. 2008	3.6	784.1	3,913.8	821.7	5,523.2
Cumulative depreciation/ appreciation					
As at 1 Jan. 2008	—	-1,450.0	10.2	83.6	-1,356.2
Depreciation	1.6	18.0	890.0	—	909.6
Appreciation	—	-134.8	-10.2	-34.9	-179.9
Disposal	—	—	49.4	—	49.4
As at 31 Dec. 2008	1.6	-1,566.8	939.4	48.7	-577.1
Book values 31 Dec. 2007	120.0	2,232.1	4,435.6	694.3	7,482.0
Book values 31 Dec. 2008	2.0	2,350.9	2,974.4	773.0	6,100.3

(8) Shareholdings

Shareholdings and securities	EUR '000
Windkraft Simonsfeld GmbH & Co KG	518.6
Weinviertler Energie GmbH & Co KG	184.2
oekostrom AG	629.5
BEB Bioenergie AG	64.8
Securities	1,577.3
Total	2,974.4

(9) Other long-term assets

EUR '000	31 Dec. 2008	31 Dec. 2007
Loans	106.4	250.0
Other	13.2	18.5
Total	119.6	268.5

(10) Other provisions

The other provisions break down as follows:

EUR '000	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008	31 Dec. 2007
	Long-term	Long-term	Short-term	Short-term
Obligations toward employees	60.0	50.0	110.4	90,0
Removal costs	3,171.4	2,891.6	—	—
Unrealised losses from derivative transactions	—	—	1,570.1	490,0
Taxes	—	—	611.7	1,062,4
Other	—	—	200.1	539,2
Total	3,231.4	2,941.6	2,492.3	2,181,6

The provision for removal costs has been discounted to the cash value according to the useful lives of the wind turbines. This cash value will be compounded in subsequent years with an impact on income. This reporting change has taken place as of the year 2008. The retroactive change resulted in no change to the results in 2007. The previous year's values were adjusted (restated).

(11) Deferred taxes

The differences between the valuations in the tax balance sheet and the IFRS balance sheet result from the following differential amounts, in other words, with the following effect on deferred taxes:

EUR '000	31 Dec. 2008	31 Dec. 2007
Tax loss carried forward	304.2	—
Depreciation of capital investments	-1,903.7	-1,926.0
Valuation of financial investments	-131.5	-341.0
Other temporary differences	-536.0	-286.5

(12) Other liabilities

EUR '000	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008	31 Dec. 2007
	Long-term	Long-term	Short-term	Short-term
Other trade accounts payable	—	—	4,304.7	4,350.5
Liabilities to finance authorities	—	—	455.2	1,004.6
Liabilities to health funds	—	—	29.7	19.2
Liabilities to ÖKO Wind GmbH	—	—	80.0	—
Leasing liabilities	7,673.5	8,660.8	987.4	987.4
Other	100.3	50.6	790.4	225.8
Total	7,773.8	8,711.4	6,647.4	6,587.5

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(13) Financial liabilities

EUR '000		Book value				Book value
		EUR	CHF	JPY	CZK	31 Dec. 2007
	fixed	3,072.3	—	—	—	3,072.3
Under one year	variable	9,445.8	865.5	12,317.7	14,801.7	10,688.8
	fixed	7,593.2	—	—	—	7,593.2
One to five years	variable	44,846.7	2,829.3	17,054.3	53,566.8	48,922.3
	fixed	438.8	—	—	—	438.8
Longer than five years	variable	43,737.0	18,347.9	—	80,379.9	59,155.5
Total		109,133.8	22,042.7	29,372.0	148,748.4	129,870.9
						138,774.2

(14) Equity

The equity development is shown on page 47.

The share capital of the parent company on the balance sheet date was EUR 27,450,000.00 (31 Dec. 2007: EUR 27,310,100.00) and was divided into 274,500 shares (31 Dec. 2007: 273,101).

The appropriate capital reserve amounts to EUR 19,755,566.55 (31 Dec. 2007: EUR 19,382,432.55).

The other reserves were reported at a total amount of EUR -199,200 (31 Dec. 2007: EUR 893,600). These include primarily unrealised profits(+)/losses(-) from the valuation of securities in the amount of EUR -636,100 (31 Dec. 2007: EUR +100,100) plus the cash flow hedge reserve at EUR -469,100 (31 Dec. 2007: EUR 0) as well as currency conversion differences of EUR 12,300 (31 Dec. 2007: EUR -50,900).

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Significant devaluations were performed on the following securities:

EUR '000	
Delphin 0388-000390	92.6
Securities portfolio 0388-000127	198.7
ABS securities 09975 234 700	369.2

These devaluations were not recorded in the income statement.

(15) Sales revenue and segment reporting

The sales break down as follows:

By plant	2008	2007
EUR '000		
Wind turbines – electricity revenue	27,208.1	27,633.1
Wind turbines – leasing	6,116.0	5,526.0
Hydropower plants – electricity revenue	529.8	586.1
Solar plants – electricity revenue	3.7	1.6
Total	33,857.6	33,746.8

The total sales revenue from leasing is earned from leasing of the plants in the wind parks Altentreptow and Wörbzig in Germany to the partner Verbio Ethanol Schwendt GmbH & Co. KG.

By country	2008	2007
EUR '000		
Austria	18,045.5	17,825.7
Germany	12,519.8	12,812.6
Other	3,292.3	3,108.5
Total	33,857.6	33,746.8

(16) Personnel expenditures

EUR '000	2008	2007
Wages and salaries	1,216.1	850.5
Expenditures for legally required fees and contributions	305.9	187.4
Contributions to the employee pension fund	11.7	6.9
Expenditures for pension insurance	7.6	5.8
Expenditures for severance provision	0.7	0.5
Other personnel expenditures	18.4	27.7
Total	1,560.4	1,078.8

The average number of employees developed as follows:

	2008	2007
Salaried employees	23	16
Non-salaried employees	8	6
Total	31	22

Part-time employees are included in this breakdown proportionately to their working hours.

(17) Amortisation and depreciation

The amount of depreciation for deterioration during the reporting period was EUR 12,353,200 (2007: EUR 12,312,800). A one-time impairment loss in the amount of EUR 2,746,800 (2007: EUR 0) was carried out for the Imst hydropower plant. The amortisation of intangible assets and depreciation of property, plant and equipment therefore totalled EUR 15,100,000 (2007: EUR 12,312,800).

(18) Other operational income

EUR '000	2008	2007
Compensation for turbine downtime	635.4	187.1
Other	1,792.8	1,864.1
Total	2,428.2	2,051.2

(19) Other operational expenditures

EUR '000	2008	2007
Share in extra proceeds	506.2	750.7
Miet- und Leasingaufwand	1,710.6	1,458.5
Instandhaltung	2,228.6	1,958.0
Fremdwährungskursverluste	1,423.7	11.0
Sonstige	1,612.3	2,014.7
Summe	7,481.4	6,192.9

(20) Financing expenses

The financing expenses in the reporting period amounted to EUR 7,971,800 (2007: EUR 7,273,800).

(21) Result from financial investments

EUR '000	
Interest earnings	1,040.5
Realised profits/losses from financial derivative transactions	-2,085.6
Valuation losses from financial derivative transactions	-1,139.1
Results of the disposal of shareholdings	287.6
Other	221.0
Total	-1,675.6

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4 Other Information

4.1 Derivative Financial Instruments

The following financial derivative transactions existed as of 31 December 2008:

Name	Description	Amount	Term	Hedge accounting	Market value 31 Dec. 2008	Market value 31 Dec. 2007
IRS with FX Link Digital	Foreign currency option EUR/TRY		27 Aug. 2010	No	-111,768.61	-22,111.15
IRS EUR	Interest rate swap EUR/3M Euribor => 4.40% fixed	EUR 12,000,000	14 Oct. 2011	Cash flow hedge	-469,076.04	
SWAPTION EUR	Contingent interest rate swap with ex- tension option EUR	EUR 6,500,000	14 Mar. 2016	No	-257,758.63	185,823.60
SWAPTION CHF	Contingent interest rate swap with ex- tension option CHF	CHF 17,600,000	14 Mar. 2016	No	-431,002.87	360,008.30
IRS mit Option CHF	Contingent forward cover CHF	EUR 10,873,611	1 Feb. 2017	No	-300,523.62	-217,128.42

IRS with FX Link Digital

Interest rate swap with coupled foreign currency option with a term until 27 August 2010. By the end of the term, a maximum charge of EUR 131,250 can be reached; on 31 December 2008, the swap was valued at a market price of EUR 111,786.61.

IRS EUR

Interest rate swap with a principal of EUR 12 million and a term until 14 October 2011, concluded in the year 2008. With this transaction, WEB is swapping a variable interest rate (3-month EURIBOR) for a fixed interest rate (4.40%).

SWAPTION EUR

Interest rate swap for a principal of EUR 6.5 million and a term until 14 March 2011, with an extension option to 14 March 2016. With this transaction, WEB is swapping a variable interest rate (3-month EURIBOR) for a fixed

interest rate (2.95%) as long as the 3-month EURIBOR is below 4%. If the interest rate on 10 March 2011 is below 3.95%, the interest rate swap will be extended; in this case, WEB will be swapping a variable interest rate (3-month EURIBOR) for a fixed interest rate (3.95%); if the interest rate is above 3.95%, the transaction is completed on 14 March 2011.

SWAPTION CHF

Interest rate swap for a principal of CHF 17.6 million and a term until 14 March 2011, with an extension option to 14 March 2016. With this transaction, WEB is swapping a variable interest rate (3-month CHF LIBOR) for a fixed interest rate (1.70%) as long as the 3-month CHF LIBOR is below 2.70%. If the interest rate on 10 March 2011 is below 2.70%, the interest rate swap will be extended; in this case, WEB will be swapping a variable interest rate (3-month LIBOR) for a fixed interest rate (2.70%); if the interest rate is above 2.70%, the transaction is completed on 14 March 2011.

IRS with option CHF

Interest rate swap with coupled foreign currency option with a term until 1 February 2017.

By paying a premium of EUR 53,280 per year, WEB receives the option to convert EUR 10,873,611 to CHF at a rate of 1.62 if the EUR/CHF rate is not below 1.435 on 30 January 2017. This option was valued at EUR -300,523 on 31 December 2008 because the total of the discounted future premium payments exceeds the value of the foreign currency option.

4.2 Other Obligations and Uncertain Liabilities

The rental and leasehold expenditures in the fiscal year totalled EUR 663,000 (2007: EUR 666,000). The leasing expenditures in the fiscal year totalled EUR 562,000 (2007: EUR 442,000).

The following sureties and guarantees were undertaken:

EUR	Amount	Surety contracts from
Kredit Invest Glaubitz 240-901106-00, 3420	1,396,492.50	3 Dec. 2001
Kredit Invest Glaubitz 240-901107-00, 3421	1,674,480.00	3 Dec. 2001
Kredit Invest Wörbzig 240-178640-00, 3430	4,600,000.00	25 Feb. 2003
Kredit Invest Wörbzig 240-178641-00, 3431	3,353,600.00	25 Feb. 2003
Kredit Invest Altentrept 240-181100-10, 3432	7,062,800.00	11 Feb. 2004
Kredit Invest Altentrept 240-181100-20, 3436	8,004,120.00	11 Feb. 2004
Kredit Invest ALT 240-181790-10, 3437	1,994,884.65	24 Feb. 2004
Kredit Invest ALT 240-181790-20, 3438	2,414,580.00	24 Feb. 2004
Kredit Invest WÖRB 240-181410-10, 3448	417,866.16	20 Feb. 2004
Kredit Invest WÖRB 240-181410-20, 3449	1,575,000.00	20 Feb. 2004
Kredit Invest KUHS 240-184760-00, 3453	2,632,940.00	10 Dec. 2004
Kredit Invest KUHS 240-184761-00, 3454	2,355,900.00	10 Dec. 2004
Kredit Invest VIELAU 240-186300-10, 3456	974,737.30	24 Feb. 2005
Kredit Invest EBERBACH 240-194330-00, 3457	2,420,000.00	25 Aug. 2006
Kredit RZB PEN 13-54.043.260	5,285,454.36	29 Dec. 2006
Total	46,162,854.97	

Guarantee declaration

Guarantee declaration Windpark Eschenau GmbH surety number 75 212 807 913 **65,405.55**

Warranty

Warranty for credit no. 00140-042-005, BAWAG **6,529,791.95**

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Open Legal Disputes

WEB Windenergie AG is currently involved in a legal dispute with the plant manufacturer Vestas Deutschland GmbH in connection with faults in the foundation of a wind turbine. The prospects for being awarded compensation for damages are considered high.

WEB Windenergie Betriebsgesellschaft Deutschland GmbH is currently engaged in a financial legal dispute over granting of an investment subsidy. The proceedings have been underway since 2003, the outcome remains uncertain according to the lawyer working on the case.

WEB Windenergie Betriebsgesellschaft Deutschland GmbH is involved in a legal dispute under administrative law with a neighbouring wind turbine operator due to erection of a wind park in the year 2006. Since the wind park was erected according to plan, the outlook for success by the opposing party in pursuing its objections is very poor. However, the proceedings are not yet formally concluded, and the competent administrative court is now proposing the initiation of a mediation process.

4.3 Business Relationships with Closely Associated Companies and Persons

Business relationships with closely associated persons exist with in boards of the parent company WEB Windenergie AG. The boards of WEB Windenergie Group are:

Executive Board

of WEB Windenergie AG, Pfaffenschlag:

Andreas Dangl

Dr. Michael Trcka (since 1 May 2009)

Andreas Pasielak (until 2 February 2009)

Supervisory Board

of WEB Windenergie AG, Pfaffenschlag:

Josef Schweighofer

Chairman of the Supervisory Board

(since January 2009, previously vice chairman)

Andreas Zajc

Chairman of the Supervisory Board

(until January 2009, since then vice chairman)

Markus Weiss

Stefan Bauer

Franz Dangl

In 2008, the members of the Executive Board received salaries totalling EUR 313,000 (2007: EUR 295,000), of which EUR 140,000 was tied to the results of the 2007 fiscal year as a performance-based component (2007: EUR 126,000 tied to the results of 2006). No loans or advances were issued to members of the group management. The salaries of the Supervisory Board amounted to EUR 64,000 in the reporting year (2007: EUR 64,000).

The Supervisory Board member Markus Weiss performs various services in connection with the planning of new wind power sites in Austria. In the reporting year, he received EUR 6,000 (2007: EUR 7,000) for marketing measures and acquisition support.

4.4 Earnings per Share

The earnings per share are calculated by dividing the Group profit by the number of registered shares in circulation.

	2008	2007
Group profit (EUR '000)	1,119.9	6,303.3
Anzahl der Aktien im Umlauf	274,500	273,101
Earnings per share (EUR)	4.08	23.08
Equity per share (EUR)	250.94	250.25

5 Events After the Balance Sheet Date

Executive Board Change

The composition of the Executive Board of WEB Windenergie AG changed at the start of the year 2009. The previous Chief Financial Officer, Andreas Pasielak, resigned his position on 2 February 2009 and left the company. The duties of CFO were taken over by Dr. Michael Trcka as of 1 May 2009.

New Supervisory Board Chairman of WEB Windenergie AG

In the first Supervisory Board meeting of the new fiscal year, Josef Schweighofer took over chairmanship of the Supervisory Board.

Additional Turbine Output of 4 MW in Altentreptow

The existing wind park Altentreptow, in the municipal area of Barkow (Mecklenburg-Western Pomerania), is being expanded with two plants of type Vestas V90 with 2 MW capacity each. Although it initially only appeared possible to erect a single new plant, it was possible to undertake erection of a second unit during the realisation phase. This allows the WEB Windenergie Group to make even better use of the favourable German feed-in rule.

The Wind Company GmbH

The Wind Company GmbH, founded jointly with Raiffeisen Energy & Environment, Windkraft Simonsfeld, Energiewerkstatt and Im-Wind Elements, will strive over the next five years to realise wind energy projects with a total capacity of 500 MW.

The core purpose of this collective will be to focus the competence of the participants particularly in the area of project planning. The primary goal of the alliance is to realise wind turbines in overseas regions. These efforts may find fruitful soil in the

USA, for instance, where very favourable conditions already exist for increased use of wind power.

WEB Windenergie AG holds the largest single share in this cooperation at 23.00%.

First Megawatt Photovoltaic Project Dobsice Under Construction

The WEB Windenergie Group has taken a great step forward in its commitment to the use of photovoltaics for electricity generation.

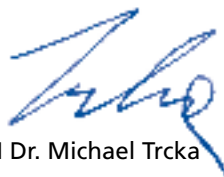
Following on the good experiences with the company's own small plant (5 kW) and the favourable conditions in the Czech Republic, the groundwork was laid in 2008 for a cooperation with the Austrian company PAN Ökoteam and the Czech company Everta.

The Dobsice solar park, situated near to the wind power site Bantice in southern Bohemia, will make an important contribution to the group-wide energy production with a nominal capacity exceeding 1.1 MW and will go on to the grid in autumn of 2009.

Pfaffenschlag, 20 May 2009



Andreas Dangi
Chief Executive Officer



DI Dr. Michael Trcka
Chief Financial Officer

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Report on the Consolidated Financial Statements

We have audited the **consolidated financial statements** of **WEB Windenergie AG** for the fiscal year from 1 January 2008 to 31 December 2008. These consolidated financial statements include the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the consolidated cash flow statement and the statement of changes in group equity for the fiscal year ending on 31 December 2008 as well as a summary of the most significant accounting and valuation methods applied and other notes.

Responsibility of the Legal Representatives for the Consolidated Financial Statements

The legal representatives of the company are responsible for the group accounting as well as for preparation of consolidated financial statements that give a true and fair view of the net assets, financial position and profit situation of the group in agreement with the International Financial Reporting Standards (IFRS) as applied in the EU. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is important for the preparation of the consolidated statements and the negotiation of as true a picture as possible of the group's net assets, financial position and profit situation so that these consolidated statements are free from material misrepresentations, whether due to intentional or unintentional mistakes. It also includes the choice and application of suitable accounting and valuation methods and the effecting of estimates that appear appropriate under the existing circumstances.

Responsibility of the Auditor and Description of the Type and Scope of the Statutory Audit

We are responsible for rendering an audit opinion on these consolidated financial statements on the basis of the audit performed by us. Our audit was conducted in accordance with the prevailing statutory provisions in Austria. These principles require that we conform to the ethics of the profession and plan and execute the audit in such a manner that we can judge with a sufficient degree of certainty whether the consolidated financial statements are free from material misstatements.

Our responsibility and liability for proven financial losses due to a negligent breach of obligations in the audit is limited to EUR 2 million in accordance with § 275 para. 2 in connection with § 906 para. 6 of the Austrian Business Code (UGB). The limitation of our liability agreed upon with the customer and stated here also applies with respect to third parties who take or fail to take actions based on trust in our audit opinion regarding our audit of the voluntarily issued financial statements.

An audit includes the execution of audit procedures to verify the amounts and other statements in the consolidated financial statements. The choice of audit procedures depends on the conscientious discretion of the auditor, taking into consideration his estimate of the chance that a material misstatement has been made, whether due to an intentional or an unintentional mistake.

When estimating the level of this risk, the auditor takes the internal control system into consideration to the extent that it is of significance for preparing the consolidated financial statements and providing as true and fair a view as possible of the group's net assets, financial position and profit situation in order to determine the appropriate audit procedures under the circumstances; he does not, however, give an opinion on the effectiveness of the group's internal control system. The audit also includes our evaluation of the adequacy of the accounting principles and valuation methods applied and the material estimates made by the legal representatives of the company as well as an assessment of the overall tenor of the consolidated financial statements.

We believe that we have, through our audit, obtained sufficient and suitable verification for our audit to provide a reasonably sound basis for our opinion.

Audit Opinion

Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the consolidated financial statements give an accurate view of the net assets and financial position of the group as of 31 December 2008 as well as the profit situation and cash flows of the group for the fiscal year from 1 January 2008 to 31 December 2008 in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU.

Report on the Group Management Report

Due to the prevailing statutory provisions in Austria, the group management report must be audited as to whether it is in agreement with the consolidated financial statements and whether or not other statements in the group management report give a false impression of the situation of the group. The group management report agrees with the consolidated financial statements.

Klagenfurt, 20 May 2009

ALPEN-ADRIA
Wirtschaftsprüfungs GmbH



Mag. Dr. Leopold Kraßnig
Wirtschaftsprüfer und Steuerberater
(Chartered Accountant and Tax Consultant)

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Report of the Supervisory Board

in accordance with § 96 of the Stock Corporation Act (AktG)

The Company	Members of the Supervisory Board	Franz Dangl
Stock		<i>Member</i>
Group Management Report	Mag. Josef Schweighofer	Markus Weiss
Consolidated Financial Statements	<i>Chairman</i>	<i>Member</i>
Notes to the Consolidated Financial Statements	Andreas Zajc	DI (FH) Stefan Bauer
	<i>Vice Chairman</i>	<i>Member</i>

The Supervisory Board responsible for the reporting period held a total of twelve Supervisory Board meetings in the year 2008, exercised its duties and powers according to law and the Articles of Association and issued the required approvals or rejections on specific transactions.

In its meetings, the Supervisory Board discussed the operational business policies and earnings situation as well as the future strategic orientation of the company on the basis of written and oral reports from the executive officers.

In the year 2008, the Supervisory Board initiated and completed investigations of the financial futures transactions concluded by the Executive Board. These investigations were performed with the assistance of TPA Horwath Wirtschaftsprüfung GmbH, Vienna. The Supervisory Board arrived at the conclusion that the Chief Financial Officer, Andreas Pasielak, did not fulfil his reporting obligations to the appropriate extent in accordance with the importance of these transactions. The concluded financial futures transactions were in some cases associated with considerable risks. The audit procedures resulted in a separation from Andreas Pasielak, who departed the company in February 2009.

In March 2009, Dr. Michael Trcka was appointed as new Chief Financial Officer and has exercised his duties with great commitment since 1 May 2009. It was also decided in mid-2008 that a separate officer should be appointed for each of the three main areas of the company (operations, project planning and financing). The search for the future Chief Operations Officer is currently underway. Andreas Dangl will in future concentrate his activities on intensified expansion and further development of the project planning department established in 2007 since considerable growth potential is forecast for this area.

Approval was also given in 2008 for the start of various projects in the wind power and hydropower areas, in particular in Austria, Bulgaria, Croatia, Albania, Bosnia, the Czech Republic and Italy. Projects in the Czech Republic and Italy were evaluated. Several foreign subsidiaries were also founded for this purpose. A subsidiary was registered in Italy in cooperation with KELAG for evaluation of a pumped storage hydropower plant project in South Tyrol. A new wind turbine was also erected in the Czech Republic, and the revitalisation of the Imst hydropower plant was initiated. Two other already built wind turbines at the German site of Glaubitz were purchased from Windkraft Simonsfeld. The merger of Ing. T. W. Hermann GmbH and the incorporation of Windstrom Geradorf GmbH & Co KG and Steppenwind GmbH & Co KG into the company were completed successfully. The share in

Windpark Bruck was sold to Verbund (Österreichische Elektrizitätswirtschafts-AG). Two wind turbines are currently under construction at the German site of Altentreptow. In addition, realisation is underway on a photovoltaic site in Dobsice in the Czech Republic.

On 31 December 2008, the Executive Board presented the annual financial statements of WEB Windenergie AG including the management report to the Supervisory Board. The auditors appointed for the 2008 fiscal year, ALPEN-ADRIA Wirtschaftsprüfungs GmbH, 9020 Klagenfurt, audited the annual financial statements for the 2008 fiscal year, including the management report, and issued an unqualified audit opinion. The annual financial statements were duly discussed in a joint session of the Executive and Supervisory Boards and in the presence of the auditor.

The Supervisory Board concurred with the results of this audit and approved the annual financial statements for 31 December 2008 submitted by the Executive Board, the associated management report by the Executive Board in accordance with § 127 of the Stock Corporation Act (AktG) as well as the proposal for appropriation of the profits. The annual financial statements were therefore finalised in accordance with § 125 para. 2 of the Austrian Stock Corporation Act.

On 31 December 2008, the Executive Board presented the consolidated financial statements of WEB Windenergie AG including the group management report to the Supervisory Board. The auditors appointed for the 2008 fiscal year, ALPEN-ADRIA Wirtschaftsprüfungs GmbH, 9020 Klagenfurt, audited the consolidated financial statements for the 2008 fiscal year, including the group management report, and issued an unqualified audit opinion. The consolidated financial statements, including group management report, were duly discussed in a joint session of the Executive and Supervisory Boards and in the presence of the auditor. The Supervisory Board acknowledged the consolidated financial statements, including the group management report.

In conclusion, the Supervisory Board would like to thank the Executive Board and all employees for their commitment and hard work in the 2008 fiscal year.

On behalf of the Supervisory Board



Josef Schweighofer
Chairman of the Supervisory Board

Pfaffenschlag, 25 May 2009

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Glossary

2020 Directive of the EU	Also called the RE directive (renewable energies directive). A binding directive that requires Member States in its basic statement to obtain 20% of their energy production from renewable energies by the year 2020.
Carbon dioxide (CO₂)	Carbon dioxide is a chemical compound of carbon and oxygen, making it one of the oxides of carbon, alongside carbon monoxide, carbon suboxide and the unstable carbon trioxide. The chemical formula is CO ₂ . Carbon dioxide is largely responsible for the greenhouse effect. For this reason, the avoidance of CO ₂ emissions is given very high priority within the framework of the Kyoto Protocol and other climate protection initiatives.
Code of Corporate Governance	The Code of Corporate Governance refers to the rules for management and monitoring of the company that must generally be followed by Austrian stock corporations. Compliance is voluntary, however it offers direct benefits by documenting the quality of management and the company's meeting of responsibilities.
Derivative financial instruments	Derivative financial instruments are products derived from securities, such as options, futures, swaps or foreign exchange options and futures. Derivative financial instruments are used for hedging of rate and currency risks.
ECB	The European Central Bank (ECB) is the common currency authority of the member states of the European Currency Union and, together with the national central banks (NCB) of the EU countries, it forms the European System of Central Banks (ESCB).
EURIBOR	The EURIBOR is an interbank interest rate for term deposits given in euros. This rate is quoted by representative banks (EURIBOR panel banks; the panel currently comprises 57 banks, of which 47 are in the euro zone, four in other EU countries and six outside of the EU) that exhibit active participation in the euro money market. The highest and lowest 15% of the obtained values are eliminated before averaging.
Fossil energy (carrier)	Fossil energy is obtained from fossil fuels, such as lignite, bituminous coal, peat, natural gas and petroleum, that originate from biological decomposition (plants, animals) far in the geological past. Due to disproportionate extraction of these resources in recent decades, the future supply of these energy carriers is no longer ensured.
Generating capacity	Refers to the quantity of energy generated annually by a turbine or wind park.
Green electricity	Green electricity refers to electricity produced in environmentally friendly ways from renewable energy sources; in other words, electricity produced in harmony with nature and therefore acceptable from a perspective of sustainability.
Green electricity subsidisation	Subsidisation of electricity production from renewable energy sources as well as of measures relating to all aspects of energy conservation and increased energy efficiency.
Hydropower	Hydropower refers to the energy of flowing water, which is converted into mechanical energy via suitable machines (water wheels, turbines).
Hydropower plant (HPP)	Plant for utilisation of the mechanical energy of water. In earlier times, the energy was used directly in mills; today, it is primarily converted into electrical energy.
IAS	See International Financial Reporting Standards (IFRS).
Impairment test	Valuation test in which the book value of an asset is compared with the actual market value (fair value / obtainable amount). If this is lower than the book value, an impairment is performed.
Impairment	See impairment test.
Insolation	Derived from the words „incident solar radiation“, insolation describes the quantity of solar energy striking a surface over a given time. It is typically expressed in kWh per square metre.

International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS)	The International Financial Reporting Standards (IFRS) are international accounting standards that must be used by publicly listed companies in the EU. As a company that is not publicly listed, WEB Windenergie AG produces consolidated annual financial statements according to IFRS on a voluntary basis.
kW	Unit of power that corresponds to 1000 watts. A watt in turn is equal to one joule per second.
kWh	Energy unit that corresponds to 1000 watt-hours. A watt-hour is the energy consumed or generated at 1 watt for a period of 1 hour.
LIBOR	London Interbank Offered Rate (auch Libor, LIBOR) is the daily reference rate in interbank business that is quoted every business day at 11:00 am London time. It is determined based on rates defined by the most important internationally active banks of the British Bankers' Association in London at which they lend or borrow money to or from other banks on the market. Libor interest rates are therefore offered rates.
MW	A megawatt – one million watts – also see here the definition of kilowatt.
Network utilisation fee	A fee invoiced by (electricity) network operators for their services.
Nuclear energy carriers	The elements uranium and plutonium are considered nuclear energy carriers. They release large quantities of energy through fission (splitting of the atom) and the chain reaction begun in this way.
Photovoltaics	Photovoltaics refers to technology that directly converts radiant energy, primarily sunlight, into electrical energy.
Pumped storage hydropower plant	Pumped storage hydropower plants are hydropower plants at which water can be pumped to higher storage sites (artificial lake, underground pool) using the generated electricity during periods of low demand. This allows storage of large quantities of electrical energy in order to make it available during times of high demand. Pumped storage hydropower plants therefore represent an interesting supplement to a green electricity production portfolio.
Regenerative energy (carrier)	See renewable energy (carrier).
Renewable / regenerative energy (carriers)	Renewable energies, also called regenerative energies or alternative energies, are forms of energy that are considered inexhaustible from a human perspective (wind, sun and water power).
Solar turbine	See photovoltaics.
WEB Windenergie Group	WEB Windenergie AG operates various subsidiaries in accordance with its investment level; these subsidiaries are grouped together as the WEB Windenergie Group.
Wind park (WP)	A wind park (WP) refers to a local collection of multiple wind energy plants (WEP).
Wind power plant (WPP) or wind energy plant (WEP)	A wind power plant (WPP), also known as a wind energy plant (WEP), or a wind turbine converts kinetic wind energy into electricity and feeds this into the electricity grid. This is accomplished in that the energy of motion in the wind flow acts on rotor blades, causing the rotor to turn. The rotor then generally transmits the energy through gears that adapt the rotation speed for a generator, which converts this force into electrical energy.

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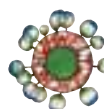
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This annual report was created with utmost care. Nevertheless, typographical and printing errors cannot be entirely prevented. Rounding differences can also arise for numerical values due to the use of calculation tools. This annual report contains predictions and statements regarding the future. These were arrived at on the basis of all currently available information. We expressly note that the actual conditions – and therefore the actual results – may deviate from the expectations represented in this report due to a great many factors.

The generic use of personal pronouns should be understood as gender-neutral.

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