



# Nine-Month-Report 2008

January 1<sup>st</sup> - September 30<sup>th</sup> 2008

**ago** energie + anlagen

One step ahead.

## AGO-Information

ISIN:	DE000A0LR415
WKN:	A0LR41
Trading symbol	AGY
Market segment	Open Market
Transparency level	Entry Standard
Share capital	EUR 4,000,000
Notional value per no-par value share	EUR 1.00
Free float	% 31.87

## IFRS-Key Ratios Income Statement

		01.01. - 30.09.2008	01.01. - 30.09.2007
Revenue	EUR k	25,676	32,009
Gross profit	EUR k	3,254	829
EBIT	EUR k	1,389	517
Consolidated net profit for the period	EUR k	493	93

## IFRS-Key Ratios Balance Sheet

		30.09.2008	30.09.2007
Total assets	EUR k	34,898	43,946
Total non-current assets	EUR k	14,398	14,366
Total current assets	EUR k	20,500	29,580
Total shareholders' equity	EUR k	12,924	11,885
Total liabilities	EUR k	21,974	32,061

## Financial Calendar 2008

April 17, 2008	Vienna Investment Forum
April 29, 2008	Entry & General Standard Conference
May 7, 2008	Munich Capital Conference
May 8, 2008	Close Brothers Seydler Small- and Midcap Conference
May 15, 2008	Annual Report 2007
May 30, 2008	Quarterly Report 2008
June 30, 2008	Annual General Meeting
August 14, 2008	Half-Year-Report 2008
November 20, 2008	Nine-Month-Report 2008
November 27, 2008	Vienna Investment Forum Autumn

## Contents

Foreword by the Management Board	04
AGO-Highlights	06
Company Profile	08
The AGO-Stock	16
AGO-Climate Protection Program	23
Market Environment	25
Business Development	30
Financial Statement 2008	33
Income Statement	33
Balance Sheet	35
Legal Notice	37
Imprint	38



prefazione...

Voorwoord...

prefáce...

qiányán...

prefácio...

Vorwort...

Foreword...

prólogo...

Dear Shareholders,  
Ladies and Gentlemen,

In the current financial year 2008, AGO AG Energie + Anlagen achieved trend-setting and strategic milestones for sustainable company growth. As a specialist in constructing and operating biomass cogeneration plants, we have not only succeeded in expanding our operations within Germany, but also internationally. Highlighting this fact is our launch of operations in the Italian market, as well as founding AGO energy (Pty) Ltd. in South Africa. Further commitments in Norway and the USA show the international interest in AGO technologies used for producing heat and electricity. Implementing and initialising the ECo-Plus climate protection programme helped us to achieve a unique selling point in the industry.

With the acquisition of 90 percent of the Italian shelf company, Reindeer srl., and the option for further interests in Southern Italy, we succeeded in entering one of the most interesting markets for renewable energy in Europe. The biomass cogeneration plant with 6 MW combustion capacity and 1 MW electric power capacity, which is currently awaiting approval, represents an initial success from a number of discussions and negotiations aimed at establishing further energy centres in Italy. Beginning in 2010, we expect sales of about €2.6 million per year for electricity and heat supply over the 15 year contract term. By 2014 we expect to be operating a total of 10 mid-sized biomass cogeneration plants alongside the project business in politically motivated Italy.

For a business diversification independent of market and branch fluctuations, we founded a subsidiary after agreeing a turn-key contract for planning, delivering, installing and commissioning an energy centre for the Heineken brewery in South Africa. The focus of the wholly-owned AGO subsidiary lies in opening up the market for trigeneration and energy efficiency projects for the industry in South Africa. AGO energy (Pty) Ltd. is planning the implementation of energy projects with a total volume of up to €5 million annually.

We entered uncharted territory and led the way with the introduction of our ECo-Plus climate protection programme for reducing CO<sub>2</sub> emissions and the lucrative sale of emission allowances. The goal of the climate protection programme within the framework of Joint Implementation (JI) is to convert the power supply of mid-sized companies from fossil fuels to regenerative fuels. This is intended for all companies which to this point are not subject to the greenhouse emissions trade law and wish to change their current facilities over to a regenerative energy source. In order to fulfil the international legal requirements of a JI project, AGO AG Energie + Anlagen will set up a subsidiary in one of the countries that allow JI projects in accordance with the Kyoto Protocol (i.e. France, Sweden or Denmark). As a service provider, AGO will consolidate the participants' CO<sub>2</sub> reduction in a single climate protection programme, recover the saved emissions for emissions trading and refund German companies with the proceeds.

We are holding our own not only strategically, but also in operations in the 2008 business year. With an incoming order as of 30 September 2008 totalling €40 million, we have achieved a considerable increase of around 40 percent compared to the previous year's figure. As promised, the third quarter of 2008 developed considerably stronger than the first half of the year. With sales reaching €25.7 million and a gross profit margin of 12.67 percent, we achieved EBIT totalling €1.4 million and net income for the first nine months of 2008 of €0.5 million. With an equity ratio of 37 percent and liquid assets of €5.7 million we are – despite the financial crisis – extremely well financed for future expansion. We expect a good fourth quarter and maintain our forecast and significantly improved EBIT for the rest of the financial year.

Management Board



Hans Ulrich Gruber



Helmut Peetz

## AGO highlights for 2008

### February 2008

- ▶ Construction and operation of a biomass cogeneration plant in Upper Franconia

### March 2008

- ▶ Record €20.7 million in incoming orders in the first quarter of 2008

### April 2008

- ▶ AGO receives prize at the Industry Awards 2008

### June 2008

- ▶ Climate protection partner for Kulmbach's public utility company – consulting service rendered on the regional reduction of greenhouse gas emissions
- ▶ International expansion – order for a hot water plant from Heineken in South Africa
- ▶ Incoming orders for the first six months of fiscal year 2008 rise by 54.64 percent compared to the previous year amount of €30.0 million

### July 2008

- ▶ AGO introduces its new climate protection programme for mid-sized industrial companies to Michael Glos, Federal Minister for Economics and Technology
- ▶ Discussions with Italian politicians on reducing emissions
- ▶ Talks with Michael Glos, Federal Minister of Economics, about AGO's climate protection programme
- ▶ International expansion – first project in Italy
- ▶ AGO AG Energie + Anlagen introduced its climate protection programme ECo-Plus to the general public
- ▶ Incoming orders increase by €9 million or 30 percent to €39 million in July 2008 alone

## September 2008

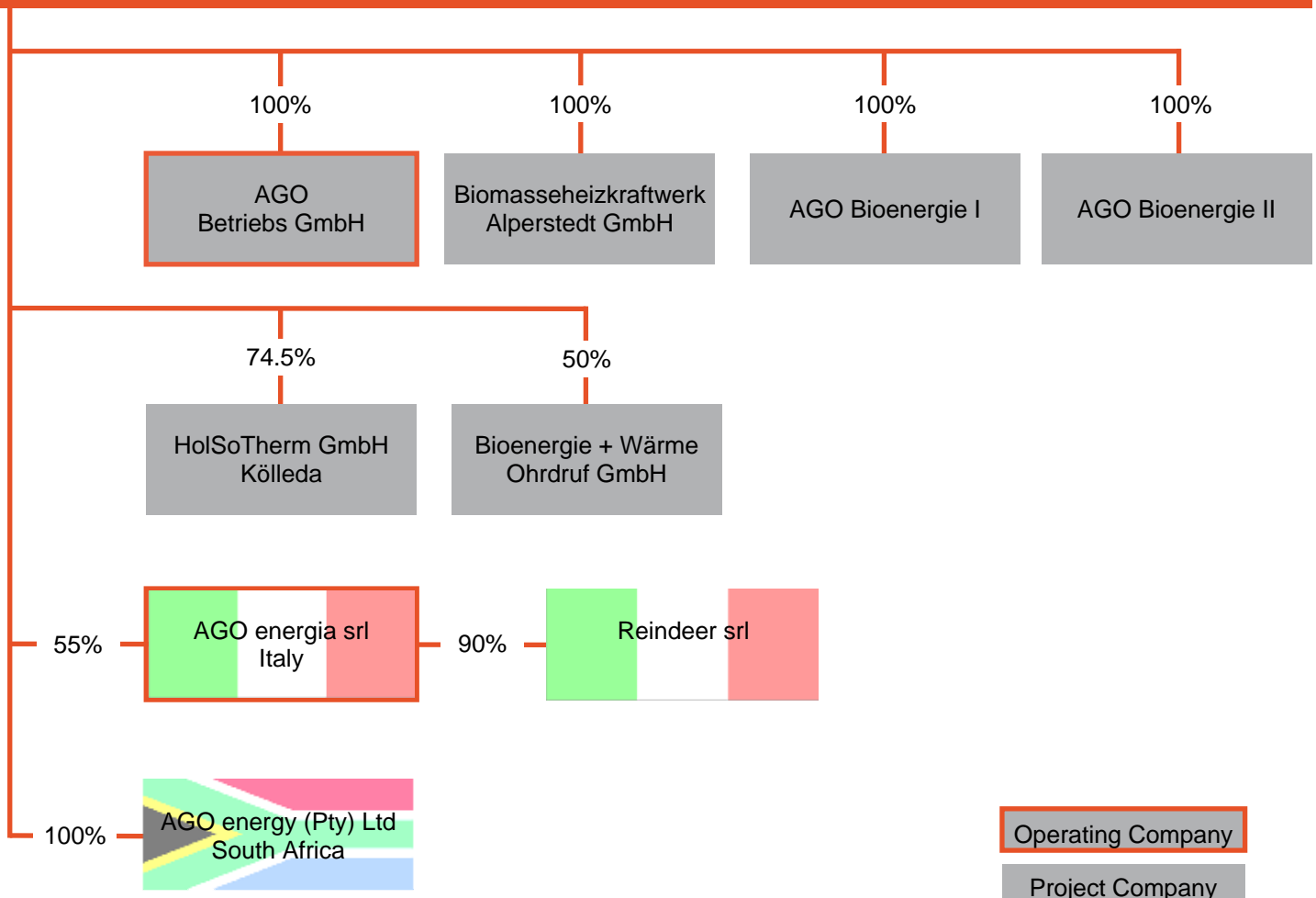
- ▶ First self produced chiller comes off the line in Kulmbach – The “ago congelo ammonia / water absorption chiller” is suitable for temperatures below freezing
- ▶ Expansion into Africa – launch of AGO energy (Pty) Ltd. in Cape Town – which will encompass energy projects with a volume of up to €5 million per year



Group photo: AGO AG Energie + Anlagen Management Board in discussions with Federal Minister for Economic and Technology about the climate protection programme of AGO.

**Group Structure**  
As of August 2008

**AGO AG Energie + Anlagen**





## Business divisions

The Latin word “ago” means “to bring forward”, “to move”, “to operate”. It is a name that obligates our Company and employees to rise to the challenge. AGO AG Energie + Anlagen (AGO) plans, develops, installs and operates power generation facilities based on complex biomass cogeneration plants as well as heating and refrigeration plants.

Founded in 1980 as a full-service provider of heat, refrigeration, steam, compressed air and electricity in the field of power generation plants for industrial customers, AGO AG Energie + Anlagen also offers a range of consulting services as well as other services for aspects such as energy efficiency and the emissions trading obligations of industrial power plant operators.

Three business divisions allow us to meet all requirements related to the electricity and heat requirements of industrial customers. These include project development and implementation, plant operation, service and consulting.

### Project development and implementation throughout Europe

In the project development and implementation field, AGO is pursuing the implementation of decentralized plants to supply energy to industrial enterprises and municipal organizations throughout Europe. As a solution and implementation oriented project developer, the Company is fully responsible for the development, planning, financing and construction of power generation plants for its customers. AGO takes individual needs into account from design to implementation.

Since it has access to components from various manufacturers, AGO is able to meet customer requirements with suitable power generation plants without being reliant on specific suppliers. “Contracting” is becoming an increasingly popular service. Under the contracting model, responsibility for all key energy supply components and the related services are transferred from the company to AGO. With energy and plant contracting, AGO AG Energie + Anlagen – and not the customer – generates the energy required by the customer. By supplying a company with heat, steam, refrigeration, electricity or compressed air, AGO can provide its customers with complex, innovative and economical energy solutions and sell the required energy to the company.

With contracting, AGO AG Energie + Anlagen assumes responsibility for the construction, renovation, servicing, maintenance and operation of the power generation plant instead of leaving these areas to the company being supplied with energy. After all, these specific issues are normally not part of the customer's core competencies. Initial contracts are normally concluded for a period of 15 years, precluding the need for any customer investments in the power generation plant itself as well as eliminating service and maintenance. Customers are also released from any obligation to participate in emissions trading in accordance with the German Greenhouse Gas Emissions Trading Act (TEHG).

In summary, contracting offers customers a secure energy supply, which may be combined with energy savings and a reduction in emissions. Sales generated from the ongoing operation of a power generation plant as a result of contracting are reported under the plant operation business division.

### Supply security through plant operation

The plant operation business division offers a full range of services including maintenance, servicing and especially raw materials management. AGO operates power generation plants for industrial customers based on conventional and renewable energy sources.

Since 2002, larger projects such as the biomass heating plant with a heat output of up to 5 MW for Daimler AG Kölleda have been realized – mainly due to the 74.48% equity interest of AGO in the HolSoTherm GmbH operating company. Through this equity interest, the Company has access to a long-standing supplier network.

Raw materials and fuel management includes a comprehensive availability and heat requirements analysis before the start of a project, since raw materials procurement ranges from issues related to capacity utilization and ongoing logistics to warehousing and quality assurance for biogenic fuel. AGO AG Energie + Anlagen is able to guarantee stable heat prices by entering into long-term agreements with its fuel suppliers. The smooth operation of power generation plants using biogenic fuel is dependent on quality assurance and operational reliability – which may also involve mixed energy generation.

### Service & consulting

In the service and consulting field, AGO offers servicing, repairs and maintenance including emergency services for its own or third-party power generation plants. Energy efficiency consulting, the completion of location studies and location development studies, as well as consulting and other services related to emissions trading are also bundled in this business division. AGO customer service currently includes 30 employees throughout Germany trained in refrigeration technology, cogeneration plant technology, furnace technology, measurement and control technology, and ventilation and air conditioning technology. In addition to maintaining plants constructed and operated by AGO AG Energie + Anlagen, employees also service third-party plants to a significant extent.

AGO AG Energie + Anlagen redevelops and expands plants with its in-house assembly team. Customer service employees are deployed so as to ensure their availability 365 days a year, 24 hours a day. AGO AG Energie + Anlagen offers its customers comprehensive consulting services on energy related issues (such as energy efficiency) and prepares energy studies in the areas of thermal technology, refrigeration technology and cogeneration, among other things. The technologies used to generate energy for customers are analyzed and, based on the preparation of feasibility studies, alternatives to the current energy generation concepts are developed. In addition, AGO AG Energie + Anlagen provides consulting on financing prior to the construction of a plant and examines the need for approvals and permits in advance.




For plants that are subject to the German Greenhouse Gas Emissions Trading Act (TEHG) due to their emissions output, AGO organizes the purchase or sale of emission certificates as required.



AGO-Technology:  
Ammonia / water absorption chiller

## Company strategy

In the context of our business sectors, project development and application of plant operations, as well as 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

The growth strategy is founded in the plant operation segment with a focus on biomass. The present global background encourages such a growth strategy with current advantages being government aid for energy production based on regenerative sources of energy and the higher prices of fossil fuels. In the federal draft bill on restructuring the Renewable Energy Act, 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 percent 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 percent 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 power generation plants with a focus on biomass, which we will meet by accelerating 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 ensures the AGO AG Energie + Anlagen business model has 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, in line 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, approximately

400 potential customers for biomass cogeneration plants - in Bavaria, Baden-Württemberg and Thuringia - have been identified in this priority AGO operational area. The stated company goal, the realisation of three to four contracting plants in Germany with an output of between 5 and 20 MWth per year, is also to be implemented on the basis of this study.

### Extension of international business activities

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

Italy's legislative objective of increasing the proportion of renewable energies from the current 7 percent to 22 percent by 2012 can represent enormous potential for continued growth for AGO AG Energie + Anlagen. 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 Germany. In a study carried out for AGO, more than 500,000 industrial companies were located in Northern Italy. A single concentration on companies in the foods sector provides some 70,000 potential target customers. AGO is currently concentrating on 500 established potential target customers.

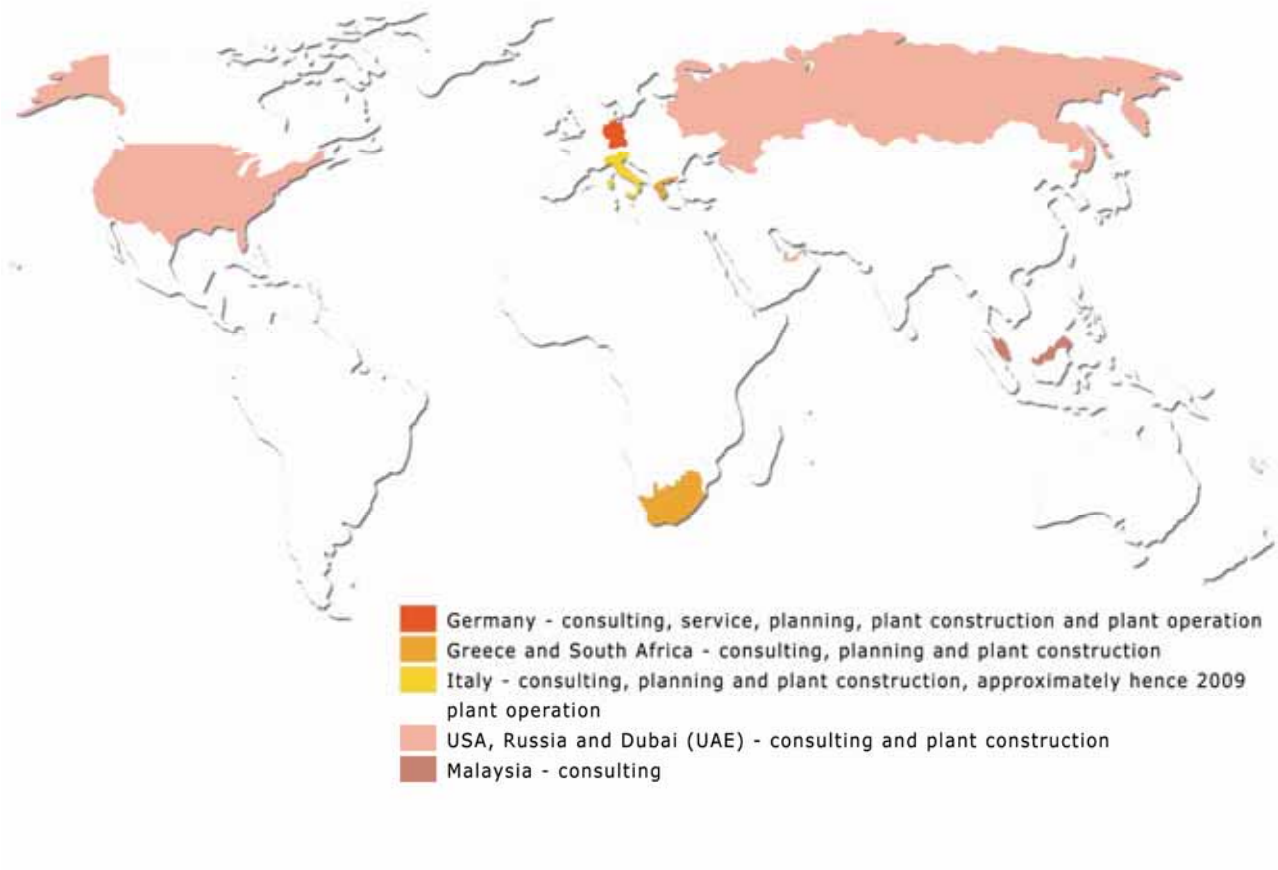
After monitoring the Italian market for an extended period of time, we were able to enter into one of the most important growth markets for energy from biomass with the launch of AGO energia in Turin at the end of 2007. The operative objective of the new Italian company - in which AGO AG Energie + Anlagen holds a 55 percent stake - 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 the process of refrigeration using 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-sized energy plants with an output of 1 MWe and 3 to 6 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. In collaboration with Pro Ambiete srl. Plaus (Bolzano) the company's 5 associates in Italy led the way to opening the new Italian market. Pro Ambiete srl. Plaus (Bolzano) is a biomass cogeneration plant planner with a well established and extensive marketing structure and currently comprising more than 20 freelance collaborators.

In addition, we hope the first order in South Africa from Heineken, Europe's largest brewery, will lead to follow-up orders for constructing and modernising energy centres throughout the world. 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, Malaysia and are currently being rolled out in the USA.

The diagram below shows the countries that AGO AG Energie + Anlagen has expanded into to date:





Furthermore, AGO AG Energie + Anlagen plans to use certificate trading of CO<sub>2</sub> emissions rights with third parties as part of the Eco-Plus climate protection programme\* initiated by AGO through “Joint Implementation”. Here, an industrialised country (investing country) invests in a climate-friendly power plant (such as a biomass cogeneration plant) that is being run in another industrialised country (host country) for a company which is not subject to the compulsory emissions trading scheme. This concept involves a win-win arrangement for both industrialised countries. The investing country is allocated additional emission entitlements, and the company in the host country is permitted to sell emissions certificates (ERU certificates = Emission Reduction Units certificates), although the company itself is not subject to the compulsory emissions trading scheme.

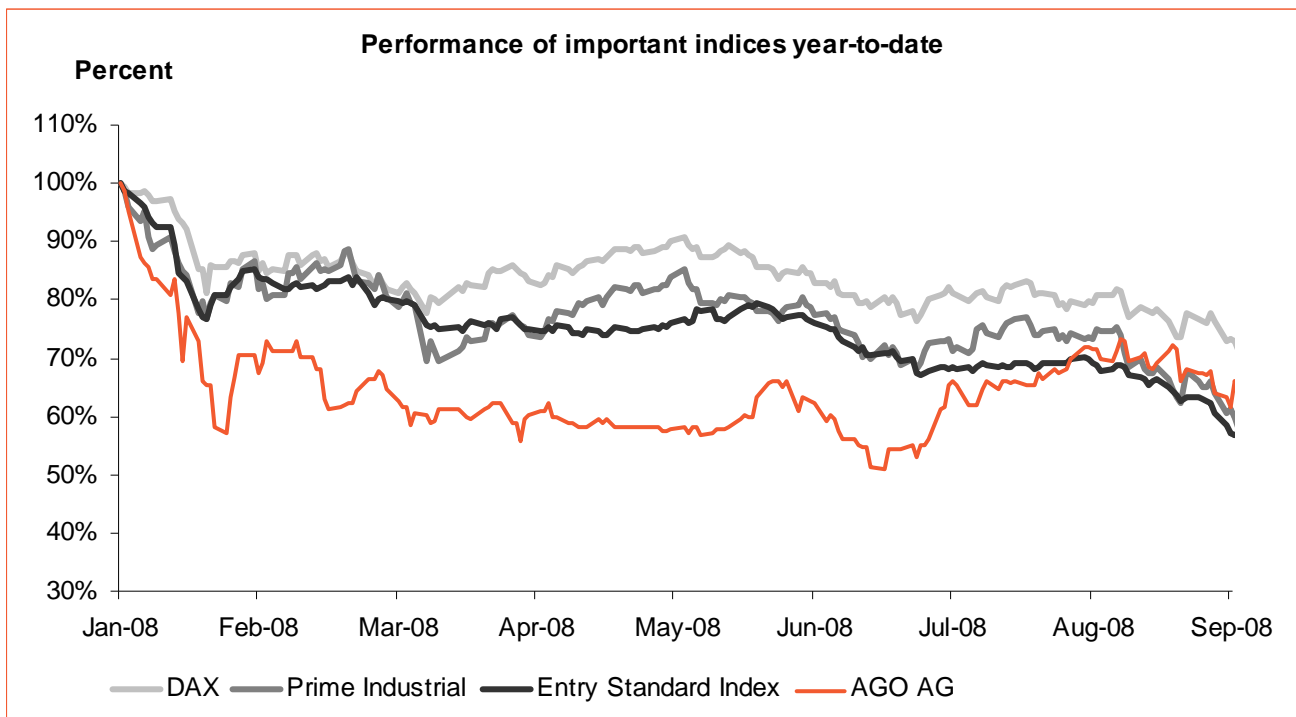


Source: Google Earth; AGO AG Energie + Anlagen

\* The goal of the ECo-Plus climate protection programme by AGO is the conversion of mid-sized German companies' energy supplies from fossil fuels to regenerative alternatives within the framework of Joint Implementation (JI) projects. The JI project enables industrial companies and service providers to make a contribution to environmental protection by switching over to regenerative energy, as well as providing a sustainable source of income.

### Financial markets driven by sell off sentiment in 2008

The leading German indices continued their downward trend in the third quarter of 2008. With the insolvency of the investment bank Lehman Brothers, the ongoing financial crisis of the past year reached a temporary peak. Growing fears about the worldwide economic development are also having an impact. The negative sentiment left its mark on the German Share Index (DAX), which closed at 5,831 points on 30 September 2008. This represents a decrease in value of 26.64 percent from the beginning of the year (7,949 points). In October 2008, the situation on the financial markets intensified leading to a DAX value of 4,015 – its lowest mark for the year.



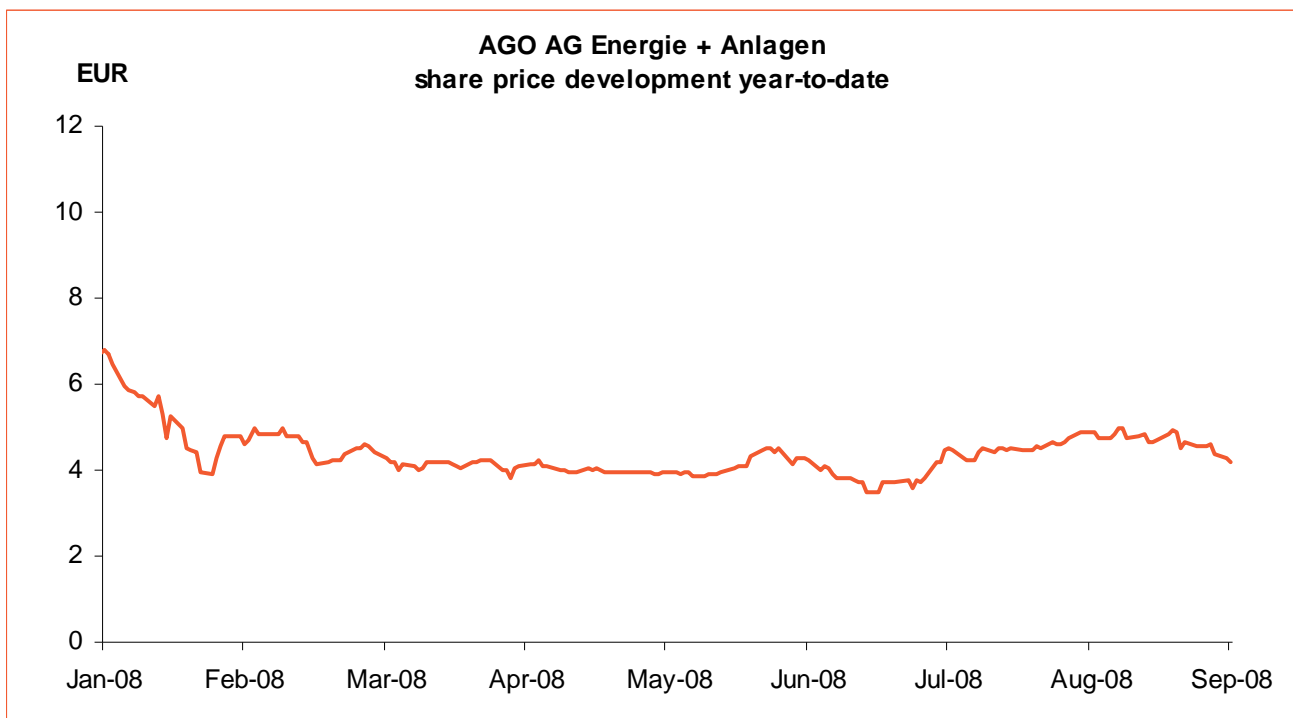


The Prime Industrial Index – the index for high-capital industrial and machinery companies – was hit even harder than the DAX. The index was listed at 2,374 points on 30 September 2008; roughly 38.75 percent below its level at the start of the year (3,876 points). The Prime Industrial continued to decrease in value after the reporting period and marked its low for the year in October with 1,322 points.

The Entry Standard Index closed the third quarter of 2008 with 485.23 points and had fallen 42.92 percent from the value of 850.05 points at the beginning of the year. At the end of October, the Entry Standard Index reached an all-time low of 383.90 points.

#### AGO shares develop better than second-tier stocks

The AGO AG Energie + Anlagen share showed better development in the first three quarters than the Prime Industrial and Entry Standard Index. With a closing price of €4.20 on 30 September 2008, the share of the alternative energy service provider dropped 38.33 percent compared to €6.81 at the beginning of the year. The AGO share developed 4.59 percentage points better than the Entry Standard Index, and 0.43 percentage points better than the Prime Industrial Index.



#### Management buys AGO shares

In August, AGO Management raised its stake in the share capital of the company by 0.38 percent. With this move underlined their faith in the company's future. Free float decreased accordingly from 32.25 percent to 31.87 percent.

## Overview of key share performance figures

ISIN		DE000A0LR415
German Securities Identification Number (SIN)		A0LR41
Trading symbol		AGY
Bloomberg symbol		AGY GY
Reuters symbol		AGYG.DE
Market segment		Open Market
Transparency level		Entry Standard
Designated Sponsor		Close Brothers Seydler AG
Investor Relations		GFEI Gesellschaft für Effekteninformation mbH
Share capital in EUR	EUR	4,000,000
Number of outstanding shares		4,000,000
Free Float	%	31.87
Shareprice as of January 2, 2008 (Frankfurt)	EUR	6.81
Shareprice as of September 9, 2008 (Frankfurt)	EUR	4.20
52-week-high (January 2, 2008)	EUR	6.87
52-week-low (July 4, 2008)	EUR	3.00
Marketcapitalisation as of September 30, 2008	EUR	16,800,000
Average daily traded volume since IPO (Frankfurt)	Shares	2,225
Average daily traded volume since IPO (Xetra)	Shares	5,529
Total performance year-to-date		
DAX		-26.64%
Prime Industrial		-38.75%
Entry Standard		-42.92%
AGO AG Energie + Anlagen		-38.33%

### Transparent and up-to-date Investor Relations

Transparency and continuity are important pillars in the Investor Relations activities of AGO AG Energie + Anlagen. AGO publishes annual and quarterly reports according to IFRS standards. These are released in good time at Prime Standard level in both German and English. With regular reporting activities in the form of corporate news and press releases, AGO AG Energie + Anlagen informs its shareholders and prospects about ongoing company activities in a timely and comprehensive manner. An overview of the published corporate news for 2008 can be found below. In addition to corporate news, a total of 8 press conferences were held this year.

**Corporate News 2008 in overview**
**Date**

Construction and operation of biomass heating station in Upper Franconia	27-Feb-08
Incoming orders in 2008 at record high of EUR 20.70 million	16-Apr-08
Publication of Annual Report of 2007 ++ Turnover increase by + 21.8 percent	15-May-08
Release of Q1 Report 2008 ++ Gross profit margin at 12.7%	30-May-08
AGO AG Energie + Anlagen is awarded a contract for a project in South Africa	10-Jun-08
Market entry in Italy ++ Annual turnover of EUR 2.6 million as of 2010	24-Jul-08
2008's first term's revenue of EUR 14.81 million according to plan	14-Aug-08
AGO AG Energie + Anlagen expanding to Africa	25-Sep-08

AGO AG Energie + Anlagen's will hold regular investor meetings and press conferences and also plans to further develop existing investor and media contacts in the future, as well as continuing to boost the company's profile on the capital market.

**Capital markets events**

During the current 2008 financial year, AGO AG Energie + Anlagen expanded its investor relations efforts through capital market events. The company presented itself at conferences held by Deutsche Börse AG (Entry and General Standard Conference) and Close Brothers Seydler AG (Small & Mid-Cap Conference) in the spring of 2008. Additional investor conferences attended by the company included the Munich Capital Market Conference and the Vienna Investment Forum. Combined with the three conferences in 2007 (Equity Capital Forum hosted by Deutsche Börse AG, Smart Equities Conference 2007 of the DVFA and the 3rd Bio-Energy Forum hosted by the Solarpraxis publishing company), AGO AG Energie + Anlagen has clearly demonstrated its dedication to the capital market in the first year after its IPO. Continued open and transparent communication with capital market representatives is also planned for the future, creating an open dialogue about the goals, activities and success of the company. The next conference, set for 27 November in 2008, will be the Vienna Investment Forum.

**Conference calendar 2008 in overview**
**Date**

Vienna Investment Forum	18-Apr-08
Entry and General Standard Conference 2008	29-Apr-08
Munich Capitalmarket Conference Spring 2008	02-May-08
Close Brothers Small- and MidCap Conference 2008	05-May-08
Vienna Investment Forum Autumn 2008	27-Nov-08

### Numerous analysts see AGO'S growth potential

The research company Close Brothers Seydler Research AG carried out an evaluation of AGO AG Energie + Anlagen. In the base study dated 19 May 2008, CBSR analysts rated the AGO share as "Buy" with a target price of €5.71. The target price was confirmed by update research on 30 May 2008 when AGO AG Energie + Anlagen released its first quarterly report for 2008. At the time of publication, this corresponded to an upside potential of 44 percent (share price on 30 May 2008: €3.96). Among other things, the growth potential of mid-sized companies was emphasised. This is partly due to the increase in demand for contracting solutions by industrial companies as a result of Basel II regulations. Rising energy costs for fossil fuels are also driving growth. AGO AG Energie + Anlagen can generate cost reductions through the conversion to biomass cogeneration plants with an energy mix of electricity and heat. Analysts also highlighted the steadily improving legal environment due to the German Renewable Energy Sources Act (EEG) and Renewable Heat Energy Act (EEWärmeG).

Kayenburg AG has also analysed AGO AG Energie + Anlagen. The overview study carried out in April 2008, considered conservative by AGO, established €5.10 as a fair value for the share of the leading German builder and operator of biomass cogeneration plants. Based on the regulations of the German Renewable Energy Sources Act (EEG) and Renewable Heat Energy Act (EEWärmeG), analysts expect demand for AGO technologies to rise. This would result in additional sales potential for the company. The internationalisation of business activities also harbours potential. In December 2007, AGO AG Energie + Anlagen announced it was entering the market in Italy – the country with the highest demand for technology for generating electricity and heat from biomass in Europe. AGO AG Energie + Anlagen is already involved in additional projects in Greece. The company has also been contributing know-how to energy projects around the world for many years.

In a research note dated 28 July 2008, the research company Independent Research also rated the AGO share as "Buy". The target price was €6.30. At the time of publication, this corresponded to an upside potential of 65 percent (share price on 30 June 2008: €3.81). Analysts consider the acquisition of 90 percent of Reindeer srl. to be a key milestone in the expansion to Italy initiated in 2007. The goal is to sell or operate ten biomass cogeneration plants in Italy by 2014. Reindeer srl. is the operator of a biomass cogeneration plant with 6 MW<sub>th</sub> and 1 MW<sub>el</sub> in Southern Italy. In the above-mentioned research, analysts responded positively to the pronounced increase in order volumes during the first quarter of 2008, which increased by 71 percent to €20.7 million. In addition, these experts indicated that the 2007 figures should not be over-emphasised. 2007 should be considered a transition period, since the strategic realignment as an operator of biomass cogeneration plants and the increase in capital had a significant negative one-time impact.

Research houses in overview	Type	Opinion	Target price	Date
Independent Research	Research Note	Buy	EUR 6.70	03-Mar-08
Kayenburg AG	Initial Coverage	Overweight	EUR 5.10	17-Apr-08
Independent Research	Research Note	Buy	EUR 6.70	17-Apr-08
CBS Research	Initial Coverage	Buy	EUR 5.71	30-May-08
Independent Research	Coverage	Buy	EUR 6.30	11-Jul-08
Independent Research	Research Note	Buy	EUR 6.30	28-Jul-08
CBS Research	Update	Buy	EUR 5.71	19-Aug-08
CBS Research	Update	Buy	EUR 5.71	25-Sep-08

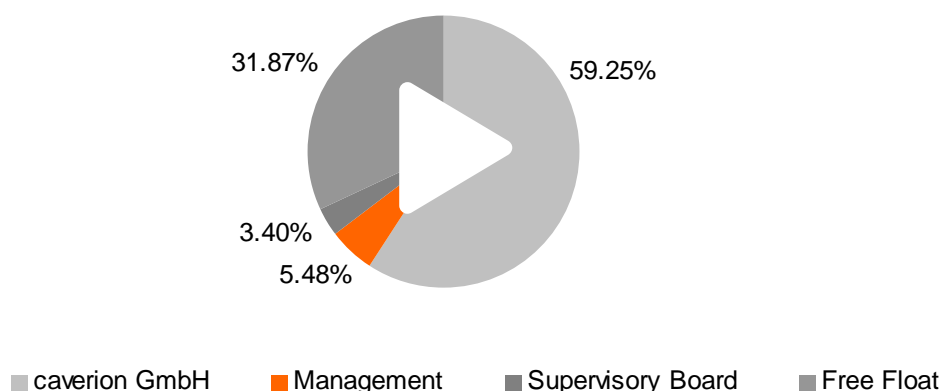
#### Shareholder's meeting on 30 June 2008 in harmony with shareholders

On 30 June 2008, AGO AG Energie + Anlagen held its first regular shareholder's meeting as a listed company. The meeting was held at the "Bräuhaus zum Mönchshof" in Kulmbach. All of the six proposed agenda items were passed with a large majority

#### Shareholder structure

The shareholder structure of AGO AG Energie + Anlagen is largely defined by the major shareholder caverion GmbH, holding the absolute majority of AGO AG Energie + Anlagen with 59.25 percent. The Supervisory Board holds 3.40 percent of the four million no-par bearer shares. Management increased its investment in the company to 5.48 percent by purchasing AGO shares. Free float amounts to 31.87 percent.

**Shareholder structure as of September 30, 2008**



#### Investor Relations contact

If you would like more information on Investor Relations then visit our website at [www.ago.ag](http://www.ago.ag) or call us:

GFEI Gesellschaft für Effekteninformation mbH

Marcus Kapust

Phone: +49 (0)69 - 74 30 37 00

Fax: +49 (0)69 - 74 30 37 22

E-Mail: [ir-ago@gfei.de](mailto:ir-ago@gfei.de)

Internet: [www.ago.ag](http://www.ago.ag)

We are happy to keep you regularly updated on current events at AGO AG Energie + Anlagen. You can sign up for the AGO newsletter at [www.ago.ag](http://www.ago.ag).

If you would like more information on Public Relations or background details on the company contact us at:

AGO AG Energie + Anlagen

Christian Reinlein

Phone: +49 (0)9221 - 60 21 15

Fax: +49 (0)9221 - 60 21 49

E-Mail: [info@ago.ag](mailto:info@ago.ag)

Internet: [www.ago.ag](http://www.ago.ag)

We are delighted that you are interested in AGO AG Energie + Anlagen and we aim to make your research as simple and efficient as possible.

### Unique selling point – ECo-Plus climate protection programme of AGO AG Energie + Anlagen

Climate protection is the collective term for measures that counteract unnatural global warming and serve to minimise or even prevent its effects. While the European Union is working to reduce greenhouse gas emissions in Europe up until 2020 by 20% compared to 1990, the G8 states have gone so far as to aim for a 50% reduction worldwide by 2050. The 1997 Kyoto Protocol provides so-called “flexible mechanisms”, which means the states that are causing emissions don’t necessarily have to invest in climate protection.

AGO AG Energie + Anlagen is leading the way in Germany with its national climate protection programme. This programme’s purpose is to convert the energy supply of mid-sized companies in Germany from fossil fuels to regenerative energy alternatives within the framework of a Joint Implementation (JI), i.e. a common project. An industrial country (investing country) invests in a climate-friendly power plant (such as a biomass cogeneration plant) that is being run in another industrial country (host country) for a company which is not subject to the compulsory emissions trading scheme. A win-win arrangement for both industrial countries is the ultimate goal here. The investing country is allocated additional emission entitlements, and the company in the host country is permitted to sell emissions certificates (ERU certificates = Emission Reduction Units certificates), although the company itself is not subject to the compulsory emissions trading scheme.







Since the end of July 2008, AGO AG Energie + Anlagen has been acquiring interested parties for its climate protection programme. This is intended for companies not subject to the greenhouse emissions trade law, but which want to change their energy centres over to a regenerative energy source (such as biomass). In many cases it makes sense to keep the existing tanks as a back up for emergencies or as an extra aggregate. More than 60 interested parties from all over Germany attended one project presentation organised by AGO. The JI project enables industrial companies and service providers to make a contribution to environmental protection by switching over to

regenerative energy, as well as to provide a sustainable source of income.

In order to fulfil the international legal requirements of a JI project, AGO AG Energie + Anlagen will set up a subsidiary in one of the countries that allow JI projects in accordance with the Kyoto Protocol (i.e. France, Sweden or Denmark). As a service provider, AGO consolidates the participants' CO<sub>2</sub> reduction into a single climate protection programme, recovers the saved emissions for emissions trading and refunds the German companies with the proceeds. The amount of proceeds depends on two main factors: The total emissions saved and the market price for each certificate.

Emissions trading should motivate companies to make their own power plants as climate-friendly as possible, so that they are able to sell emissions certificates for profit. Up to now the only companies to participate in emissions trading were those with a thermal energy centre capacity of at least 20 MW. There are very many small and mid-sized companies that fail to meet this mark, yet still cause excessive emissions. Because of this, quite a few of these industrial companies are already eager to take an

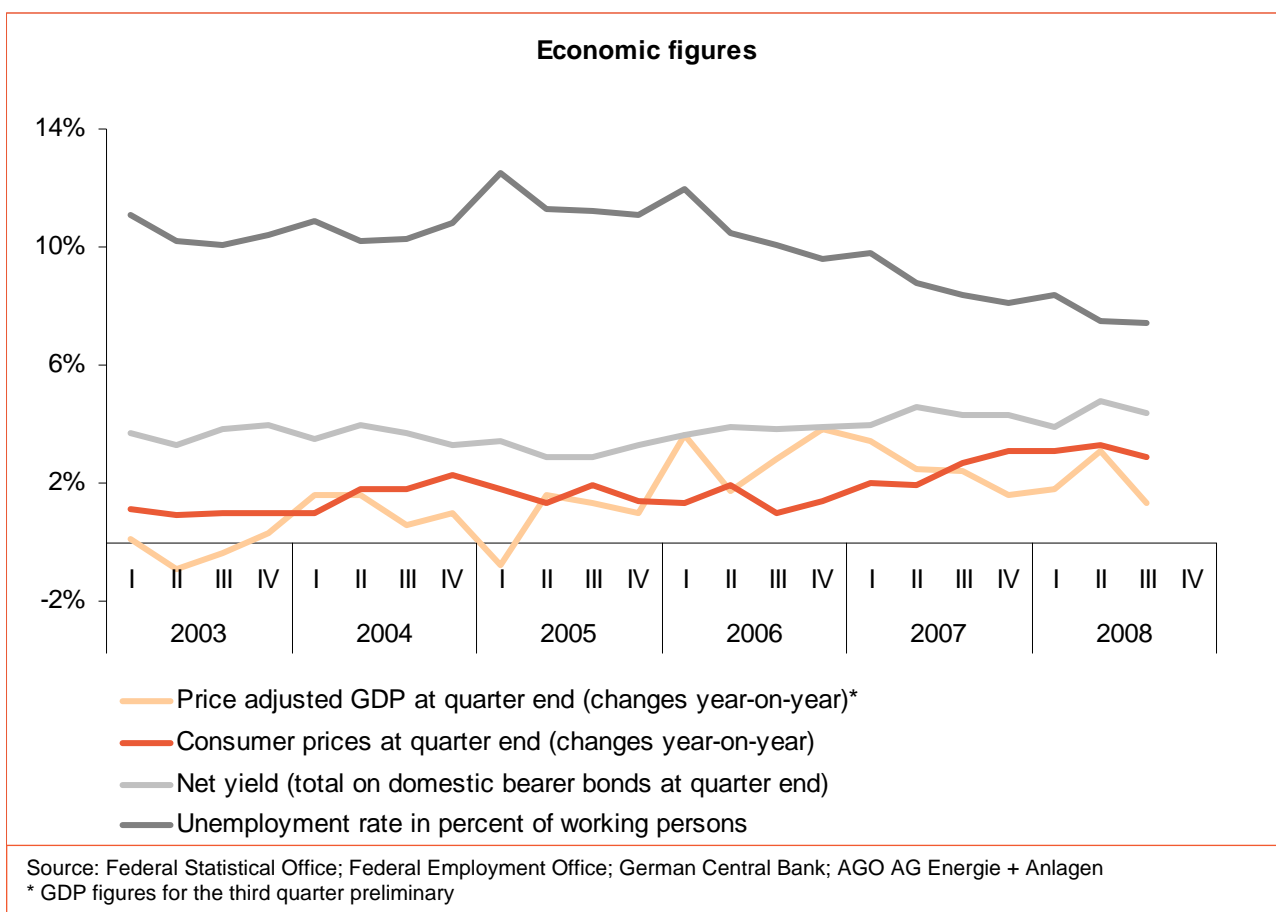
environmentally-friendly stance and enjoy an economic advantage at the same time. AGO AG Energie + Anlagen is currently focussing its attention on companies with company headquarters and energy centres in Germany.





### Economic activity slows significantly

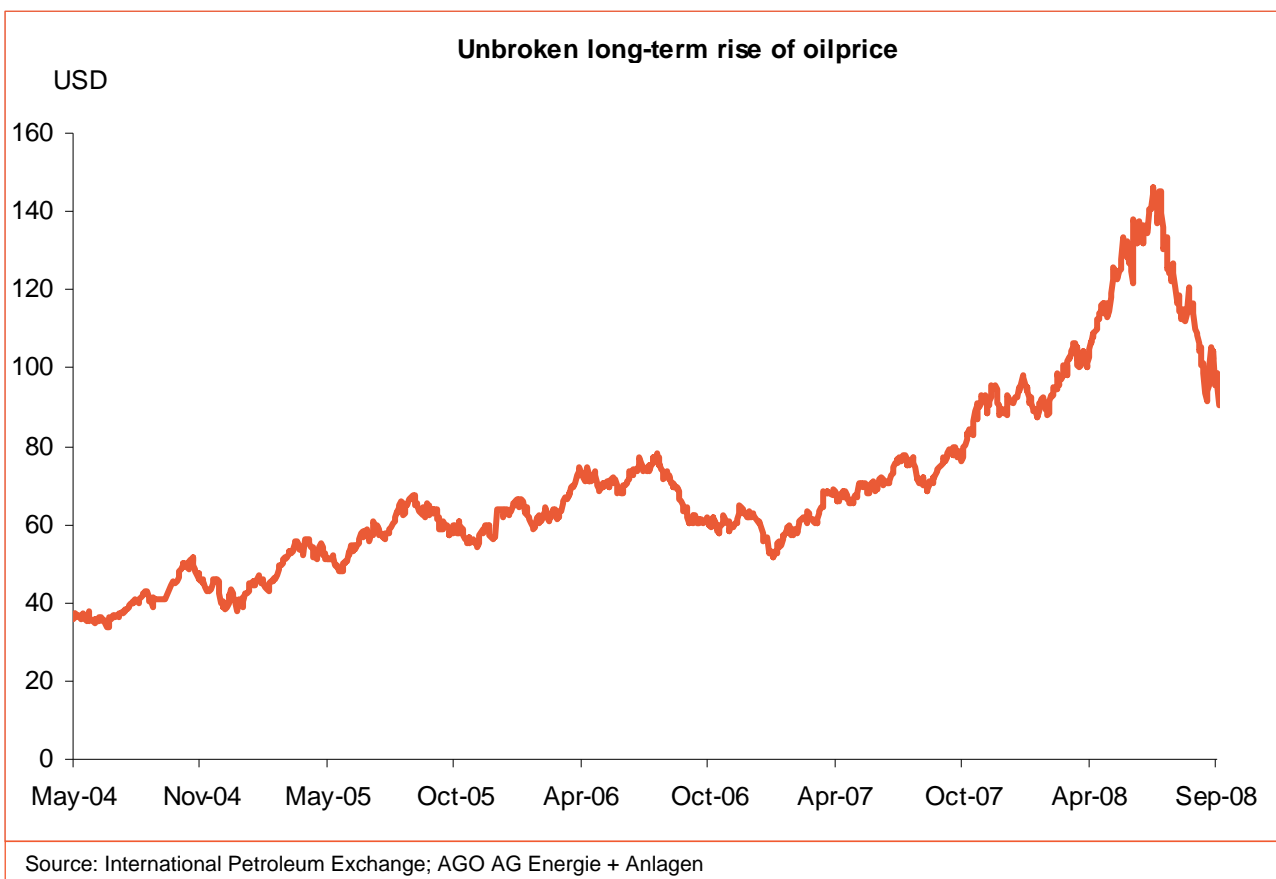
According to the Federal Statistical Office, the price, calendar and seasonally adjusted gross domestic product (GDP) rose 3.10 percent in the second quarter of 2008 compared to the previous year. With a 0.5 percent drop from the previous quarter, the first decline since the third quarter of 2004 was registered. According to numerous economic experts, the growth rate of the German economy is continuing to slow down. Price levels, with a 2.9 percent increase in the third quarter, remain at a high level. However, a noticeable improvement was observed compared to previous quarters. According to calculations by the German Central Bank, the net yield of domestic bearer bonds was listed at 4.40 percent in September and



was 0.4 percent under the value for June 2008. The job market sustained its positive development. With an unemployment rate of 7.4 percent at the end of September 2008, the figure improved in the third quarter by 0.1 percent compared to the previous quarter.

### Oil prices under considerable pressure

The oil price as a leading indicator for energy costs was listed at USD 98.80 a barrel on 30 September 2008. This represents a rise of 0.92 percent compared with the cost at the beginning of the year (USD 97.90). In the long-term (4-year comparison) oil prices have increased by 119.36 percent. As the year progressed, the price of oil continued to fall and was recorded at USD 58.80 at the beginning of November 2008, its lowest price for the year.

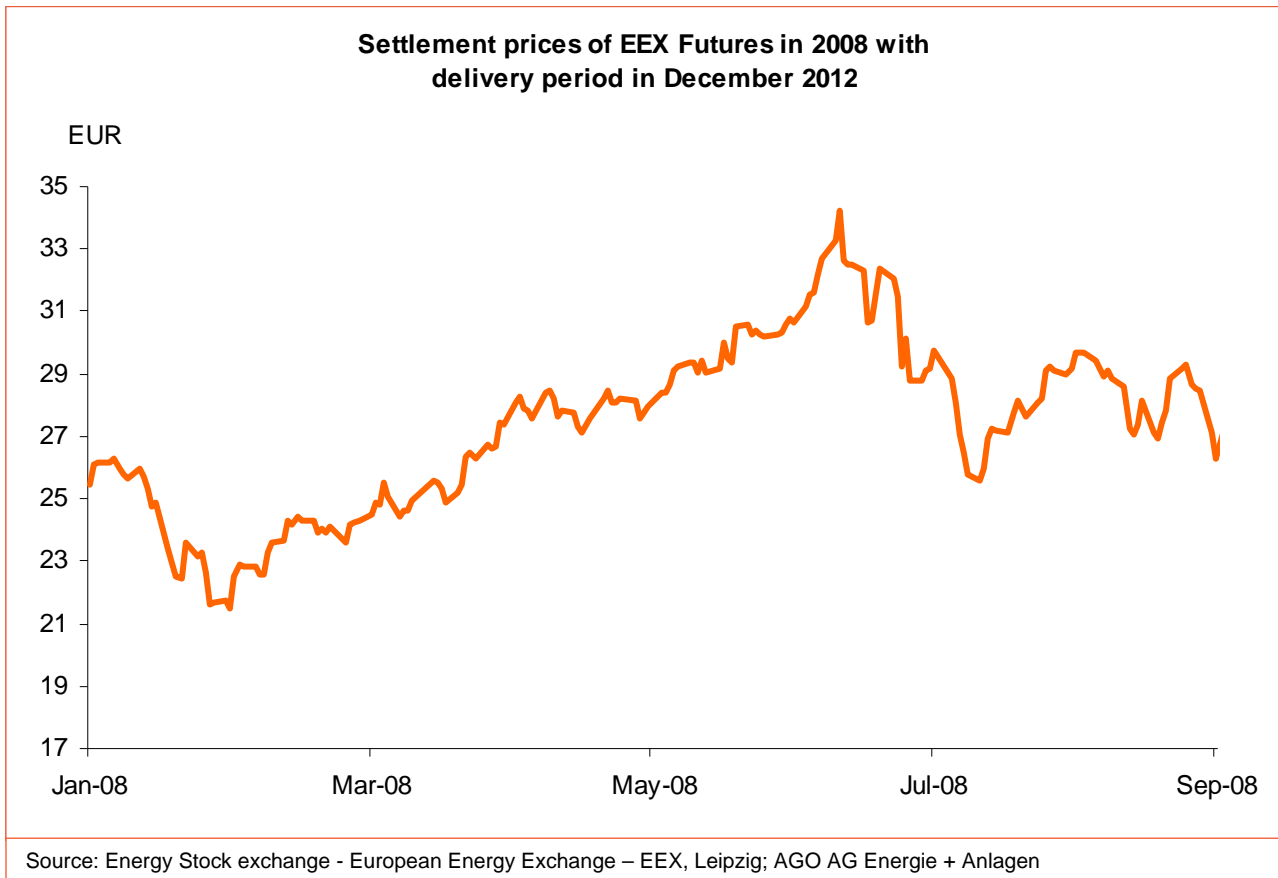


### Growth trend for emission futures

In order to meet requirements for the reduction of greenhouse gas emissions according to the Kyoto Protocol, the countries of the European Union introduced the EU Emission Trading System (ETS) in 2005 for trading of EU emission certificates (EUA). All individuals and corporate bodies can trade in ETS emission certificates.

The operators of facilities that are subject to the trading system must be able to present EUAs according to their emissions. An EUA securitises the owner's right to emit one ton of CO<sub>2</sub>. According to the national

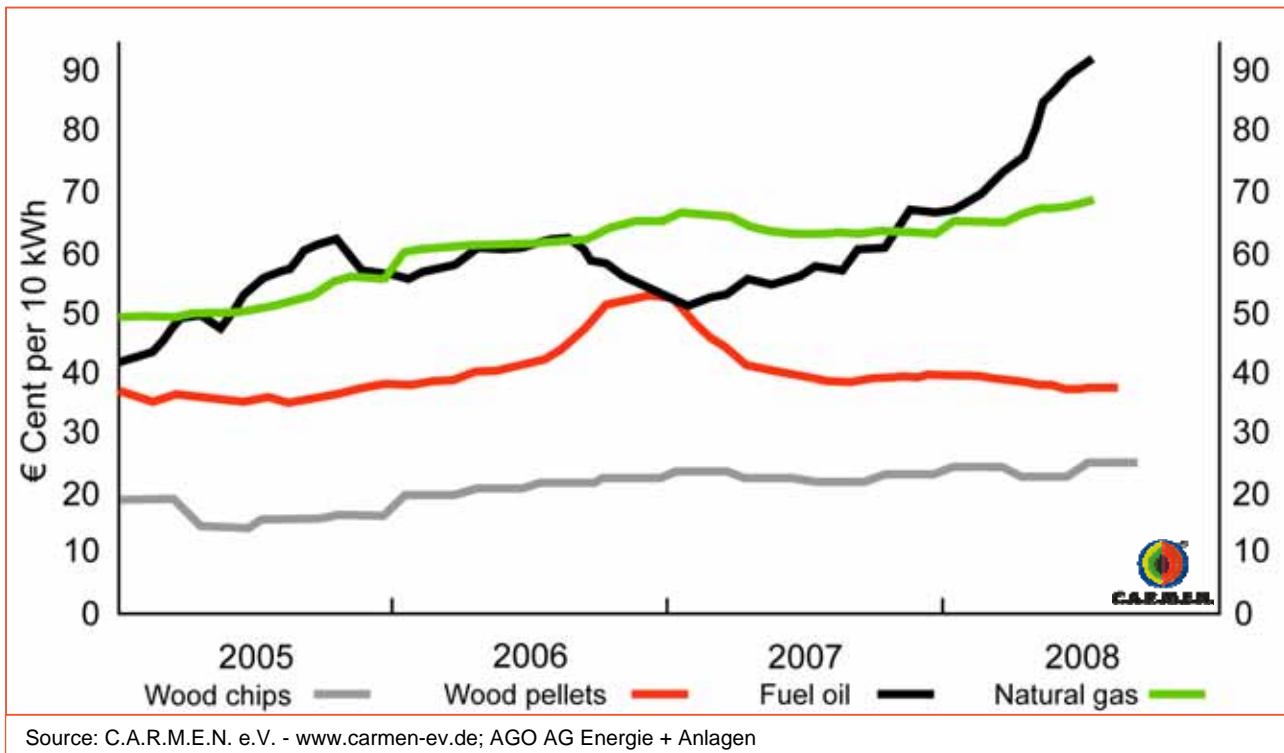
allocation plans, facility operators are assigned a certain allotment of emission rights. If a company's actual emissions fall below this allocated amount, it can sell the EUA on the market. In case of shortages, certificates must be purchased on the market.



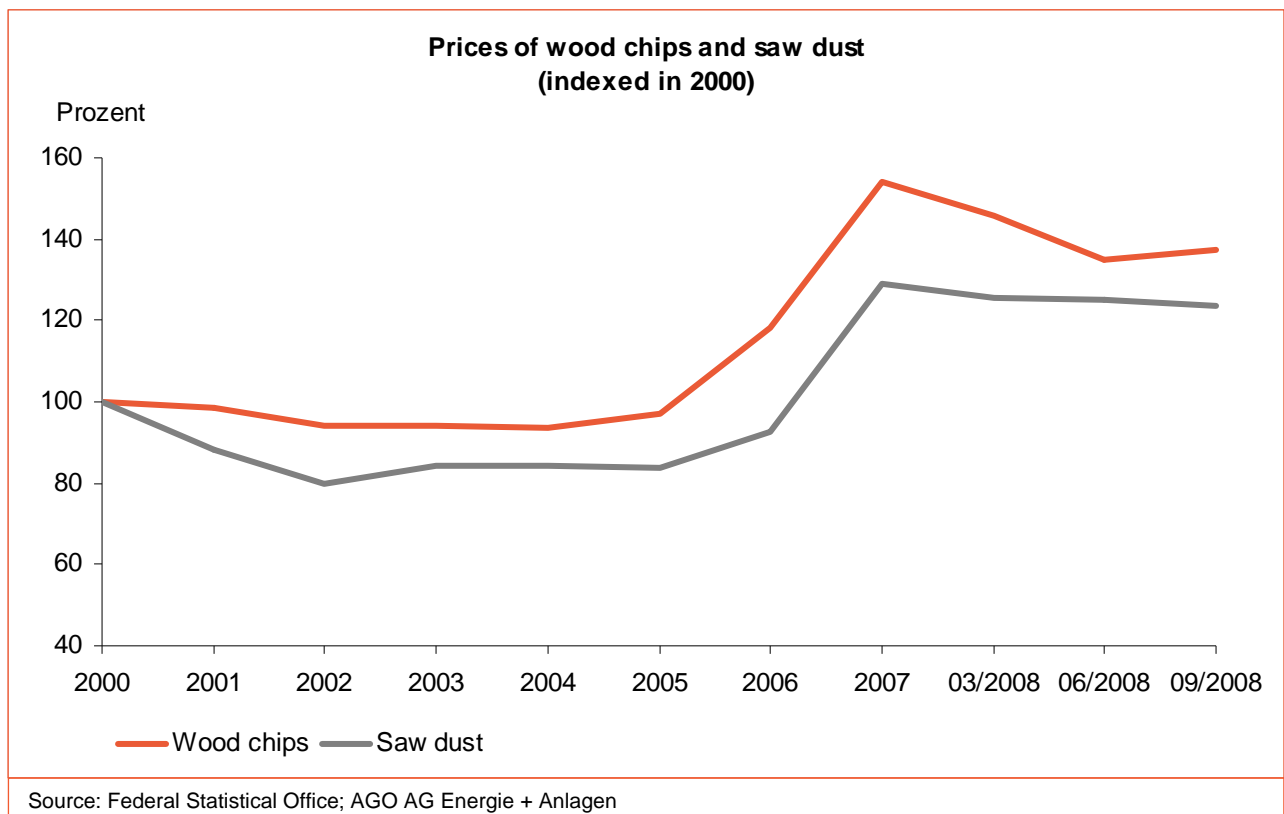
As of 30 September 2008, the future price for CO<sub>2</sub> emission rights with a delivery date of December 2012 was €26.29 on the European Energy Exchange (EEX) in Leipzig. Since the start of the year the price has increased by 3.38 percent. The settlement price for CO<sub>2</sub> emission rights with a delivery date of December 2012 recorded a figure of under €18 at the beginning of November 2008.

### Wood chips – the lowest-cost energy alternative

Many energy experts view wood as an appealing energy alternative. According to C.A.R.M.E.N “Centrales Agrar-Rohstoff-Marketing- und Entwicklungs-Netzwerk” calculations, wood in the form of chips or pellets is the lowest-cost alternative for producing energy and heat. The price advantage can be traced back to lower production costs, market prices and an early position in the value creation / processing chain. In addition, the sustainability of this raw material facilitates supply planning which can prevent bottlenecks and related price increases. This renewable resource also features a much better CO<sub>2</sub> pollutant balance.



According to the Federal Statistical Office, wood chip prices became more expensive, experiencing a slight increase of 1.9 percent compared to the prices for the previous quarter. In the long-term (since 2000), the price index for wood chips has risen 37.6 percent.



### Contracting made more attractive by financial crisis

The credit shortage stemming from the current financial crisis is leading to refinancing difficulties for many companies. Companies with low equity ratios are especially affected by this. In the past, banks have raised lending standards for companies as a result of Basel II. These criteria have become more intense due to current uncertainty in the banking sector. The tougher lending standards are currently leading to an increased demand for financing alternatives whose solutions can often lead to models using leasing or contracting. In these circumstances, a third party finances capital intensive investments and uses off-balance financing for a yearly fee. Due to the financial and economic crisis, short term decisions are rarely made by industrial companies. Successful contract closures can therefore expect to endure some delays.

## Business development in the first nine months of 2008

### General Information

The 2008 third quarter report of the AGO sub-group was compiled and consolidated in accordance with IFRS standards without being audited.

### Results of operations from 1 January 2008 to 30 September 2008

In the first nine months of the year 2008, AGO AG Energie + Anlagen generated revenues of €25,676 thousand. This figure fell by 20 percent compared to the previous year when revenues of €32,009 thousand were generated. The main reasons for this development can be found in cyclical project business in which sales can fluctuate from one quarter to the next depending on the completion of contracts. Over the course of the financial year, revenues will mainly be realised in the fourth quarter. In the third quarter, sales increased by €10,863 thousand. Minus costs sales for the services provided in order to generate sales amounting to €22,422 thousand (previous year: €31,180 thousand), a gross profit from sales was reported at €3,254 (previous year: €829 thousand). Gross profit of the AGO sub-group increased by 293 percent in total in the reporting period. The gross profit margin amounted to 12.67 percent as of the reporting date for the nine month report – the previous year's figure for the same period was 2.6 percent.

Earnings before interest and taxes (EBIT) totalled €1,389 thousand on the reporting date. Compared to the previous year's value of €517 thousand, EBIT increased by 169 percent. Before financial results and taxes amounting to €896 thousand (previous year: €424 thousand), net income for the year amounted to €493 thousand for the sub-group. Compared with the previous year's figure of €93 thousand, net income had increased by 430 percent. Earnings per share totalled €0.12 for 4,000,000 shares.

### Development of net assets and financial position as of 30 September 2008

As of 30 September 2008, non-current assets amounted to €14,398 thousand (30 September 2007: €14,366 thousand) and accounted for 41.26 percent of total assets. Current assets amounted to

€20,500 thousand (30 September 2007: €29,580 thousand) as of the reporting date. Significant components of current assets were bank balances totalling €5,718 thousand as of the reporting date, increasing 8.32 percent from the value for the previous year of €5,279 thousand. Furthermore, receivables from percentage of completion increased by 8.39 percent from €7,380 thousand in the previous year to €7,999 thousand. Meanwhile, trade receivables declined by €4,814 thousand compared to €6,454 thousand on 30 September 2007 – a 25.41 percent decrease. Total assets on the reporting date for the nine month report amounted to €34,898 thousand and fell by €9,048 or 20.59 percent when compared to €43,946 thousand reported on 30 September 2007.

Total equity was calculated at €12,924 thousand as of 30 September 2008. This represented an increase of €1,039 compared to the previous year's value of €11,885 thousand. The equity ratio improved accordingly by 9.99 percentage points to 37.03 percent (30 September 2007: 27.04 percent).

Non-current liabilities totalled €10,611 thousand on the reporting date (30 September 2007: €11,525 thousand). The drop in this amount is mainly attributable to the decrease in non-current financial liabilities in the first nine months of 2008 amounting to €621 thousand. Current liabilities came in at €11,363 thousand as of 30 September 2008 (30 September 2007: €20,536 thousand) and accounted for 32.56 percent of total assets (30 September 2007: 46.73 percent).

#### Investments

Investments in capital assets amounted to €388 thousand representing an increase of €192 thousand year-on-year.

#### Order situation

Incoming orders of €40,000 thousand were posted in the first nine months of the 2008 financial year. This marks an increase of around 40 percent when compared to the value on for the previous year. In comparison, on 30 June 2008 incoming orders of €30,000 thousand were recorded, marking an increase of 33 percent. Owing to the worldwide slow-down of economic growth also AGO AG has been noticing the crisis of the automobile industry. That resulted in temporary delays and even order cancellations.

#### Human Resource developments

AGO AG Energie + Anlagen had 140 employees as of the reporting date for the nine month report. The number of employees rose by 9 compared to the previous year figure of 131.

#### Events after the reporting date

No events relevant to the company's financial situation took place after the reporting date (30 September 2008).

### Outlook

AGO AG Energie + Anlagen is well-positioned as a service provider in the growth market of energy generation via biomass. With the current governmental changes taking place in America through president-elect Barack Obama, we expect a strong boost for alternative energy worldwide in the near future. The long term trend of regenerative energy is not linked to current turbulence resulting from the financial crisis. However, we are seeing that customers need more time to make decisions and that can delay projects. In the third quarter of 2008, sales were level with previous year figures with an improvement of €815 thousand in EBIT (there was an improvement of €872 thousand in the nine month period compared to the previous year's figures). We expect that the final quarter of the current financial year will follow the positive trend of the third quarter. In spite of the financial crisis, we retain a positive outlook for the coming years due to our broad technological and international basis. As an engineering company, AGO AG Energie + Anlagen operates none of its own component production lines and is therefore able to conform to market fluctuations without experiencing considerable fluctuations in income.





# Financial Statement

## AGO-Sub-Group

### IFRS - Income Statement (January 1, 2008 - September 30, 2008)

	January 1, 2008 - September 30, 2008	January 1, 2007 - September 30, 2007
	EUR k	EUR k
Revenue	25,676	32,009
Cost of sales	-22,422	-31,180
<b>Gross profit</b>	<b>3,254</b>	<b>829</b>
Research and development costs	-69	-51
Selling costs	-1,494	-1,317
General administrative costs	-486	-512
Other operating income	345	1,665
Other operating expenses	-161	-97
<b>Profit from ordinary activities (EBIT)</b>	<b>1,389</b>	<b>517</b>
Other finance income	143	311
Other financial expense	-739	-548
<b>Net profit for the period before income taxes</b>	<b>793</b>	<b>280</b>
Income taxes	-208	-187
Deferred taxes	-92	0
<b>Net profit for the period</b>	<b>493</b>	<b>93</b>
Minority shareholders	18	0
<b>Consolidated net profit for the period</b>	<b>475</b>	<b>93</b>



# Financial Statement

## AGO-Sub-Group

### IFRS - Income Statement (July 1, 2008 - September 30, 2008)

	July 1, 2008 - September 30, 2008	July 1, 2007 - September 30, 2007
	EUR k	EUR k
Revenue	10,863	10,862
Cost of sales	-9,595	-11,448
<b>Gross profit</b>	<b>1,268</b>	<b>-586</b>
Research and development costs	-23	-17
Selling costs	-401	-446
General administrative costs	-126	-119
Other operating income	118	1,192
Other operating expenses	-28	-31
<b>Profit from ordinary activities (EBIT)</b>	<b>808</b>	<b>-7</b>
Other finance income	69	116
Other financial expense	-336	-161
<b>Net profit for the period before income taxes</b>	<b>541</b>	<b>-52</b>
Income taxes	-121	57
Deferred taxes	-84	0
<b>Net profit for the period</b>	<b>336</b>	<b>5</b>
Minority shareholders	7	0
<b>Consolidated net profit for the period</b>	<b>329</b>	<b>5</b>



# Financial Statement

## AGO Sub-Group

### IFRS - Balance Sheet (September 30, 2008)

#### Assets

	September 30, 2008 EUR k	September 30, 2007 EUR k
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	189	259
Property, plant and equipment	13,492	14,094
Financial assets	333	13
Other non-current assets	278	0
Deferred taxes	106	0
<b>Total non-current assets</b>	<b>14,398</b>	<b>14,366</b>
<b>Current Assets</b>		
Raw materials and supplies	417	382
PoC receivables	7,999	7,380
Trade receivables	4,814	6,454
Receivables from subsidiaries	0	313
Prepayments for inventories	156	0
Other assets	1,396	9,772
Bank balances	5,718	5,279
<b>Total current assets</b>	<b>20,500</b>	<b>29,580</b>
<b>Total assets</b>	<b>34,898</b>	<b>43,946</b>



# Financial Statement

## AGO Sub-Group

### IFRS - Balance Sheet (September 30, 2008)

#### Liabilities and shareholders' equity

	September 30, 2008 EUR k	September 30, 2007 EUR k
<b>Liabilities and shareholders' equity</b>		
<b>Shareholders' equity</b>		
Issued capital	4,000	4,000
Capital reserves	8,696	6,859
Other revenue reserves	0	861
Minority interests	228	165
<b>Total shareholders' equity</b>	<b>12,924</b>	<b>11,885</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Non-current financial liabilities	9,625	10,570
Other non-current liabilities	0	0
Provisions for pensions	209	209
Other noncurrent provisions	482	319
Deferred tax liabilities	295	427
<b>Total non-current liabilities</b>	<b>10,611</b>	<b>11,525</b>
<b>Current liabilities</b>		
Provisions for taxes	0	13
Other provisions	99	725
Liabilities to banks	1,044	906
Erhaltene Anzahlungen	0	2,893
Trade payables	8,659	11,030
Verbindlichkeiten aus POC	16	0
Liabilities to subsidiaries	0	3,465
Liabilities to other investees an investors	0	6
Other liabilities	1,545	1,498
<b>Total current liabilities</b>	<b>11,363</b>	<b>20,536</b>
<b>Total liabilities</b>	<b>21,974</b>	<b>32,061</b>
<b>Total liabilities and shareholders' equity</b>	<b>34,898</b>	<b>43,946</b>

### Legal note

This report contains statements about future developments which reflect current opinions of AGO AG Energie + Anlagen's management regarding future events. Any statement within this report that reflects or is based on intentions, assumptions, expectations or predictions is such a statement about future events. Those statements are based upon plans, estimations and forecasts that are currently at hand to AGO AG Energie + Anlagen's management. Therefore, they only refer to the day on which they were made. Statements about future developments naturally are subject to risks and uncertainty factors which might lead to actual developments deviating significantly from the mentioned statements about future developments or events implicitly expressed therein. AGO AG Energie + Anlagen does not assume any obligation and does not intend to refresh such statements due to new information or future events.

We would glad to keep you informed about current events of AGO AG Energie + Anlagen.  
Please register on the Internet at [www.ago.ag](http://www.ago.ag) for receiving our newsletter.

#### Publisher

AGO AG Energie + Anlagen  
Am Goldenen Feld 23  
95326 Kulmbach  
Deutschland  
[www.ago.ag](http://www.ago.ag)

Phone: +49 (0) 9221 - 6020  
Fax: +49 (0) 9221 - 602149  
[ir-ago@ago.ag](mailto:ir-ago@ago.ag)

Register Court Bayreuth  
HRB 4419

#### Board of Directors

Hans Ulrich Gruber  
Helmut Peetz

#### Concept and content / Investor Relations



AGO AG Energie + Anlagen

#### Information

The Quarterly Report is also published in German  
If you wish to receive copies of any of these reports, please  
contact:

GFEI Gesellschaft für Effekteninformation mbH  
Carl Bosch Haus  
Hamburger Allee 26-28  
60486 Frankfurt am Main  
Deutschland  
[www.gfei.de](http://www.gfei.de)

Phone: +49 (0) 69 - 74303700  
Fax: +49 (0) 69 - 74303822  
[ir-ago@gfei.de](mailto:ir-ago@gfei.de)

The Quarterly Report is available on the Internet at:  
[www.ago.ag](http://www.ago.ag)



GFEI Gesellschaft für Effekteninformation mbH