

Recommendation:  
**BUY** (BUY)

Risk:  
**HIGH** (HIGH)

Fair Value:  
**EUR 5.71** (5.71)

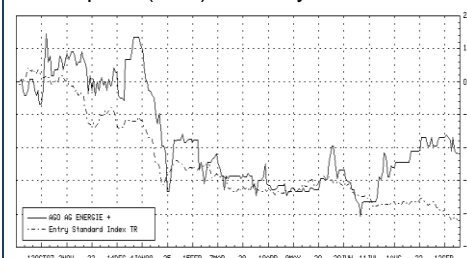
September 25, 2008

## International expansion proceeds

### Establishment of subsidiary in Cape Town

- AGO announced the establishment of AGO energy (Pty) Ltd. In Cape Town, South Africa. The operational objective of the 100% AGO subsidiary is the planning and construction of industrial energy supply facilities in Africa. In particular, the company will be intent to promote the market development for trigeneration and energy efficiency projects for the medium-sized industry. AGO energy (Pty) Ltd. is planning the realization of energy projects with a total volume up to EUR 5.0m per year.
- The main operating focus of AGO energy (Pty) Ltd. is the identification of potential projects. Similar to its other foreign partnerships, AGO group cooperates with a local partner: The Managing Director Ralph M. Ertner, engaged in business in South Africa since 11 years, will guide and control AGO energy (Pty) Ltd. in situ in cooperation with the executive manager of AGO AG Energie + Anlagen, Uwe Kern.
- In June 2008, AGO had already concluded a turnkey contract with Heineken regarding a hot water plant with a total capacity of 20 MW for the new Heineken brewery in South Africa. The order value of this plant totaled approximately EUR 3.75m. Heineken is Europe's largest brewery and has worldwide production facilities. Therefore, we believe that chances are good for follow-up orders in regard to constructing and modernising of further energy centres of Heineken.
- As a specialist for energy efficient industrial power supply with a local reference from a customer like Heineken, AGO is well positioned for further growth in South Africa. Furthermore, AGO is already very active in other foreign countries like Italy, Greece, the USA, and Russia.
- We maintain our fair value of EUR 5.71 as well as our BUY recommendation.

Share price (dark) vs. Entry Standard Index



Sources: CBS Research AG, Bloomberg, AGO AG

| Change | 2008E |     | 2009E |     | 2010E |     |
|--------|-------|-----|-------|-----|-------|-----|
|        | new   | old | new   | old | new   | old |
| Sales  | 46.6  | -   | 52.7  | -   | 58.9  | -   |
| EBITDA | 3.1   | -   | 4.8   | -   | 5.6   | -   |
| EPS    | 0.25  | -   | 0.51  | -   | 0.63  | -   |

Internet: www.ago.ag  
WKN: A0LR41  
Reuters: AGYG.DE

Sector: Industrial  
ISIN: DE000A0LR415  
Bloomberg: AGY GY

#### Share data:

|   |       |
|---|-------|
| Share price (EUR, closing price 09/24/2008):  | 4.68  |
| Shares outstanding (m):                       | 4.0   |
| Market capitalisation (EURm):                 | 18.7  |
| Enterprise value (EURm):                      | 26.6  |
| Ø daily trading volume (6 m., no. of shares): | 1,627 |

#### Performance data:

|  |       |
|--|-------|
| High 52 weeks (EUR):                             | 7.30  |
| Low 52 weeks (EUR):                              | 3.16  |
| Absolute performance (6 months):                 | 10.1% |
| Relative performance (vs. Entry Standard Index): |       |
| 1 month  | 5.5%  |
| 3 months   | 34.2% |
| 6 months   | 30.7% |
| 12 months  | 37.2% |

#### Shareholders:

|                |       |
|----------------|-------|
| Caverion GmbH: | 59.3% |
| Management:    | 5.1%  |
| Free float:    | 35.7% |

#### Financial calendar:

Q3 figures: November 2008

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#### Key data

| Y/E 31.12., EUR m | 2006  | 2007  | 2008E | 2009E | 2010E |
|-------------------|-------|-------|-------|-------|-------|
| Sales revenues    | 33.9  | 41.3  | 46.6  | 52.7  | 58.9  |
| Gross profit      | 3.5   | 1.9   | 4.7   | 6.3   | 7.2   |
| EBITDA            | 1.6   | 0.5   | 3.1   | 4.8   | 5.6   |
| EBIT              | 1.4   | -0.3  | 2.1   | 3.6   | 4.3   |
| Net income/loss   | 0.4   | -0.9  | 1.0   | 2.0   | 2.5   |
| EPS*              | 1.06  | -0.26 | 0.25  | 0.51  | 0.63  |
| CPS*              | -0.60 | -1.15 | 0.21  | 0.62  | 0.87  |
| DPS               | 0.00  | 0.00  | 0.00  | 0.00  | 0.00  |
| Gross margin      | 10.4% | 4.5%  | 10.1% | 12.0% | 12.2% |
| EBITDA margin     | 4.7%  | 1.1%  | 6.7%  | 9.0%  | 9.5%  |
| EBIT margin       | 4.0%  | -0.6% | 4.5%  | 6.9%  | 7.3%  |
| EV/EBITDA         | 16.9  | 57.4  | 8.5   | 5.6   | 4.8   |
| EV/EBIT           | 19.5  | neg.  | 12.6  | 7.4   | 6.2   |
| P/E               | 4.4   | neg.  | 18.7  | 9.3   | 7.5   |

Source: CBS Research AG, AGO AG

\*EPS and CPS only from continuing operations

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BUY: the expected performance of the share price is above +10%.

NEUTRAL: The expected performance of the share price trend is between +5% and +10%.

SELL: The expected performance of the share price is below 5%.

Recommendation history for the company analysed in this report:

| Date              | Recommendation            | Price at change date | Target Price |
|-------------------|---------------------------|----------------------|--------------|
| May 19, 2008      | Buy (Initiating Coverage) | EUR 3.99             | EUR 5.71     |
| May 30, 2008      | Buy                       | EUR 4.00             | EUR 5.71     |
| August 19, 2008   | Buy                       | EUR 4.70             | EUR 5.71     |
| September 25,2008 | Buy                       | EUR 4,68             | EUR 5.71     |

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MEDIUM: volatility is expected equal to the volatility of the benchmark

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