



Nine-Month Report 2007

January 1st - September 30, 2007

ago
energie + anlagen

Einen Schritt voraus.

Key Capital Market Data and Financial Calender

Key Capital Market Data of the AGO-Stock

ISIN		DE000A0LR415
German Securities Number (WKN)		A0LR41
Trading symbol		AGY
Issuing bank		quirin bank AG
Bookbuilding range	EUR	6.00 - 7.00
Issuing price	EUR	7.00
Price on initial listing	EUR	7.50
Market segment		Entry Standard
Pre-IPO share capital	EUR	2,700,000
Post-IPO share capital	EUR	4,000,000
Notional value per no-par value share	EUR	1.00
Subscription volume		
Number of shares offered from capital increase		1,300,000
Number of shares offered from existing shareholders		130,000
Total number of shares offered		1,430,000
Designated Sponsor		Close Brothers Seydler AG

Financial Calender

December 2007	Smart Equities Conference
May 2008	Annual Report 2007
May 2008	Quarterly Report 2008
May/June 2008	Annual General Meeting
August 2008	Semi-annual Report

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Foreword by the Management Board

Dear Shareholders and Business Partners

Since the IPO on 28 June 2007, we have successfully pursued a strategy of intensifying the company's activities in the area of plant operation for industrial enterprises. To this end we have gained two further mandates for the construction and operation of biomass cogeneration plants. The two new plants in Gierstädt and Ohrdruf with a total investment volume of €8.0 million are set to generate revenue from heat and power supply amounting to up to €54.0 million by means of 15-year supply agreements.

In addition to facilitating the acquisition of new customer groups, the enhanced brand awareness achieved through the IPA has also had a positive impact on other areas of AGO AG Energie + Anlagen. For instance, the listing on the Entry Standard of the Frankfurt Stock Exchange is also benefiting the company in its talks with banks and financing partners as well as in gaining access to highly-qualified engineers and technicians.

The public perception, which we intend to continue building on in the future, is the result of our comprehensive communication of relevant corporate events. With this in mind we have opted to draw up interim reports during the year in line with the International Financial Reporting Standards (IFRS). We intend to uphold this transparent dialogue in the future and to expand it on a continuous basis by means of additional measures.

Owing to the nature of the business, the generally positive operational developments seen over the past months will only start to be reflected in the next few years. Nevertheless, AGO AG Energie + Anlagen achieved revenue of €32.0 million in the first nine months of the 2007 financial year. At €0.52 million, EBIT remained virtually unchanged from the level seen on 30 June 2007 and therefore lies within the scope of our expectations. The periodic surplus on the reporting date of 30 September 2007 came to €0.09 million. The slight decline in the result of operations compared with net profit for the first half of the year was due to a short-term increase in prices for assembly and transportation capacities and the fact that for various reasons suppliers envisaged for projects were no longer available when the mandates were placed with AGO AG Energie + Anlagen.

Our business prospects remain extremely positive. We are noticing a significant increase in the demand from industrial enterprises for alternative energy solutions, not least on account of the rise in the price of oil and other fossil fuels. Solutions using renewable energy sources are playing a major role here. The increase in the demand for AGO technology is supported by the ongoing discussion surrounding the Renewable Energy Sources Act (EEG) and the Erneuerbare-Energien-Wärmegesetz

Foreword by the Management Board

(EEWärmeG, Renewable Heat Energy Sources Act). To this end we are also keeping an eye on the compensation paid for feeding in biomass energy from foreign European countries. We will make use of any potential offered by attractive investment opportunities.

Against this background we are engaged in concrete negotiations for further projects involving the construction and operation of biomass cogeneration plants. As communicated at the time of IPO, we expect to conclude three to four agreements each year for the operation of plants.

We would like to thank our employees, customers and business partners for their high level of commitment and the ongoing dialogue that has been maintained over the past few months.

The Board of Directors of AGO AG Energie + Anlagen



AGO-Highlights

1980	Spin-off from ASK GmbH (manufacturer of technical operating equipment for industrial companies)
1984	Renamed Zander Wärmetechnik Kulmbach GmbH
1995	ISO 9001 plant engineering certification
1998	Incorporation into the M+W Zander Holding / Jenoptik Group
1999	Renamed M+W Zander Energie + Anlagen GmbH
2003	Entry into the market for emissions and energy efficiency consulting
2004	Major contract for the EVC Energieversorgungscenter project for AMD, Dresden
January 2006	Formation of Biomasseheizkraftwerk Alperstedt GmbH
December 2006	Change of legal form into AGO AG Energie + Anlagen
December 2006	Acquisition of 49% interest in HoSoTherm GmbH
January 2007	Formation of Bioenergie + Wärme Ohrdruf GmbH (50% interest)
April 2007	Increase in interest in HoSoTherm GmbH to 74.5%
April 2007	Agreement on acquisition of interest in Energiewald Thüringen GmbH
June 2007	Successful IPO and listing on Entry Standard of Frankfurt Stock Exchange
August 2007	Conclusion of contract for construction and operation of biomass cogeneration plant in Gierstädt
October 2007	Conclusion of contract for construction and operation of biomass cogeneration plant in Ohrdruf

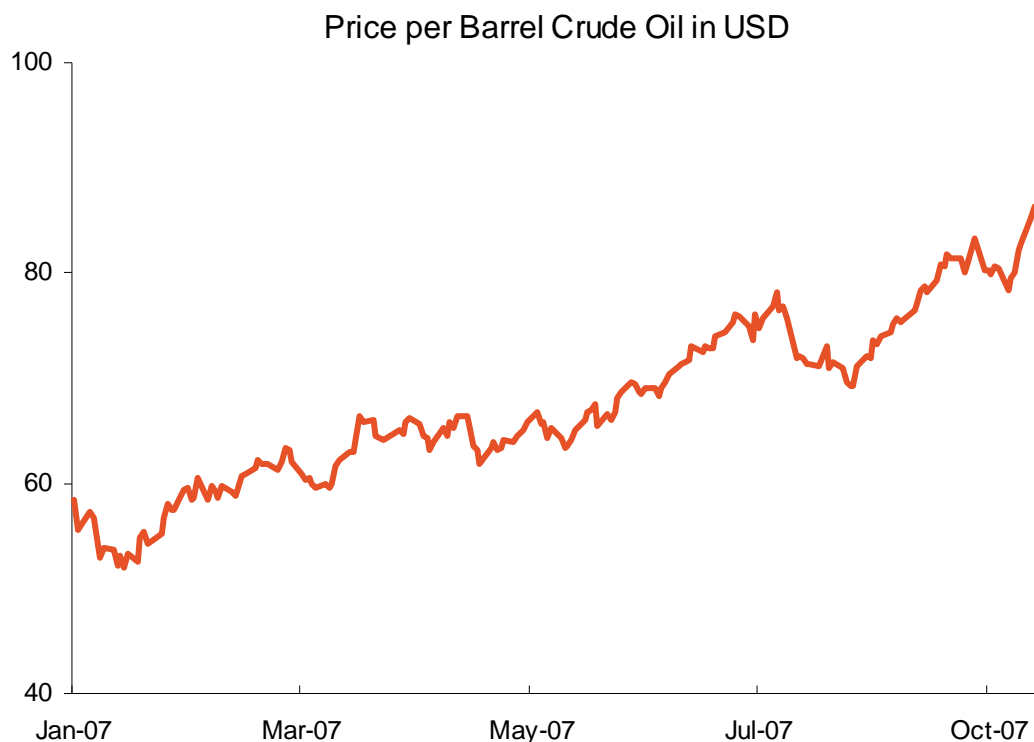
Market Environment

General economic environment

According to the 2007 autumn report of the German Institute for Economic Research (DIW) in Berlin, the forecast for real economic growth in Germany in 2007 remains at 2.4%, with continued growth predicted for the following years at 2.1% (2008) and 1.7% (2009). This would mean that the German economy continued its robust growth in the future. In the opinion of the DIW, the problems on the financial markets that have been increasingly mentioned in the media of late will have virtually no effect on the economy. The positive growth prospects for the German economy are primarily justified by the rising strength of domestic demand. The lack of qualified workers is proving an increasing obstacle for growth.

Developments on the energy markets

The oil price continued its upward trend in the first nine months of 2007, with the price per barrel (159 litres) climbing 42.3% from USD 58.48 at the start of the year to USD 83.24 on 28 September 2007. In mid-October the oil price broke through the USD 90.00 mark for the first time, and market experts consider a price of USD 100.00 to be a possibility in the medium term.

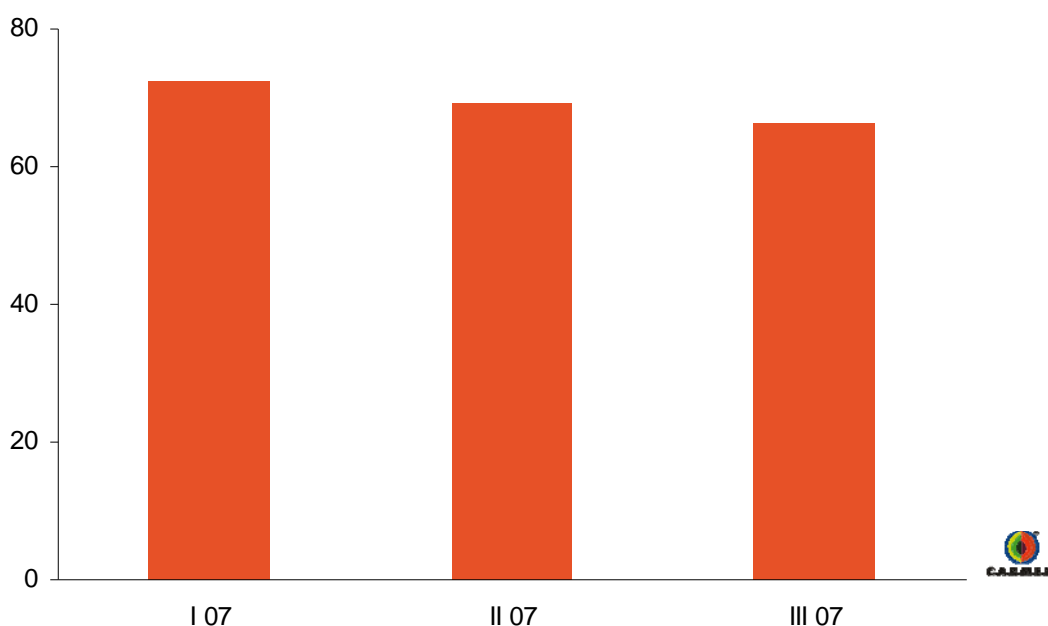


Source: International Petroleum Exchange; AGO AG Energie + Anlagen

Market Environment

According to research by the Central Agricultural Raw Material Marketing and Development Network (C.A.R.M.E.N.), the prices for fuel wood fell in the course of the year.

Price per ton wood chips in EUR

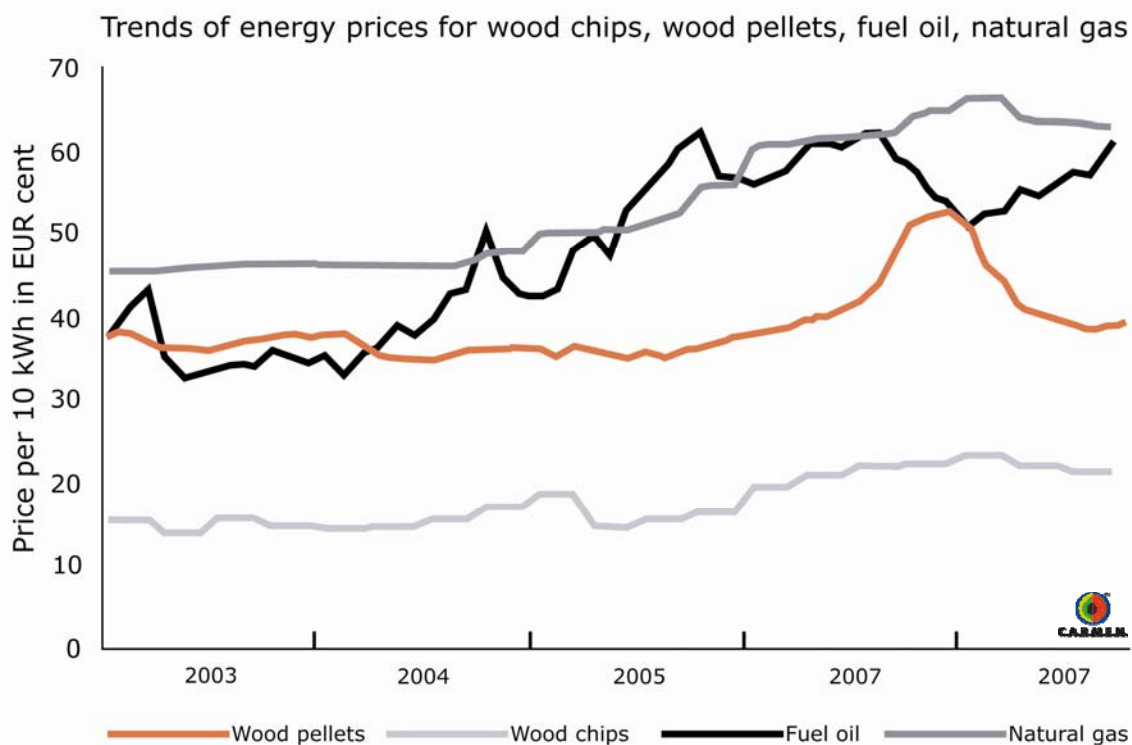


Source: C.A.R.M.E.N. e.V. www.carmen-ev.de; AGO AG Energie + Anlagen

The prices for wood chips also decreased further during the third quarter of 2007, with the average price per tonne amounting to €66.46, down four percent on the first half of 2007 (€69.27).

Viewed in terms of price per kWh, a long-term price increase can be observed for all energy sources. However, the price per kWh generated by the combustion of wood chips is significantly below that of oil, gas and wood pellets. Furthermore, the procurement markets for wood chips are not subject to the same speculative fluctuations, thereby enabling enhanced forward planning to take place. It is clear to see that energy supply using wood chips is the least expensive option and offers the best protection against price fluctuations.

Market Environment



Developments in the alternative energies sector

Biogas plants

According to research by the German Biogas Association, the number of biogas plants in Germany in September 2007 amounted to 3,711. This represents a six percent increase in the number of plants since 31 December 2006. The overall output of German biogas plants amounted to 1,270 megawatts.

Above all the designers of biogas plants recorded a significant drop in demand in the first half of 2007 compared with the same period in the previous year. While over 800 plants were opened up in 2006 as a whole, the figure for the first nine months of 2007 is just 200. Demand, which comes primarily from the agricultural sector, decreased due to the rising cost of maize, rapeseed and corn. A 50% fall in demand over the entire year is expected from within the sector. Furthermore, the sector is feeling considerable headwind from the amendment to the Renewable Energy Sources Act (EEG), which envisages a cut in the basic compensation for supplying biogas energy of 0.5 cents per kilowatt hour for small and medium-sized plants and two cents for large plants. To offset this, the sector is to receive a bonus of three cents for heat and power cogeneration (previously 2 cents per kWh). The draft bill is due to be passed in December 2007 and should enter into force as of 2009.

Market Environment

Wind power plants

According to the German WindEnergy Association (BWE), the number of wind power plants increased by 1,111 in 2006 to 18,685. Following several years of decline, there now seems to be a renewed acceleration in the growth of wind power plants, with the number of installed plants rising to 19,024 in the first half of 2007. The overall output of the plants is 21,283 megawatts. Although there is currently no forecast for 2007 as a whole, a further increase in the number of installed wind power plants is expected from within the sector.

Solar plants

According to the German Solar Industry Association (BSW), there were 1.3 million installed solar power and heat plants in Germany in 2006. The total output of the photovoltaic solar power plants was 2,540 MWp and should increase by 35% by the end of 2007. The total output of the solar heat plants was 5,750 MWth and is estimated by the BSW to be up 20% to 6,950 MWth at year-end.

Biomass cogeneration plants

The market for biomass cogeneration plants developed positively in the first nine months of 2007. The effects of the slightly higher interest rate level were more than offset by the sharp rise in fossil fuel prices.

According to the German BioEnergy Association (BBE), the number of biomass cogeneration plants at the end of 2006 amounted to 160. Within the sector, a growth in the number of plants of 16% to 185 is still expected by the end of 2007, which would entail a total output of the plants in operation at year-end of around 985 MW.

Development of AGO AG Energie + Anlagen

AGO AG Energie + Anlagen is the leading German operator of biomass cogeneration plants and supplies industry nationwide. As a supplier to industry, ACO AG is not affected by the amendment to the EEG. Power generation is determined individually for each location, and the rising costs of oil and gas are boosting the market opportunities of AGO AG on a weekly basis. Increasing energy costs are prompting a review of energy supply options within German industry. AGO AG offers industrial enterprises an energy mix that enables them to fall back on an inexpensive commodity in the form of wood chips without the need to invest themselves. This has become apparent over the past few months through the significant rise in inquiries. The planned Erneuerbare-Energien-Wärmegesetz (EEWärmeG, Renewable Heat Energy Sources Act) will lend further strong support to this growth in demand.

Market Environment

The current environment, which is dominated by rising energy costs and the discussion surrounding the impact of increasing CO₂ emissions, is boosting the demand for AGO AG Energie + Anlagen products. For example, the Company announced on 7 August 2007 that it had gained a mandate for the construction and operation of a biomass cogeneration plant in Gierstädt. The investment volume for the plant comes to €1.4 million and is expected to contribute €0.44 million to the Group's annual revenues as of early 2008. The Company reported a further large mandate on 30 October 2007 for the construction and operation of a biomass cogeneration plant in Erfurt / Gotha. This order is worth some €6.6 million and is anticipated to generate up to €3.1 million of annual revenues for the Group when put into operation.

Lucrative market opened up

Furthermore, the Company has attracted a lot of interest in its ammonia/water absorption refrigeration plant for cooling temperatures of up to minus 30 degrees Celsius. Suitable customers for this include companies from the food and beverage industries, dairy industry, freezing and cold storage industry, pharmaceutical industry and breweries. In particular for EEG-supported biomass cogeneration plants such as biogas plants, the generation of refrigeration out of waste heat represents an economic extension of their product range. In addition to heat consumers, AGO technology also provides companies with refrigeration consumers to secure the Cogeneration Bonus (KWK-Bonus) for power input. This plant type enables AGO AG Energie + Anlagen to open up a further lucrative market. The supplier of power plants for industry is the only operator of this technology in Germany, which has an output range of up to 500 kW. In this way, AGO AG Energie + Anlagen is not only contributing towards economic power supply but also to relieving the environment.

The AGO-Stock

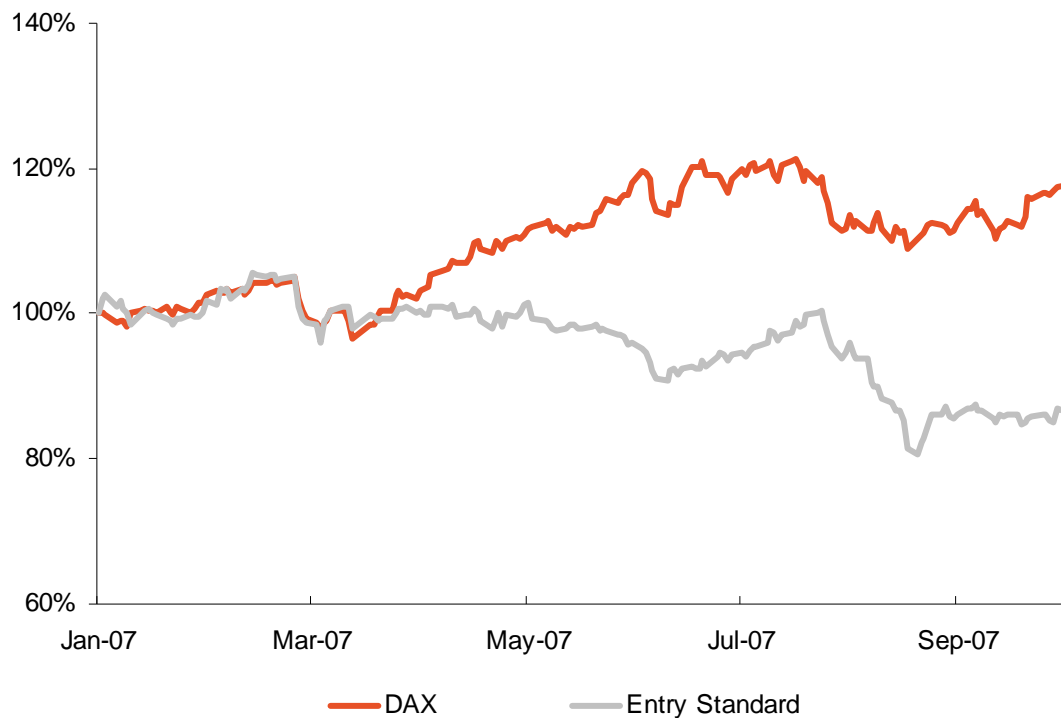
General stock market environment

While general sentiment on the financial markets remained positive in the first half of 2007, the emergence of problems faced by American mortgage lenders caused the atmosphere to cloud over in the third quarter. On 28 September 2007, the DAX index closed at 7,862 points, just under 18% above the level seen at the start of the year.

Small Caps under pressure

The general stock exchange environment for Small Caps was restrained as measured by the Entry Standard of Deutsche Börse AG. The Entry Standard lost almost 14% from an annual perspective and closed at 954.85 points on 28 September 2007.

Performance DAX vs. Entry Standard



Performance of the AGO stock

AGO AG Energie + Anlagen (ISIN: DE000A0LR415; German Securities Code Number (WKN): A0LR41) started its stock exchange debut with an opening price of €7.50, up 7.1% on the allocation price established in the course of bookbuilding. On the first day of trading, the Company's share price closed at €9.15 before stabilising around the €8.00 mark in the following days, although it has traded below its issuing price of €7.00 since the end of July. This downturn is partly due to the profit warning

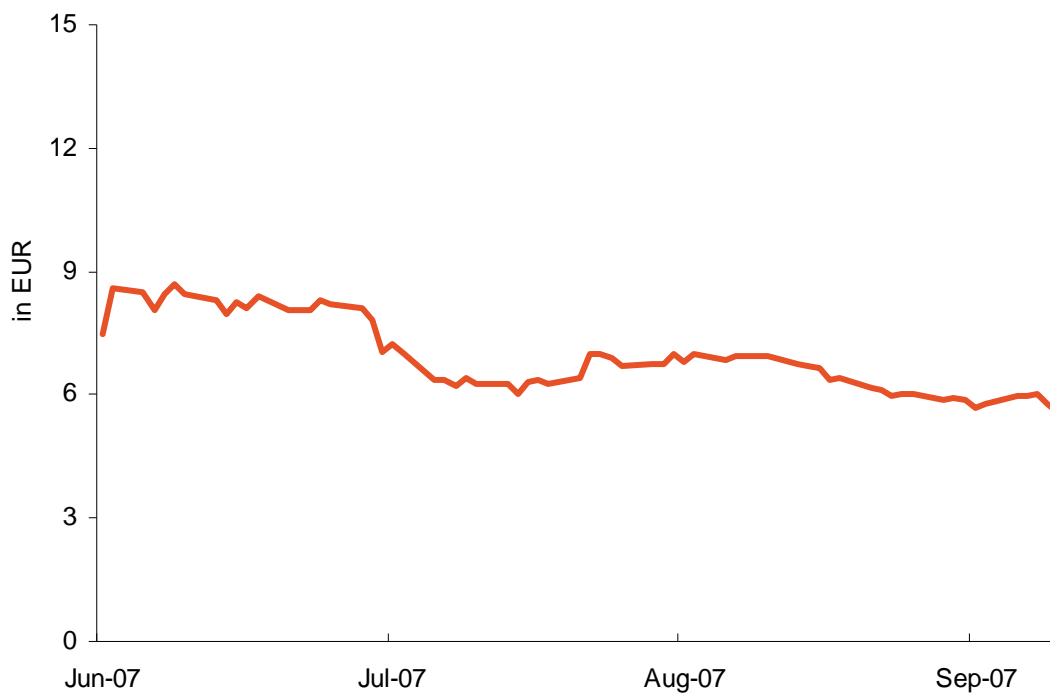
The AGO-Stock

issued by a biogas plant construction company that impacted the entire alternative energy supply and service provision industry. However, AGO AG Energie + Anlagen's business model differs considerably from that of traditional plant manufacturers, as the focus is ultimately on generating growth in the area of plant operation rather than on expanding power station construction activities.



The AGO stock was unable to escape the impact of the recent downturn in the stock market environment for Small Caps and closed at €5.60 on 28 September 2007. Compared with the issuing price of €7.00 on 28 June 2007, this is equivalent to a drop of 20%.

Performance of AGO AG Energie + Anlagen since IPO



The AGO-Stock

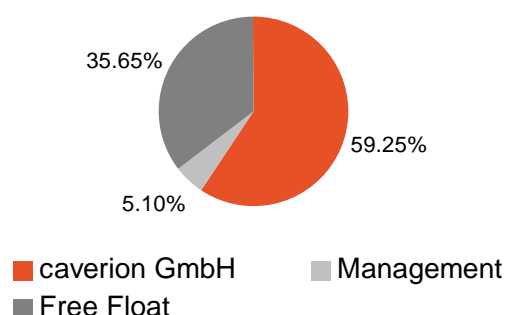
Positive Analysts' Survey

The analysts of Independent Research calculated a fair value of €8.94 back at the run-up to AGO AG Energie + Anlagen's IPO, and in their Research Flash of 20 August 2007 continued to recommend the stock of Germany's leading operator of biomass cogeneration plants as a good buy. According to expert opinion, the AGO share has had to pay the price of a weak market environment.

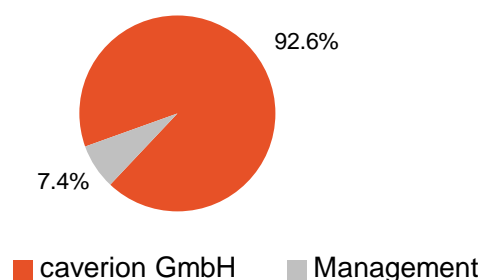
Shareholder structure

The shareholder structure of AGO AG Energie + Anlagen changed significantly as a result of the IPO. The Company's management currently holds a total of 5.1% of the four million shares (7.4% before the IPO). caverion GmbH (previously M+W Zander Gebäudetechnik GmbH) is the largest shareholder in AGO AG Energie + Anlagen, with an equity interest of 59.25% (92.6% before the IPO). The free float accordingly amounts to 35.65%.

Shareholder structure as of September 30, 2007



Shareholder structure before IPO



Comprehensive financial market communication

AGO AG Energie + Anlagen provides current and potential shareholders with timely and comprehensive information on corporate events that are relevant for the financial markets. This information is provided in English and German in annual reports and semi-annual quarterly reports in accordance with IFRS. In addition, the Company participates in analyst and investor events. As well as a workshop on regenerative energy production at the German Equity Forum of Deutsche Börse AG on 14 November 2007, AGO AG Energie + Anlagen will also hold a presentation at the Smart Equities Conference of the Society of Investment Professionals in Germany (DVFA) on 4/5 December 2007. Moreover, investors are provided with timely and comprehensive information via the Company's website at www.ago.ag and in a regular newsletter. AGO AG Energie + Anlagen therefore already meets the transparency requirements of the Prime Standard to a considerable extent.

Business Development

General information / Note

The nine-month report of AGO AG Energie + Anlagen dated 30 September 2007 has been drawn up in accordance with the International Financial Reporting Standards (IFRS). Comparisons with the figures contained in the 2006 annual report of AGO AG Energie + Anlagen, in which the financial statements were prepared in accordance with the provisions of the German Commercial Code (HGB), have only limited informative value.

Results of operations

AGO AG Energie + Anlagen posted revenue amounting to €32.0 million in the first nine months of the 2007 financial year. This resulted in gross profit following deduction of the cost of sales of €0.83 million on the reporting date.

The overall profit from ordinary activities (EBIT) as of 30 September 2007 was €0.52 million. The periodic surplus following deduction of income and deferred taxes calculated for the reporting date of the 2007 nine-month report came to €0.09 million.

Changes to net assets

The total assets of AGO AG Energie + Anlagen increased by €2.5 million in the third quarter of 2007 to €43.95 million. This represents a six percent rise compared with total assets for the first half of 2007.

Noncurrent assets on the reporting date of the 2007 nine-month report are posted at €14.37 million. Property, plant and equipment account for 32.0% of total assets, slightly up on the first half of 2007 (31.8%) due to the increase in property, plant and equipment.

AGO AG Energie + Anlagen posted current assets of €29.58 million on 30 September 2007. This corresponds to 67.3% of the Group's total assets of €43.95 million. Bank balances on the reporting date amounted to €5.28 million compared with €10.39 million for the first half of 2007. However, other assets increased by €5.31 million to €9.77 million in the third quarter of 2007.

AGO AG Energie + Anlagen shareholders' equity rose 4% compared with the first half of 2007 and came to €11.89 million on the reporting date of the 2007 nine-month report. This corresponds to an equity ratio of 27.0% against total assets of €43.95 million.

At €11.53 million, noncurrent liabilities accounted for 26.2% of total liabilities. Noncurrent liabilities were largely composed of noncurrent financial liabilities relating to the refinancing of the biomass heating plants.

Business Development

Current liabilities of €20.54 million were posted by AGO AG Energie + Anlagen on the reporting date. This is equivalent to a 46.7% share of total assets. Current liabilities primarily comprised trade payables (€11.03 million), liabilities to subsidiaries (€3.47 million), advance payments received in respect of orders (€2.89 million) and other liabilities (€1.5 million).

Development of employee numbers

The number of employees in the Group rose by eight from 123 employees on 30 June 2007 to 131 employees on the reporting date of the 2007 nine-month report. This increase is largely due to the permanent recruitment of apprentices and the expansion of the service team.

Staff costs in the Group amounted to €4.5 million as of 30 September 2007.

Balance Sheet

AGO subgroup (IFRS)

Assets as at September 30, 2007

	30. Sep. 07 € thousands
Assets	
Noncurrent assets	
Intangible assets	259
Property, plant and equipment	14,094
Financial assets	13
Total noncurrent assets	14,366
Current assets	
Raw materials and supplies	382
PoC receivables	15,239
Advance payments received in respect of orders	-7,859
Trade receivables	6,454
Receivables from subsidiaries	313
Other assets	9,772
Bank balances	5,279
Total current assets	29,580
Total assets	43,946

Balance Sheet

AGO subgroup (IFRS)

Liabilities and shareholders' equity as at September 30, 2007

	30. Sep. 07 € thousands
Liabilities and shareholders' equity	
Shareholders' equity	
Issued capital	4,000
Capital reserves	6,859
Other revenue reserves	861
Minority interests	165
Total shareholders' equity	11,885
Liabilities	
Noncurrent liabilities	
Noncurrent financial liabilities	10,570
Provisions for pensions	209
other noncurrent provisions	319
Deferred tax liabilities	427
Total noncurrent liabilities	11,525
Current liabilities	
Provisions for taxes	13
Other provisions	725
Liabilities to banks	906
Payments received	2,893
Trade payables	11,030
Liabilities to subsidiaries	3,465
Liabilities to other investees and investors	6
Other liabilities	1,498
Total current liabilities	20,536
Total liabilities	32,061
Liabilities and shareholders' equity	43,946

Income Statement

AGO subgroup (IFRS)

Income Statement (January 1st, 2007 - September 30, 2007)

	01. Jan. 07 - 30. Sep. 07 € thousands
Revenue	32,009
Cost of sales	-31,180
Gross profit	829
Research and development costs	-51
Selling costs	-1,317
General administrative costs	-512
Other operating income	1,665
Other operating expenses	-97
Profit from ordinary activities (EBIT)	517
Other finance income	311
Other financial expense	-548
Net profit for the period before income taxes	280
Income taxes	-187
Net profit for the period	93

Income Statement

AGO subgroup (IFRS)

Income Statement (July 1st, 2007 - September 30, 2007)

	01. Jul. 07 - 30. Sep. 07 € thousands
Revenue	10,862
Cost of sales	-11,448
Gross profit	-586
Research and development costs	-17
Selling costs	-446
General administrative costs	-119
Other operating income	1,192
Other operating expenses	-31
Profit from ordinary activities (EBIT)	-7
Other finance income	116
Other financial expense	-161
Net profit for the period before income taxes	-52
Income taxes	57
Net profit for the period	5

Legal Remarks and Imprints

Legal remarks

This report contains future-oriented statements that reflect the current management views of AGO AG Energie + Anlagen regarding future events. Every statement in this report that reflects intentions, assumptions, expectations or predictions, as well as the assumptions on which they are based, is such a future-oriented statement. These statements are based on plans, estimates and forecasts currently available to the management of AGO AG Energie + Anlagen. Therefore, they only apply to the day on which they are made. By their nature, future-oriented statements are subject to risks and uncertainty factors that can result in actual developments deviating considerably from the future-oriented statements or the events implicitly expressed in them. AGO AG Energie + Anlagen is not obligated, nor does it intend, to update such statements in view of new information or future events.

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