



# Semi-annual Report 2007



Einen Schritt voraus.

# Key Capital Market Data and Financial Calendar

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## Key Capital Market Data of the AGO-Stock

ISIN		DE000A0LR415
German Securities Code Number (WKN)		A0LR41
Trading symbol		AGY
Issuing bank		quirin bank AG
Bookbuilding Range	€	6.00 - 7.00
Issuing price	€	7.00
Price on initial listing (28 July 2007)	€	7.50
Market segment		Entry Standard
Pre-IPO share capital in €	€	2,700,000
Post-IPO share capital in €	€	4,000,000
Notional value per no-par value share in €	€	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 Calendar

November 2007	Nine Months Report 2007
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 2008

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## Foreword by the Management Board

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Ladies and Gentlemen,

Dear Shareholders and Business Partners,

The first six months of the 2007 financial year were an eventful time for AGO AG Energie + Anlagen.

With a company history stretching back more than 25 years, AGO AG Energie + Anlagen successfully went public on 28 June 2007. A total of 1.43 million no-par value bearer shares were placed on the Open Market (Entry Standard) of the Frankfurt Stock Exchange in the course of the IPO. At a subscription price of €7.00 per share, the gross proceeds of the issue amounted to €9.1 million. As a result, the Company now has additional flexibility and scope for financing its ambitious strategy of long-term, profitable growth. The primary objective of the expansion strategy is to intensify the Company's activities in its Plant Operation business division, which focuses on the construction and operation of biomass and biomass cogeneration plants.

In the Plant Operation business division, AGO AG Energie + Anlagen bundles all of its activities relating to the operation of power generation plants. In this context, the Company successfully increased its interest in HoSoTherm GmbH from 49% to 74.48% in April 2007. This strategic increase means that HoSoTherm GmbH now acts as the operating company for the biomass cogeneration plants erected by the Group parent in Kölldeda and Alperstedt. AGO AG Energie + Anlagen was awarded the SME Innovation Prize for the latter plant during the first half of 2007. The Company was praised for its groundbreaking construction of the power plant in Alperstedt, which provides 19 MW of thermal energy and 1.7 MW of electrical energy, in a record time of just twelve months from the blueprint phase through to commissioning. In terms of annual available energy output, the plant in Alperstedt is one of the largest ORC biomass cogeneration plants in Europe.

In the first six months of the 2007 financial year, AGO AG Energie + Anlagen also formed Bioenergie + Wärme Ohrdruf GmbH, thereby laying the foundations for further projects in the biomass sector. AGO AG Energie + Anlagen currently holds a 50% interest in this subsidiary.

In order to ensure the availability of raw materials, AGO AG Energie + Anlagen also signed an agreement on acquiring an equity interest in Energiewald Thüringen GmbH in April 2007. This acquisition is expected to be completed by the end of the 2007 financial year.

As well as its general business development, AGO AG Energie + Anlagen is satisfied with its financial results for the first half of 2007. The Company generated revenue of €21.15 million as of the reporting date 30 June 2007, while EBIT exceeded internal forecasts at €0.52 million.

## Foreword by the Management Board

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In future, we will continue to provide you with comprehensive information on the business development of AGO AG Energie + Anlagen that goes beyond the minimum transparency requirements of the Entry Standard.

The continued high level of commitment of our employees was a key factor in our success over recent months. Accordingly, we would like to take this opportunity to express our gratitude towards them, as well as thanking our customers and business partners for the confidence they have shown us.

Hans-Ulrich Gruber  
Member of the Board of Directors

Helmut Peetz  
Member of the Board of Directors



## AGO-Highlights

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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 Energieversorgungscener 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 HolSoTherm GmbH
January 2007	Formation of Bioenergie + Wärme Ohrdruf GmbH (50% interest)
April 2007	Increase in interest in HolSoTherm 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

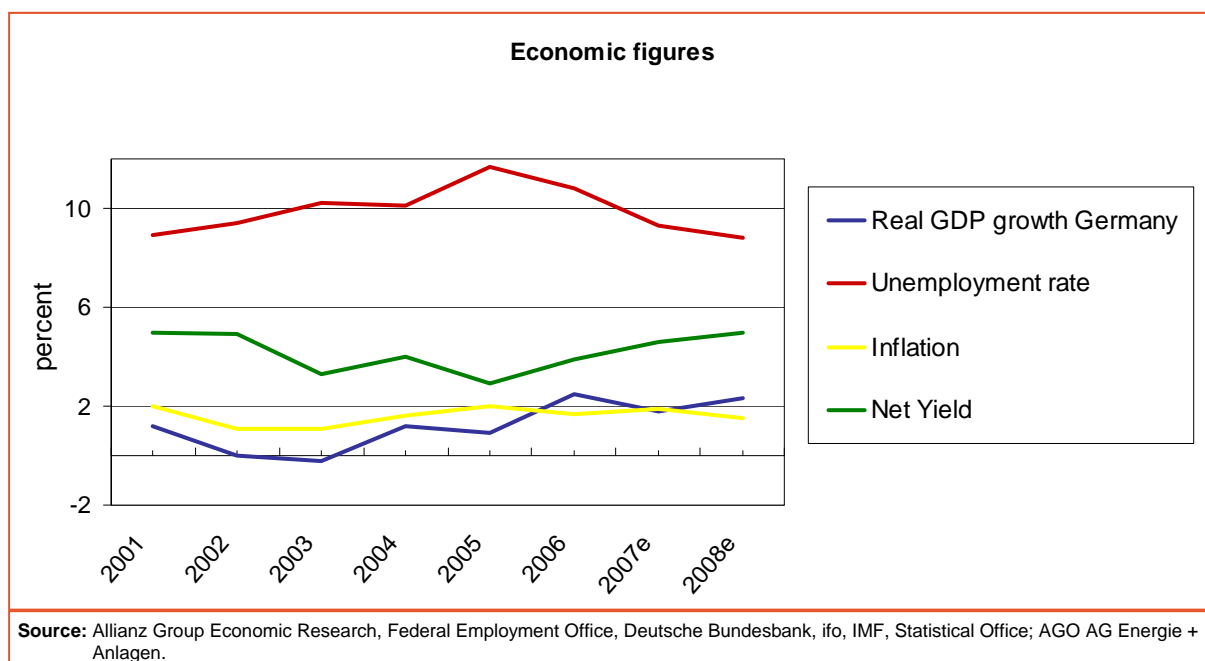
# Market Environment

## Macroeconomic environment

### Macroeconomic conditions remain stable

The economic environment in Germany continued to develop positively in the first half of 2007. According to the research institute DIW, gross domestic product increased by 2.7% in the first six months of the year. Research analysts have increased their forecasts for 2007 as a whole, and are now predicting growth of 2.6%. At the same time, unemployment rate declined as against the figure of 10.6% recorded in the previous year. According to the DIW, unemployment is expected to fall to 8.8% by the end of the year, with a figure of 7.9% forecast for 2008. Inflation is expected to stabilise at a moderate level of 1.9% in 2007.

According to research by the German Federal Bank, the average yield for domestic bearer bonds with a term of two years is currently 4.5%, meaning that bonds are following the global economic trend towards higher interest rates. However, the strong macroeconomic environment in the euro zone means that the European Central Bank is expected to announce a further increase in the base rate from 4.00% to 4.25%. The effects of the ongoing crisis in the U.S. subprime mortgage market in terms of the economy as a whole, both in the USA and globally, cannot be reliably predicted at present. However, leading economic experts are not expecting the crisis to have a long-term impact on the global economy.



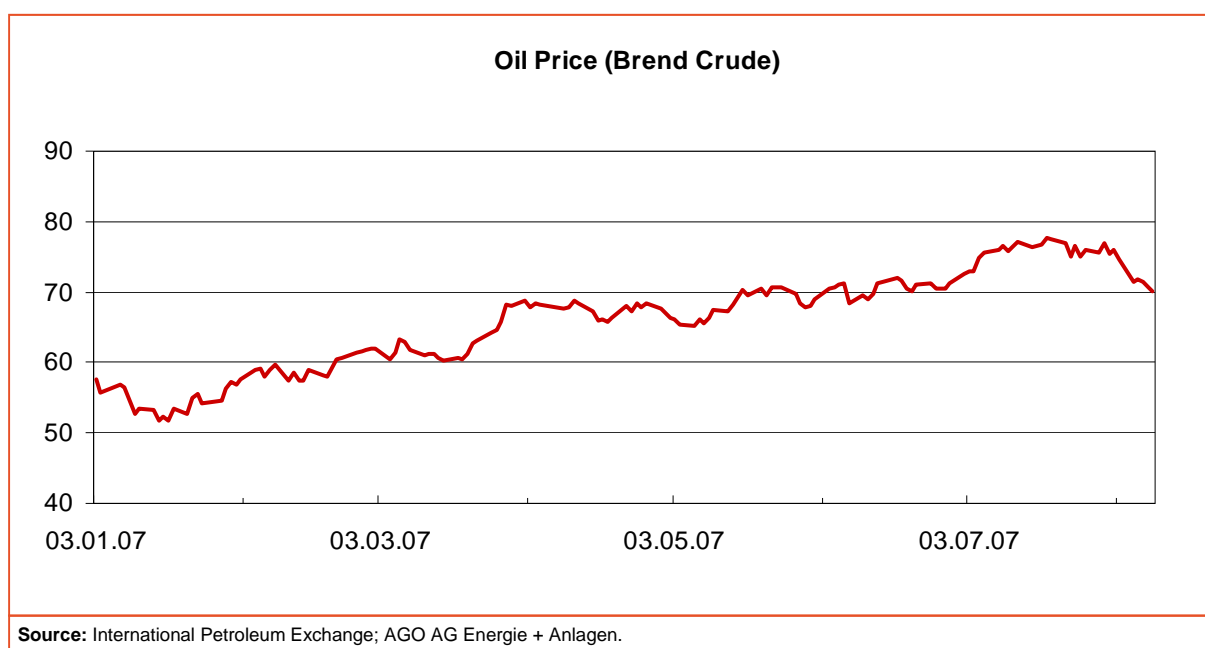
# Market Environment

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## Sector development

### Further increase in energy prices boosts demand for alternative energies

Energy prices continued to rise in the first half of 2007 on the back of continued growth in oil prices and increased activity among economic participants. Despite the comparatively mild winter, oil prices remained largely stable, increasing to USD 71.30 per barrel (159 litres) at the end of the first half of 2007. In early August, oil reached its high for the year to date of USD 78.20 per barrel.



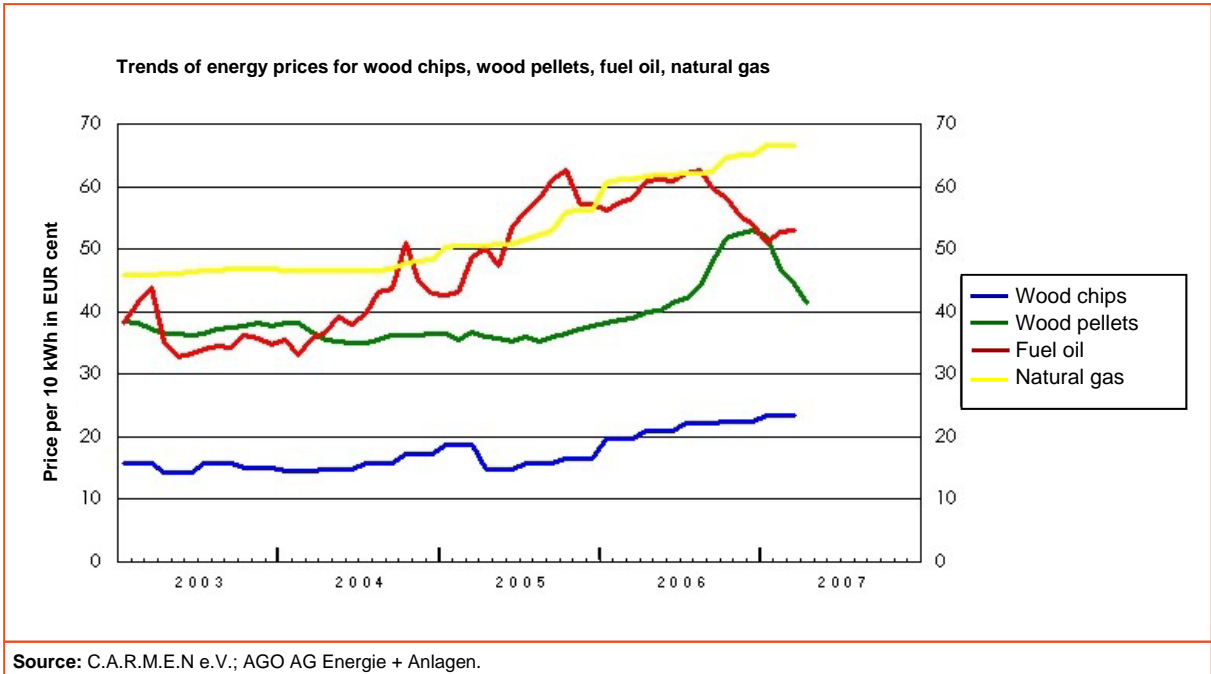
With consumers increasingly looking for cheaper alternatives, demand is shifting towards alternative energy sources, meaning that alternative energy prices have also risen during the course of the year. Demand for biogas plants and biomass (co)generation plants remains as strong as in 2006. According to the German Biogas Association, the number of biogas plants is expected to increase to 4,000 by the end of the year (previous year: 3,500), while the number of biomass (co)generation plants is forecast to rise to 185 (previous year: around 160) with a total output of up to 985 megawatts.

### Stagnation in wood chip prices

Wood chip prices developed moderately in the first half of 2007. According to the Central Agricultural Raw Material Marketing and Development Network (C.A.R.M.E.N.), the average price per tonne of wood chips at the end of the first half of the year was €69.27, down just under 5 percent from the high recorded in the first quarter. All in all, wood chip prices are following the overall trend towards higher raw materials costs. However, wood chip price development is less dynamic than that of non-

# Market Environment

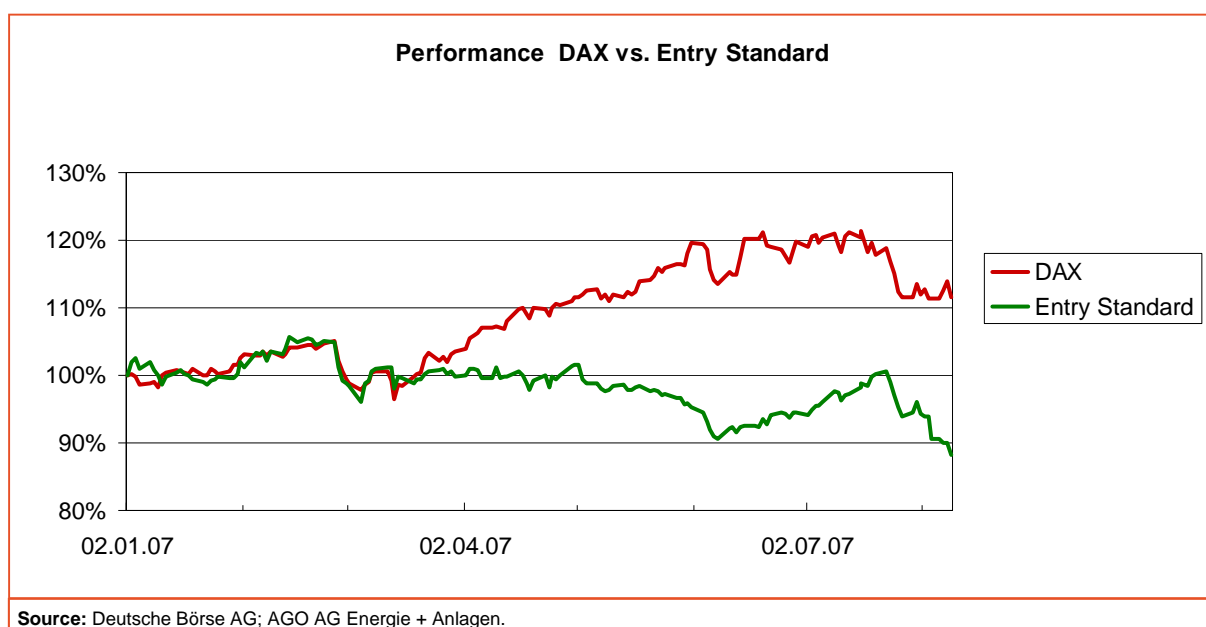
renewable raw materials. It should also be noted that the price per kilowatt hour of wood chips is significantly lower than that offered by natural gas, fuel oil or wood pellets.



# The AGO-Stock

## Sustained positive stock market environment

The global financial markets continued to develop positively in the first half of 2007. The DAX index recorded steady growth of 20.3% up until mid-July, hitting its highest level since 2000 at 8,106 points. The German benchmark index then consolidated at 7,343 points (as of 10 August 2007). The Entry Standard index has fallen by 12.2% since the start of the year (as of 10 August 2007), largely as a result of weaker demand for small and mid-cap shares from March 2007 onwards. However, the index has gained ground against the DAX since June 2007, and its performance was largely in line with the benchmark index at the date on which this interim report was prepared. Developments since mid-July 2007 have been driven by uncertainty on the US mortgage market and the resulting effects on the global economy. However, experts believe that this will have only a short-term impact on the growth of the leading economies.



## AGO AG Energie + Anlagen completes successful IPO

The outstanding event in the first half of 2007 was the initial public offering (IPO) of AGO AG Energie + Anlagen. With this transaction, a total of 1.43 million no-par value bearer shares were publicly offered (1.3 million from a capital increase and 0.13 million under the greenshoe option). At €7.00, the placement price for the Company's shares was at the upper end of the bookbuilding range. All of the shares offered by AGO AG Energie + Anlagen were placed on the market during the subscription period (18 - 22 June 2007). As a result, the gross proceeds of the issue amounted to €9.1 million. Demand for the shares of the biomass cogeneration plant specialist was so high that the transaction was several times oversubscribed. Following the capital increase, the Company's share capital amounted to €4.00 million, divided into 4 million no-par value bearer shares each with a notional interest in the share capital of €1.00 and carrying full dividend rights for the 2007 financial year. The

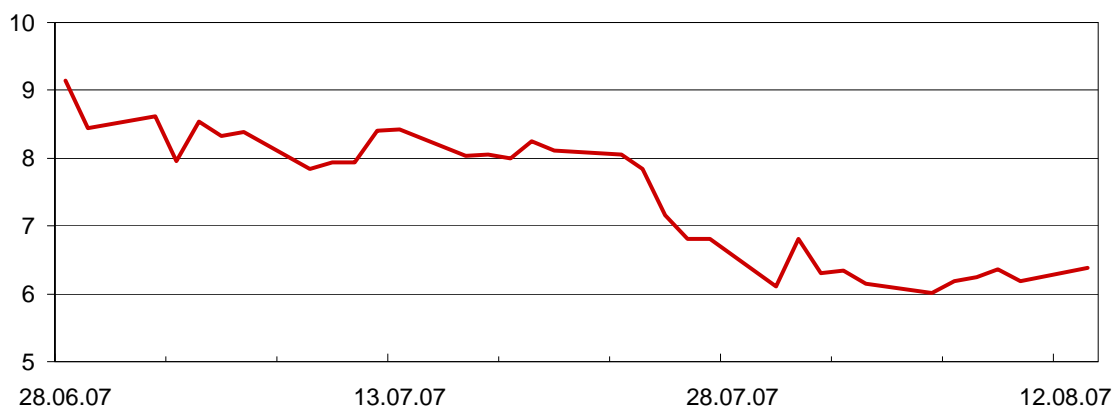
## The AGO-Stock

first trading day, and hence the date of the initial listing of the Company's shares, was 28 June 2007. 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 increased by 22% to close at €9.15, before stabilising around



the €8.00 mark in the following days. Since the end of July, the Company's shares have lost ground, trading at their issuing price of €7.00 on 15 August. This downturn is due to the profit warning 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 from that of traditional biogas plant manufacturers in many important respects due to its focus on generating growth in the area of plant operation rather than by expanding its power station construction activities.

Chart of AGO AG Energie + Anlagen at the Stock Exchange Frankfurt



Source: Deutsche Börse AG; AGO AG Energie + Anlagen AG.

### Positive research

In the run-up to AGO AG Energie + Anlagen's IPO, the Company was analysed by "Independent Research". A price target of €8.94 was issued for AGO's shares on the basis of this analysis. In particular, the increasing expansion of the Company's business activities in the area of biomass

# The AGO-Stock

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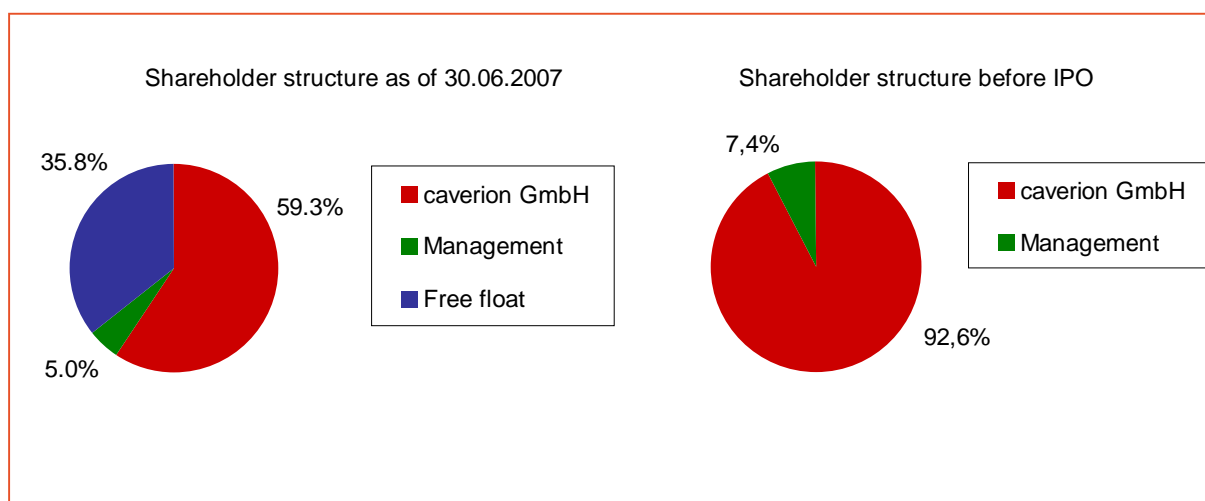
cogeneration plant operation was identified as a unique selling point compared with traditional biogas plant construction companies. According to the findings of the research, this focus on plant operation is likely to help the Company to generate higher margins and reduce its dependence on project business.

## Transparent investor relations activities

Even prior to its IPO, AGO AG Energie + Anlagen's investor relations activities were characterised by a commitment to comprehensive and transparent communication with investors. In addition to half-yearly reports, the Company's quarterly reports will also be published in both German and English in future, meaning that AGO AG Energie + Anlagen is exceeding the transparency requirements of the Entry Standard. In addition, current and potential investors will be provided with timely and comprehensive information on news that is relevant for the capital markets via the Company's website at [www.ago.ag](http://www.ago.ag) and in a regular newsletter.

## Shareholder structure

The shareholder structure of AGO AG Energie + Anlagen changed significantly as a result of the IPO. The capital increase of 1.3 million shares meant that the total number of shares increased to 4 million. Accordingly, the Company's share capital increased from €2.7 million to €4 million. Following the IPO, the Company's management holds a total of 5% of the share capital (before the IPO: 7.4%). caverion GmbH (previously M+W Zander Gebäudetechnik GmbH) is the largest shareholder in AGO AG Energie + Anlagen, with an equity interest of 59.3% (before the IPO: 92.6%). The free float amounts to approximately 35.8%.



# Business Development

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## Business Development

### General information / Note

The half-yearly report for the period ended 30 June 2007 is the first consolidated financial report of AGO AG Energie + Anlagen to be prepared in accordance with International Financial Reporting Standards (IFRSs). It is also the Group's first half-yearly report. Comparisons with the corresponding prior-period figures are not possible, as the Group was only established in 2007. 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 German Commercial Code (HGB), have only limited informative value.

### Results of operations

The consolidated revenue of the AGO Group amounted to €21,147 thousand as at 30 June 2007. The cost of sales in the same period amounted to €19,732 thousand, resulting in a gross profit of €1,415 thousand. The gross profit margin for the first half of the year was 6.7%.

The profit from ordinary activities (EBIT) amounted to €524 thousand as of 30 June 2007, while net finance costs totalled €192 thousand. Tax payments by the group amounted to €244 thousand, resulting in a net profit for the first half of the year of €88 thousand.

### Development of net assets

The total assets of the Group as reported in its first consolidated financial statements for the period ended 30 June 2007 amounted to €41,451 thousand (in accordance with IFRSs). This development was primarily attributable to the Company's IPO in the first half of 2007 and the consolidation of the three biomass heating plants operated by the AGO Group.

Noncurrent assets totalled €13,452 thousand at 30 June 2007. Property, plant and equipment accounted for 98% of this figure and 32.5% of total assets in accordance with IFRSs (€41,451 thousand).

Current assets were reported at €27,999 thousand as of 30 June 2007. The main items of current assets were receivables recognised under the percentage of completion (PoC) method (49.2%) and bank balances (37.1%). The cash inflow from the IPO meant that bank balances increased to €10,386 thousand.

The increase in shareholders' equity to €11,428 thousand in the first six months of the 2007 financial year is primarily due to the cash inflow from the IPO. At the reporting date (30 June 2007), the IPO

## Business Development

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resulted in an improvement in the equity ratio to 27.57% based on total assets of €41,451 thousand.

At the end of the first half of 2007, the Company reported noncurrent liabilities in the amount of €11,593 thousand. This figure was largely composed of noncurrent financial liabilities relating to the refinancing of the biomass heating plants. Noncurrent liabilities also included liabilities from profit participation certificates issued by AGO AG Energie + Anlagen in the amount of €2,500 thousand.

Current liabilities totalled €18,430 thousand at the reporting date 30 June 2007. This was primarily composed of other provisions (€9,392 thousand), trade payables (€4,602 thousand), liabilities from subsidiaries (€2,867 thousand) and other liabilities (€1,224 thousand).

### Workforce development

At the reporting date of the half-yearly report for 2007, the number of employees in the Group was 123, down five on the figure of 128 reported in the HGB annual financial statements for the year ended 31 December 2006. Adjusted for the effects of the Group's ventilation plant engineering operations (discontinued with effect from 30 June 2007), however, the number of employees increased by seven.

Staff costs in the Group amounted to €2,876 thousand at the reporting date 30 June 2007. The staff cost ratio improved to 13.6% as against 31 December 2006 (14.7% in accordance with HGB). This was due to the higher levels of employee productivity recorded in the first half of 2007.

# Balance Sheet

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AGO subgroup (IFRS)

Balance Sheet as at June 30, 2007

## Assets

	30 Jun. 2007 € thousands
<b>Assets</b>	
<b>Noncurrent assets</b>	
Intangible assets	245
Property, plant and equipment	13,194
Financial assets	13
<b>Total noncurrent assets</b>	<b>13,452</b>
<b>Current assets</b>	
Raw materials and supplies	247
PoC receivables	13,785
Advance payments received in respect of orders	-7,733
Trade receivables	6,502
Receivables from subsidiaries	354
Other assets	4,458
Bank balances	10,386
<b>Total current assets</b>	<b>27,999</b>
<b>Total assets</b>	<b>41,451</b>

# Balance Sheet

AGO subgroup (IFRS)

Balance Sheet as at June 30, 2007

## Liabilities and shareholders' equity

	30 Jun. 2007 € thousands
<b>Liabilities and shareholders' equity</b>	
<b>Shareholders' equity</b>	
Issued capital	4,000
Capital reserves	7,035
Other revenue reserves	228
Minority interests	165
<b>Total shareholders' equity</b>	<b>11,428</b>
<b>Liabilities</b>	
<b>Noncurrent liabilities</b>	
Noncurrent financial liabilities	11,301
Provisions for pensions	209
Deferred tax liabilities	83
<b>Total noncurrent liabilities</b>	<b>11,593</b>
<b>Current liabilities</b>	
Provisions for taxes	13
Other provisions	9,392
Liabilities to banks	326
Trade payables	4,602
Liabilities to subsidiaries	2,867
Liabilities to other investees and investors	6
Other liabilities	1,224
<b>Total current liabilities</b>	<b>18,430</b>
<b>Total liabilities</b>	<b>30,023</b>
<b>Total liabilities and shareholders' equity</b>	<b>41,451</b>

# Income Statement

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AGO subgroup (IFRS)

Income Statement as at June 30, 2007

	30 Jun. 2007 € thousands
Revenue	21,147
Cost of sales	-19,732
<b>Gross profit</b>	<b>1,415</b>
Research and development costs	-34
Selling costs	-871
General administrative costs	-393
Other operating income	473
Other operating expenses	-66
<b>Profit from ordinary activities (EBIT)</b>	<b>524</b>
Other finance income	195
Other financial expense	-387
<b>Net profit for the period before income taxes</b>	<b>332</b>
Income taxes	-244
<b>Net profit for the period</b>	<b>88</b>

# Legal Remarks and Imprints

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## 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.

## Imprints

### Publisher

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