



Company strategy

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In the context of our business sectors, project development and application of plant operations, and service and consultancy, with the IPO of AGO AG Energie + Anlagen on 28 June 2007 we formulated the following strategic objectives:

- Corporate growth from plant operation with a focus on biomass
- Expansion of our customer base and long-term customer retention
- Extension of international business activities.

Corporate growth from plant operation with a focus on biomass

In conjunction with an increase in sales and revenues, AGO AG Energie + Anlagen is on the track of growth in the plant operation segment with a focus on biomass. The foundation of this growth strategy includes government aid to energy production based on regenerative sources of energy and the sustained increase in the prices of fossil fuels. In the federal draft bill on restructuring the Renewable Energy Act in the electrical power sector and on amendment of its cooperative regulations there is a focus on increasing the proportion of regenerative energies. Accordingly, the law has the objective of increasing the proportion of renewable energies in power production in Germany to between 25 to 30 % by 2020 and thereafter to continue to increase that percentage. According to the computations of the German Ministry for the Environment, Environmental Protection and Reactor Safety, the proportion of renewable energies in 2007 was approximately 14.2 % of the gross power consumption. The ongoing public discussion on reducing carbon dioxide emissions will result in an increased commitment of the industry to convert existing conventional energy production plants to energy centres utilising regenerative energy sources. This step means not only a reduction in emissions but also a reduction in the cost of energy to industrial Companies. With this in mind, we are proceeding on the presumption of an increased demand for our power generation plants with a focus on biomass and acceleration of contracting solutions proposed by AGO. Thanks to our 28 years of experience we have the necessary expertise in the construction and subsequent operation of energy centres using biomass.

Expansion of our customer base and long-term customer retention

Long-term customer loyalty in projects in the plant operation sector ensure the AGO AG Energie + Anlagen business model a high degree of planability and solid scalability. We are achieving this strategic objective through energy supply contracts with a 15-year term for the supply of power, heat and cooling, particularly to industrial and municipal companies.

Thanks to a systematic marketing approach, aligned with the energy requirements of the customer and biogenic fuel availability on site, AGO AG Energie + Anlagen is in ongoing negotiations with other potential customers. In their own commissioned study on the identification of target customers more than 290 potential customers - in Bavaria, Baden-Württemberg and Thuringia - for biomass cogeneration plants have been identified in this priority AGO operational area. The stated Company goal, the realisation of three to four contracting plants with an output of between 5 and 20 MWth in Germany per year, is also to be implemented on the basis of this study.

The team necessary for accomplishing this and to fulfill marketing and sales of the AGO AG Energie + Anlagen product and service offerings has grown in Germany from 3 associates to 5 associates in the financial year 2006.

Extension of international business activities

AGO AG Energie + Anlagen's third strategic objective aims at extending its international business activities. Here, efforts are aimed primarily at the expansion in those European regions in which AGO can benefit economically from the current legislative objective for utilisation of alternative energies, based on the energy mix.

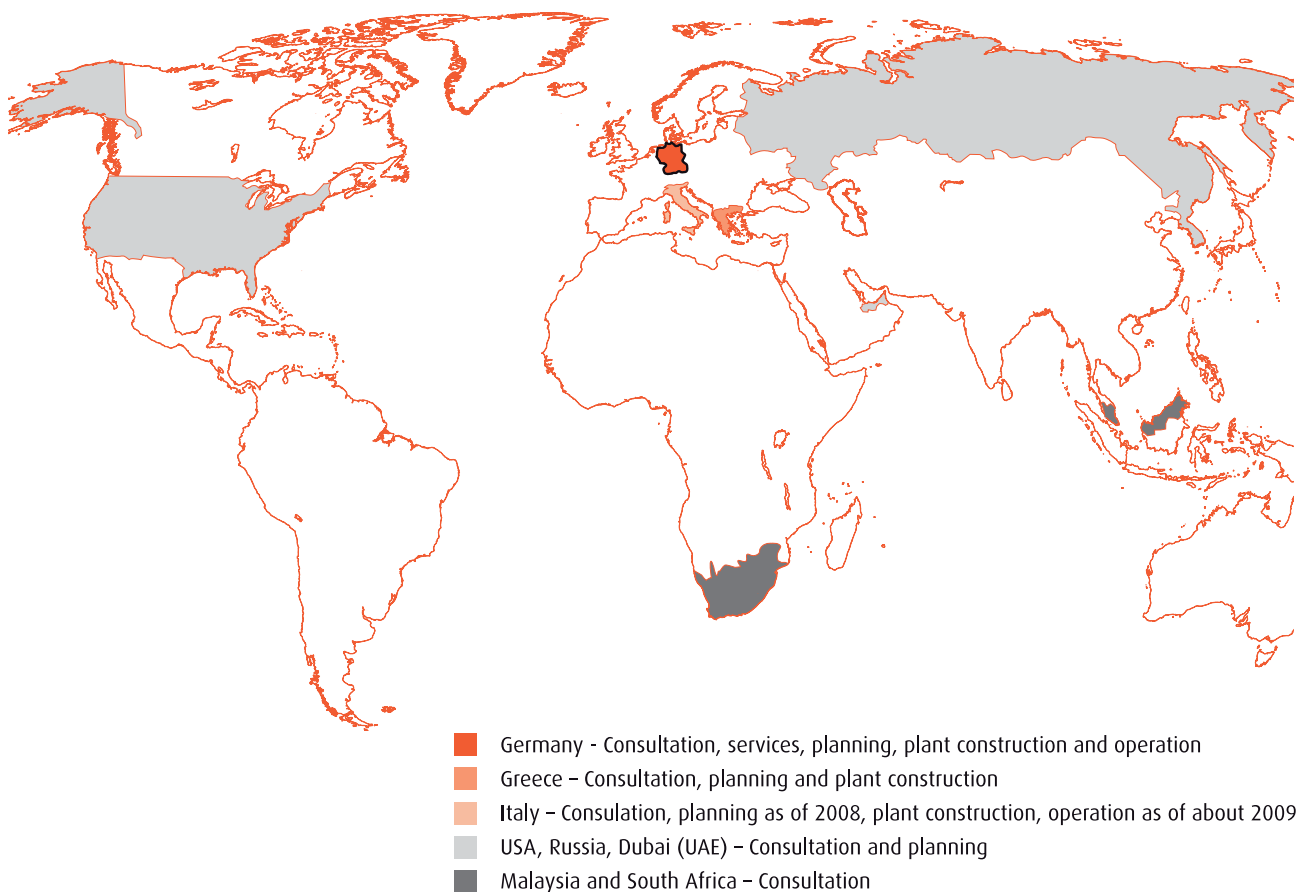
Italy's legislative objective of increasing the proportion of renewable energies from the current 7% to 22% by 2012 can represent an enormous potential for continued growth for the AGO AG Energie + Anlagen Group. With the current amendment of the Italian net-metering for electrical power derived from biomass, the effective compensation level of up to 29.5 cents per kWh fed into the public supply grid is considerably above that of the German situation. In a study done for AGO more than 500,000 industrial Companies were located in northern Italy. The single concentration on Companies in the foods sector provides some 70,000 potential target customers.

After extended observation of the Italian market, we were able to select an optimum point in time for the creation of AGO energia srl in Turin. The operative objective of the new Italian Company - in which AGO AG Energie + Anlagen holds a 55% interest - is the construction and operation of biomass cogeneration plants. Here - gauged by the Italian energy mix - considerable potential resides primarily in opening up the market for trigeneration. To date, Italy has not taken advantage of refrigeration from heat emerging during the generation of electricity.

From the planned implementation of energy projects with an annual investment volume of €6.0 to €10.0 million, AGO anticipates annual sales from plant operation of €3.0 to €4.0 million for each plant. Here, medium-size energy plants with an output of one MWe and three to four MWth are the Company focal point. Consequently, the Company moves between the large and the small competing businesses. AGO AG Energie + Anlagen's responsibility is the know-how in construction of absorption chillers and turn-key construction of biomass cogeneration plants. Leading the way to opening the new Italian market is taken care of by the Company's 5 associates in Italy by way of the collaboration with Pro Ambiente srl. Plaus (Bozen), a biomass cogeneration plant planner with a well established and extensive marketing structure and currently comprising more than 20 freelance collaborators.

Along with the planned expansion in Italy, a foothold was also gained in Greece with the construction of four block-type cogeneration plants for the city of Serres. With respect to the international activities of the majority shareholder caverion GmbH, the locations and structures of caverion-International division will be utilised increasingly in future. Planning services have already been provided to caverion GmbH in Russia, Dubai and Malaysia, for example.

The graphic below shows the AGO AG Energie + Anlagen expansion countries worldwide to date:



Competitive strengths

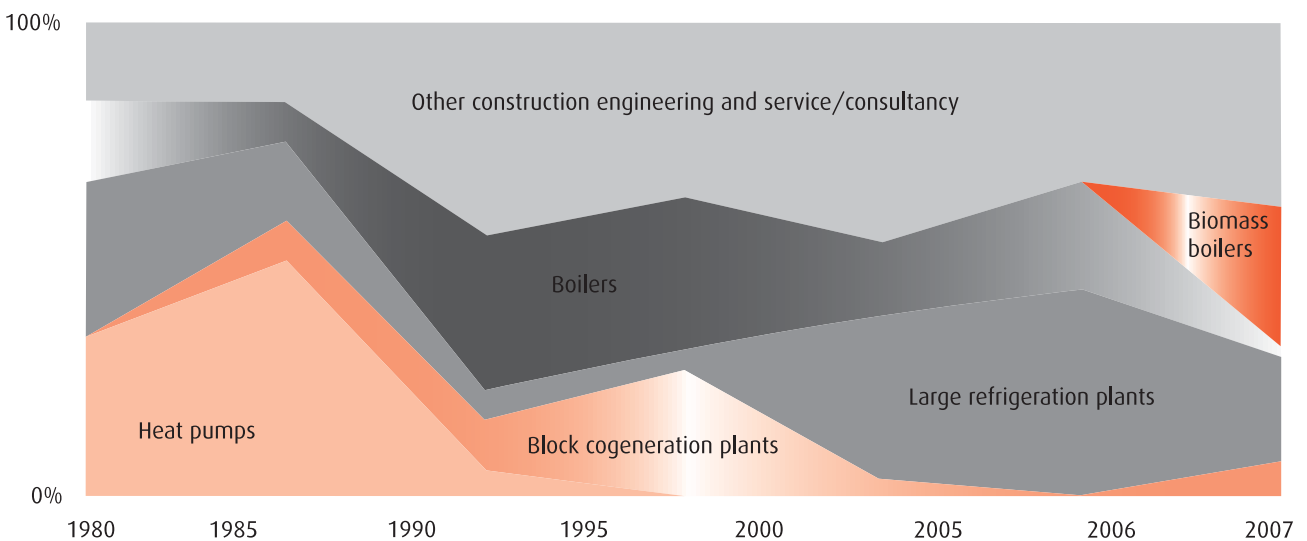
Professional experience shows a broad technological spectrum

Thanks to 28 years of experience in the industry, AGO AG Energie + Anlagen is in the position to ensure optimum energy supply to industrial Companies. The innovative adaptations to any technical situation over the past decades further document the Company's extensive expertise. The myriad changes in market and contextual conditions that have taken place in the power sector have resulted in broader technical offerings with combinations and adaptations to different technological energy centres in the areas of boiler plants, block thermal generation plants, heating and cooling plant construction, and biomass cogeneration plants with trigeneration.

The focus of our activity lies in the engineering–technical coupling of different technologies. Ultimately, we are not limited to single technologies but - thanks to our supplier network built over many years - we can draw on a diverse range of component manufacturers for the respective project.

Here, AGO AG Energie + Anlagen's R&D activity covers primarily the economic implementation of new concepts in services and energy production. Accordingly, for example, AGO markets the ammonia/water absorption chiller developed by the Dresden Institut für Luft und Kältetechnik ("Institute for Air and Refrigeration Engineering") which is characterised by its particular energy efficiency, its compact construction, low maintenance and service overhead, a comparatively low refrigerant requirement, completely automatic operation and the possibility of trigeneration.

The following graphic presents the contribution of different technologies to current total sales and thus shows the technological versatility of AGO AG Energie + Anlagen with respect to changing contextual conditions in its Company history:

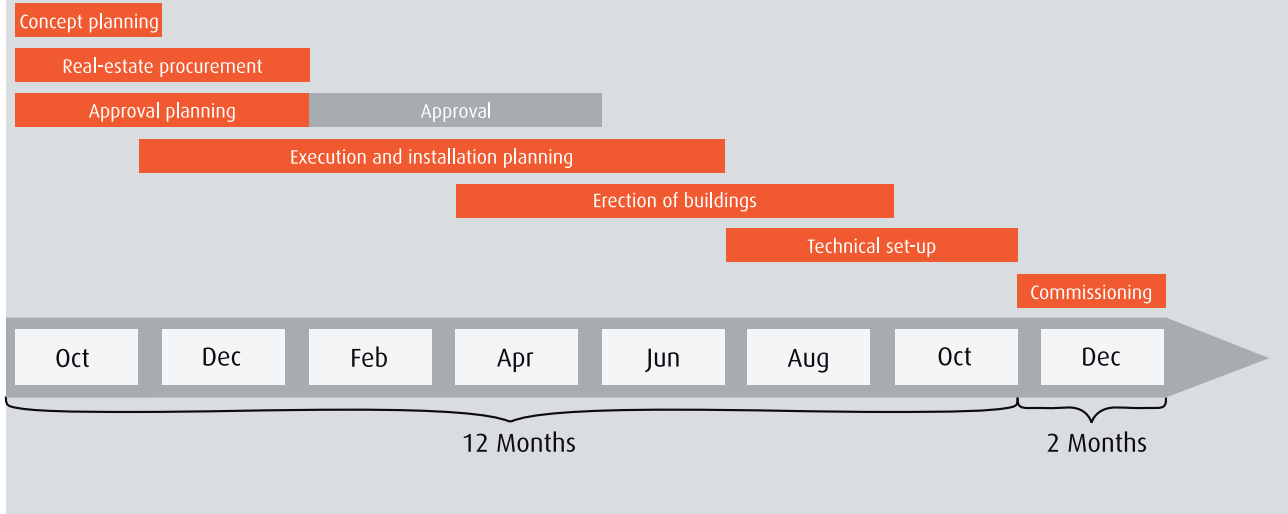


Source: AGO AG Energie + Anlagen

Time savings in plant construction results from parallel project phases

Another competitive strength of AGO AG Energie + Anlagen is the significant amount of time saved and the resulting reduction in costs during the installation of an energy centre. Because of the parallel execution of different project phases during planning and execution of an energy production plant, the time between proposal, acceptance and commissioning of the plant is kept relatively short. This competitive strength enables to save time of six to twelve months compared to conventional project development. Consequently, the strategy of this efficient parallel processing results in cost savings for the plant operator. The illustration below uses the example of the schedule and respective process steps in the realisation of the Alperstedt biomass cogeneration plant which inter alia was awarded the 2007 Innovationspreis des Mittelstandes ("Mid-size Company Innovation Award"):

Parallel processing of project phases accelerates project implementation



Source: AGO AG Energie + Anlagen

Long-term contracts with biomass suppliers under economically attractive conditions

Our customer base comprises essentially of industrial and municipal Companies that require energy in different forms - as electrical power, heating or refrigeration, for example.

In principle, AGO AG Energie + Anlagen can construct energy production plants throughout the entire national territory. The focus of AGO's operational activity is in the construction and subsequent operation of biomass cogeneration plants, primarily in Bavaria, Baden-Württemberg and Thuringia. The reason for this is the adequate access to biomass in these states. HolSoTherm GmbH - a 74.5% AGO subsidiary - has concluded various contracts with periods of up to ten years for the supply and storage of wood of different qualities, in order to ensure adequate supply to the energy centres. Because of AGO's concentration on these federal states, the suppliers are predominantly in Thuringia. In this case, the respective weekly required quantity and quality is collected by the subsidiary.

In order to ensure plant operation of the energy production plants operated by AGO over the longterm at economically interesting conditions, a collaborative memorandum of understanding was concluded with Energiewald Thüringen GmbH in April 2007. This raw material supplier operates a 20 hectare nursery for renewable raw materials and is a contract partner of a thinning contract relating to some 30 hectares of fruit orchards per year. The plants operated by AGO AG Energie + Anlagen are thus ensured long-term access to renewable raw materials.

