



**Independent Research**

Unabhängige Finanzmarktanalyse GmbH

# Investment Research



**Results Q3 2009**

**11/13/2009**

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**Record order backlog as at Sept. 30****Results Q3 2009**

- ⇒ In Q3 2009, AGO increased sales by 27% to EUR13.84m (10.86) and hence surpassed our expectations (EUR11.25m). In terms of earnings AGO missed our forecasts due to write-downs on trade receivables, amongst others. EBIT amounted to EURO.34m (0.81; our forecast: 0.57) and net income to EURO.14m (0.33; our forecast: 0.36). In 9M 2009, the group reported a slight net loss of EURO.06m (+0.48).
- ⇒ AGO was successful in implementing its strategy - extending plant operation and internationalisation. The subsidiary AGO energia will establish and operate a biomass cogeneration plant in Italy. Moreover, AGO holds a stake in the plant's owner and participates in revenues from power generation.
- ⇒ At the end of September 2009, AGO reported a record order backlog of EUR34.8m. This figure did not include two major orders from Germany (roughly EUR17m) and Italy (roughly EUR13m) for the construction of power generation plants. AGO sees a strong Q4 2009. Moreover, the group reaffirmed its forecast for the full year 2009 - clear increase in sales and EBIT. We raised our sales estimates for 2009 and 2010. However, we lowered our margin expectations. Now, our EPS forecast is EURO.18 (before: 0.16) for 2009 and EURO.25 for 2010.
- ⇒ Within the past six months, the AGO share increased considerably and significantly outperformed the DAX and the Entry Standard. On the basis of our DCF model we calculated a new price target of EUR5.20 (before: 5.10). Based on our price target, the AGO share has an upside potential of about 16%. We remain committed to our Buy recommendation.

**AGO AG Energie + Anlagen 4)****Recommendation: Buy****before:**

as of

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<b>Price target</b> (in EUR) (6 months)	<b>5.20</b>
Share price (Xetra) (in EUR)	4.48
11/12/09 4:32 PM	
Share price potential	16.07%

**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)	17.9
∅ Trading volume	1,034
52W High 06/03/09	EUR4.62
52W Low 01/22/09	EUR2.75
Beta	1.42
Volatility (60 days)	63.14

**Multiples**

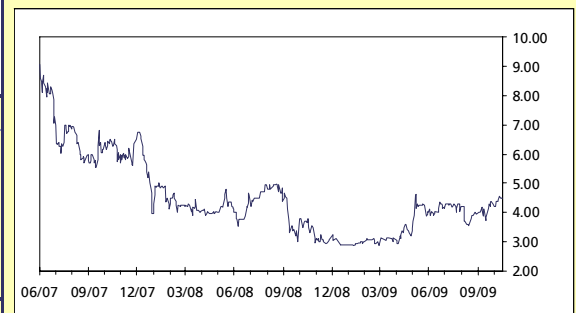
	EV/Sales	EV/EBIT	P/E ratio	Dividend yield
2006	-	-	-	-
2007	0.6	neg.	neg.	0.0%
2008	0.6	13.6	26.6	0.0%
2009E	0.5	12.8	24.5	0.0%
2010E	0.5	9.5	18.0	0.0%

**Performance (in %)**

	1M	3M	6M	12M
absolute	19.8	4.7	28.0	17.9
relative to:				
DAX	20.7	-0.2	8.2	-3.9
Entry Standard	21.1	-1.9	5.5	-11.7

**Index Weighting**

Entry Standard	5.948%
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**Author: S. Diermeier (analyst)**

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	48.6	1.8	1.1	0.7	0.18
IFRS	2010E	50.7	2.5	1.6	1.0	0.25
CAGR 2006 - 2010E		10.5%	15.2%	6.3%	28.5%	

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

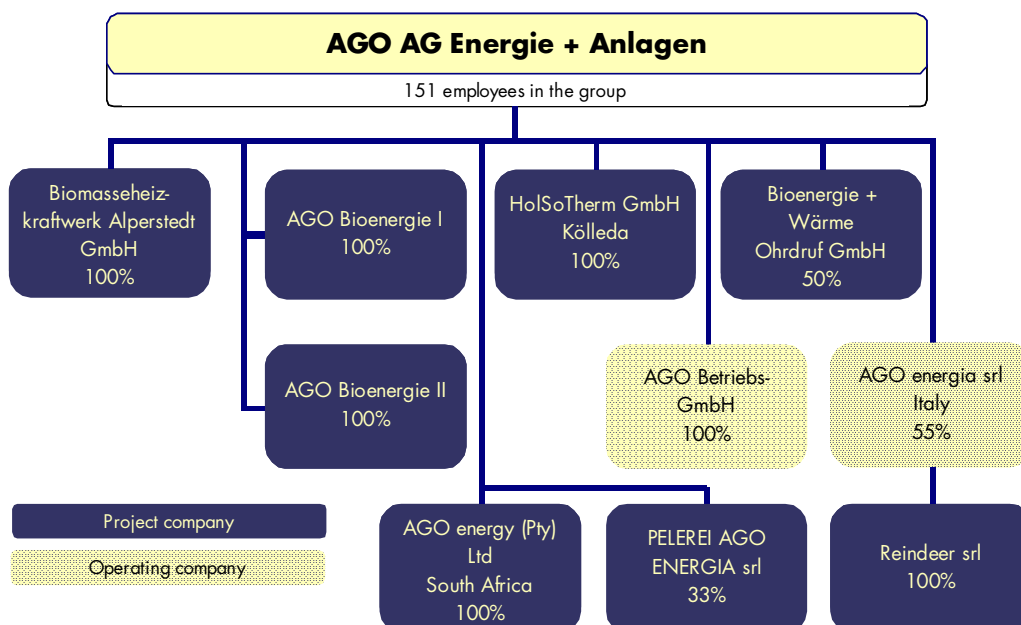
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## Company profile

*Full-service supplier in energy plants*

### AGO at a glance

Kulmbach-based AGO AG Energie + Anlagen and its subsidiaries ("AGO"; "AGO Group") is a full-service supplier of decentralised energy plants. Since 1980, the company has implemented more than 2,000 energy projects based on various technologies. The company's target group includes industrial and municipal clients. As for business regions, AGO's operations still concentrate on Germany. As at September 30, 2009, AGO Group had 151 employees.



Source: AGO AG Energie + Anlagen

*Experienced management team*

### Management and Supervisory Board

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 Peetz 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 (Chairman), Dr. Klaus Hermsdorf, Johannes Eismann, Prof. Dr. Eckhard Dinjus, Franz Brosch, and Harald Petersen.

### Shareholder structure

*Main shareholder: caverion (approximately 59%)*

The company's main shareholder is caverion GmbH (formerly M+W Zander Gebäude-technik GmbH) with a stake of 59.25% (pre-IPO: 92.60%). Stuttgart-based caverion GmbH is one of Europe's leading specialists in plant engineering and building services engineering. Management holds a 5.48% stake and the Supervisory Board a 3.40% stake in AGO. The remaining shares (31.87%) are in free float.

<sup>1)2)3)4)</sup> Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

## Business development in Q3 and 9M 2009

*Sales acceleration in Q3 2009*

*Both on operating and net level in the black*

### Sales and profit development in Q3 2009

In Q3 2009, sales amounted to EUR13.84m and thus 27% above last year's level (EUR10.86m). We had expected sales of EUR11.25m. Gross profit rose less than proportional by 14% to EUR1.44m (1.27; our forecast: 1.56). Consequently, the gross margin declined to 10.4% (11.7%; our forecast: 13.9%). The reason for this is the fact that the heating customer of the biomass cogeneration plant Alperstedt refuses to pay the increase in heating prices agreed by contract. Hence, AGO carried out write-downs on trade receivables. EBIT fell by 57% to EURO.34m (0.81; our forecast: 0.57), since especially distribution costs increased significantly as a result of a stronger order acquisition (EURO.88m after EURO.40m). The financial result improved to EUR-0.16m (-0.27). Pre-tax income decreased by 66% to EURO.19m (0.54). Together with a lower tax rate (25.8% after 37.9%) total net income amounted to EURO.14m (0.33; our forecast: 0.36; -58%).

<b>AGO AG Energie + Anlagen</b>			
<b>Selected key data of the consolidated income statement Q3 2009</b>			
	<b>Unit :</b> EURm		
	<b>Fiscal year :</b> Dec 31	<b>Q3 2008</b>	<b>Q3 2009</b>
	<b>Accounting standards :</b> IFRS		<b>Q3 2009</b> (our estimate)
<b>Sales</b>		<b>10.86</b>	<b>13.84</b>
year-over-year growth			27.4%
<b>Gross profit</b>		<b>1.27</b>	<b>1.44</b>
gross margin (%)		11.7%	10.4%
<b>EBIT</b>		<b>0.81</b>	<b>0.34</b>
EBIT margin (%)		7.4%	2.5%
<b>Net income</b>		<b>0.33</b>	<b>0.14</b>
Return on sales		3.0%	1.0%

Source: Independent Research; AGO AG Energie + Anlagen

### Sales and profit development in 9M 2009

In 9M 2009, sales climbed by 25% to EUR32.13m (25.68; our forecast: 29.53). Since gross profit fell by 3% to EUR3.15m (3.25; our forecast: 3.27), the gross margin declined from 12.7% to 9.8% (our forecast: 11.7%). Apart from the legal dispute with the heating customer, the maintenance of the biomass cogeneration plant Alperstedt carried out in Q2, which caused a seven-weeks lasting loss of earnings from power generation, was responsible for this. EBIT fell by 71% to EURO.40m (1.39; our forecast: 0.63). Pre-tax income amounted to EUR-0.11m (+0.79) and net income to EUR-0.06m (+0.48; our forecast: +0.17).

*Still slight net loss in 9M 2009*

<b>AGO AG Energie + Anlagen</b>			
<b>Selected key data of the consolidated income statement 9M 2009</b>			
	<b>Unit :</b> EURm		
	<b>Fiscal year :</b> Dec 31	<b>9M 2008</b>	<b>9M 2009</b>
	<b>Accounting standards :</b> IFRS		<b>9M 2009</b> (our estimate)
<b>Sales</b> year-over-year growth		<b>25.68</b>	<b>32.13</b> 25.1%
<b>Gross profit</b> gross margin (%)		<b>3.25</b> 12.7%	<b>3.15</b> 9.8%
<b>EBIT</b> EBIT margin (%)		<b>1.39</b> 5.4%	<b>0.40</b> 1.3%
<b>Net income</b> Return on sales		<b>0.48</b> 1.8%	<b>-0.06</b> -0.2%
			<b>0.17</b> 0.6%

Source: Independent Research; AGO AG Energie + Anlagen

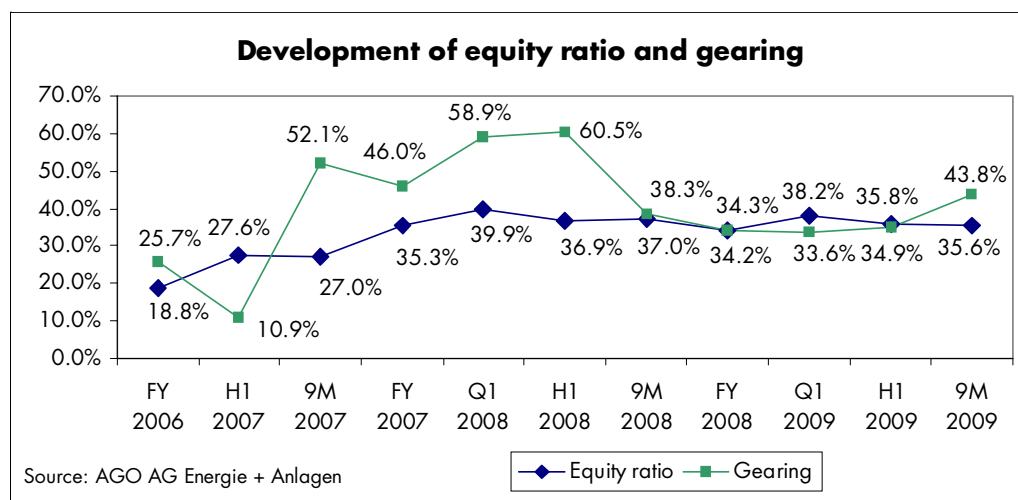
*Continuously solid balance sheet*

**Balance sheet and cash flow statement**

During the past quarter, the balance sheet has not changed considerably. As at September 30, 2009, the balance sheet total amounted to EUR35.8m (as at December 31, 2008: 38.0; as at June 30, 2009: 35.7). Despite the reported net income, equity decreased from EUR12.8m (as at June 30, 2009) to EUR12.7m (as at September 30, 2009). This is due to the complete takeover of HolSoTherm GmbH (before: 74.48%) and the resulting elimination of minority interests in equity. The equity ratio amounts to solid 35.6% (end of 2008: 34.3%; end of June 2009: 35.8%). In our opinion, gearing is unproblematic (as at September 30, 2009: 43.8%; as at June 30, 2009: 34.9%; as at December 31, 2008: 34.2%).

*Negative operating and free cash flow*

As a result of the weaker profit development and a higher working capital, operating cash flow was negative in 9M 2009 (EUR-0.29m after EUR+1.32m). Cash flow from investment activities was EUR-0.94m (-0.55). Net cash flow amounted to EUR-1.82m (+0.55).



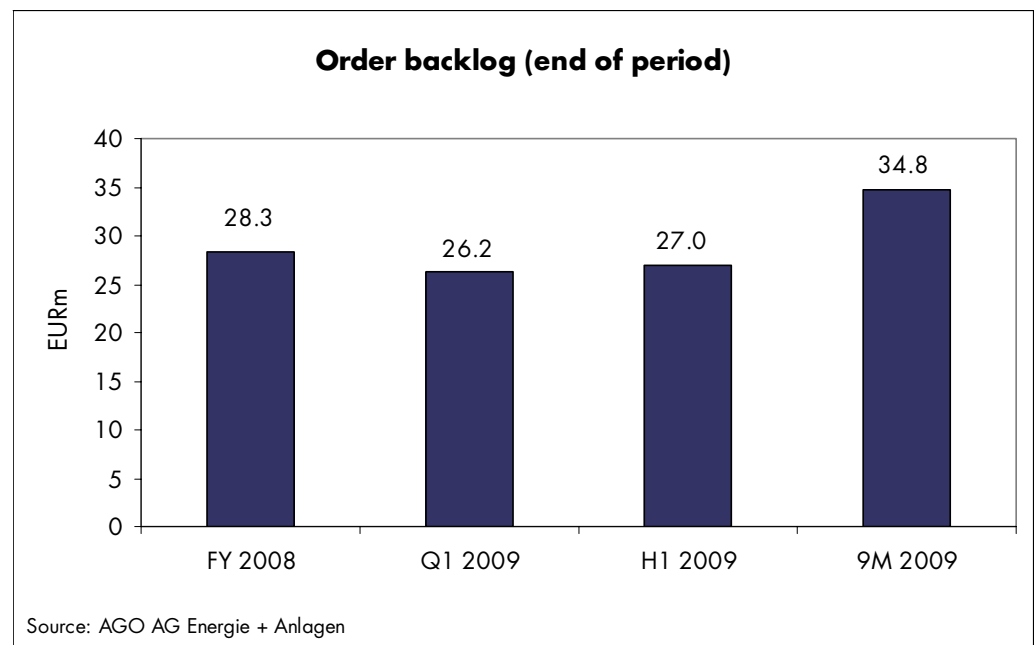
<sup>1)2)3)4)</sup> Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

## Company's guidance and our forecasts

*Forecast reaffirmed, very strong Q4 expected*

### Company's guidance

As at September 30, 2009, the order backlog amounted to EUR34.8m after EUR27.0m at the end of H1. This figure does not include the major orders from Germany and Italy placed recently. SWU Stadtwerke Ulm/Neu-Ulm GmbH placed an order for the construction of the wood gas power plant Senden with AGO. The order has a volume of roughly EUR17m. Moreover, the Italian subsidiary AGO energia received an order for the construction of a biomass cogeneration plant. The order volume amounts to roughly EUR13m. The group expects a very strong Q4. AGO confirmed its targets for the current fiscal year according to which the group sees a significant increase in sales and EBIT compared to the previous year.



*Raised sales forecast, reduced margin expectations*

### Our forecasts for 2009 and 2010

We are of the opinion, that our estimates for this and the next fiscal year need to be adjusted. The burdens resulting from the legal dispute with the heating customer (Alperstedt), the fact that the sales forecast for Q3 2009 was surpassed, the high order backlog reported at the end of September, the complete takeover of HolSoTherm, the 33%-stake in PELLEREI AGO ENERGIA as well as the two major orders received recently are decisive factors for this. For 2009, we now expect sales of EUR48.56m (before: 42.58). We leave our EBIT forecast unchanged at EUR1.83m and expect a net income of EURO.73m (before: 0.64). For the fiscal year 2010 we see sales of EUR50.67m (before: 47.99). Despite our raised sales forecast, we still expect EBIT of EUR2.48m and a net income of EUR1.00m as we have reduced our margin expectations.

**AGO AG Energie + Anlagen****Forecast of selected key data of the consolidated income statement**

	<b>Unit :</b> EURm			
	<b>Fiscal year :</b> Dec 31		<b>2009E</b>	<b>2009E</b>
	<b>Accounting standards :</b> IFRS		before	new
			<b>2010E</b>	<b>2010E</b>
			before	new
<b>Sales</b>			<b>42.58</b>	<b>48.56</b>
<b>Gross profit</b>			<b>4.59</b>	<b>5.12</b>
gross margin (%)			10.8%	10.6%
<b>EBIT</b>			<b>1.83</b>	<b>1.83</b>
EBIT margin (%)			4.3%	3.8%
<b>Net income</b>			<b>0.64</b>	<b>0.73</b>
return on sales (%)			1.5%	1.5%
Number of shares (m)			4.000	4.000
<b>Earnings per share (EUR)</b>			<b>0.16</b>	<b>0.18</b>
			<b>0.25</b>	<b>0.25</b>

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 similar business models we still don'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: EUR5.21**

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 assume a long-term equity ratio of 35%. Further we assume a fundamental beta of 1.42 (before: 1.34). Under these assumptions the WACC is 9.01% (before: 8.80%). Accordingly, the fair value of equity is EUR20.8m (before: 20.5). At the current number of shares of 4.0m the fair value per share thus is EUR5.21 (before: 5.13).

DCF model AGO AG Energie + Anlagen										
EURm	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
Sales	48.6	50.7	54.8	58.6	62.1	65.3	67.9	70.0	71.4	72.2
year-over-year growth	32.3%	4.4%	8.0%	7.0%	6.0%	5.0%	4.0%	3.0%	2.0%	1.0%
EBIT margin	3.8%	4.9%	6.0%	6.3%	6.5%	6.8%	7.0%	7.0%	7.0%	7.0%
<b>EBIT</b>	<b>1.8</b>	<b>2.5</b>	<b>3.3</b>	<b>3.7</b>	<b>4.1</b>	<b>4.4</b>	<b>4.8</b>	<b>4.9</b>	<b>5.0</b>	<b>5.1</b>
- Income taxes	-0.5	-0.7	-1.0	-1.1	-1.2	-1.3	-1.4	-1.5	-1.5	-1.5
+ Depreciation	0.9	0.9	1.6	1.8	1.9	2.0	2.0	2.1	2.1	2.2
+/- 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
<b>Operating gross cash flow</b>	<b>2.2</b>	<b>2.7</b>	<b>4.0</b>	<b>4.3</b>	<b>4.7</b>	<b>5.0</b>	<b>5.4</b>	<b>5.5</b>	<b>5.7</b>	<b>5.7</b>
-/+ Change in net working capital	-0.4	-0.5	-0.4	-0.4	-0.4	-0.3	-0.3	-0.2	-0.1	-0.1
-/+ Net capital expenditure	-2.3	-3.6	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2
<b>Free cash flow</b>	<b>-0.6</b>	<b>-1.4</b>	<b>1.4</b>	<b>1.8</b>	<b>2.2</b>	<b>2.6</b>	<b>2.9</b>	<b>3.2</b>	<b>3.3</b>	<b>3.4</b>
<b>Present values</b>	<b>-0.6</b>	<b>-1.2</b>	<b>1.1</b>	<b>1.3</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>
Sum of present values	10.2									
Terminal value	16.7									
									in % of total value :	62%
Value of operating business	27.0									
+ Surplus liquid funds	5.9									
- Financial debt	-11.4									
- Fair value of minority interests (estimated)	-0.5									
<b>Fair value of equity</b>	<b>20.8</b>									
Number of shares (m)	4.000									
<b>Fair value per share (in EUR)</b>	<b>5.21</b>									

**Model parameter / entity DCF model:**

Target capital structure ->	Equity :	35%	Debt :	65%	
Risk-free rate of return :	4.00%	Beta :	1.42	Risk prem. debt :	4.00%
		Risk premium :	8.0%	Tax-shield :	30.0%
		Cost of equity :	15.3%	Cost of debt :	5.60%
<b>Growth rate of FCF :</b>	<b>0.0%</b>	<b>WACC :</b>	<b>9.01%</b>	<b>Date :</b>	<b>11/13/09</b>

Source: Independent Research

Sensitivity analysis (in EUR)					
		Discount rate			
		8.5%	9.0%	9.5%	10.0%
Growth	0.0%	5.99	<b>5.21</b>	4.86	4.43
	0.5%	6.20	5.61	5.09	4.63
	1.0%	6.55	5.91	5.35	4.85
	1.5%	6.96	6.26	5.64	5.10

Source: Independent Research

## Conclusion

The Q3 2009 figures were burdened by write-downs on trade receivables (Alperstedt). While the sales development surpassed our expectations, earnings missed our forecasts. Lately AGO has been successfully implementing its strategy. The subsidiary AGO energia will construct and operate a biomass cogeneration plant in Italy. Furthermore, AGO will generate revenues from power generation via holding a stake in the biomass cogeneration plant. In case of a normalising economic situation, we expect AGO to be able to implement its strategy to a stronger extent. In our view, the current German and Italian project pipelines indicate this.

Based on our DCF model, we calculated a fair value per AGO share of EUR5.21 (before: 5.13). Accordingly, our price target is EUR5.20 (before: 5.10). Referring to our price target, the share has an upside potential of roughly 15%. Thus, we remain committed to our Buy recommendation.

Buy; price target: EUR5.20

<sup>1)2)3)4)</sup> Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

<b>AGO AG Energie + Anlagen</b>							
<b>Selected key data and financial ratios</b>							
	<b>Unit :</b>	EURm					
	<b>Fiscal year :</b>	Dec 31	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009E</b>	<b>2010E</b>
	<b>Accounting standards :</b>	IFRS					
<b>Key data income statement</b>							
Sales (EURm)			33.94	41.34	36.70	48.56	50.67
EBITDA margin			4.8%	1.1%	6.5%	5.6%	6.7%
EBIT margin			4.1%	-0.6%	4.3%	3.8%	4.9%
Net yield			1.1%	neg.	1.7%	1.5%	2.0%
Rate of depreciation and amortization			0.6%	1.8%	2.2%	1.8%	1.8%
Operating expenses / sales			96.1%	103.1%	96.8%	96.7%	95.7%
Interest coverage ratio			9.62	-0.82	2.97	2.46	2.84
<b>Profitability ratios</b>							
ROE			10.0%	-7.0%	4.9%	5.4%	6.8%
ROCE			17.0%	-1.3%	7.4%	8.0%	9.7%
ROI			1.9%	-2.5%	1.7%	1.8%	2.4%
<b>Accounting ratios</b>							
Equity ratio			18.8%	35.3%	34.3%	33.7%	35.1%
Ratio of equity to non-current assets			68.5%	85.3%	77.0%	73.9%	71.6%
Ratio of non-current assets to total assets			27.4%	41.4%	44.5%	45.6%	49.0%
Trade accounts receivable / sales			31.1%	30.1%	32.3%	28.3%	29.0%
Capex / depreciation and amortization			101.4%	36.4%	158.7%	127.4%	134.0%
Capex / sales			-0.6%	-0.6%	-3.5%	-2.3%	-2.5%
Working capital ratio			35.3%	32.0%	33.6%	29.7%	30.5%
<b>Key data per share (EUR)</b>							
EPS			0.47	-0.33	0.16	0.18	0.25
Free cash flow per share			-3.77	-1.52	0.14	-0.24	-0.44
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	1.55	1.09
Book value per share			4.76	4.72	3.26	3.38	3.64
<b>Valuation ratios</b>							
EV / sales			-	0.6	0.6	0.5	0.5
EV / EBITDA			-	48.6	9.0	8.7	6.9
EV / EBIT			-	neg.	13.6	12.8	9.5
PER			-	neg.	26.6	24.5	18.0
Price to book value ratio			-	1.4	1.3	1.3	1.2
Price to cash flow ratio			-	neg.	8.3	13.1	9.9
Price to sales ratio			-	0.4	0.5	0.4	0.4
Dividend yield			-	0.0%	0.0%	0.0%	0.0%

Source: Independent Research; AGO AG Energie + Anlagen

**AGO AG Energie + Anlagen****Consolidated income statement**

	<b>Unit :</b> EURm	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009E</b>	<b>2010E</b>
	<b>Fiscal year :</b> Dec 31					
	<b>Accounting standards :</b> IFRS					
<b>Sales</b>		<b>33.94</b>	<b>41.34</b>	<b>36.70</b>	<b>48.56</b>	<b>50.67</b>
year-over-year growth		-	21.8%	-11.2%	32.3%	4.4%
Cost of sales		30.41	39.49	32.54	43.43	44.98
as percentage of sales		89.6%	95.5%	88.7%	89.4%	88.8%
<b>Gross profit</b>		<b>3.53</b>	<b>1.85</b>	<b>4.15</b>	<b>5.12</b>	<b>5.69</b>
gross margin (%)		10.4%	4.5%	11.3%	10.6%	11.2%
Research and development costs		0.05	0.07	0.17	0.13	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	2.55	2.52
as percentage of sales		4.7%	5.1%	5.8%	5.2%	5.0%
Administrative expenses		0.56	1.00	0.69	0.86	0.86
as percentage of sales		1.7%	2.4%	1.9%	1.8%	1.7%
Other operating expenses		0.26	0.20	0.15	0.64	0.25
as percentage of sales		0.8%	0.5%	0.4%	1.3%	0.5%
Other operating income		0.29	1.23	0.55	0.89	0.57
as percentage of sales		0.8%	3.0%	1.5%	1.8%	1.1%
<b>Operating profit / EBIT</b>		<b>1.37</b>	<b>-0.27</b>	<b>1.57</b>	<b>1.83</b>	<b>2.48</b>
as percentage of sales		4.0%	-0.6%	4.3%	3.8%	4.9%
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	-0.75	-0.87
as percentage of sales		-0.4%	-0.8%	-1.4%	-1.5%	-1.7%
<b>EBT</b>		<b>1.26</b>	<b>-0.58</b>	<b>1.04</b>	<b>1.09</b>	<b>1.61</b>
EBT margin (%)		3.7%	-1.4%	2.8%	2.2%	3.2%
Income tax expenses		0.45	0.10	0.46	0.38	0.56
tax rate (%)		35.3%	-	43.9%	35.0%	35.0%
<b>Net income after tax from continuing operations</b>		<b>0.81</b>	<b>-0.68</b>	<b>0.59</b>	<b>0.71</b>	<b>1.04</b>
as percentage of sales		2.4%	-1.6%	1.6%	1.5%	2.1%
Net income from discontinued operations		-0.45	-0.18	0.03	0.00	0.00
<b>Group net income</b>		<b>0.36</b>	<b>-0.86</b>	<b>0.62</b>	<b>0.71</b>	<b>1.04</b>
Return on sales (%)		1.1%	-2.1%	1.7%	1.5%	2.1%
Minority interests		0.00	0.01	-0.02	-0.03	0.05
<b>Net income after minority interests</b>		<b>0.36</b>	<b>-0.87</b>	<b>0.64</b>	<b>0.73</b>	<b>1.00</b>
return on sales (%)		1.1%	-2.1%	1.7%	1.5%	2.0%
Number of shares (m)		0.770	2.624	4.000	4.000	4.000
<b>Earnings per share (EUR)</b>		<b>0.47</b>	<b>-0.33</b>	<b>0.16</b>	<b>0.18</b>	<b>0.25</b>
<b>Dividend per share (EUR)</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Source: Independent Research; AGO AG Energie + Anlagen

<b>AGO AG Energie + Anlagen</b>						
<b>Consolidated balance sheet</b>						
	<b>Unit :</b> EURm					
	<b>Fiscal year :</b> Dec 31	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009E</b>	<b>2010E</b>
	<b>Accounting standards :</b> IFRS					
<b>Assets</b>						
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	14.68	14.79
Investments in companies balanced at equity		0.37	0.00	0.01	1.14	3.19
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	0.02
<b>Total non-current assets</b>		<b>5.35</b>	<b>14.52</b>	<b>16.93</b>	<b>18.31</b>	<b>20.35</b>
Current assets						
Inventories and payments		1.42	0.75	0.48	0.68	0.76
Receivables from contract manufacturing		2.55	2.26	4.81	4.52	4.81
Trade receivables		8.01	10.20	7.05	9.23	9.88
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	6.18	4.36
<b>Total current assets</b>		<b>14.14</b>	<b>20.55</b>	<b>21.11</b>	<b>21.84</b>	<b>21.18</b>
<b>Total assets</b>		<b>19.49</b>	<b>35.06</b>	<b>38.04</b>	<b>40.15</b>	<b>41.53</b>
<b>Liabilities and shareholders' equity</b>						
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	1.39	2.38
Minority interests		0.00	0.21	0.24	-0.01	0.04
<b>Total consolidated equity</b>		<b>3.66</b>	<b>12.38</b>	<b>13.04</b>	<b>13.53</b>	<b>14.57</b>
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	9.50	9.40
Other non-current liabilities		0.00	0.02	0.01	0.01	0.01
Deferred tax liabilities		0.44	0.24	0.71	0.84	0.96
<b>Total non-current liabilities</b>		<b>3.75</b>	<b>11.19</b>	<b>11.47</b>	<b>11.05</b>	<b>11.08</b>
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	8.01	8.61
Liabilities from contracted work		1.35	0.02	1.40	1.70	1.67
Income tax liabilities		0.96	0.04	0.03	0.03	0.03
Other current liabilities		1.10	3.07	3.30	3.62	3.30
<b>Total current liabilities</b>		<b>12.08</b>	<b>11.49</b>	<b>13.52</b>	<b>15.58</b>	<b>15.88</b>
<b>Total liabilities and shareholders' equity</b>		<b>19.49</b>	<b>35.06</b>	<b>38.04</b>	<b>40.15</b>	<b>41.53</b>

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

<b>AGO AG Energie + Anlagen</b>						
<b>Consolidated cash flow statement</b>						
	<b>Unit :</b> EURm	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009E</b>	<b>2010E</b>
	<b>Fiscal year :</b> Dec 31					
	<b>Accounting standards :</b> IFRS					
Profit for the period before taxes and net interest income/loss		0.70	-0.53	1.62	1.83	2.48
Paid income tax		-0.10	-1.08	-0.21	-0.17	-0.25
Paid interest		-0.28	-0.74	-0.90	-1.01	-1.13
Received interest		0.13	0.42	0.37	0.27	0.26
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	-2.14	-1.08
Increase/decrease of trade payables and other liabilities		0.05	-0.85	0.38	1.71	0.58
<b>Cash flow from operating activities</b>		<b>-2.41</b>	<b>-4.10</b>	<b>2.05</b>	<b>1.37</b>	<b>1.81</b>
Cash inflow from the disposal of fixed assets		0.06	0.04	0.04	0.03	0.00
Cash outflow for investments in fixed assets		-0.22	-0.27	-1.30	-1.10	-1.24
Cash outflow for investments in non-tangible assets		0.00	-0.01	-0.15	-0.05	-0.02
Cash outflow from investments in financial assets		-0.33	-0.16	-0.09	-1.20	-2.30
Cash inflow from the acquisition of consolidated companies		0.00	0.52	0.00	0.00	0.00
<b>Cash flow from investment activities</b>		<b>-0.49</b>	<b>0.12</b>	<b>-1.50</b>	<b>-2.32</b>	<b>-3.56</b>
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	-0.55	-0.07
<b>Cash flow from financing activities</b>		<b>2.22</b>	<b>7.61</b>	<b>1.56</b>	<b>-0.55</b>	<b>-0.07</b>
<b>Change in cash and cash equivalents</b>		<b>-0.68</b>	<b>3.63</b>	<b>2.12</b>	<b>-1.50</b>	<b>-1.83</b>
Cash and cash equivalents at the beginning of the period		2.60	1.92	5.56	7.67	6.18
Cash and cash equivalents at the end of the period		1.92	5.56	7.67	6.18	4.35

Source: Independent Research; AGO AG Energie + Anlagen

## Disclaimer

### Recommendation shares - Single Issuer -:

Buy:	According to our assessment, the stock should register an absolute profit of at least 15% within a 6-month period.
Accumulate:	According to our assessment, the stock should register an absolute profit between 0% and 15% within a 6-month period.
Reduce:	According to our assessment, the stock should register an absolute loss between 0% and 15% within a 6-month period.
Sell:	According to our assessment, the stock should register an absolute loss of at least 15% within a 6-month period.

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<sup>1)2)3)4)</sup> **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

## Summary of the evaluation principles used:

### Analyses of shares:

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.

### Technical analyses:

Technical analyses are based on historic share price and sales developments which are analysed by mathematical-statistical tools (chart techniques, indicator technology, the Elliott wave theory, sentiment observations as well as relative strength approaches) and on forecasts of future developments.

### Sensitivity of the evaluation parameters:

The figures taken from the statement of income, the cash flow statement and the balance sheet upon which the evaluation of companies is based are estimates referring to given dates and therefore subject to risks. These may change at any time without prior notice.

Regardless of the evaluation method applied, there exists a very real risk that the price target may not be reached in the anticipated period of time. These risks include unforeseen changes in competitive pressure or in the demand for the issuer's products. Such fluctuations in demand may arise as a result of changes of a technological nature, the overall level of economic activity or in some cases as a result of changes in moral standards. Changes in tax law, in currency exchange rates and, in certain industries, in regulations are further factors which can influence evaluations. This discussion of evaluation methods and risk factors makes no claim to be exhaustive.

### Timing conditions of planned updates:

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**As of: - 11/13/2009 -**

**Independent Research GmbH  
Senckenberganlage 10-12  
D-60325 Frankfurt  
Germany**

**Responsible Supervisory Authority**  
Bundesanstalt für Finanzdienstleistungsaufsicht  
Graurheindorfer Straße 108  
D-53117 Bonn  
and  
Lurgiallee 12  
D-60439 Frankfurt  
Germany



Independent Research

Senckenberganlage 10-12  
60325 Frankfurt am Main  
Germany

Phone: +49 (69) 971490-0

Fax: +49 (69) 971490-90

E-mail: [info@irffm.de](mailto:info@irffm.de)

Internet: [www.irffm.de](http://www.irffm.de)