Management's Review

Summary

The global wind industry continues to perform strongly, enabling LM Group Holding A/S and its subsidiaries ("LM Wind Power", the "company" or the "Group") to deliver significant growth in Q1 2015, continuing the trend seen in 2014. Sales for the Group were EUR 173.0 million in Q1 2015, an increase of EUR 48.8 million or 39.3% on the comparable period. This sales increase was a combination of volume growth and the depreciation of the euro, with sales growth at constant exchange rates being EUR 29.2 million or 23.5%. China, the Americas and Europe all delivered double digit year-on-year sales growth at constant exchange rates.

EBITDA for Q1 2015 was EUR 20.7 million, an increase of EUR 10.0 million or 93.5% on Q1 2014. This was due to a combination of higher sales, improved margins and the depreciation of the euro which had a positive impact of EUR 4.0 million.

The Company produced positive operating cash flows of EUR 4.3 million in Q1 2015, compared with an outflow of EUR 9.3 million in Q1 2014. Group liquidity at the end of Q1 2015 was EUR 69.2 million, compared with EUR 80.2 million at the end of Q4 2014, which benefitted from certain temporary positive cash effects which have unwound as expected in Q1 2015.

Forward Looking Statements

This report may be deemed to include forward-looking statements, such as statements that relate to the listing of the corporate bonds, the performance of LM Wind Power. Forward-looking statements are typically identified by words or phrases, such as "about", "believe", "expect", "plan", "goal", "target", "strategy", and similar expressions or future or conditional verbs such as "may", "will", "should", "would", and "could". Forward-looking statements are LM Wind Power's current estimates or expectations of future events or future results. Actual results could differ materially from those indicated by these statements because the realization of those results is subject to many risks and uncertainties, including the risk that the bonds may not be listed on the date referenced herein. All forward-looking statements included in this press release are based on information available at the time of the release, and LM Wind Power assumes no obligation to update any forward-looking statement.

Interim Report for Q1 2015
(1 January 2015 - 31 March 2015)

LM Wind Power reports Q1 2015 revenues of EUR 173.0 million and EBITDA of EUR 20.7 million.

Highlights:
- Compared with Q1 2014 revenue increased by EUR 48.8 million to EUR 173.0 million.
- Q1 2015 EBITDA was EUR 20.7 million, up 93.5% compared with Q1 2014.
- Group liquidity comprising cash and undrawn credit facility amounted to EUR 69.2 million at the end of Q1 2015.

EUR millions	**Q1 2015**	**Q1 2014**
Revenue	173.0	124.2
Operating profit before depreciation and amortization (EBITDA)	20.7	10.7
Results from operating activities before special items	9.7	(1.6)
Profit/(Loss) before income tax	14.1	(13.0)
Profit/(Loss) for the period	7.2	(15.2)
EBITDA:		
Results from operating activities before special items	9.7	(1.6)
Depreciation and amortization	11.0	12.4
EBITDA	20.7	10.7

This interim report for Q1 2015 has not been audited or reviewed.

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Financial Review

Revenue

Revenue in Q1 2015 increased EUR 48.8 million or 39.3% to EUR 173.0 million compared with EUR 124.2 million in Q1 2014. This sales increase was a combination of volume growth and the depreciation of the euro, with sales growth at constant exchange rates being EUR 29.2 million or 23.5%. China, the Americas and Europe all delivered double digit year-on-year sales growth at constant exchange rates.

Operating expenses

Q1 2015 cost of sales of EUR 78.9 million represented 45.6% of revenue compared with 39.9% in Q1 2014. However, this was impacted by the depreciation of the euro, particularly against the US dollar. At constant currency rates the Q1 cost of sales was 38.8% of revenue, showing the positive impact of the Company's saving programs.

Other external expenses of EUR 27.7 million (16.0% of revenue) in Q1 2015 were EUR 5.0 million higher than EUR 22.7 million (18.3%) in Q1 2014 due to the higher sales volume.

Staff expenses were EUR 45.7 million (26.4% of revenue), EUR 4.4 million higher than EUR 41.3 million in Q1 2014 (33.2% of revenue). Q1 2014 was impacted by the start-up of new production activities in the Americas.

The depreciation and amortization charges of EUR 11.0 million in Q1 2015 were EUR 1.4 million lower than Q1 2014, mainly as a result of the revision of the useful lives for certain fixed assets in Q2 2014.

EBITDA (defined as results from operating activities, after adding back depreciation and amortization)

The Group delivered EBITDA of EUR 20.7 million, EUR 10.0 million higher than the same period in 2014. The good performance is largely the result of higher sales. In addition, the depreciation of the euro had a positive impact of EUR 4.0 million.

Special items

The special items of EUR 2.5 million in Q1 2015 mainly relate to consultancy costs in connection with improving the performance of the joint venture investment in Brazil.

Share of loss of equity accounted investment

In Q1 2015, the Group's 51% share of the loss in the joint venture in Brazil was EUR 4.1 million, compared with EUR 1.9 million in Q1 2014. This increased loss was principally due to the depreciation of the Brazilian real against the US dollar.

Financial income and expenses

Net finance costs for Q1 2015 were an income of EUR 11.0 million (FX gain of EUR 14.5 million offsetting interest expense of EUR 3.1 million and amortization of borrowing costs of EUR 0.4 million) compared with an expense of EUR 9.4 million in Q1 2014 (FX loss of EUR 1.5 million, interest expenses of EUR 3.8 million and the write-off of amortized borrowing costs of EUR 4.1 million relating to the pre-bond financing structure of the Group). The high FX gain is mainly the result of the appreciation of US-dollar denominated intercompany receivables in Denmark.

Tax

The Group incurred a tax expense of EUR 6.9 million in the first quarter of 2015, compared with EUR 2.2 million in Q1 2014, with the increase primarily due to the improved profitability.

Net result

As a result of the higher sales and positive currency impact the Group delivered a net profit in Q1 2015 of EUR 7.2 million, a significant improvement compared with the net loss of EUR 15.2 million in Q1 2014.

Net debt

Net debt at the end of Q1 2015 was EUR 94.6 million, compared with EUR 82.4 million at the end of 2014, reflecting the unwind in Q1 2015 of the temporary positive cash effects which benefited the 2014 year-end position.

Cash flows

For Q1 2015, operating activities resulted in a cash inflow of EUR 4.3 million, compared with a cash outflow of EUR 9.3 million in Q1 2014 due to the improved profitability.

The cash outflow from investing activities totaled EUR 16.3 million in Q1 2015, compared with EUR 6.8 million in Q1 2014. This increased capital expenditure is mainly due to the move to longer blades and to support future growth.

Group liquidity

Net cash and cash equivalents decreased to EUR 35.2 million at Q1 2015 from EUR 47.2 million at year-end 2014, due to the unwind of the temporary positive cash effects which benefited the 2014 year-end position. In addition to the net cash balance, the Group had unutilized credit facilities of EUR 22.0 million giving a total liquidity position of EUR 69.2 million at the end of the first quarter of 2015, compared with EUR 80.2 million at the end of 2014.

Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Interim Report of LM Group Holding A/S for the financial period 1 January 2015 – 31 March 2015.

The Interim Report is prepared in accordance with IAS 34 as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act. Management's Review is also prepared in accordance with Danish disclosure requirements of the Danish Financial Statements Act.

In our opinion, the Interim Report gives a true and fair view of the financial position as at 31 March 2015 of the Group and of the results of the Group's operations and the cash flows for the financial period 1 January 2015 – 31 March 2015.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the financial period and of the financial position of the Group as well a description of the most significant risks and elements of uncertainty facing the Group. Besides what has been in the Interim Report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated financial statements for 2014.

Kolding, 13 May 2015

Executive Board of Management

Leo Schot
Chief Executive Officer

Supervisory Board

John Leahy Chairman	Leo Schot	Nick Smith
Søren Høffer		

General information

1. Reporting entity

LM Group Holding A/S (**the "Company") is a company domiciled in Denmark.** These **condensed consolidated interim financial statements** ('interim financial statements") as at and for the three months ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in a joint venture. The Group is primarily involved in manufacturing wind turbine blades.

The Company's functional currency is Danish kroner. These interim financial statements are, however, presented in Euro rounded up to the nearest thousand.

2. Basis of preparation

(a) Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. Any events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014 are disclosed in the "Finance Review". These interim financial statements were authorized for issue by the Company's Board of Directors on 13 May 2015.

(b) Judgments and estimates

In preparing these interim financial statements, Management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014 on page 38-39.

(c) Presentation change for Equity Accounted Investment

As stated in the Q4 2014 interim report, the share of profit/(loss) of equity accounted investment is reclassified from the Operating Income section to a separate item before finance items. This reclassification was made in order to reflect that the equity accounted investment is not to be considered as a financial investment, but instead is to be considered as an investment supporting the operational activities. The comparatives have been changed.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2014 on pages 31-37.

4. Segment information

The internal reporting framework used for reporting on revenue and expenses to the Executive Leadership Team and the Board of Directors has been set up to reflect and report on the global functional responsibility setup at LM Wind Power. The functional responsibility setup consolidates functions by type, and management reviews the results of the Group as a whole to assess performance, thus there is only one operating segment. Therefore, the Group has not presented a segmental analysis.

5. Contingent liabilities

As disclosed in the press release issued on 14 May 2014, a tax audit in Denmark mainly relating to transfer pricing, in relation to LM Wind Power A/S was commenced in June 2012. On 1 May 2014, the Danish tax authorities notified LM Wind

Power A/S through a pre-assessment notice of their intention to increase their assessment of pre-tax income for the years 2008 through 2012. The LM Wind Power A/S strongly disagrees with the views of the Danish tax authorities as expressed in the pre-assessment notice and has entered into a dialogue with the Danish tax authorities. To the extent additional tax liabilities crystallize, the Group would seek to reduce such liabilities against any available tax loss carry-forwards and recover such liabilities in other jurisdictions in accordance with OECD guidance. The Group does not intend to quantify any contingent tax liabilities regarding this assessment at this time due to impracticability.

6. Subsequent event

There have been no significant events after 31 March 2015.

Consolidated income statement

EUR thousands	Q1 2015	Q1 2014
Revenue	173,038	124,241
Other income	3	2
Operating Income	**173,041**	**124,243**
Cost of sales	78,933	49,511
Other external expenses	27,693	22,678
Staff expenses	45,692	41,310
Depreciation and amortization	11,001	12,390
Operating expenses before special items	**163,319**	**125,889**
Results from operating activities before special items	**9,722**	**(1,646)**
Special items	(2,518)	-
Results from operating activities	**7,204**	**(1,646)**
Share of result of equity accounted investment	(4,099)	(1,900)
Net finance costs	10,958	(9,414)
Profit/(Loss) before income tax	**14,063**	**(12,960)**
Income tax	6,903	2,192
Profit/(Loss) for the period	**7,160**	**(15,152)**

Consolidated statement of comprehensive income

EUR thousands	Q1 2015	Q1 2014
Profit/(Loss) for the period	**7,160**	**(15,152)**
Other comprehensive income		
Items that may be subsequently reclassified to income statement:		
Exchange rate adjustments at period end	(869)	(227)
Exchange rate adjustment, foreign entities	11,226	(267)
Fair value adjustment of hedge instruments	-	133
Income tax on other comprehensive income	-	(33)
Other comprehensive income for the period, net of income tax	**10,357**	**(394)**
Total comprehensive income for the period	**17,517**	**(15,546)**

Consolidated balance sheet

EUR thousands	31 March 2015	31 December 2014
Assets		
Goodwill	244,355	244,761
Completed development projects	20,038	21,610
Development projects in progress	8,299	4,429
Intangible assets	**272,692**	**270,800**
Land and buildings	99,015	92,560
Plant and machinery	66,178	57,737
Fixtures, fittings and equipment	5,517	3,962
Leasehold improvements	4,030	4,890
Property, plant and equipment under construction	8,596	7,852
Property, plant and equipment	**183,336**	**167,001**
Equity accounted investments	-	-
Other securities	606	535
Deferred tax asset	45,678	40,804
Other non-current assets	**46,284**	**41,339**
Total non-current assets	**502,312**	**479,140**
Inventories	100,036	88,763
Trade and other receivables	185,558	148,936
Receivables from Group companies	67,067	66,581
Income taxes	6,337	14,124
Prepayments	6,356	5,809
Cash & cash equivalents	35,227	47,223
Total current assets	**400,581**	**371,436**
Total assets	**902,893**	**850,576**

Consolidated balance sheet

EUR thousands	31 March 2015	31 December 2014
Liabilities and equity		
Share capital	9,378	9,399
Other reserves	4,254	1,730
Retained earnings	392,105	377,091
Total equity	**405,737**	**388,220**
Provisions	31,668	29,914
Loans and borrowings	127,903	127,765
Finance leases	184	158
Prepayments from customers	38,118	34,529
Deferred tax liabilities	-	-
Deferred income	26,324	23,445
Total non-current liabilities	**224,198**	**215,811**
Provisions	33,381	31,578
Loans and borrowings	1,497	1,498
Finance leases	208	187
Prepayments from customers	21,875	19,815
Income taxes	21,898	25,803
Trade payables	128,844	113,106
Other payables	61,400	51,124
Deferred income	3,856	3,434
Total current liabilities	**272,958**	**246,545**
Total liabilities	**497,156**	**462,356**
Total equity and liabilities	**902,893**	**850,576**

Consolidated statement of changes in equity

EUR thousands	Share capital	Translation reserve	Hedging reserve	Retained earnings	Total
Equity at 31 December 2014	**9,399**	**1,730**	**-**	**377,091**	**388,220**
Profit for the period	-	-	-	7,160	7,160
Other comprehensive income	(21)	2,524	-	7,854	10,357
Equity at 31 March 2015	**9,378**	**4,254**	**-**	**392,105**	**405,737**
Equity at 31 December 2013	**9,378**	**(2,581)**	**1,136**	**385,291**	**393,224**
Profit for the period	-	-	-	(15,152)	(15,152)
Other comprehensive income	(5)	1	99	(489)	(394)
Equity at 31 March 2014	**9,373**	**(2,580)**	**1,235**	**369,650**	**377,678**

Consolidated statements of cash flows

EUR thousands	January to March 2015	January to March 2014
Profit/(Loss) for the period	**7,160**	**(15,152)**
Adjustments for non-cash transactions	26,201	21,837
Changes in working capital	(14,728)	(6,867)
Cash flows from operations before financial items and tax	**18,633**	**(182)**
Net financial expenses	(6,418)	(3,800)
Cash flows from operations before tax	**12,215**	**(3,982)**
Income tax paid	(7,895)	(5,316)
Cash flow from operating activities	**4,320**	**(9,298)**
Purchase of property, plant and equipment	(12,419)	(5,700)
Purchase of intangible assets	(3,898)	(1,146)
Cash flow from investing activities	**(16,317)**	**(6,846)**
Repayment of long term debt	-	(29,387)
Cash flow from financing activities	**-**	**(29,387)**
Net change in cash and cash equivalents	**(11,997)**	**(45,531)**
Cash and cash equivalents beginning of year	47,223	60,640
Net change in cash and cash equivalents	(11,997)	(45,531)
Exchange rate adjustments on cash & cash equivalents	1	.
Cash and cash equivalents at period end	**35,227**	**15,109**