Independent Research

Unabhängige Finanzmarktanalyse GmbH

Investment Research

ago

energie + anlagen

Results 2008 / Q1 2009

07/08/2009

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Perstpectives still remain positive

Results 2008 / Q1 2009

- The worldwide economic crisis in 2008 did not leave AGO unaffected. Sales fell 11%. However, there were increases on the profit side. Sales beat our expectations. AGO did not fully meet our forecasts on the profit side. In our opinion, the company had a good start into fiscal year 2009 (Q1 sales: +35%; operating profit: EUR+0.38m (-0.27)).
- AGO´s strategy implementation - expansion of plant operation and international activities - was subject to highs and lows in the past quarters. Among others due to the economic situation contracting projects in Germany were stopped or abandoned. Further, contracting projects in Italy are delayed due to long approval procedures. International expansion on the other hand is continuing. In 2008, a major order was acquired in South Africa. Further, a cooperation agreement was reached in Norway.
- We are still confident about the group´s strategy and perspectives. The problems in the contracting division are mainly owed to external factors that are of temporary nature, in our opinion. The broad product and service portfolio, the high engineering know-how in a broad technology spectrum and not least the self-developed climate protection programme ECo-Plus are AGO´s competitive edge, in our opinion.
- We have raised our forecasts for 2009 and now expect EPS of EUR0.23 (before: 0.17). Due to the delays in the contracting division we have reduced our EPS forecast 2010 to EUR0.31 (before: 0.34), though.
- Based on our DCF model we have calculated a fair value per share of EUR5.50 (before: 5.57). Accordingly, our price target of EUR5.50 remains unchanged. With regard to the price target the AGO share has an upside potential of more than 40%. We confirm our Buy recommendation.

AP	FY	Sales	EBIT	EBT	EAT	EPS
IFRS	2006	33.9	1.4	1.3	0.4	0.47
IFRS	2007	41.3	-0.3	-0.6	-0.9	-0.33
IFRS	2008	36.7	1.6	1.0	0.6	0.16
IFRS	2009E	42.6	2.3	1.5	0.9	0.23
IFRS	2010E	48.0	2.8	2.0	1.2	0.31
CAGR 2006 - 2010E		9.0%	19.1%	11.7%	35.3%	

Figures in EURm except EpS, hist. PERs based on average share prices

AGO AG Energie + Anlagen 4)

Recommandation:	**Buy**
before:	-
as of	-
Price target (in EUR) (6 months)	**5.50**
Share price (Xetra) (in EUR)	3.90
07/01/09 9:43 AM	
Share price potential	41.03%
Company data	
Country	GE
Sector	Renewable Energies
Market segment	Entry Standard
ISIN	DE000A0LR415
Reuters	AGYG.DE
Bloomberg	AGY
Internet	www.ago.ag
Share data	
Shares (m)	4.000
Free float	31.87%
Market cap. (EURm)	15.6
∅ Trading volume	696
52W High 09/03/08	EUR5.00
52W Low 01/22/09	EUR2.75
Beta	1.29
Volatility (60 days)	66.35

Multiples

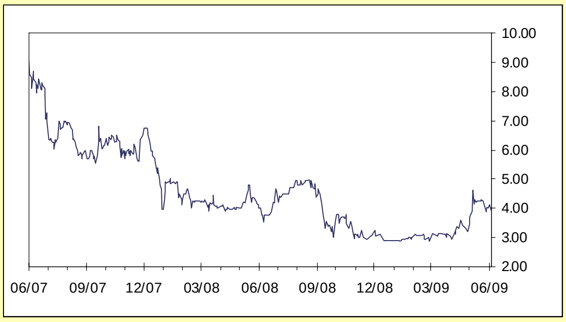
	EV/Sales	EV/EBIT	P/E ratio	Dividend yield
2006	-	-	-	-
2007	0.6	neg.	neg.	0.0%
2008	0.6	13.6	26.6	0.0%
2009E	0.5	8.8	16.6	0.0%
2010E	0.4	7.1	12.7	0.0%

Performance (in %)

	1M	3M	6M	12M
absolute	-15.0	23.8	27.9	3.4
relative to:				
DAX	-9.0	13.5	30.6	26.8
Entry Standard	-13.6	-2.5	17.2	30.7

Index Weighting

Entry Standard	6.038%



Author: S. Diermeier (analyst)

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STRENGTHS

- **Broad product and service portfolio**
- **High adaptability to changing market trends**
- **Integrated business model ("one-stop service") reduces coordination costs and facilitates swift realisation of projects**
- **Highly qualified management with many years of experience in power plant engineering**
- **Long-standing customer relationships**

OPPORTUNITIES

- **Increasing public awareness with regard to climate change and reduction of CO2 emissions and their effects. Increasing demand for renewable energies (among others biomass)**
- **Supply shortages/price increases for conventional energy sources (oil and gas)**
- **Regulatory framework in Germany and EU has a catalyctic effect and creates an EU-wide growth market for renewable energies**
- **International expansion/increasing internationalisation**
- **Increasing steadiness of cash flow and rising profitability through expansion of plant operation business**

WEAKNESSES

- **Small company so that success decisively depends on few individuals in key positions**
- **Versatile product mix always requires state-of-the-art product and quality standards that might not be guaranteed due to staff shortages and lack of financing**
- **Dependency on the market and price development for renewable raw materials which affects the profitability of power plants**
- **Market for renewable energies in power generation is currently still dependent on government funding and aid**
- **No long-term plant component supply agreements. Supply is ensured via individual contracts. Thus AGO is economically vulnerbale to changes on its supply markets**

THREATS

- **Success depends on political sentiment on national and European level**
- **Reduction/cancellation of subsidies/promotion has negative impact on operating side**
- **High legal risks (building permit proceedings, imission control proceedings, warranty/product liability risks, damages claims, etc.)**
- **High competitiveness expected in the future. Crowding out possible should dominant energy suppliers enter the market**
- **Insolvency of contracting partners could cause loss of sales**

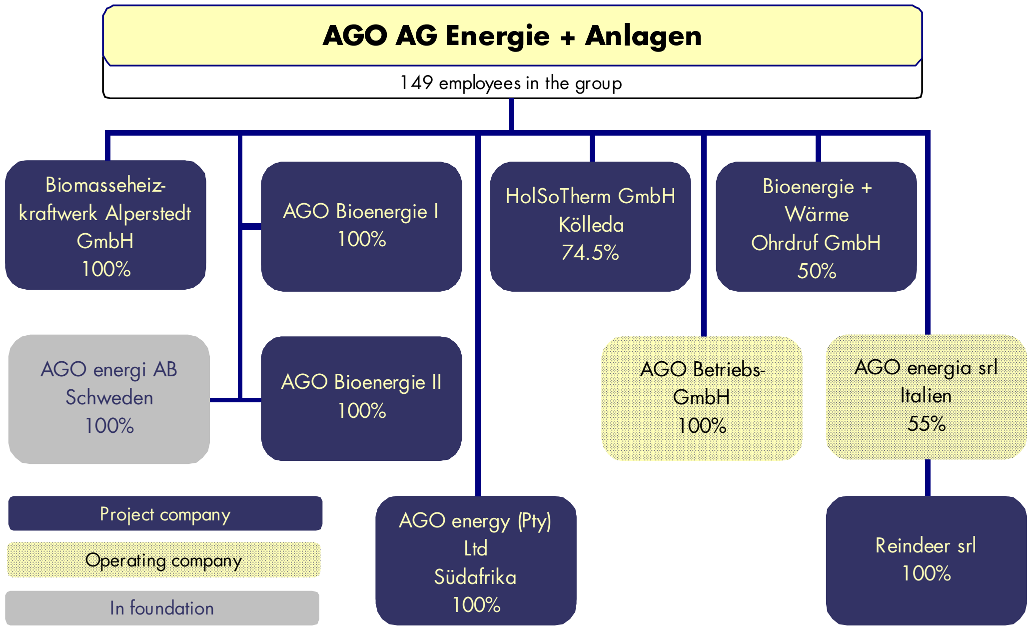
[1][2][3][4] **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

Company profile

Short profile

Full-service supplier in energy plants

AGO AG + Anlagen and its subsidiaries ("AGO", "AGO-Group") headquartered in Kulmbach are a full-service supllier for de-centralised energy plants. Since 1980 the company has implemented more than 2,000 energy projects altogether based on different technologies. AGO´s target group consists of industrial and especially municipal clients. The regional focus of activities is still Germany. On March 31, 2009, AGO had 149 employees.



Source: AGO AG Energie + Anlagen

Management and Supervisory Board

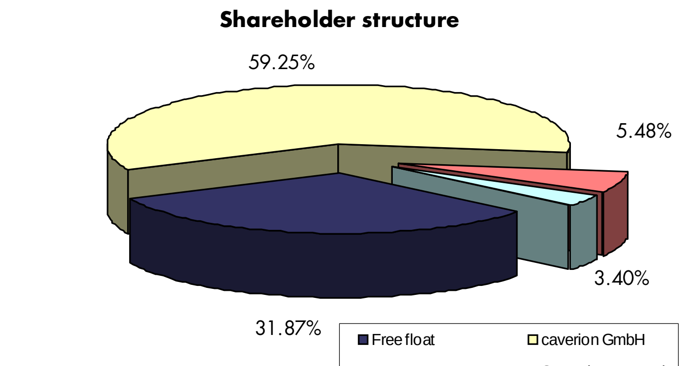
Experienced management

The Board of Directors of AGO AG currently consists of two members, Mr Ulrich Gruber (CEO and CFO) and Mr Helmut Peetz (COO). Mr Gruber is responsible for strategic planning and participations, tax, finance, controlling and real estate, human resources, data processing, investor and public relations, risk management, central marketing and corporate governance. Mr Preetz is responsible for consulting, project development/realisation, operation and service, distribution, environmental and quality management, data protection, and auditing. The company´s Supervisory Board consists of six members extensively experienced in the industry. Those are Steffen Pfund (Chariman), Dr. Klaus Hermsdorf, Johannes Eismann, Prof. Dr. Eckhard Dinjus, Franz Brosch, and Harald Petersen.

caverion is main stakeholder with a stake of about 59%

Equity/shareholder structure

AGO AG Energie + Anlagen is listed since June 28, 2007. The issuing price was EUR7.00 per share and the opening price was EUR7.50. The company´s shares are listed on the Entry Standard/Open Market of the Frankfurt Stock Exchange. The company´s share capital consists of 4m shares with a face value of EUR1.00 per share thus amouting to EUR4m. The company´s main shareholder is caverion GmbH (formerly: M+W Zander Gebäudetechnik GmbH) with a 59.25% stake (pre-IPO: 92.60%). caverion GmbH that is headquartered in Stuttgart is one of Europe´s leading specialists in plant and building engineering. Management holds 5.48% and the Supervisory Board 3.40% of the AGO shares. The remainder (31.87%) is free float.



Source: AGO AG Energie + Anlagen

History

1980	• Spin-off from ASK GmbH (provider of technical operation equipment for industrial enterprises)
1984	• Renamed into Zander Wärmetechnik Kulmbach GmbH
1995	• ISO 9001 certified as plant manufacturer
1998	• Integration into M+W Zander Holding / Jenoptik Group
1999	• Renamed into M+W Zander Energie + Anlagen GmbH
2003	• Expansion into emission and energy efficiency consulting
2004	• Large order for EVC Energy Center of AMD in Dresden (plant construction reference project)
2006	• Foundation of Biomasseheizkraftwerk Alperstedt GmbH (plant operation reference project) • Renamed into AGO AG Energie + Anlagen • Takeover of 49% stake in HolSoTherm GmbH
2007	• Foundation of Bioenergie + Wärme Ohrdruf GmbH (50% stake) • Increase of HolSoTherm GmbH stake to 74.5% • IPO of AGO AG Energie + Anlagen • Foundation of AGO energia srl, Turin
2008	• Acquisition of 90% of the shares in Reindeer srl, Italy, a shelf company • Foundation of AGO energy (Pty) Ltd., South Africa
2009	• Start of the climate protection programme ECo-Plus • Increase of Reindeer srl stake to 100% • Cooperation agreement concluded with the Norwegian company Enwa PMI AS

Source: AGO AG Energie + Anlagen

Business activities / business divisions

Broad service and product portfolio

AGO provides a broad spectrum of services in connection with decentral energy plants of all size and capacity classes based on fossil and renewable energies for the supply of heat, cooling, steam, compressed air and electricity both for industrial and municipal clients. AGO operates along the complete value creation chain and thus can supply its clients with integrated complete solutions. The group´s core competence is engineering - linking the different technologies. Since 1980, AGO has implemented more than 2000 energy projects based on different technologies like biomass cogeneration (power) plants, boilers, block heat and power plants, compression and absorption refrigeration plants (trigeneration). The business activities mainly consist of the three divisions project development/implementation, plant operation and service & consulting. This is rounded off by site studies and site development, energy efficiency consulting, raw material and fuel management and emission trading management.

AGO AG Energie + Anlagen: Pillars of the business model

Project development and implementation	Plant operation	Service and consulting
- Biomass cogeneration plant - Thermal engineering plant construction - Refrigeration plant construction - Trigeneration - Contracting	- External operator of plants - Raw material / fuel management Availability analysis Heat and cooling demand analysis Long-term contracts Raw material logistics	- Inspection and maintenance - Studies to/development of locations - Consulting with respect to energy efficiency - Emission trading management

Source: AGO AG Energie + Anlagen

Project development / implementation division

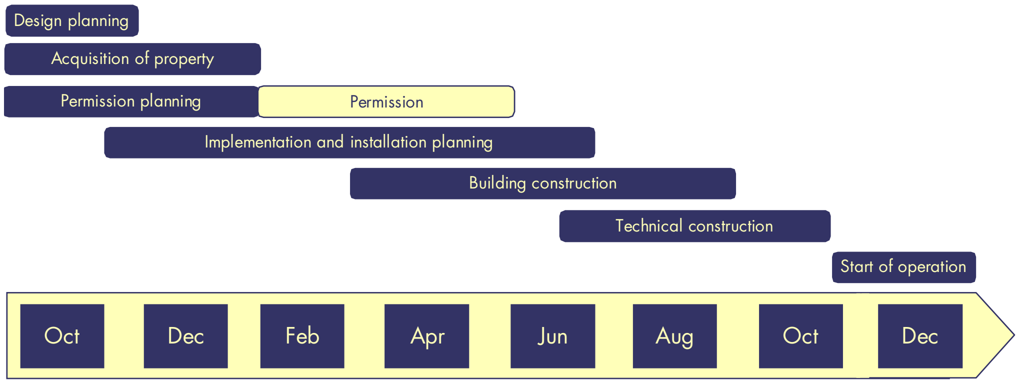
Planning and construction of energy plants

In project development & implementation, the group´s highest-selling division (sales share 2008: 65.2%), AGO creates decentral energy plants for its clients. The group is active internationally here. The focus, however, is Germany. AGO undertakes the development, planning, financing and construction for its clients. The company pursues an integrated approach to planning, claiming to save six to twelve months over the usual project development and cutting costs for clients considerably. The company acts independently of producers. This means that the individual components of the power plants are acquired from different suppliers. AGO uses subcontractors for the construction of the particular energy centre.

AGO also offers its services via "contracting". In "contracting", AGO develops, plans, constructs, finances and operates energy plants and sells the energy to its clients under its own economic responsibility.

[1)2)3)4)] **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

Parallel implementation of project phases speeds up the realisation of the entire project



Source: AGO AG Energie + Anlagen

Plant operation division

AGO acts as operating company

AGO has announced that the plant operation division will be the growth driver. In plant operation AGO joins all business activities that directly or indirectly relate to the operation of an energy plant. In addition of taking care of servicing and maintenance AGO mainly is in charge of the raw material and fuel management. This covers extensive availability and heat demand analyses preceding the project discussing issues like utilisation, continuing logistics, stockkeeping and quality assurance of the biogenous fuel. The plant operation division also provides location research and site development as well as consulting and other services in emission trading. Contracting disburdens industrial companies of activities (energy production, servicing and maintenance of the energy centre) that usually are not part of their core business. Also, the obligation to participate in emission trading might be dispensed with through "outsourcing". As a reference objects for the plant operation division AGO operates the biomass heating plant Kölleda, which supplies the Daimler engine works in Kölleda with heat since 2002, and the biomass cogeneration plant in Alperstadt.

Service & consulting division

Service for own facilities and those constructed by third parties

With the service & consulting division AGO offers service and maintenance for energy plants. The service does not only cover plans constructed by AGO but to a large extent also plants built by third parties. AGO´s customer service currently consists of about 30 employees and is available 24 hours a day, 365 days a year. As another service AGO advises its clients on all energy issues as for example energy efficiency. In addition, AGO prepares energy studies. Among others, technologies employed by clients are analysed and feasability studies on alternative concepts are made. AGO further supports its clients in questions of emissions and emission certificate trading. We consider the service & consulting division, which in our opinion is a key element in AGO´s business model, an important instrument to acquire clients.

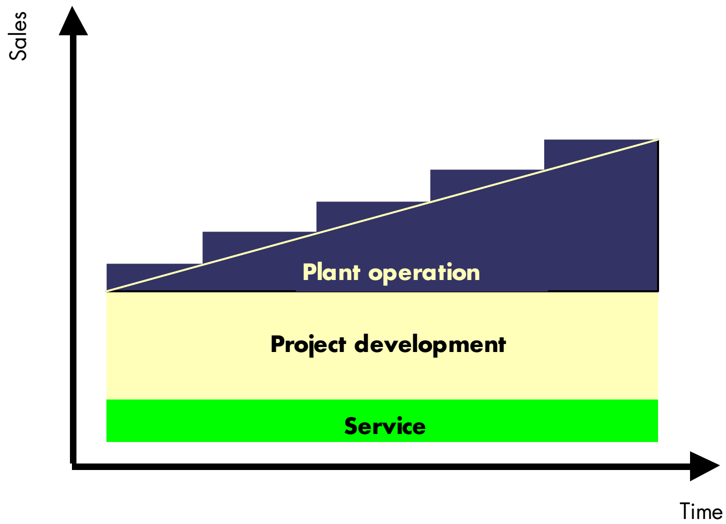
Strategy

AGO's strategy has two important points. On the one hand the company plans to grow organically via expanding its plant operation division with a focus on biomass. On the other, activities are to be inernationalised more strongly.

Growth from plant operation division with a focus on biomass

Sales/profit growth planned in plant operation

AGO plans to generate the group´s future sales and income growth from expanding the plant operation business with a focus on biomass. In the plant operation division, sales rose by 79.0% to EUR4.36m (2.44) in fiscal year 2008. At the same time the share of the plant operation business in group sales increased to 11.9% after 5.9% in 2007. We think that increased government promotion of renewable energies, rising prices for fossil energies and the existing capital regulations (Basel II) will raise demand for energy plants, which run on renewable energies, and also for contracting solutions offered by AGO.



Source: AGO AG Energie + Anlagen

3 to 4 contracting plants p.a. planned in Germany

In Germany alone, AGO currently is active in plant operation with biomass heating plants Kölleda and Alperstedt. AGO chose Italy as its second plant operation market. There also are chances for contracting agreements in Norway. In Germany, the regional focus of plant operation is on Bavaria, Baden-Württemberg and Thuringia, as the conditions for biomass meaning the according raw material availability is best in these regions. A study ordered by AGO has identified about 400 potential clients for biomass heating (and power) plants in these three federal states. It is AGO´s target to realise three to four contracting facilities with capacities of between 2 and 20 MWth in Germany per year. AGO and its subsidiary HolSoTherm have ensured the planned growth in plant operation and the accordingly rising demand for biomass via various wood supply contracts.

Climate protection programme ECo-Plus

We identify an important support of the growth target in plant operation with a focus on biomass in the climate protection programme ECo-Plus initiated by AGO. As Germany´s first contractor, the company has developed a joint implementation project with a sole focus on biomass. As part of the ECo-Plus project, AGO plans to convince especially German

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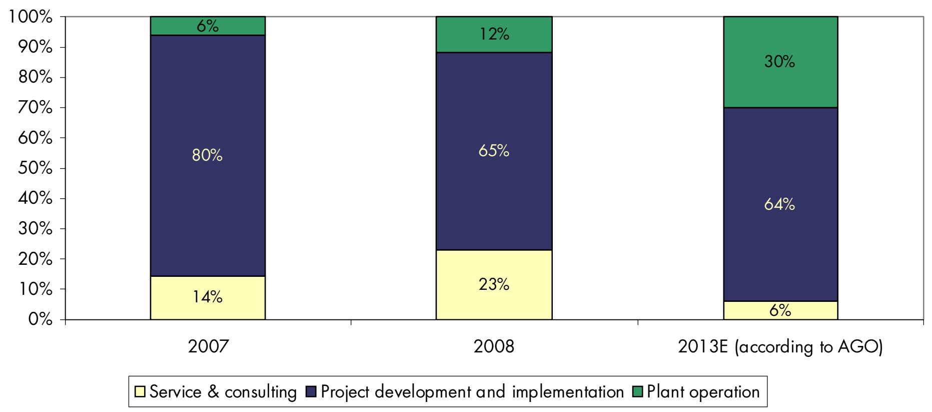
medium-sized companies with ecological and economical arguments to switch their energy production from fossil to renewable energies. The climate protection programme aims at energy plants with a thermal capacity of 400KW to 19.9MW. By switching, CO2 emissions could be reduced while simultaneously generating emission certificates that could then be sold. AGO plans to realise about 13 projects as part of the ECo-Plus climate protection project by the end of the second European emission trading period (2012).

Mobile contracting plants

To additionally stimulate contracting activities AGO offers a mobile biomass heating plant. It has a maximum nominal capacity of 4MWth or three tons of saturated steam per hour. The advantage of these mobile biomass heating plants is the quick installation and disassembly for another site. This enables AGO to increase its customer base as the contracting term can be reduced to five years instead of the usual 10 to 15 years. In can be observed that companies are reluctant to enter agreements with long-term payment obligations especially in economically difficult periods. The shorter term of the contracting agreements also grants clients flexibility regarding their medium-term site planning.

Sales breakdown by division



Source: AGO AG Energie + Anlagen

Business development becomes more predictable and scalable but also more capital intensive

The increased focus on plant operation has several consequences for AGO. The business model becomes more predictable and scalable. This is among others achieved by the long-term energy supply agreements with terms of 5 to 15 years that are usual in plant operation. Contrary to the project development/implementation division where revenues have to be newly acquired every year, plant operation generates a continuous flow of revenue according to the term of the contracts. In 2013 AGO plans to generate 30% of group sales from the plant operation division (2008: 12%). As the sales share of plant operation business can be expected to increase while the share of project development/implementation division will fall we also anticipate a clearly improved income situation for the company as higher margins can be expected in plant operation. The expansion of the plant operation business increases the business model´s capital intensity or AGO´s need for capital. Thus, there are more and more cooperations in larger projects, which applies especially to Italy. AGO then will mainly hold minority stakes in the operation companies. Plant operation also increases the exposure to payment failures by contracting partners.

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Drawbacks and delays in contracting projects

The worldwide economic weakness caused by the credit crisis has a negative impact on AGO´s strategy implementation in Germany. Further, the fallen prices for fossil fuels as a reaction to the global recession have reduced the readiness to invest into renewable energies for the time being. The three contracting projects acquired since the IPO in mid-2007 were stopped (Erfurt/Gotha, Upper Frankonia) or completely given up (Gierstädt). The contracting partner of the two projects stopped were suppliers of the automobile industry that are affected by the economic weakness above proportion. AGO has a pipeline of eight projects in biomass contracting in Germany but the potential partners are very reluctant to sign agreements against the background of the currently difficult economic situation and the long-term payment obligations in contracting. In Italy, the development of contracting also falls short of AGO´s original plans. Other than in Germany, however, this is especially owed to extremely slow approval procedures.

Expansion of international activities

Norway identified as further international market

The second important point in AGO's strategy is the expansion of international activities. AGO is active internationally for quite a while now. The activities were so far "limited" to consulting, planning and plant construction. For example, the company has been active in Malaysia, South Africa, the US, Russia, Romania, Dubai (UAE) and Greece. In the Greek town of Serres, AGO built four cogeneration plants in fiscal year 2007. After AGO won a turnkey order from brewery Heineken South Africa in mid-2008 the 100% subsidiary AGO energy (Pty) Ltd. was founded in South Africa (September 2008). Its job is to plan and construct energy plants in (South) Africa. The focus is on trigeneration and energy efficiency products for medium-sized industrial companies. It is AGO´s target to realise energy projects with a volume of up to EUR5m p.a. with its South African subsidiary. Further, AGO is entering the Norwegian market. To achieve that, the company has set up a cooperation agreement with Norwegian Enwa PMI AS. The main focus in Norway is on heat pumps and biomass heating plants for the industry and municipalities. AGO will carry out the engineering services. According to the company, there is mainly demand for contracting models in Norway. It is AGO´s pronounced goal to realise several energy projects with a total annual volume of EUR5.0m in Norway in the coming three to five years.

Italy, the first international market for contracting projects

Italy is the first foreign market where AGO plans to also operate the energy plants planned and constructed for clients as part of contracting agreements. In January 2008, AGO has founded the subsidiary AGO energia srl headquartered in Turin. AGO holds a 55% stake in the company. The remaining stake is held by Roberto Sacco and Paolo Gioia. Roberto Sacco heads AGO energia. A co-operation with Pro Ambiete sr. was set up to develop the Italian market. According to AGO, Pro Ambiete is a planner of biomass heat (and power) plants with a long-established and broad distribution structure. The Italian market is interesting for AGO for several reasons. First, the Italian market is subject to chronic supply shortfalls so that the country has to cover a considerable part of its power consumption with imports. Secondly, the Italian government aims at raising the share of renewable energies from 7% to 22% by 2012. To achieve this the promotion of renewable energies was amended. The promotion of power production from biomass is clearly more attractive than in Germany. Further, Northern Italy bears a high potential of clients. A study ordered by AGO proves that more than 500,000 industrial companies are based in Northern Italy.

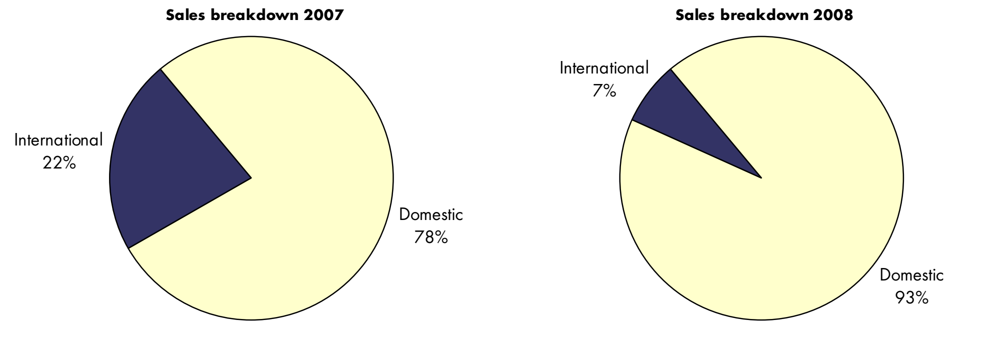
Plant operation likely to start not before 2011 in Italy

AGO now plans to start plant construction in Italy in 2010 (originally: 2009). In 2011 the company will operate the first plant in Italy. AGO has acquired 100% in shelf company Reindeer srl for this. Reindeer will operate a biomass heating plant (6 MWth, 1 MWe) constructed by AGO. The contract term is 15 years. Annual sales from the power and heat supply are to reach EUR2.6m. Altogether, AGO´s planning is to invest between EUR6m and 10m p.a. in Italy. Annual sales of between EUR3m and 4m per site are expected from the plant operation. The focus here is on medium-sized sites with a capacity of 1 MWe and 3 to 4 MWth. AGO thus tries to avoid the competition from larger and smaller companies. For 2014 the sale/operation of ten biomass heat (and power) plants is targeted. A biomass heat and power plant project is being implemented (Reindeer) in Italy. Also, nine projects are in the pipeline. A total of 7 of these (including Reindeer) are in different phases of the approval process.

International large-scale project not repeated in 2008

At declining total sales in 2008 (-11.2%), domestic sales rose 6.1% to EUR34.07m (32.11). Accordingly, the domestic share increased from 78% in 2007 to 93% in 2008. At the same time international sales fell 71.6% to EUR2.63m (9.24). This development is owed to the fact that one large-scale international project was realised in 2007 (Greece) which was not repeated in the past fiscal year.

Sales breakdown by region



Source: AGO AG Energie + Anlagen

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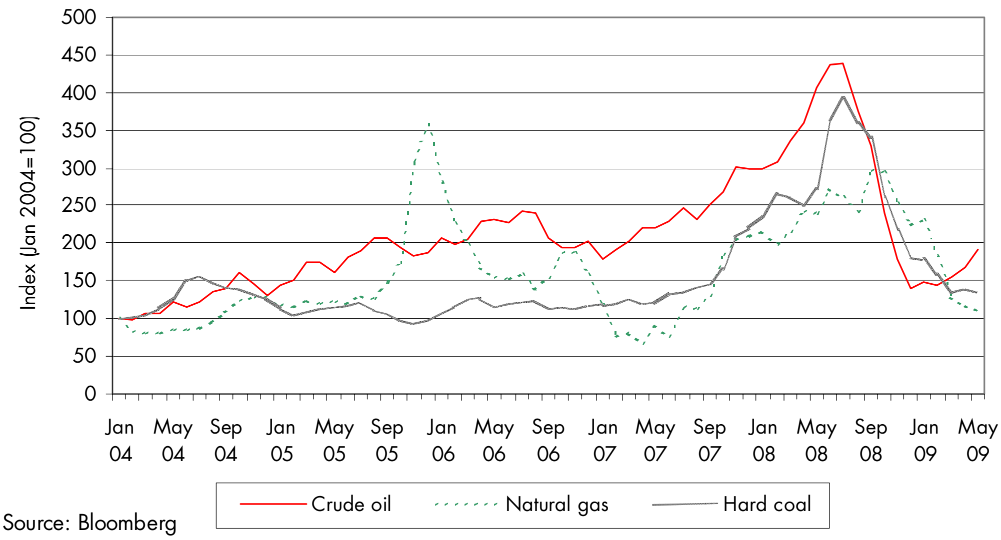
Industry and market environment

Worldwide energy demand and renewable energies

Rising demand for energy and rising prices

It is common opinion that the worldwide demand for energy will be especially driven by the Emerging Markets like China and India and increase by 1% to 2% p.a. until 2030. The energy supply will ever stronger be limited to countries/territories that are geopolitically problematic especially with regard to primary energy sources oil and gas. This will result in an increase in prices for fossil fuels - regardless of the credit crisis and the considerable worldwide economic weakness - and a growing dependency on imports of countries with few natural resources. Also, the increasing global energy demand will cause further rising CO2 emissions that, should the energy mix not be changed, will result in according climate and environmental changes. This causes economic losses of billions each year with a rising tendency.

Price development of fossil fuels



Source: Bloomberg

Regulatory environment for renewable energies in Germany

Renewable Energy Act (EEG) hardly affects AGO

As a reaction to rising prices for limited energies and climate and environmental aspects the most important economies have started to strongly promote renewable energies. The reduction of greenhouse gas emissions agreed in the Kyoto protocol was transformed into target shares of renewable energies in energy production/consumption. To reach these targets, the Renewable Energies Act (EEG) was passed for the electricity market in Germany. It was passed in 2000 and replaced the Electricity Feed Act. The EEG was amended for the first time in 2004. At the beginning of June 2008 the German parliament has passed another EEG amendment that took effect on January 1, 2009. However, it is still more attractive for AGO to invest into power plants based on biomass in Italy rather than in Germany due to the conditions for government aid.

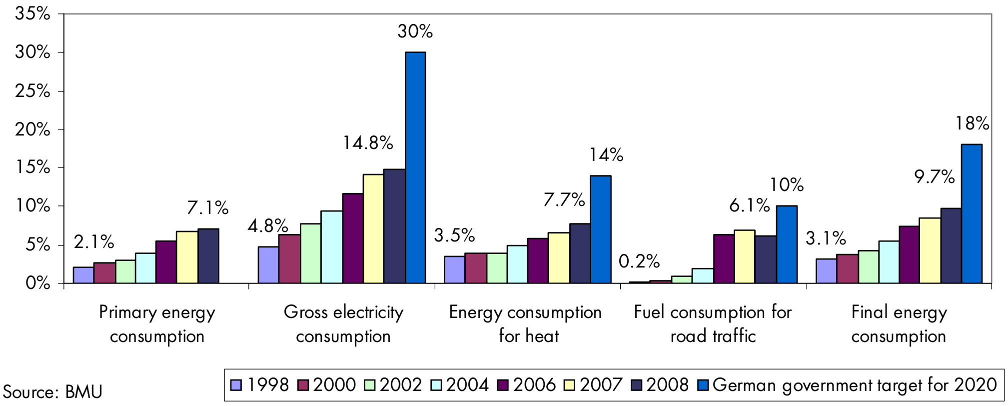
In Germany, the heating market is especially interesting for bio energy. Here, biomass is competitive to fossil fuels even without government funding. This amongst others explains the fact that among renewable energies biomass has a significantly higher share in the heating market than in the electrical power market. The German government is determined to help renewable energies to lastingly break through also on the heating market. Due to this it has initiated an equivalent to the Renewable Energy Act, the Renewable Heat Act (EEWärmeG). This is to raise the share of renewable energies in heat consumption from 6.6% in 2007 to 14% in 2020. The act provides for a mandatory pro-rata use of renewable energies in meeting the demand for heating in buildings completed after December 31, 2008. The Renewable Heat Act also provides subsidies to the amount of EUR500m per year for 2009 through 2012.

The significance of renewable energies in Germany

Importance of renewable energies increases

Renewable energies have continuously gained importance in all segments (primary energy consumption, power production, heating supply, fuel consumption, final energy consumption) in the past years. Especially in power production and fuel consumption significant gains were realised which is due to the specific promotion programmes (EEG, EEWärmeG, Biofuel Quota Act) for these two segments. However, the gaps between government target figures for 2020 (power production: 30%; heating supply: 14%; final energy consumption: 18%) and the current shares of renewable energies are still significant.

Contribution of renewable energy sources to Germany's energy supply (1998-2008)



Source: BMU

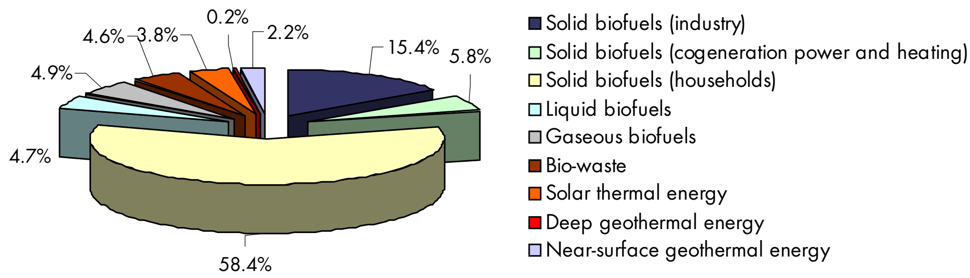
Significance and development of biomass in Germany

Biomass very versatile

Biomass covers organic waste, wood, liquid manure, grain or other substances of plant or animal origin as well as by-products and secondary products that can be used for energy production. Biomass is the most versatile form of renewable energies. It can be used for power and heat production and as fuel. Further, biomass is less dependent on weather conditions than wind and solar energy. Also, some types of biomass are able to compete with fossil energy sources in the production of certain forms of energy already today. However, some types of biomass are competitive to food production. Especially on the heating market biomass is dominant among renewable energies. Without taking into account landfill and sewage gas about 94% of heat generation is based on biomass.

Heating supply from renewable energy sources in Germany in 2008

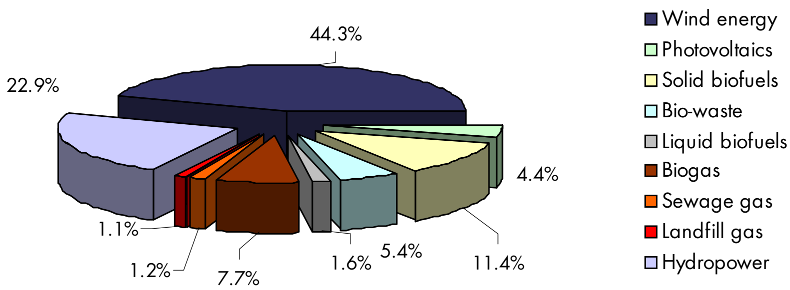
Total: 108.7 TWh



Source: BMU

Electricity generation from renewable energy sources in Germany in 2008

Total: 91.4 TWh

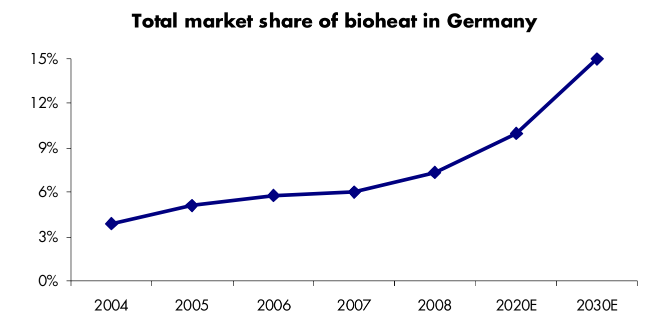


Source: BMU

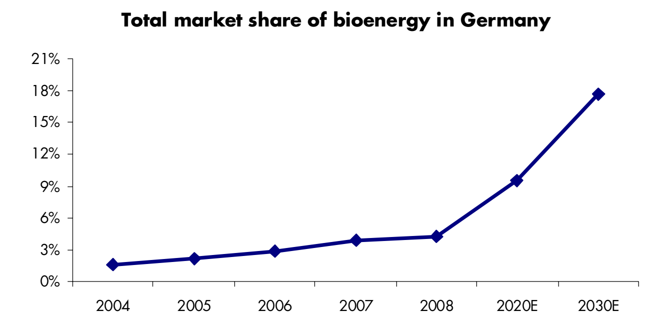
Bioenergy of particular importance for heating market

According to the German bioenergy association (Bundesverband Bioenergie) the share of biomass in the total heating market in Germany was 6.7% (2007: 6.0%) in 2008. The industry association identifies a potential of 10% (2020) and 15% (2030) for biomass. In power production from renewable energies about 26% were accounted for by biomass (without landfill and sewage gas) in 2008 in Germany. According to the industry association, biomass bears the potential to provide 10% and 18% of power production in Germany in 2020 and 2030, respectively. In 2008, the share was 4.6% (2007: 3.9%).

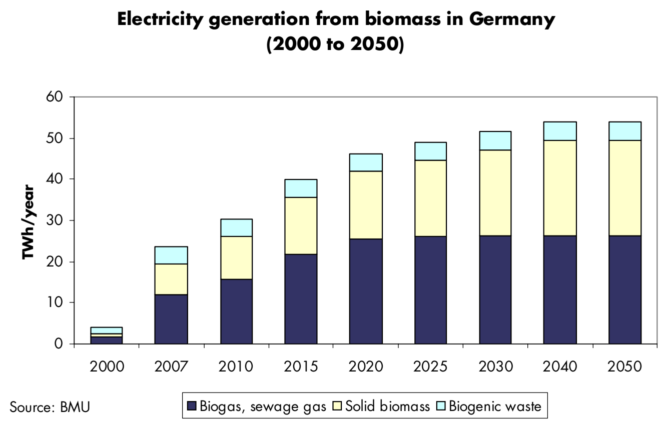
[1][2][3][4] **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**



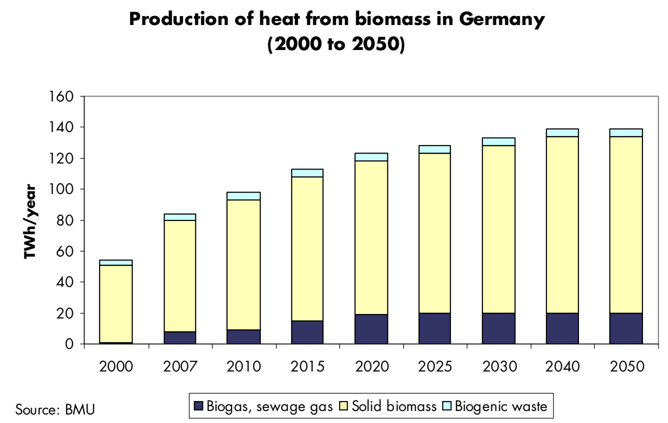
Source: Bundesverband Bioenergie e.V.



Source: Bundesverband Bioenergie e.V.



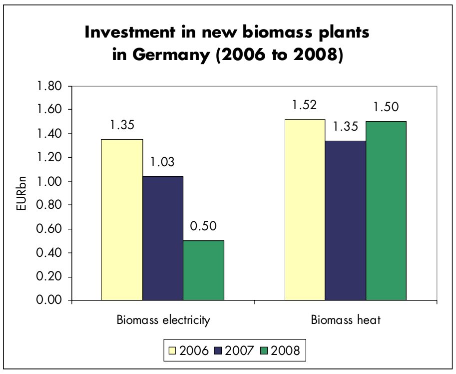
Source: BMU

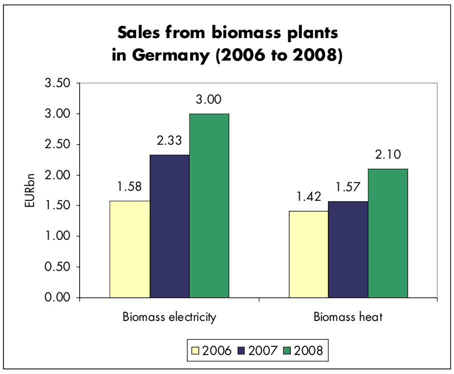


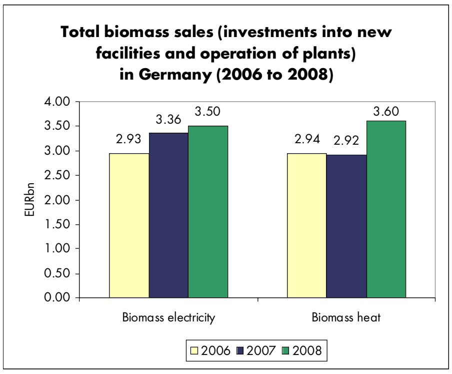
Source: BMU

Investment restraint due to EEG amendment

Sales from constructing biomass power plants fell to EUR0.50bn (1.03) in 2008. The sales share in all renewable energies fell to 3.8% (9.7%). Sales from constructing biomass heat production facilities increased to EUR1.50bn (1.35; sales share: 11.4% (12.7%)). In our opinion, the sales decline in power plant construction facilities is due to the amendment of the EEG. The amended EEG taking effect on January 1, 2009, grants higher subsidies for bioenergy power generation. Accordingly, investors were reserved in 2008. The manufacturers of biomass heat production plants should have benefited from the further price increase for fossil fuels in mid-2008. Sales in connection with plant operation using biomass to produce electrical power climbed to EUR3.00bn (2.33; sales share: 19.3% (16.7%)). Sales from plant operation with biogenous fuels (heat generation only) increased to EUR2.10bn (1.57), while the sales share rose to 13.5% (11.2%). Total sales (investments into new facilities and sales from plant operation) from power production based on biomass increased to EUR3.50bn (3.36) in 2008. In heat generation from biomass total sales climbed to EUR3.60bn (2.92).



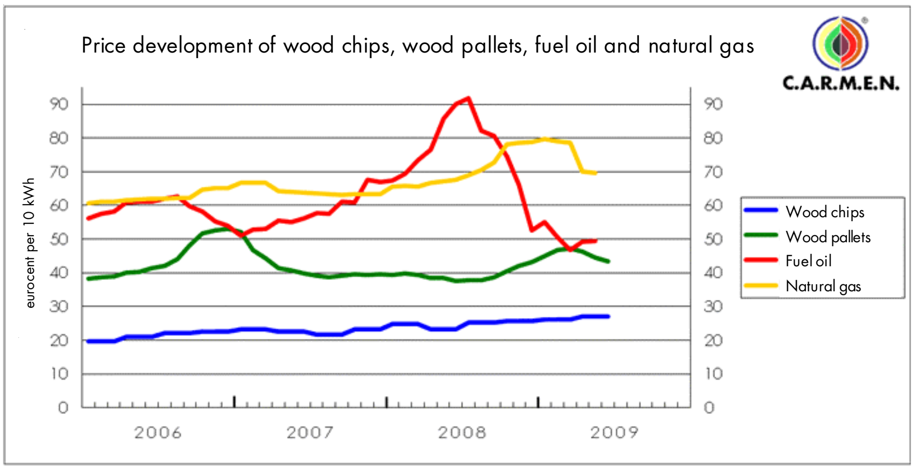




Source: BMU

Price advantage for wood chips

Some types of biomass, like wood chips that are mainly used by AGO, bear a significant price advantage over fossil fuels like oil and gas. Also, their price development is less volatile than that of oil and gas.

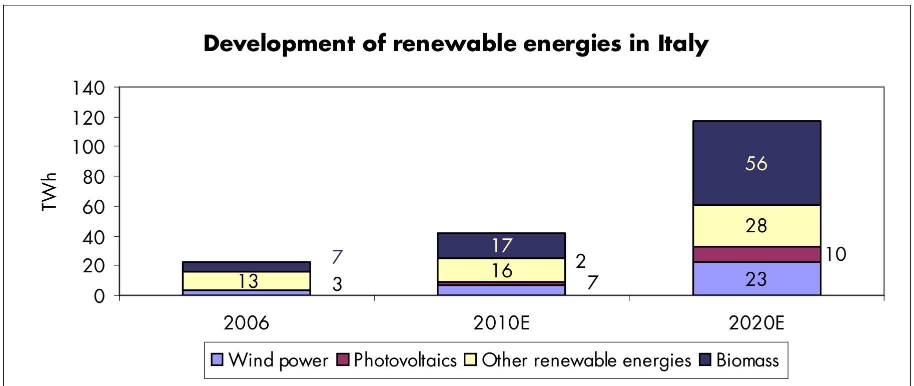


Source: C.A.R.M.E.N.

Renewable energies in Italy

Ambitious plans for renewable energies in Italy

The Italian government aims to raise the share of renewable energies significantly. Their share in total energy consumption is to be raised from the current 7% to 22% in 2012. Furthermore, it is planned to produce 42 TWh of electrical power from renewable energies in 2010 (2006: 23 TWh). For 2020 a volume of 117 TWh is targeted. Biomass is meant to play a central part here.



Source: AGO AG, Terma, position paper of the Italian government as at September 10, 2007

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Regulator environment more attractive than in Germany

The regulatory environment for power production from biomass is clearly more attractive in Italy than in Germany with regard to the electricity market. On the one hand the potential remuneration is clearly higher, on the other, promotion requirements are less strict than in Germany. The amount and payment period is determined by the size of the plant and the distance between raw material procurement and the facility.

Remuneration for biomass power production in Italy

Distance from the plant	Plant capacity <= 1 MW	>1 MW	Duration of incentive
Feedstock within radius of 70 km	EUR0.30	EUR0.28 (EUR0.19 (Certificati Verde) + EUR0.09 (normal remuneration))	15 years
Feedstock radius of > 70 km	EUR0.23	EUR0.20 (EUR0.11 (Certificati Verde) + EUR0.09 (normal remuneration))	12 years

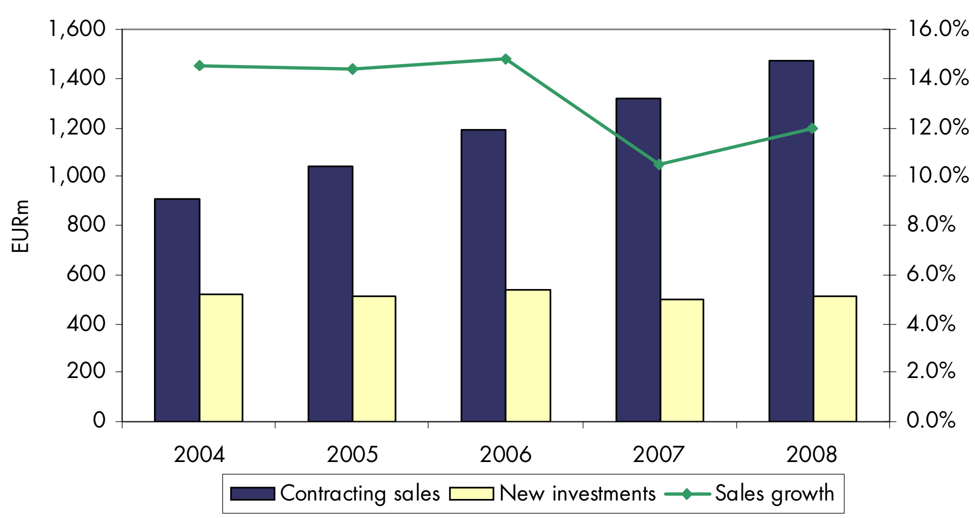
Source: AGO AGO Energie + Anlagen

The contracting market in Germany

Low rate of penetration on German contracting market

According to EnergieAgenur.NRW, about 500 companies work as contractors in Germany at the moment. The market development ratio is about 7%. Typical industries of origin of the contractors acting on the market are energy services, plant construction, gas and electric utilities. Contracting sales of the companies that are organised in the association for heat supply (Verband für Wärmelieferung e.V.; 2008: 266) have continously increased in the past years. In 2008, sales amounted to EUR1.47bn, a 12% increase year-on-year. New investments in contracting totalled EUR510m after EUR500m in 2007.

Development of the German contracting market



Source: Association for heat supply (Verband für Wärmelieferungen e.V.)

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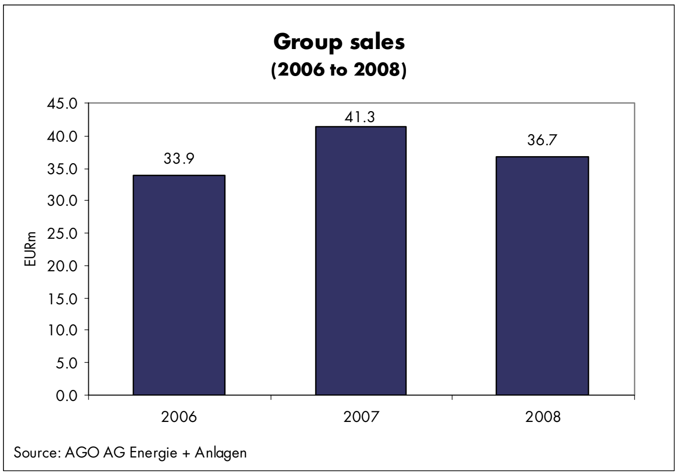
Business development in 2008 and Q1 2009

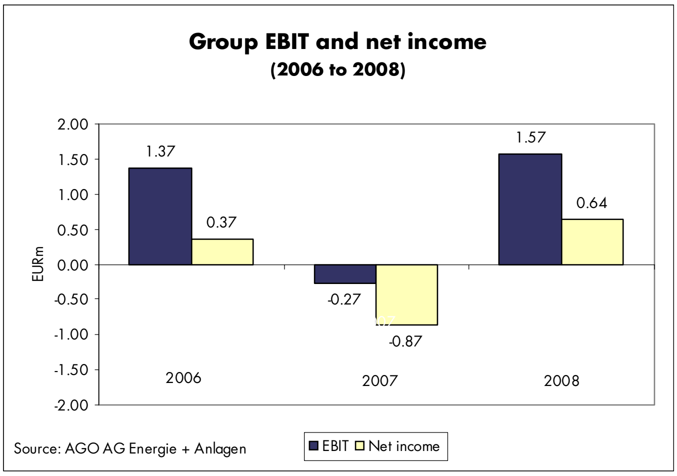
Sales and profit development 2008 on group level

Strong sales decline due to project delays and discontinuations

The AGO group made sales of EUR36.70m (41.34) in 2008 which corresponds to an 11.2% decline year-on-year. The sales development thus is in line with the preliminary figures of EUR36.6m announced at the end of February 2009. We had forecasted EUR35.70m. The decline is purely owed to the project planning/plant construction segment. Against the background that most of AGO´s clients belong to the automobile (supply) industry, there were project delays due to the weak economic environment.



Source: AGO AG Energie + Anlagen



Source: AGO AG Energie + Anlagen

Increase in profit despite sales decline

While sales declined in the past fiscal year, AGO posted a clear increase on the profit side. The company benefited from a higher value-added as unprofitable projects planned by third parties were discontinued and the focus mainly was on self-planned projects. Gross profit more than doubled with EUR4.15m (1.85; our forecast: 4.40). Accordingly, the gross margin increased to 11.3% (4.5%; our forecast: 12.3%). The operating profit/EBIT increased to EUR1.57m (-0.27; our forecast: 1.98). In February, AGO had posted preliminary EBIT of EUR1.5m. The operating margin increased to 4.3% (-0.6%; our forecast: 5.6%). With a financial result of EUR-0.53m (-0.32; our forecast: -0.82) EBT were EUR1.04m (-0.58; our forecast: 1.17). Net income after minorities was EUR0.64m (-0.87; our forecast: +0.70), which corresponds to EPS of EUR0.16 (-0.33; our forecast: 0.18).

[1)2)3)4)] **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

AGO AG Energie + Anlagen

Selected key data of the consolidated income statement FY 2008

Unit : EURm **Fiscal year :** Dec 31 **Accounting standards :** IFRS	**2007**	**2008**	**2008** (our forecast)
Sales	**41.34**	**36.70**	**35.70**
year-over-year growth (%)		-11.2%	-13.7%
Gross profit	**1.85**	**4.15**	**4.40**
gross margin (%)	4.5%	11.3%	12.3%
EBIT	**-0.27**	**1.57**	**1.98**
EBIT margin (%)	-0.6%	4.3%	5.6%
Net income	**-0.87**	**0.64**	**0.70**
return on sales (%)	-2.1%	1.7%	2.0%

Source: Independent Research; AGO AG Energie + Anlagen

Sales and profit development Q4 2008 on group level

Increase in sales and profit in Q4

Q4 2008 displayed a different development compared to 9M. While in 9M January to September 2008 sales decreased by 19.8%, they rose by 18.1% to EUR11.02m (9.34) in Q4 2008 year-on-year. However, gross profit fell by 12.0% to EUR0.90m (1.02). The operating profit improved to EUR0.19m (-0.78) and the operating margin to 1.7% (-8.4%). But it was below the 9M 2008 level (5.4%). Net income was EUR0.16m (-0.96).

Sales and profit development 2008 by divisions

Project planning/implementation: Rise in profitability causes profit increase

The development of the AGO group´s three divisions was quite different. The strongest-selling division project development/implementation (sales share 2008: 65.2%; 2007: 79.9%) suffered a sales decline of 27.5% to EUR23.94m (33.03) due to project delays. However, due to the increased profitability the division´s operating profit improved to EUR0.59m (-0.25) and the operating margin to 2.5% (-0.7%).

Service & consulting: Dynamic sales increase

The external sales of the service&consulting division rose strongly by 42.9% to EUR8.40m (5.88). The share in group sales accordingly increased from 14.2% in 2007 to 22.9% in 2008. The operating profit rose above proportion by 68.7% to EUR0.72m (0.43) so that the operating margin improved to 8.6% (7.3%).

Plant operation: Negative impact from value adjustments

In the third division, plant operation, external sales climbed by 79.0% to EUR4.36m (2.44; sales share: 11.9% after 5.9%) due to positive consolidation effects. HolSoTherm and the biomass heating plant Alperstädt were fully consolidated only as of April 2007. On the other hand there was a 22.5% decline to EUR0.34m (0.43) in operating profit which caused the operating margin to fall to 7.7% (18.0%). Value adjustments in connection with legal disputes concerning heat deliveries of the contracting partner of biomass heating plant Alperstädt were decisive.

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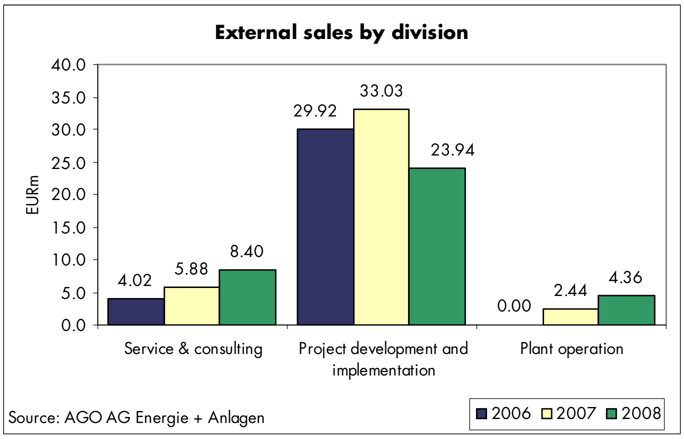
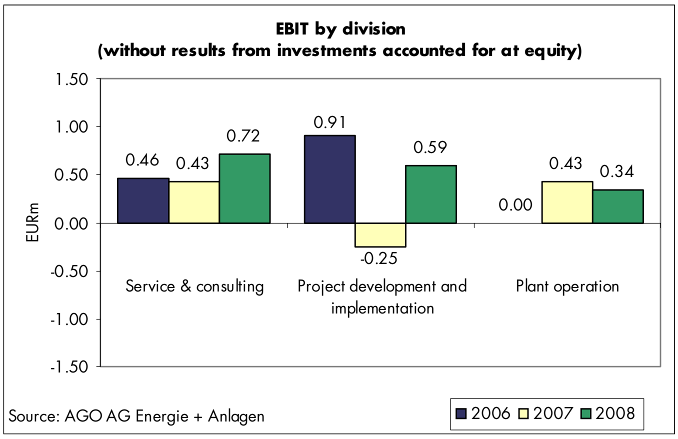
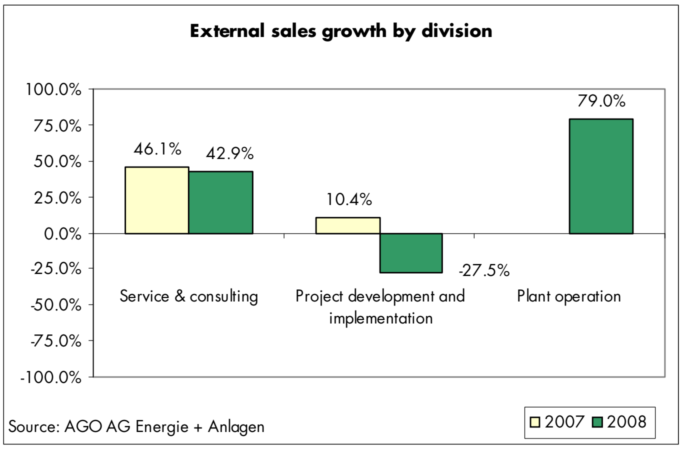
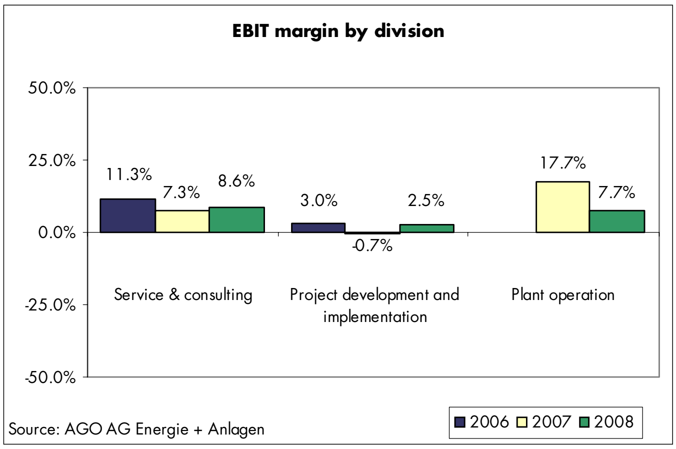








Sales and profit development in Q1 2009

Strong start into current fiscal year

AGO had a strong start into fiscal year 2009. Sales climbed strongly by 35.2% to EUR7.25m (5.36). Gross profit rose by 64.7% to EUR1.12m (0.68) thanks to production costs increasing below proportion. The gross margin rose from 12.7% to 15.5%. The operating profit improved to EUR0.38m (-0.09). Accordingly, the operating margin amounted to +5.3% (-1.7%). Net income was EUR0.14m (-0.23).

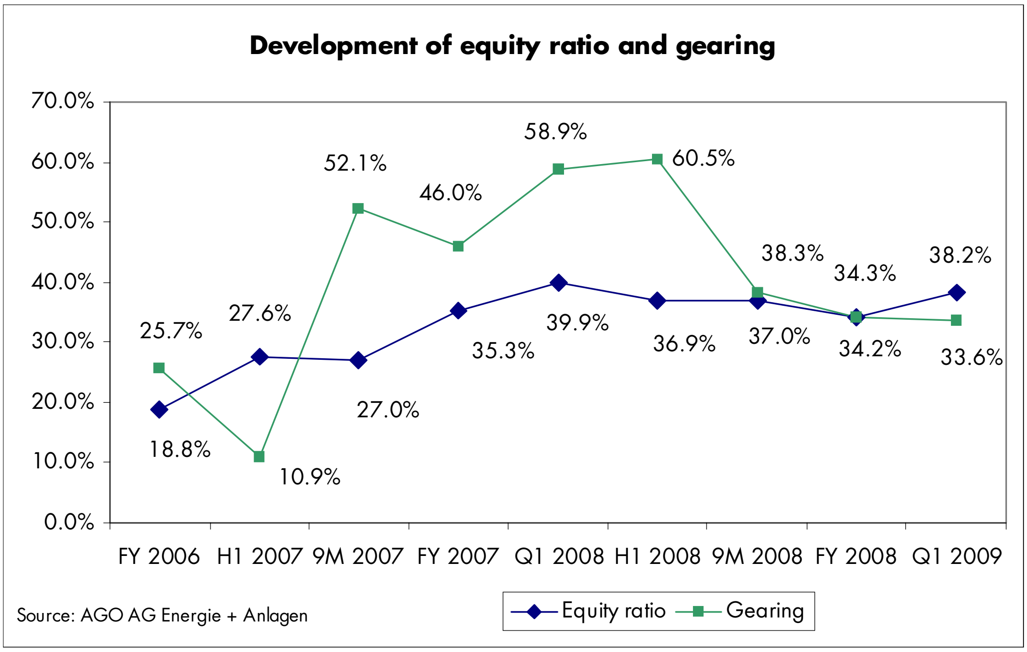
Balance sheet

Liquid funds increase to EUR7.7m

The company´s total assets have increased from EUR35.1m (December 31, 2007) to EUR38.0m in fiscal year 2008. This is due to both non-current assets (EUR16.9m after EUR14.5m) and current assets (EUR21.2m after EUR20.5m). The increase in non-current assets was mainly due to the increase in receivables from finance leasing. Regarding current assets, especially cash and cash equivalents increased (EUR7.7m after EUR5.6m). On the liabilities side, shareholders' equity and current liabilities increased. Due to a positive net income (EUR0.6m) equity increased to EUR13.0m (December 31, 2007: 12.4). Among the current liabilities there were changes especially in financial liabilities (EUR2.1m after EUR1.0m) and in liabilities from contracted work (EUR1.4m (0.0)).

Solid equity ratio, unproblematic gearing

At the end of Q1 2009 total assets declined to EUR34.5m (December 31, 2008: 38.0). On the asset side, non-current assets (EUR16.9m) remained almost unchanged, while current assets fell to EUR17.6m (21.1). This is due to a decline in receivables and in cash and cash equivalents. On the liabilities side of the balance sheet, shareholders' equity rose slightly from EUR13.0m to EUR13.2m. There were no real changes in non-current liabilities. Current liabilities (EUR10.0m after EUR13.5m) decreased due to a decline in trade payables and in liabilities from contracted work. The equity ratio of 38.2% as at March 31, 2009 (December 31, 2008: 34.3%; December 31, 2007: 35.2%) remains on a solid level, in our opinion. Gearing (net financial debt compared to equity) is on an unproblematic level amounting to 33.6%.



Cash flow statement

Clear improvement in operating cash flow

The cash flow from opeating activities improved clearly to EUR+2.06m (-4.10) in fiscal year 2008. In addition to the increase in profit this development is due to lower income tax and the reduction in working capital. The cash flow from investment activities fell to EUR-1.50m (+0.12) due to increased investments in non-tangible fixed assets. The cash flow from financing activities decreased to EUR1.56m (7.61). AGO borrowed more money in 2008 again, although the company had carried out a capital increase in fiscal year 2007 which supplied the company with EUR8.2m in liquid funds. Cash and cash equivalents increased in fiscal year 2008 by EUR2.1m to EUR7.7m as at December 31, 2008. In Q1 2009, the cash flow from operating activities was EUR-0.13m after EUR-1.28m in Q1 2008. In addition to the increase in profit the lower working capital was the reason for this improvement. The cash flow from investment activities remained almost unchanged at EUR0.19m (-0.14). The cash flow from financing activities was EUR-0.18m (-0.40). Cash and cash equivalents thus decreased by EUR0.5m to EUR7.2m at the end of March 2009 in Q1.

Company guidance and our forecasts

Company guidance

Realistic guidance

AGO announced a strong sales growth and a clear income improvement for fiscal year 2009. The main sales are to be realised in H2. On March 31, 2009, the order backlog for the project planning/implementation and consulting & service divisions totalled EUR26.2m after EUR28.3m at the end of fiscal year 2008.

Our forecasts for fiscal years 2009 and 2010

Increase of our forecasts 2009

In our opinion, AGO had a strong Q1 2009. Taking into account the order backlog at the end of March 2009 we believe that our original estimates for the current fiscal year are too conservative. We expect an increase in sales for all three divisions, especially for the project planning/implementation and consulting & service divisions. In plant operation, sales will grow further in 2009, in our opinion, but last year´s growth momentum will not be reached. We expect sales of EUR42.6m (before: 36.9) for the current fiscal year, which means a 16% increase year-on-year. We forecast EBIT of EUR2.3m (before: 2.0) which corresponds to a margin of 5.4% after 4.3% in 2008. In our opinion, all divisions will contribute to the increase in profit. However, especially the plant operation and project planning/implementation divisions will be responsible for our assumed margin increase. Plant operation was affected by value adjustments in 2008. In our forecast we assume that this will not be repeated in the current fiscal year. In the project planning/implementing division we identify further opportunities for a margin improvement from higher utilisation and the continuation of the selective choice of projects. We expect a net income of EUR0.94m (before: 0.66).

Revision of our profit forecast 2010 due to delays in contracting

We expect further sales, profit and margin improvements in fiscal year 2010. In the project planning/implementation and consulting & service divisions we assume an increase in sales. As we expect that no further contracting sites will become operational we think that sales in plant operation will remain relatively stable. The result is a new sales forecast 2010 for the AGO group of EUR48.0m (before: 47.4). We now expect EBIT of EUR2.8m (before: 3.1) and an EBIT margin of 5.9% (before: 6.5%). The reduced EBIT and margin forecasts are due to the fact that contrary to our original assumption the first contracting facility in Italy (Reindeer) will make the first profits from plant operation in 2011 and not in 2010. This is due to delays in the approval process. Our net income forecast is EUR1.22m (before. 1.34).

AGO AG Energie + Anlagen

Forecast of selected key data of the consolidated income statement

Unit :	EURm				
Fiscal year :	Dec 31	**2009E**	**2009E**	**2010E**	**2010E**
Accounting standards :	IFRS	before	new	before	new
Sales		**36.93**	**42.58**	**47.42**	**47.99**
Gross profit		**4.58**	**4.93**	**6.27**	**5.71**
gross margin (%)		12.4%	11.6%	13.2%	11.9%
EBIT		**1.98**	**2.29**	**3.10**	**2.83**
EBIT margin (%)		5.4%	5.4%	6.5%	5.9%
Net income		**0.66**	**0.94**	**1.34**	**1.22**
return on sales (%)		1.8%	2.2%	2.8%	2.5%
Number of shares (m)		4.000	4.000	4.000	4.000
Earnings per share (EUR)		**0.17**	**0.23**	**0.34**	**0.31**

Source: Independent Research

Valuation

Valuation basis: Three-step DCF model

To evaluate the AGO share we use our discounted cash flow (DCF) model. With regard to the limited comparability with listed companies which have a similar business models we still dont't use a peer group analysis in our valuation of the AGO share. Our DCF model is based on a three-step valuation process. Phase I considers our detailed forecasts for the consolidated income statement, balance sheet and cash flow statement for the fiscal years 2009 and 2010. For phase II (2011 to 2018) we assume that AGO is able to intensify the implementation of its strategy of expanding plant operation due to the normalisation of the economic situation. Against this background we expect that the higher-margin plant operation business will become more important in the group. We thus anticipate a falling growth momentum and a rising EBIT margin in phase II of our model on group level. In phase III we still take a conservative standpoint and assume no further growth of the free cash flow (FCF).

Fair value per share: EUR5.50

To calculate the WACC we have assumed a risk-free interest rate of 4.00%. The risk premium on equity is 8.0% and 4.00% on debt. We have fixed the tax shield at 30%. Regarding the long-term balance-sheet structure we now assume a long-term equity ratio of 35% (so far: 50%) as a result of new company announcements. Further we assume a fundamental beta of 1.29 (before: 1.25). Under these assumptions the WACC is 8.66% (before: 9.80%). Accordingly, the operating business is worth EUR26.7m (before: 25.5) and the fair value of equity is EUR22.0m (before: 22.3). At the current number of shares of 4.0m the fair value per share thus is EUR5.50 (before: 5.57).

DCF model AGO AG Energie + Anlagen

EURm	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
Sales	42.6	48.0	50.8	54.8	58.8	62.9	67.0	71.2	75.4	76.0
year-over-year growth	16.0%	12.7%	5.8%	7.9%	7.4%	6.9%	6.6%	6.2%	5.9%	0.9%
EBIT margin	5.4%	5.9%	6.3%	6.8%	7.3%	7.5%	7.7%	7.8%	7.8%	7.6%
EBIT	**2.3**	**2.8**	**3.2**	**3.7**	**4.3**	**4.7**	**5.1**	**5.5**	**5.9**	**5.8**
- Income taxes	-0.7	-0.8	-1.0	-1.1	-1.3	-1.4	-1.5	-1.7	-1.8	-1.7
+ Depreciation	0.9	0.9	1.0	1.1	1.2	1.3	1.3	1.4	1.5	1.5
+/- Change in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+/- Other items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating gross cash flow	**2.5**	**2.9**	**3.3**	**3.7**	**4.2**	**4.6**	**4.9**	**5.3**	**5.6**	**5.6**
-/+ Change in net working capital	0.2	-0.8	-0.2	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.1
-/+ Net capital expenditure	-1.5	-1.7	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3
Free cash flow	**1.1**	**0.5**	**0.8**	**1.0**	**1.5**	**1.9**	**2.2**	**2.6**	**2.9**	**3.2**
Present values	**1.1**	**0.4**	**0.6**	**0.7**	**1.0**	**1.2**	**1.3**	**1.3**	**1.4**	**1.4**

Sum of present values	10.4		
Terminal value	16.3	in % of total value :	61%
Value of operating business	26.7		
+ Surplus liquid funds	7.2		
- Financial debt	-11.6		
- Fair value of minority interests (estimated)	-0.3		
Fair value of equity	**22.0**		
Number of shares (m)	4.000		
Fair value per share (in EUR)	**5.50**		

Model parameter / entity DCF model:

Target capital structure ->		Equity :	35%	Debt :	65%
Risk-free rate of return :	4.00%	Beta :	1.29	Risk prem. debt :	4.00%
		Risk premium :	8.0%	Tax-shield :	30.0%
		Cost of equity :	14.3%	Cost of debt :	5.60%
Growth rate of FCF :	**0.0%**	**WACC :**	**8.66%**	**Date :**	**07/02/09**

Source: Independent Research

Sensitivity analysis (in EUR)

Growth	Discount rate 8.2%	8.7%	9.2%	9.7%
0.0%	6.17	**5.50**	5.10	4.67
0.5%	6.43	5.84	5.33	4.87
1.0%	6.79	6.15	5.59	5.10
1.5%	7.21	6.50	5.88	5.34

Source: Independent Research

[1][2][3][4] **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

Conclusion

Good start into 2009

AGO did not remain unaffected by the weak global economic situation in fiscal year 2008. Due to project delays and the discontinuation of contracting projects, sales of the year before were not reached. Despite the declining sales development there were improvements on the profit side. Despite the generally very weak economic situation the start into fiscal year 2009 was promising.

External factors delay successful strategy implementation

AGO suffered drawbacks in the implementation of its strategy in the past months. In our opininon, this was especially due to the weak global economy which among others is characterised by the massive decline in prices for fossil fuels. In the current economic situation potential clients avoid agreements with long-term payment obligations, as it is usual in contracting. Further, the need for investments has fallen for the time being as prices for fossil fuels have fallen. Long-term approval procedures in Italy further burden the quick implementation of the strategy. However, we do not consider the company's strategy a failure. When the economy has normalised again we expect that AGO can successfully implement its plans. The current product pipeline both in Germany and Italy indicates this, in our opinion.

Strong pipeline of contracting projects

In the planned expansion of the plant operation business we identify the advantage that the business model becomes more scalable and predictable. Due to the dominance of the project planning/implementation division sales and earnings visability is limited. However, the expansion of the plant operation (contracting) business creates an increasing need for capital. Therefore, it is likely, in our opinion, that with regard to its contracting pipeline AGO will cooperate especially in larger projects and also will accept minority stakes in the operating companies.

AGO with competitive edge

AGO´s competitive edge is that the company can act as full-service supplier, in our opinion. Furthermore, AGO has long-term experience and far-reaching know-how about a broad technology spectrum. With the climate protection programme ECo-Plus AGO has a unique selling point that is a competitive advantage.

We confirm our recommendation to Buy

Based on our DCF model we have calculated a fair value per AGO share of EUR5.50. Accordingly, we have an unchanged price target of EUR5.50. Based on our price target the share has an upside potential of more than 40%. We thus still recommend to Buy. With regard to the earnings growth that is expected from us we do not consider the share overvalued at P/E ratios of 16.6 and 12.7 for 2009E and 2010E.

AGO AG Energie + Anlagen

Selected key data and financial ratios

Unit : EURm / Fiscal year : Dec 31 / Accounting standards : IFRS	2006	2007	2008	2009E	2010E
Key data income statement					
Sales (EURm)	33.94	41.34	36.70	42.58	47.99
EBITDA margin	4.8%	1.1%	6.5%	7.4%	7.8%
EBIT margin	4.1%	-0.6%	4.3%	5.4%	5.9%
Net yield	1.1%	neg.	1.7%	2.2%	2.6%
Rate of depreciation and amortization	0.6%	1.8%	2.2%	2.0%	1.9%
Operating expenses / sales	96.1%	103.1%	96.8%	95.6%	94.7%
Interest coverage ratio	9.62	-0.82	2.97	2.89	3.25
Profitability ratios					
ROE	10.0%	-7.0%	4.9%	6.7%	8.0%
ROCE	17.0%	-1.3%	7.4%	10.5%	12.2%
ROI	1.9%	-2.5%	1.7%	2.4%	2.9%
Accounting ratios					
Equity ratio	18.8%	35.3%	34.3%	35.6%	36.6%
Ratio of equity to non-current assets	68.5%	85.3%	77.0%	79.7%	83.4%
Ratio of non-current assets to total assets	27.4%	41.4%	44.5%	44.7%	43.9%
Trade accounts receivable / sales	31.1%	30.1%	32.3%	28.3%	29.0%
Capex / depreciation and amortization	101.4%	36.4%	158.7%	174.5%	177.9%
Capex / sales	-0.6%	-0.6%	-3.5%	-3.5%	-3.4%
Working capital ratio	35.3%	32.0%	33.6%	29.7%	30.5%
Key data per share (EUR)					
EPS	0.47	-0.33	0.16	0.23	0.31
Free cash flow per share	-3.77	-1.52	0.14	0.06	-0.10
Dividend per share	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalents per share	2.50	2.12	1.92	1.96	1.85
Book value per share	4.76	4.72	3.26	3.50	3.82
Valuation ratios					
EV / sales	-	0.6	0.6	0.5	0.4
EV / EBITDA	-	48.6	9.0	6.5	5.5
EV / EBIT	-	neg.	13.6	9.0	7.3
PER	-	neg.	26.6	16.6	12.7
Price to book value ratio	-	1.4	1.3	1.1	1.0
Price to cash flow ratio	-	neg.	8.3	8.7	12.1
Price to sales ratio	-	0.4	0.5	0.4	0.3
Dividend yield	-	0.0%	0.0%	0.0%	0.0%

Source: Independent Research; AGO AG Energie + Anlagen

AGO AG Energie + Anlagen

Consolidated income statement

Unit : EURm Fiscal year : Dec 31 Accounting standards : IFRS	2006	2007	2008	2009E	2010E
Sales	**33.94**	**41.34**	**36.70**	**42.58**	**47.99**
year-over-year growth	-	21.8%	-11.2%	16.0%	12.7%
Cost of sales	30.41	39.49	32.54	37.65	42.28
as percentage of sales	89.6%	95.5%	88.7%	88.4%	88.1%
Gross profit	**3.53**	**1.85**	**4.15**	**4.93**	**5.71**
gross margin (%)	10.4%	4.5%	11.3%	11.6%	11.9%
Research and development costs	0.05	0.07	0.17	0.14	0.15
as percentage of sales	0.1%	0.2%	0.5%	0.3%	0.3%
Sales and marketing expenses	1.59	2.09	2.12	2.19	2.27
as percentage of sales	4.7%	5.1%	5.8%	5.2%	4.7%
Administrative expenses	0.56	1.00	0.69	0.71	0.76
as percentage of sales	1.7%	2.4%	1.9%	1.7%	1.6%
Other operating expenses	0.26	0.20	0.15	0.16	0.27
as percentage of sales	0.8%	0.5%	0.4%	0.4%	0.6%
Other operating income	0.29	1.23	0.55	0.56	0.57
as percentage of sales	0.8%	3.0%	1.5%	1.3%	1.2%
Operating profit / EBIT	**1.37**	**-0.27**	**1.57**	**2.29**	**2.83**
as percentage of sales	4.0%	-0.6%	4.3%	5.4%	5.9%
Profit/loss from companies accounted for at equity	0.04	0.01	0.00	0.00	0.00
as percentage of sales	0.1%	0.0%	0.0%	0.0%	0.0%
Financial result	-0.15	-0.32	-0.53	-0.79	-0.87
as percentage of sales	-0.4%	-0.8%	-1.4%	-1.9%	-1.8%
EBT	**1.26**	**-0.58**	**1.04**	**1.49**	**1.96**
EBT margin (%)	3.7%	-1.4%	2.8%	3.5%	4.1%
Income tax expenses	0.45	0.10	0.46	0.52	0.69
tax rate (%)	35.3%	-	43.9%	35.0%	35.0%
Net income after tax from continuing operations	**0.81**	**-0.68**	**0.59**	**0.97**	**1.27**
as percentage of sales	2.4%	-1.6%	1.6%	2.3%	2.7%
Net income from discontinued operations	-0.45	-0.18	0.03	0.00	0.00
Group net income	**0.36**	**-0.86**	**0.62**	**0.97**	**1.27**
Return on sales (%)	1.1%	-2.1%	1.7%	2.3%	2.7%
Minority interests	0.00	0.01	-0.02	0.03	0.05
Net income after minority interests	**0.36**	**-0.87**	**0.64**	**0.94**	**1.22**
return on sales (%)	1.1%	-2.1%	1.7%	2.2%	2.6%
Number of shares (m)	0.770	2.624	4.000	4.000	4.000
Earnings per share (EUR)	**0.47**	**-0.33**	**0.16**	**0.23**	**0.31**
Dividend per share (EUR)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Source: Independent Research; AGO AG Energie + Anlagen

AGO AG Energie + Anlagen

Consolidated balance sheet

Unit : EURm Fiscal year : Dec 31 Accounting standards : IFRS	2006	2007	2008	2009E	2010E
Assets					
Non-current assets					
Intangible assets	0.00	0.15	0.28	0.29	0.31
Property, plant and equipment	2.97	13.96	14.44	15.09	15.81
Investments in companies balanced at equity	0.37	0.00	0.01	0.01	0.01
Other non-current financial assets	2.00	0.29	2.04	2.04	2.04
Deferred tax assets	0.00	0.11	0.17	0.17	0.17
Total non-current assets	**5.35**	**14.52**	**16.93**	**17.59**	**18.32**
Current assets					
Inventories and payments	1.42	0.75	0.48	0.60	0.72
Receivables from contract manufacturing	2.55	2.26	4.81	3.96	4.56
Trade receivables	8.01	10.20	7.05	8.09	9.36
Income tax receivables	0.00	0.23	0.38	0.47	0.55
Other receivables and other current assets	0.24	1.55	0.72	0.77	0.82
Cash and cash equivalents	1.92	5.56	7.68	7.86	7.41
Total current assets	**14.14**	**20.55**	**21.11**	**21.74**	**23.42**
Total assets	**19.49**	**35.06**	**38.04**	**39.33**	**41.74**
Liabilities and shareholders' equity					
Consolidated shareholders' equity					
Issued capital	0.77	4.00	4.00	4.00	4.00
Capital reserves	0.50	8.15	8.15	8.15	8.15
Revenue reserves	2.39	0.02	0.66	1.59	2.82
Minority interests	0.00	0.21	0.24	0.27	0.32
Total consolidated equity	**3.66**	**12.38**	**13.04**	**14.01**	**15.29**
Non-current liabilities					
Provisions for pension benefits	0.20	0.21	0.22	0.22	0.23
Other non-current provisions	0.45	0.48	0.47	0.47	0.47
Non-current financial liabilities	2.65	10.25	10.07	9.97	9.87
Other non-current liabilities	0.00	0.02	0.01	0.01	0.01
Deferred tax liabilities	0.44	0.24	0.71	0.71	0.71
Total non-current liabilities	**3.75**	**11.19**	**11.47**	**11.38**	**11.29**
Current liabilities					
Other current provisions	0.75	0.17	0.12	0.12	0.15
Current financial liabilities	0.21	1.00	2.07	2.09	2.12
Trade payables and advances received	7.71	7.19	6.60	7.03	8.16
Liabilities from contracted work	1.35	0.02	1.40	1.49	1.58
Income tax liabilities	0.96	0.04	0.03	0.03	0.03
Other current liabilities	1.10	3.07	3.30	3.18	3.12
Total current liabilities	**12.08**	**11.49**	**13.52**	**13.94**	**15.17**
Total liabilities and shareholders' equity	**19.49**	**35.06**	**38.04**	**39.33**	**41.74**

Source: Independent Research; AGO AG Energie + Anlagen

AGO AG Energie + Anlagen

Consolidated cash flow statement

Unit : EURm Fiscal year : Dec 31 Accounting standards : IFRS	2006	2007	2008	2009E	2010E
Profit for the period before taxes and net interest income/loss	0.70	-0.53	1.62	2.29	2.83
Paid income tax	-0.10	-1.08	-0.21	-0.24	-0.31
Paid interest	-0.28	-0.74	-0.90	-0.25	-0.26
Received interest	0.13	0.42	0.37	-1.04	-1.13
Depreciation and amortization	0.21	0.73	0.82	0.86	0.93
Profit/loss from companies accounted for at equity	-0.04	-0.01	0.00	0.00	0.00
Increase/decrease in provisions	-1.22	-0.61	-0.05	0.01	0.04
Other non-payment related expenses/income	0.00	0.88	0.00	0.00	0.00
Profit/loss from asset disposals	-0.02	0.00	-0.02	0.00	0.00
Increase/decr. of inventories, trade receivables & other assets	-1.86	-2.31	0.05	-0.36	-2.04
Increase/decrease of trade payables and other liabilities	0.05	-0.85	0.38	0.52	1.23
Cash flow from operating activities	**-2.41**	**-4.10**	**2.05**	**1.79**	**1.29**
Cash inflow from the disposal of fixed assets	0.06	0.04	0.04	0.00	0.00
Cash outflow for investments in fixed assets	-0.22	-0.27	-1.30	-1.51	-1.65
Cash outflow for investments in non-tangible assets	0.00	-0.01	-0.15	-0.02	-0.02
Cash outflow from investments in financial assets	-0.33	-0.16	-0.09	0.00	0.00
Cash inflow from the acquisition of consolidated companies	0.00	0.52	0.00	0.00	0.00
Cash flow from investment activities	**-0.49**	**0.12**	**-1.50**	**-1.53**	**-1.67**
Cash inflow from capital increase	0.01	9.30	0.00	0.00	0.00
Cash outflow in connection with capital increase	0.00	-1.08	0.00	0.00	0.00
Cash flow from change in debts	2.21	-0.61	1.52	-0.08	-0.07
Cash flow from financing activities	**2.22**	**7.61**	**1.56**	**-0.08**	**-0.07**
Change in cash and cash equivalents	**-0.68**	**3.63**	**2.12**	**0.18**	**-0.45**
Cash and cash equivalents at the beginning of the period	2.60	1.92	5.56	7.67	7.85
Cash and cash equivalents at the end of the period	1.92	5.56	7.67	7.85	7.40

Source: Independent Research; AGO AG Energie + Anlagen

[1][2][3][4] **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

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Buy:	According to our assessment, the stock should register an absolute profit of at least 15% within a 6-month period.
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In valuing companies standard and accepted valuation methods (amongst others the Discounted Cash Flow Method (DCF Method), Peer Group Analysis) are applied. Under the DCF Method the capitalised value of the issuers is calculated which shows the sum of the discounted company results, i.e. the current value of the issuer's future net distributions. The capitalised value is therefore determined with reference to the anticipated future company results and the capitalisation yield applied. Under the Peer Group Analysis Method issuers quoted on the Stock Exchange are valued with reference to the comparison of ratio indices (e.g. price earnings ratio, price to book ratio, enterprise value / sales, enterprise value / EBITDA, enterprise value / EBIT). The comparability of the ratio indices is determined above all by business activity and commercial prospects.

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As of: - 07/08/2009 -

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