

Recommendation: **BUY** (BUY) Risk: **HIGH** (HIGH) Price target: **EUR 5.13** (5.16)

6 November 2009

## Strong fourth quarter ahead

### Record order intake and expansion in Italy

- In the third quarter of 2009, sales amounted to EUR 13.8m (PY: EUR 10.9m), representing a yoy increase of 27.4%. AGO's gross margin, which had been rather weak in 2Q 2009 (5.3%), showed a strong upturn and reached 10.4% (PY: 11.7%). EBIT accounted for EUR 0.34m (PY: EUR 0.81m), corresponding to an EBIT margin of 2.5% (7.4%).
- On 20 October 2009, AGO announced its second order for the construction of a biomass cogeneration plant in Italy. The construction project has a sales volume of EUR 13m for AGO energia, a 55% subsidiary of AGO AG. AGO energia will also operate the plant and receive EUR 0.4m annual sales from plant operation. AGO has purchased approx. 33% in PELLEREI AGO ENERGIA Società Agricola S.r.l., the future owner of the plant, and expects to receive a share in profits from the feed-in of electricity as from 2011E.
- A few days ago, AGO was awarded with one of the largest orders ever in AGO AG's company history (EUR 17.0m). AGO announced that incoming orders have reached more than EUR 66.1m by the end of October 2009.
- We expect a very strong 4Q 2009 and increased our FY 2009 sales estimate to EUR 48.5m (old: EUR 45.3m). We slightly reduced our FY 2009 EBIT estimate to EUR 1.9m (old: EUR 2.0m). Our new EPS estimate for 2009E amounts to EUR 0.19 (old: 0.20).
- The Project Development & Implementation segment shows a very strong order intake, and the strategy of AGO in the Plant Operation segment still remains promising (despite some delays in the expansion of this segment). Our DCF model yields a new fair value per share of EUR 5.13 (old: EUR 5.16). On basis of the fair value, and in view of AGO's promising long-term prospects, we maintain our BUY recommendation.

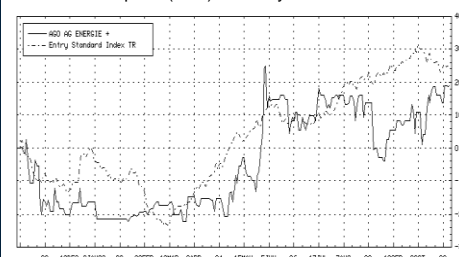
#### Key data

Y/E 31 Dec, EUR m	2007	2008	2009E	2010E	2011E
Sales revenues	41.3	36.7	48.5	51.0	55.3
Gross profit	1.9	4.2	5.2	5.9	6.8
EBITDA	0.5	2.4	2.9	3.9	4.8
EBIT	-0.3	1.6	1.9	2.6	3.2
Net income/loss	-0.9	0.6	0.7	1.0	1.4
EPS*	-0.26	0.15	0.19	0.26	0.34
CPS*	-1.15	0.14	0.24	0.47	0.52
DPS	0.00	0.00	0.00	0.00	0.00
Gross margin	4.5%	11.3%	10.8%	11.6%	12.2%
EBITDA margin	1.1%	6.5%	6.0%	7.6%	8.7%
EBIT margin	-0.6%	4.3%	3.9%	5.0%	5.8%
EV/EBITDA	53.2	10.3	8.4	6.4	5.2
EV/EBIT	neg.	15.7	13.0	9.6	7.7
P/E	neg.	29.1	23.8	17.0	12.9

\*EPS and CPS only from continuing operations

Source: CBS Research AG, AGO AG Energie + Anlagen

Share price (dark) vs. Entry Standard Index



Source: CBS Research AG, Bloomberg, AGO AG

Change	2009E		2010E		2011E	
	new	old	new	old	new	old
Sales	48.5	45.3	-	51.0	-	55.3
EBITDA	2.9	3.1	-	3.9	4.8	4.7
EPS	0.19	0.20	0.26	0.28	-	0.34

Internet: [www.ago.ag](http://www.ago.ag) Sector: Industrial  
WKN: A0LR41 ISIN: DE000A0LR415  
Reuters: AGYG.DE Bloomberg: AGY GY

#### Share data:

Share price (EUR, latest closing price):	4.42
Shares outstanding (m):	4.0
Market capitalisation (EUR m):	17.7
Enterprise value (EUR m):	24.7
Ø daily trading volume (6 m., no. of shares):	1,037

#### Performance data:

High 52 weeks (EUR):	4.62
Low 52 weeks (EUR):	2.75
Absolute performance (12 months):	72.0%
Relative performance vs. Entry Standard Index:	
1 month	10.7%
3 months	-4.4%
6 months	17.6%
12 months	-3.3%

#### Shareholders:

Caverion GmbH:	59.25%
Management:	5.48%
Supervisory board	3.40%
Free float:	31.87%

#### Financial calendar:

FY 2009 report:	2010
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## 3Q/9M 2009 figures

In the third quarter of 2009, sales amounted to EUR 13.8m (PY: EUR 10.9m), representing a yoy increase of 27.4%. AGO's gross margin, which had been rather weak in 2Q 2009 (5.3%), showed a strong upturn and reached 10.4% (PY: 11.7%). EBIT accounted for EUR 0.34m (PY: EUR 0.81m), corresponding to an EBIT margin of 2.5% (7.4%).

**3Q was much stronger than 2Q 2009**

### Key data (y-o-y comparison)

	IFRS	EUR 1,000	3Q 2009	3Q 2008	9M 2009	9M 2008
<b>Sales</b>			13,841	10,863	32,125	25,676
YoY growth			27.4%	n/a	25.1%	n/a
<b>Gross profit</b>			1,440	1,268	3,146	3,254
as % of sales			10.4%	11.7%	9.8%	12.7%
<b>EBITDA</b>			604	808	1,095	1,389
as % of sales			4.4%	7.4%	3.4%	5.4%
<b>EBIT</b>			344	808	404	1,389
as % of sales			2.5%	7.4%	1.3%	5.4%
<b>EBT</b>			186	541	-107	793
as % of sales			1.3%	5.0%	-0.3%	3.1%
<b>Net income attributable to shareholders</b>			137	329	-56	475
<b>Earnings per share (EUR)</b>			0.03	0.08	-0.01	0.12
<b>Cash flow from operating activities</b>			-399	2,950	-284	1,316
<b>Free cash flow</b>			-843	2,681	-1,225	771
<b>Cash and cash equivalents</b>			5,855	5,718	5,855	5,718
<b>Financial debt</b>			11,433	10,669	11,433	10,669

Source: AGO AG Energie + Anlagen, CBS Research AG

FY 2009E income will be somewhat burdened by problems with the Alperstedt biomass cogeneration plant. As the bigger part of AGO's sales within the Plant Operation segment comes from Alperstedt, and the expansion of Plant Operation has been delayed in 2009, the **segment still very much depends on this particular plant**. As already reported in our last update, **unscheduled maintenance work had to be carried out at the plant**, and no electricity sales could be generated from this plant during a period of seven weeks during 2Q 2009.

**Problems with the Alperstedt plant burden AGO's gross margin and EBIT**

AGO has also reported that Alperstedt's gross margin has suffered due to the **refusal of heating customers served by the plant to bear the increase in heating costs** that have occurred since 2007. As a result, the heating supplier and customers are currently engaged in a lengthy legal dispute which appears open ended at the moment. Considering these adverse conditions, AGO's gross margin of 9.8% in 9M 2009 (PY: 12.7%) appears rather satisfying.

## Order status and major projects

**Order backlog** as of 30 September 2009 amounted to **EUR 34.8m** (+67.5% vs. 30 September 2008 and +22.9% vs. 31 December 2008). Furthermore, AGO reported a **record order intake of EUR 66.1m** as of 31 October 2009.

This high order intake includes a **major order with a volume of about EUR 17.0m** from the municipal utility company **SWU Stadtwerke Ulm/Neu-Ulm GmbH** which was announced a few days ago. The ordered wood gas cogeneration plant is currently a one-of-a-kind pilot project in terms of technology and size. Construction is planned to start in summer of 2010 and will be completed after about a one-year period.

On 20 October 2009, the AGO announced its second order for the construction of a biomass cogeneration plant in Italy. The construction project has a **sales volume of EUR 13m for AGO energia S.r.l.**, a 55% subsidiary of AGO AG. AGO energia S.r.l. will also operate the plant and receive **EUR 0.4m sales from plant operation per year** from PELLEREI AGO ENERGIA Società Agricola S.r.l., the future owner of the plant. In this context, **AGO has purchased approx. 33% in PELLEREI AGO ENERGIA Società Agricola S.r.l.** This company also owns a 74 hectare plantation for fast-growing wood which will be used for firing the biomass cogeneration plant. According to our evaluation of the issued information, AGO expects to generate the following sales and earnings from the project:

- Sales of EUR 13m from Project Development & Implementation (45% of the resulting income will be attributed to minority interests in AGO energia)
- Annual sales of EUR 0.4m from Plant Operation for 15 years (45% of the resulting income will be attributed to minority interests in AGO energia)
- Income from equity consolidated affiliates which we classify as operating income in the future (AGO holds aprox. 33% in PELLEREI AGO ENERGIA Società Agricola S.r.l. which in turn expects an annual turnover of EUR 5.3m from the feed-in of electricity)

The Italian market offers the most attractive conditions (feed-in tariffs) for AGO's biomass cogeneration plants and large market potential. We therefore very much appreciate AGO'S further step in Italy, in particular since **it still might take some months until AGO can start the construction of its first biomass cogeneration plant in Italy (Reindeer project)** due to a lengthy approval process in Italy. In the case of PELLEREI, by contrast, all permits including the permit for feeding electricity into the public grid have already been issued by the Italian legislature, and the construction of the plant can start right away. In our financial model, we assumed that Reindeer will start operations in spring/summer 2011. Reindeer S.r.l. is a 100% subsidiary of AGO energia S.r.l., which in turn is a 55% subsidiary of AGO AG. Reindeer's **expected annual revenues from the sale of heat and electricity (EUR 2.6m)** will therefore be **fully consolidated** within AGO group, while 45% of the resulting income will be attributed to **minority interests**. We assumed that AGO's group cash flow will include about EUR 3m of **capital expenditure for the Reindeer plant** in 2010E, and about EUR 3.5m in 2011E, respectively.

**Record order intake of EUR 66.1m as of 31 October 2009**

**EUR 17m order from utility company**

**AGO's second biomass cogeneration plant project in Italy**

**Strategic investment in Italian company**

**AGO's first biomass cogeneration plant in Italy (Reindeer project) will still be delayed**

## Financial forecast

Even though the major order from SWU Stadtwerke Ulm/Neu-Ulm GmbH is very impressive, we have to keep in mind that this EUR17m contract will still lead to only relatively minor effects on the P&L in FY 2009E as revenues from construction of the ordered plant are expected to accrue mainly in 2010E and 2011E. In 2009, AGO has only started with the plant's engineering by now which also renders lower margins than the construction part of the project.

Nevertheless, we expect a very strong 4Q 2009. In particular, there will presumably be a **significant effect from the recognition of sales according to the percentage-of-completion (PoC) method**. AGO has had **high selling costs in 3Q 2009** (EUR 0.9m vs. EUR 0.4m in 3Q 2008) due to the initiation of two major orders. After a successful acquisition of these orders, the corresponding selling costs will be reclassified as cost of goods sold in the next quarter, and the PoC sales (including an attributable margin) will increase sales without leading to additional cost in 4Q. Furthermore, **we expect the usual seasonality** in the business model of AGO: In the second half of the year (and in 2009 particularly in 4Q), sales comprise a higher proportion of the high-margin construction services for which the previous engineering services (yielding lower margins) were performed. As a result, AGO's overall **margins are expected to increase significantly in 4Q**.

We once more **increased our FY 2009 sales estimate**. It now amounts to **EUR 48.5m** (old: EUR 45.3m). Adjusting our financial model to the 3Q development, we slightly reduced our **FY 2009 EBIT estimate to EUR 1.9m** (old: EUR 2.0m). Even though we believe that AGO might well reach EUR2.0m or even more, if no unexpected difficulties arise, we cautiously prefer to **incorporate our conservative scenario**. Our **new EPS estimate for 2009E** amounts to **EUR 0.19** (old: 0.20).

We also adjusted our balance sheet and cash flow estimates to the recent developments. In particular, we put the **capital expenditure for the 33% stake in PELLEREI AGO ENERGIA Società Agricola S.r.l.** (interest in equity-consolidated companies) at **EUR 1m**.

**For 2010E and 2011E**, we leave our estimates unchanged except for **minority interests** (due to new business through AGO energia) and our estimates for the group's **income from equity consolidated affiliates** (due to the new participation in PELLEREI AGO ENERGIA). As a result of these adjustments, our **EPS estimate for 2010E declines to EUR 0.26** (old: 0.28). Until there is more visibility regarding the realisable income from the stake in PELLEREI AGO ENERGIA, we conservatively put the income from equity consolidated affiliates at EUR 0.1m in 2011E. As we classify this stake as operating asset, we include the income from equity consolidated PELLEREI AGO ENERGIA in our operating EBIT estimate. In 2011E, our adjustments therefore lead to an increase in EBITDA and EBIT of EUR 0.1m. This effect is compensated by an increase in minority interests, resulting in an **unchanged EPS 2011E of EUR 0.34**.

**Sales and income from major SWU order will accrue mainly in 2010 and 2011...**

**...but we expect a very strong 4Q 2009, anyway**

**High selling costs in 3Q will result in sales and margin increases in 4Q**

**Revised 2009 estimates: We once more increased our sales estimate, but slightly reduced our EBIT estimate for 2009E**

**Revised balance sheet and cash flow estimates**

**Reduced EPS 2010E, while EPS 2011E remain unchanged**

## Valuation and conclusion

We incorporated our new free cash flow estimates for AGO in our DCF model (see Appendix). As the expansion of the Plant Operation segment is delayed, we somewhat lowered our long-term EBIT margin estimates. The newly estimated net capital expenditure includes investments in financial assets (stake in PELLEREI AGO ENERGIA) which we classify as operating assets. We therefore also include the income from these assets (income from equity consolidated PELLEREI AGO ENERGIA) in our EBIT estimate. Our model yields a **new fair value per share of EUR 5.13** (old: EUR 5.16). On basis of the fair value, and in view of AGO's still promising long-term prospects, we maintain our **BUY recommendation**.

**New fair value per share is EUR 5.13**

**BUY**

### Discounted Cash Flow Model

EURm	PHASE 1			PHASE 2						PHASE 3	
	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	∞
Sales	48.5	51.0	55.3	59.5	63.9	68.7	72.9	76.9	80.7	82.3	
Sales growth	32.2%	5.2%	8.5%	7.5%	7.5%	7.5%	6.0%	5.5%	5.0%	2.0%	
EBIT	1.9	2.6	3.2	3.6	3.9	4.4	4.8	5.3	5.7	6.0	
EBIT margin	3.9%	5.0%	5.8%	6.0%	6.1%	6.4%	6.6%	6.9%	7.1%	7.3%	
Income tax on EBIT	-0.6	-0.8	-1.0	-1.1	-1.2	-1.3	-1.5	-1.6	-1.7	-1.8	
Depreciation and amortisation	1.0	1.3	1.6	1.7	1.9	2.0	2.1	2.2	2.3	2.1	
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	
Change in net working capital	-1.1	-0.6	-0.9	-0.8	-0.7	-0.5	-0.3	-0.3	-0.3	-0.2	
Net capital expenditure*	-2.1	-4.5	-5.4	-4.4	-3.0	-2.1	-2.1	-2.1	-2.1	-2.1	
<b>Free cash flow</b>	<b>-0.8</b>	<b>-2.0</b>	<b>-2.5</b>	<b>-1.0</b>	<b>0.9</b>	<b>2.4</b>	<b>3.0</b>	<b>3.4</b>	<b>4.0</b>	<b>3.9</b>	
<b>Present values</b>	<b>-0.8</b>	<b>-1.7</b>	<b>-2.0</b>	<b>-0.7</b>	<b>0.6</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.7</b>	<b>23.7</b>
Present value Phase 1	-4.5										
Present value Phase 2	8.3										
Present value Phase 3	23.7										
Total present value	27.5										
+ Excess cash/Non-operating assets	5.9										
- Financial debt	-11.4										
- Minority interest	-1.4										
<b>Fair value of equity</b>	<b>20.5</b>										
Number of shares (m)	4.0										
<b>Fair value per share (EUR)</b>	<b>5.13</b>										

Risk free rate	3.5%	Target equity ratio	75.0%
Equity risk premium	6.0%	Beta (fundamental)	1.20
Debt risk premium	3.0%	<b>WACC</b>	<b>9.2%</b>
Tax shield	30.5%	<b>Terminal growth</b>	<b>2.0%</b>

Sensitivity analysis						
Terminal growth (Phase 3)						
	1.0%	1.5%	2.0%	2.5%	3.0%	
<b>WACC</b>	<b>8.2%</b>	5.79	6.31	6.91	7.62	8.47
	<b>8.7%</b>	5.02	5.45	5.95	6.53	7.21
	<b>9.2%</b>	4.35	4.71	<b>5.13</b>	5.60	6.16
	<b>9.7%</b>	3.76	4.07	4.42	4.82	5.27
	<b>10.2%</b>	3.24	3.51	3.80	4.14	4.52

\*Net capital expenditure includes investments in financial assets which we classify as operating assets as we include the income from these assets (income from equity consolidated affiliates or other participations) in our EBIT estimate

Source: CBS Research AG

## Appendix

### Profit and loss account

	IFRS	EUR 1,000	2006	2007	2008	2009E	2010E	2011E
<b>Sales</b>			<b>33,942</b>	<b>41,344</b>	<b>36,697</b>	<b>48,500</b>	<b>51,000</b>	<b>55,335</b>
YoY growth			-17.2%	0.8%	-11.2%	32.2%	5.2%	8.5%
<b>Cost of sales</b>			<b>-30,408</b>	<b>-39,492</b>	<b>-32,543</b>	<b>-43,262</b>	<b>-45,084</b>	<b>-48,584</b>
as % of sales			-89.6%	-95.5%	-88.7%	-89.2%	-88.4%	-87.8%
<b>Gross profit</b>			<b>3,534</b>	<b>1,852</b>	<b>4,154</b>	<b>5,238</b>	<b>5,916</b>	<b>6,751</b>
as % of sales			10.4%	4.5%	11.3%	10.8%	11.6%	12.2%
<b>Research and development expenses</b>			<b>-47</b>	<b>-68</b>	<b>-174</b>	<b>-121</b>	<b>-242</b>	<b>-262</b>
as % of sales			-0.1%	-0.2%	-0.5%	-0.3%	-0.5%	-0.5%
<b>Selling expenses</b>			<b>-1,586</b>	<b>-2,090</b>	<b>-2,118</b>	<b>-2,401</b>	<b>-2,448</b>	<b>-2,656</b>
as % of sales			-4.7%	-5.1%	-5.8%	-5.0%	-4.8%	-4.8%
<b>General and administrative expenses</b>			<b>-562</b>	<b>-995</b>	<b>-692</b>	<b>-873</b>	<b>-908</b>	<b>-968</b>
as % of sales			-1.7%	-2.4%	-1.9%	-1.8%	-1.8%	-1.8%
<b>Other operating income</b>			<b>286</b>	<b>1,233</b>	<b>551</b>	<b>713</b>	<b>474</b>	<b>487</b>
as % of sales			0.8%	3.0%	1.5%	1.5%	0.9%	0.9%
<b>Other operating expenses</b>			<b>-260</b>	<b>-198</b>	<b>-147</b>	<b>-655</b>	<b>-230</b>	<b>-249</b>
as % of sales			-0.8%	-0.5%	-0.4%	-1.4%	-0.5%	-0.5%
<b>EBIT as reported</b>			<b>1,365</b>	<b>-266</b>	<b>1,574</b>	<b>1,901</b>	<b>2,563</b>	<b>3,102</b>
as % of sales			4.0%	-0.6%	4.3%	3.9%	5.0%	5.6%
<b>Income from equity consolidated affiliates</b>			<b>40</b>	<b>6</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>100</b>
<b>EBIT incl. income from equity consolidated affiliates</b>			<b>1,405</b>	<b>-260</b>	<b>1,573</b>	<b>1,901</b>	<b>2,563</b>	<b>3,202</b>
as % of sales			4.1%	-0.6%	4.3%	3.9%	5.0%	5.8%
<b>Net interest income/expense</b>			<b>-146</b>	<b>-317</b>	<b>-529</b>	<b>-857</b>	<b>-878</b>	<b>-1,081</b>
<b>EBT (Earnings before income taxes)</b>			<b>1,259</b>	<b>-577</b>	<b>1,044</b>	<b>1,044</b>	<b>1,685</b>	<b>2,121</b>
as % of sales			3.7%	-1.4%	2.8%	2.2%	3.3%	3.8%
<b>Income taxes</b>			<b>-445</b>	<b>-102</b>	<b>-458</b>	<b>-319</b>	<b>-515</b>	<b>-648</b>
as % of EBT			-35.3%	17.7%	-43.9%	-30.5%	-30.5%	-30.5%
<b>Income from continuing operations</b>			<b>814</b>	<b>-679</b>	<b>586</b>	<b>725</b>	<b>1,171</b>	<b>1,473</b>
<b>Income from discontinued operations, net of taxes</b>			<b>-449</b>	<b>-179</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group net income including minorities</b>			<b>365</b>	<b>-858</b>	<b>617</b>	<b>725</b>	<b>1,171</b>	<b>1,473</b>
as % of sales			1.1%	-2.1%	1.7%	1.5%	2.3%	2.7%
<b>Minority interests</b>			<b>0</b>	<b>-12</b>	<b>21</b>	<b>18</b>	<b>-129</b>	<b>-100</b>
<b>Net income attributable to shareholders</b>			<b>365</b>	<b>-870</b>	<b>638</b>	<b>743</b>	<b>1,042</b>	<b>1,374</b>
<b>Shares outstanding (in thousands)</b>			<b>770</b>	<b>2,624</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Basic earnings per share (EUR)</b>			<b>0.47</b>	<b>-0.33</b>	<b>0.16</b>	<b>0.19</b>	<b>0.26</b>	<b>0.34</b>
- of which from continuing operations			1.06	-0.26	0.15	0.19	0.26	0.34
- of which from discontinued operations			-0.58	-0.07	0.01	0.00	0.00	0.00

Source: CBS Research AG, AGO AG Energie + Anlagen

## Balance sheet

	IFRS	EUR 1,000	2006	2007	2008	2009E	2010E	2011E
<b>Assets</b>								
<b>Noncurrent assets</b>			<b>5,348</b>	<b>14,515</b>	<b>16,928</b>	<b>18,424</b>	<b>21,633</b>	<b>25,545</b>
as % of total assets			27.4%	41.4%	44.5%	46.7%	50.9%	52.3%
Intangible assets			4	154	275	314	308	308
Property, plant and equipment			2,971	13,957	14,442	14,485	17,688	21,486
Financial assets			2,373	292	5	3,125	3,125	3,225
Other non-current assets			0	0	2,038	0	0	0
Deferred taxes			0	112	168	500	512	527
<b>Current assets</b>			<b>14,144</b>	<b>20,549</b>	<b>21,110</b>	<b>21,050</b>	<b>20,860</b>	<b>23,316</b>
as % of total assets			72.6%	58.6%	55.5%	53.3%	49.1%	47.7%
Inventories and prepayments			1,421	751	482	631	663	719
Receivables from contract manufacturing (PoC)			2,551	2,260	4,805	6,213	6,324	7,056
Trade accounts receivable			8,013	10,203	7,052	6,910	7,266	7,883
Other assets			236	1,779	1,092	1,261	1,357	1,494
Cash and cash equivalents			1,923	5,556	7,679	6,036	5,250	6,164
<b>Total assets</b>			<b>19,492</b>	<b>35,064</b>	<b>38,038</b>	<b>39,474</b>	<b>42,492</b>	<b>48,862</b>
<b>Shareholders' equity and liabilities</b>								
<b>Shareholders' equity</b>			<b>3,664</b>	<b>12,380</b>	<b>13,043</b>	<b>13,768</b>	<b>14,939</b>	<b>16,412</b>
as % of total equity and liabilities			18.8%	35.3%	34.3%	34.9%	35.2%	33.6%
Capital stock			770	4,000	4,000	4,000	4,000	4,000
Capital reserve			500	8,146	8,146	8,146	8,146	8,146
Retained earnings			2,394	24	656	656	656	656
Unappropriated surplus			0	0	0	743	1,784	3,158
Equity attributable to minority interest			0	210	241	223	353	452
<b>Noncurrent liabilities</b>			<b>3,748</b>	<b>11,194</b>	<b>11,473</b>	<b>11,376</b>	<b>13,145</b>	<b>17,189</b>
as % of total equity and liabilities			19.2%	31.9%	30.2%	28.8%	30.9%	35.2%
Provisions for pensions			201	209	215	225	234	243
Other noncurrent provisions			453	480	471	500	512	522
Noncurrent financial liabilities			2,653	10,246	10,068	9,662	11,462	15,462
- of which bearer bonds payables			2,440	2,450	2,462	2,462	2,462	2,462
Other noncurrent liabilities			0	20	14	19	19	21
Deferred tax liabilities			441	239	705	970	918	941
<b>Current liabilities</b>			<b>12,080</b>	<b>11,490</b>	<b>13,522</b>	<b>14,330</b>	<b>14,408</b>	<b>15,260</b>
as % of total equity and liabilities			62.0%	32.8%	35.5%	36.3%	33.9%	31.2%
Other provisions			747	170	123	242	438	571
Trade accounts payable and rec. advance payments			7,708	7,185	6,603	6,489	7,213	8,016
Liabilities from build-to-order contracts			1,351	24	1,395	1,825	985	500
Financial liabilities (to banks)			213	1,002	2,069	2,040	2,100	2,300
Other liabilities incl. liabilities from taxes			2,061	3,109	3,332	3,735	3,672	3,873
<b>Total equity and liabilities</b>			<b>19,492</b>	<b>35,064</b>	<b>38,038</b>	<b>39,474</b>	<b>42,492</b>	<b>48,862</b>

Source: CBS Research AG, AGO AG Energie + Anlagen

## Cash flow statement

	IFRS	EUR 1,000	2006	2007	2008	2009E	2010E	2011E
<b>Income/loss before interest and taxes</b>			698	-530	1,617	1,901	2,563	3,202
Cash taxes paid			-97	-1,079	-212	-386	-579	-640
Interests paid and received			-146	-321	-529	-857	-878	-1,081
Depreciation and amortization			214	730	820	1,023	1,317	1,587
Income from equity consolidated affiliates			-40	-6	1	0	0	-100
Change in accruals incl. pension provisions			-1,218	-611	-50	158	217	152
Other expenses / income with no effect on liquidity			0	875	0	0	0	0
Income/losses on retirements of noncurrent assets			-17	0	-18	0	0	0
Increase/decrease in inventories, trade receivables, and other assets			-1,857	-2,309	51	-1,583	-596	-1,543
Increase/decrease in trade accounts payable and other liabilities			49	-850	378	723	-177	521
<b>Cash flow from operating activities</b>			<b>-2,414</b>	<b>-4,101</b>	<b>2,058</b>	<b>980</b>	<b>1,867</b>	<b>2,099</b>
Net cash outflows from the purchase and retirement of noncurrent assets			-156	-244	-1,409	-1,106	-4,513	-5,385
Net cash outflows from the purchase of noncurrent financial assets			-333	-157	-90	-1,082	0	0
Cash inflows from the purchase of consolidated companies			0	524	0	0	0	0
<b>Cash flow from investing activities</b>			<b>-489</b>	<b>123</b>	<b>-1,499</b>	<b>-2,188</b>	<b>-4,513</b>	<b>-5,385</b>
Cash inflow from capital stock increases			9	9,300	0	0	0	0
Cash inflow Cash inflow from minority interests in shareholders' equity of consolidated subsidiaries			0	0	46	0	0	0
Cash outflow related to capital increases			0	-1,075	0	0	0	0
Net borrowings/retirements of debt			2,214	-614	1,518	-435	1,860	4,200
<b>Cash flow from financing activities</b>			<b>2,223</b>	<b>7,611</b>	<b>1,564</b>	<b>-435</b>	<b>1,860</b>	<b>4,200</b>
<b>Total change in cash and cash equivalents</b>			<b>-680</b>	<b>3,633</b>	<b>2,123</b>	<b>-1,643</b>	<b>-786</b>	<b>914</b>
Cash and cash equiv. at the start of the period			2,603	1,923	5,556	7,679	6,036	5,250
<b>Cash and cash equiv. at the end of the period</b>			<b>1,923</b>	<b>5,556</b>	<b>7,679</b>	<b>6,036</b>	<b>5,250</b>	<b>6,164</b>

## Cash flows from discontinued operations (included above)

	IFRS	EUR 1,000	2006	2007	2008	2009E	2010E	2011E
Cash flow from operating activities			-1,950	-1,085	1,481	0	0	0
Cash flow from investing activities			-21	-1	0	0	0	0
Cash flow from financing activities			0	0	0	0	0	0
<b>Total change in cash and cash equivalents</b>			<b>-1,971</b>	<b>-1,086</b>	<b>1,481</b>	<b>0</b>	<b>0</b>	<b>0</b>

Source: CBS Research AG, AGO AG Energie + Anlagen

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Date	Recommendation	Price at change date	Price target
May 19, 2008	Buy (Initiating Coverage)	3.99	EUR 5.71
May 30, 2008	Buy	4.00	EUR 5.71

August 19, 2008	Buy	4.70	EUR 5.71
November 21, 2008	Buy	3.57	EUR 5.71
February 27, 2009	Buy	3.02	EUR 5.42
May 4, 2009	Buy	2.92	EUR 5.42
August 11, 2009	Buy	4.19	EUR 5.16
November 6, 2009	Buy	4.42	EUR 5.13

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