



## **Interim Report**

for the six month period

ended 30 June 2007

# Index

<b>1. Management report</b>	<b>3</b>
<b>2. Consolidated financial statements</b>	<b>6</b>
<b>Consolidated income statement</b>	<b>6</b>
<b>Consolidated balance sheet</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Statement of cash flows</b>	<b>9</b>
<b>Notes to the consolidated financial statements</b>	<b>10</b>
Note 1 – Corporate information	
Note 2 – Statement of compliance	
Note 3 – Acquisitions of subsidiaries	
Note 4 – Segment reporting	
Note 5 – Share-based payments	
Note 6 – Income taxes	
Note 7 – Financial instruments – market and other risks	
Note 8 – Share capital	
Note 9 – Earnings per share	
Note 10 – Related parties	
Note 11 – Events after the balance sheet date	
Note 12 – List of subsidiaries and investments in associates	
<b>3. Independent auditors' report</b>	<b>18</b>

---

# 1. Management report

This management report should be read in conjunction with THENERGO's consolidated interim financial statements ended 30 June 2007. All amounts are in thousands of Euros, unless explicitly stated differently.

## 1.1. Main transactions in 2006 and during the first six months of 2007

### ACQUISITION OF POLARGEN ON 30 NOVEMBER 2006

On 30 November 2006 THENERGO acquired 51% of the Polargen Holding BV shares. Via its subsidiaries and investments in associates this company designs and operates cogeneration (combined heat and power – “CHP”) installations for agricultural and industrial partners in Belgium and the Netherlands. Polargen holds an 11.66% interest in Groeikracht Merksplas SA and a 13.76% interest in Groeikracht Boechout SA. Since Thenergo already held respectively 44.99% and 41.02% of the voting rights it obtained control over these companies. As a result, these subsidiaries are fully consolidated as from 30 November 2006 while they were proportionally consolidated before. The Polargen purchase price amounts to 5.100 €.

Polargen was established in 2003 by Gunter de Pooter and Gerrit F. Land in 't Harde, the Netherlands. The Polargen installations generate heat and electricity together, resulting in a much better usage of the energy present in the gas as compared to a separate generation of heat and electricity. The heat and the CO<sup>2</sup> derived from the gas are used by the farmers to stimulate the growth of the crops. The produced electricity is either used by the partner or sold to the grid. Polargen, via Thenergo, trades the green power and CHP certificates that are derived from these installations.

### ADMISSION TO THE ALTERNEXT BY EURONEXT TM PARIS – COLLECTION OF 70 MILLION € OF CAPITAL

Since 14 June 2007 the THENERGO shares are listed on Alternext by Euronext TM Paris (Code ISIN: BE0947217122). In preparation of the Alternext admission, THENERGO raised 5 million € capital with Qualified Investors by issuing 592 175 shares at 8.45 € per share. Immediately after the Alternext listing, THENERGO further increased its share capital through a private placement of 65 million € with Qualified Investors which was completed on 18 June 2007. 7 692 308 shares were issued at 8.45 € per share. Note 8 *Share capital* of the interim financial statements explains in detail the changes in the company's share capital during the first six months of the year 2007.

### EVENTS AFTER THE BALANCE SHEET DATE

Note 11 *Events after the balance sheet date* of the interim financial statements provides all the relevant information with regard to events after the balance sheet date.

## 1.2. Financial performance

The key financial data can be summarised as follows:

For the six month period ended 30 June	2007	%	2006	%
Revenue	6.489	100%	1.681	100%
Operating expenses	-7.942	-122%	-1.769	-105%
Operating result (EBIT)	-1.453	-22%	-88	-5%
Depreciation	552	9%	182	11%
EBITDA	-901	-14%	94	6%
Non-cash share-based payment expense	1.858			
EBITDA before non-cash share-based payment expense	957	15%	94	6%
Share of result of associates	87			
Result of the period	-1.251	-19%	-169	-10%
MW in operation at 30 June	33.4		4,1	
MW under construction at 30 June	25.9			

### OPERATING ACTIVITIES BY SEGMENT – SEE NOTE 4 SEGMENT INFORMATION

The increase in consolidated revenue by 4.808 € as compared to June 2006 stems for an amount of 3.752 € from concept engineering revenue on five CHP projects. Further, the increase in revenue from Cogeneration from natural gas by 967 € is explained by the change in the consolidation method for Groeikracht Boechout SA and Groeikracht Merksplas SA (see above).

The decrease in the operating result (EBIT) from -88 € at 30 June 2006 to -1.453 € at 30 June 2007 is due to a non-cash expense of 1.768 € with regard to share options. This charge relates primarily to share options granted to key management that vested immediately upon a successful completion of the initial public offering and share capital increase for a total amount of 70 million € (see also note 5 *Share-based payments*). Excluding this charge, the operating result improves by 403 €. This improvement is mainly generated by our concept engineering activities.

### CASH FLOWS

During the first six months of 2007 Thenergo raised new share capital for a total amount of 75.628 € (71.675 € after directly attributable cash expenses). Borrowings and leases were repaid for a total amount of 6.420 €. Acquisitions of property, plant and equipment amounted to 6.122 €.

The cash flow from operating activities is positive and amounts to 5.162 €. When we exclude the non-cash share-based payment expense of 1.858 €, the cash flow from operating activities consists mainly of

an EBITDA of 957 € and an improvement of the working capital by 4.515 €. The latter stems primarily from the increase in accounts payable related to the Valmass project that is currently under construction.

### **1.3. Research and development**

Thenergo does not incur any research and development costs: all renewable energy solutions are based on proven technology.

### **1.4. Risks and uncertainties**

Judgments made by management in the application of IFRS that may have a significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed in the relevant notes of the consolidated interim financial statements.

## 2. Consolidated financial statements

### Consolidated income statement

thousands of Euros

For the six month period ended 30 June	Notes	2007	%	2006	%
Revenue		6.489	100%	1.681	100%
<b>Operating expenses</b>		<b>-7.942</b>	<b>-122%</b>	<b>-1.769</b>	<b>-105%</b>
Cost of sales		-4.508	-69%	-901	-54%
Payroll expenses		-167	-3%	-137	-8%
Depreciation		-552	-9%	-182	-11%
Share-based payment expense	5	-1.858			
Other operating expenses		-857	-13%	-549	-32%
<b>Operating result</b>		<b>-1.453</b>	<b>-22%</b>	<b>-88</b>	<b>-5%</b>
Finance income		268		163	
Finance costs		-414		-92	
<b>Financial result</b>		<b>-146</b>		<b>71</b>	
Share of result of associates		87			
<b>Result before tax</b>		<b>-1.512</b>		<b>-17</b>	
Income tax expense	6	261		-152	
<b>Result of the period</b>		<b>-1.251</b>	<b>-19%</b>	<b>-169</b>	<b>-10%</b>
Attributable to :					
Equity holders of Thenergo		-1.633		-265	
Minority interests		382		96	
Basic earnings per share (Euros)	9	-0,239		-0,073	
Diluted earnings per share (Euros)	9	-0,239		-0,073	

## Consolidated balance sheet

thousands of Euros

Assets	Notes	30 June 2007	31 December 2006*
<b>Non-current assets</b>		<b>25.112</b>	<b>24.626</b>
Goodwill	3	2.524	0
Intangible assets	3	5.819	14.557
Property, plant and equipment		14.814	9.146
Investments in associates	3	1.334	679
Deferred tax assets	6	621	244
<b>Current assets</b>		<b>80.814</b>	<b>11.386</b>
Trade receivables		11.226	6.301
Other receivables		2.519	1.254
Other financial assets		177	809
Cash and cash equivalents		66.757	2.979
Other assets		135	43
<b>Total</b>		<b>105.926</b>	<b>36.012</b>
Equity and liabilities	Notes	30 June 2007	31 December 2006
<b>Equity</b>		<b>77.944</b>	<b>8.130</b>
Share capital	8	69.815	3.401
Retained earnings		-3.145	-1.640
Share-based payments	5	7.119	
Minority interests		4.155	6.369
<b>Non-current liabilities</b>		<b>7.670</b>	<b>10.045</b>
Long-term borrowings		2.479	2.538
Leases		3.270	2.560
Deferred tax liabilities	6	1.921	4.947
<b>Current liabilities</b>		<b>20.312</b>	<b>17.837</b>
Short-term borrowings		2.597	3.820
Leases		387	231
Trade payables		13.886	7.333
Other payables		482	4.826
Other liabilities		2.960	1.627
<b>Total</b>		<b>105.926</b>	<b>36.012</b>

\* The 2006 figures as published were restated in order to reflect the change in presentation of the certificates (see note 2).

## Statement of changes in equity

thousands of Euros

	Share capital	Retained earnings	Share-based payments	Equity attributable to equity holders of Thenergo	Minority interests	Total equity
<b>Balance at 1 January 2006</b>	<b>1.681</b>	<b>-1.450</b>		<b>231</b>	<b>250</b>	<b>481</b>
Share capital increase	2.178			2.178		2.178
Transaction costs directly attributable to capital increase	-399			-399		-399
Change in consolidation scope					25	25
Result of the period		-265		-265	96	-169
<b>Balance at 30 June 2006</b>	<b>3.460</b>	<b>-1.715</b>		<b>1.745</b>	<b>371</b>	<b>2.116</b>
<hr/>						
<b>Balance at 1 January 2007</b>	<b>3.401</b>	<b>-1.640</b>		<b>1.761</b>	<b>6.369</b>	<b>8.130</b>
Share capital increase	75.628			75.628		75.628
Transaction costs directly attributable to capital increase	-9.214		5.261	-3.953		-3.953
Change in consolidation scope					78	78
Result of the period		-1.633		-1.633	382	-1.251
Share-based payments			1.858	1.858		1.858
Dividends					-272	-272
Other		128		128	-2.402	-2.274
<b>Balance at 30 June 2007</b>	<b>69.815</b>	<b>-3.145</b>	<b>7.119</b>	<b>73.789</b>	<b>4.155</b>	<b>77.944</b>

The other changes in equity relate primarily to the finalisation of the Polargen purchase accounting (see note 3).



# Statement of cash flows

thousands of Euros

For the six month period ended 30 June	2007	2006
<b>Result before tax</b>	<b>-1.512</b>	<b>-17</b>
Non-cash or non-operating items :		
<i>Share of result of associates</i>	-87	
<i>Financial result</i>	146	-71
<i>Depreciation</i>	553	182
<i>Share-based payment expense</i>	1.858	
<i>Allowance/(reversal) doubtful debtors</i>	-145	150
	<u>2.325</u>	<u>261</u>
Change in working capital	4.515	-46
Interest paid	-200	-88
Interest received	34	9
Income tax paid	0	0
<b>Cash flow from operating activities</b>	<b>5.162</b>	<b>119</b>
Acquisition of property, plant and equipment	-6.122	-597
Acquisition of subsidiaries	-1.530	
<b>Cash flow from investing activities</b>	<b>-7.652</b>	<b>-597</b>
Proceeds from the issue of share capital	75.628	2.178
Transaction costs directly attributable to the share capital increases	-3.953	-399
Proceeds from borrowings and leases	1.459	
Repayment of borrowings and leases	-6.420	-12
Loans granted	-400	
Minority interests in new subsidiaries	78	24
Dividends	-135	
Other	11	
<b>Cash flow from financing activities</b>	<b>66.268</b>	<b>1.791</b>
<b>Net cash flow for the period</b>	<b>63.778</b>	<b>1.313</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2.979</b>	<b>447</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>66.757</b>	<b>1.760</b>

## Notes to the consolidated financial statements

### Note 1 – Corporate information

Thenergo SA is a Belgian company domiciled at 505 Avenue Louise, 1050 Brussels. The company and its subsidiaries design and operate cogeneration (combined heat and power – “CHP”) installations fuelled by renewable energy (biogas and biomass) as well as natural gas in Belgium and the Netherlands. Further, the group is engaged in the operations and maintenance of the cogeneration projects as well as the trade of the electricity produced and the green power and CHP certificates.

The interim consolidated financial statements for the period ended 30 June 2007 comprise the company and its subsidiaries (together referred to as « Thenergo » or « the company ») as well as the company’s interests in associates. These financial statements were prepared under the responsibility of the board of directors and were authorised for issue by the board of directors on 5 September 2007.

### Note 2 – Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union up to 30 June 2007. The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2006 with the exception of the presentation of the green power and CHP certificates which are considered as other financial assets instead of inventory. Thenergo has not applied IFRS requirements that are not yet effective at 30 June 2007. As prescribed by IAS 34 *Interim Financial Reporting* this IFRS interim financial report is prepared in accordance with IAS 34.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions with regard to the carrying amount of certain items in the consolidated financial statements. Estimates based on assumptions are inherently uncertain: actual results may differ from these estimates. Thenergo reviews its estimates and underlying assumptions on a regular basis in order to take into account historical experiences when revising estimates and associated assumptions in order to reflect economic conditions as well as possible.

The consolidated financial statements are presented in thousands of Euro, unless explicitly stated differently.

### Note 3 – Acquisitions of subsidiaries

On 30 November 2006 the company acquired 51% of the Polargen Holding BV shares. Via its subsidiaries and investments in associates Polargen designs and operates cogeneration (combined heat and power – “CHP”) installations for agricultural and industrial partners in Belgium and the Netherlands. Polargen holds an 11.66% interest in Groeikracht Merksplas SA and a 13.76% interest in Groeikracht Boechout SA. Since Thenergo already held respectively 44.99% and 41.02% of the voting rights in these companies it obtained control over them. As a result, these subsidiaries are fully consolidated as from 30 November 2006 while they were proportionally consolidated before. The Polargen purchase price amounts to 5.100 € payable in cash.

During the first half of 2007 the company completed its purchase accounting for Polargen. The changes in the acquired net assets as compared to the numbers published at 31 December 2006 are as follows:

	Amounts at 31 December 2006	Final values	Difference
Intangible assets	14.662	6.023	8.639
Deferred tax liabilities	-4.984	-2.048	-2.936
Trade payables	-6.073	-5.934	-139
<b>Total</b>	<b>3.605</b>	<b>-1.959</b>	<b>5.564</b>

The changes in the net assets were allocated as follows :

Goodwill	2.524
Goodwill on investments in associates	753
Retained earnings	-139
Minority interests	2.426
<b>Total</b>	<b>5.564</b>

The total goodwill of 3.277 € is justified by i) the Polargen know-how, ii) revenue synergies and iii) the proven profitability of Polargen and its investments in associates.

#### Note 4 – Segment reporting

Since Thenergo's risks and returns are predominantly affected by the differences in the company's activities the primary segment reporting format are business segments. The following three business segments were identified :

- Cogeneration from natural gas : this segment contains the production and sale of energy from cogeneration installations fuelled by natural gas as well as the trade of the related green power and CHP certificates.
- Cogeneration from biogas and biomass : this segment covers the production and sale of energy from cogeneration installations fuelled by bio gas and biomass as well as the trade of the related green power and CHP certificates.
- Concept engineering of cogeneration projects : this segment groups the activities with regard to concept engineering for the development of cogeneration projects as well as their operation.

A secondary geographical segment reporting is not considered useful since the company is primarily active in two countries for which the company's risks and rates of return are similar, being Belgium and the Netherlands.

For the six month period ended 30 June	Cogeneration from natural gas		Cogeneration from biogas and biomass		Concept engineering cogeneration projects		Holding		Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue external customers	1.678	711	620	773	4.182		9	197			6.489	1.681
Revenue other segments					835			68	-835	-68		
<b>Total segment revenue</b>	<b>1.678</b>	<b>711</b>	<b>620</b>	<b>773</b>	<b>5.017</b>		<b>9</b>	<b>265</b>	<b>-835</b>	<b>-68</b>	<b>6.489</b>	<b>1.681</b>
<b>Operating result (EBIT)</b>	<b>230</b>	<b>104</b>	<b>223</b>	<b>312</b>	<b>1.200</b>		<b>-2.271</b>	<b>-504</b>	<b>-835</b>	<b>-68</b>	<b>-1.453</b>	<b>-88</b>
Depreciation	329	88	79	83	134		10	11			552	182
<b>EBITDA</b>	<b>559</b>	<b>192</b>	<b>302</b>	<b>395</b>	<b>1.334</b>		<b>-2.261</b>	<b>-493</b>	<b>-835</b>	<b>-68</b>	<b>-901</b>	<b>94</b>
Financial result	-219	73	10	-9	-38		101	7			-146	71
Share of result of associates	87										87	
Income taxes	-113	42	35	110	102				-284		-261	152
<b>Result of the period</b>	<b>211</b>	<b>134</b>	<b>198</b>	<b>192</b>	<b>1.060</b>		<b>-2.170</b>	<b>-427</b>	<b>-551</b>	<b>-68</b>	<b>-1.251</b>	<b>-169</b>
<b>Assets</b>	<b>11.475</b>	<b>8.466</b>	<b>9.423</b>	<b>3.002</b>	<b>18.797</b>	<b>19.706</b>	<b>66.782</b>	<b>4.838</b>	<b>-551</b>		<b>105.926</b>	<b>36.012</b>
<b>Liabilities</b>	<b>8.025</b>	<b>2.309</b>	<b>7.907</b>	<b>971</b>	<b>11.515</b>	<b>3.715</b>	<b>534</b>	<b>20.887</b>			<b>27.981</b>	<b>27.882</b>
<b>Acquisition of property, plant and equipment</b>	<b>1.282</b>	<b>556</b>	<b>5.459</b>	<b>24</b>	<b>132</b>		<b>84</b>	<b>17</b>	<b>-835</b>		<b>6.122</b>	<b>597</b>

## Note 5 – Share-based payments

Following the raise of capital for a total amount of 70 million € (see note 8 *Share capital*) 2.071.006 options («warrants») were granted to Amsterdams Effectenkantoor B.V. ("AEK") with an exercise price of 8.45 €. These options have vested immediately. Further, key management received 1.545.030 warrants at the same exercise price of 8.45 €. 2/5 of these options was vested immediately while 3/5 vests gradually over a 3.5 year period. All these options have a contractual life of 5 years (expiring at 30 June 2012).

The fair value of these share-based payment compensations is estimated at grant date, using the binomial Monte Carlo option pricing model. The weighted average fair value of the options and assumptions used in applying the valuation model are as follows :

Amounts in Euro unless otherwise indicated

30 June 2007

Fair value of warrants granted	2.97
Share price	8.90
Exercise price	8.45
Expected volatility	41%
Expected dividends	0%
Risk-free interest rate	4.30%

As Thenergo is only listed since June 2007 expected volatility was based on the historical volatility (non-weighted average), calculated by using historical data of the last 250 days of five other companies in the energy sector. Based on the binomial Monte Carlo model the expected average life of the warrants is 3.4 years. Expected dividends were set at zero because Thenergo has never distributed dividends.

The fair value of the warrants granted to AEK amounts to 5.261 €. This amount is considered as a transaction cost directly attributable to the share capital (see also note 8 *Share capital*). The fair value of the warrants granted to key management and vested immediately amounts to 1.768 €. This amount is considered an operating expense of the first six months of 2007. The fair value of the warrants granted to key management that vest gradually over 3.5 years amounts to 3.694 €. An operating expense of 90 € was recognised during the first half of 2007 for these warrants.

## Note 6 – Income taxes

For the six month period ended 30 June	2007	2006
(Expense)/benefit current taxes	-208	0
(Expense)/benefit deferred taxes	469	-152
<b>Total (expense)/benefit income taxes</b>	<b>261</b>	<b>-152</b>

	2007	2006
Current taxes of the period	-208	0
Adjustments current taxes prior years	0	0
Deferred income taxes on the increase or reversal of temporary differences	469	-152
<b>Total (expense)/benefit income taxes</b>	<b>261</b>	<b>-152</b>

The reconciliation of the aggregated weighted nominal tax rate with the effective tax rate can be summarised as follows :

For the six month period ended 30 June	2007	2006
Result before tax	-1.512	-17
Share of result of associates	87	
Result before tax and before share of result of associates	-1.599	-17
Aggregated weighted nominal tax rate	34%	34%
Tax at aggregated weighted nominal tax rate	544	6
Reconciling items :		
<i>Losses for which no deferred tax asset was recognised</i>	-87	-169
<i>Elimination of intercompany profits</i>	284	
<i>Expenses not deductible for tax purposes</i>	-641	-4
<i>Notional interest on equity</i>	32	4
<i>Tax credits for capital expenditures</i>	106	26
<i>Other</i>	23	-15
<b>(Expense)/benefit income taxes recognised in profit or loss</b>	<b>261</b>	<b>-152</b>

The effect of non deductible expenses of -641 € relates primarily to share-based payments.

Carrying values	Assets		Liabilities	
	2007	2006	2007	2006
<b>Balance at 1 January</b>	<b>244</b>	<b>313</b>	<b>4.947</b>	
Increase / (decrease) through profit or loss	377	-155	-90	
Acquisitions		86	-2.936	4.947
<b>Balance at 30 June/31 December</b>	<b>621</b>	<b>244</b>	<b>1.921</b>	<b>4.947</b>

Origin of the deferred taxes at balance sheet date	Assets		Liabilities	
	2007	2006	2007	2006
<b>Temporary differences</b>	<b>417</b>	<b>112</b>	<b>2.010</b>	<b>5.025</b>
Other financial assets				
Property, plant and equipment	417	25		
Intangible assets		87	1.991	4.947
Financial instruments			19	78
<b>Unused tax losses and tax credits</b>	<b>293</b>	<b>210</b>		
<b>Gross deferred taxes</b>	<b>710</b>	<b>322</b>	<b>2.010</b>	<b>5.025</b>
Offsetting between assets and liabilities	-89	-78	-89	-78
<b>Net deferred taxes recognised</b>	<b>621</b>	<b>244</b>	<b>1.921</b>	<b>4.947</b>

Deferred tax assets not recognised	2007	2006
Deductible temporary differences	1.469	151
Tax losses and credits	399	544
<b>Total</b>	<b>1.868</b>	<b>695</b>

The deductible temporary differences relate primarily to transaction costs of the share capital increases.

## Note 7 – FINANCIAL INSTRUMENTS – MARKET AND OTHER RISKS

Market risks contain the changes of the electricity and gas prices.

At 30 June 2007, with the exception of the significant increase in the cash position of the company following the share capital increases (see note 8 *Share capital*), no material change of market and other risks as described in note 22 *Other financial assets and liabilities* and note 26 *Borrowings* of our annual financial statements ended 31 December 2006 took place.

## Note 8 – Share capital

During the first half of 2007 Thenergo's share capital changed as follows :

Share capital	Thousands of Euros	Thousands of shares
<b>At 31 December 2006</b>	<b>3.859</b>	<b>45</b>
23 April 2007 : multiplication of the number of shares by 100		4.406
Share capital increase of 22 May 2007 (reserved for Theolia SA)	5.628	666
Share capital increase of 22 May 2007	5.004	592
Share capital increase of 18 June 2007	64.996	7.692
<b>Total share capital gross</b>	<b>79.487</b>	<b>13.401</b>
<hr/>		
	Thousands of Euros	
<b>Transaction costs directly attributable to capital increase</b>		
At 31 December 2006	-458	
Share capital increases of 22 May and 18 June 2007	-9.214	
<b>Total share capital net</b>	<b>69.815</b>	

The company's shares are ordinary shares without par value. The holders of Thenergo shares are entitled to dividends in accordance with the Belgian company law and upon decisions of the shareholders' meeting.

Following the February 2007 agreement (referred to as « Program of Capital Increase ») between the company and Amsterdams Effectenkantoor B.V. ("AEK"), as amended in May 2007, AEK assists the company in raising capital during a period of maximum five years through share capital increases for a maximum amount of 100 million €. These share capital increases can be subscribed by investors proposed by AEK or by AEK itself. The 5 million € and 65 million € private placements of respectively 22 May 2007 and 18 June 2007 at a price of 8,45 € per share are part of the 100 million € AEK agreement. It has been agreed that for the remaining 30 million € share capital that could be raised in the future with the assistance of AEK, Thenergo will issue warrants (share options) to AEK, or qualified investors selected by AEK, at a price of 0,01% of the exercise price of the warrants. The exercise price will be determined as 80% of the weighted (based on volumes) average share price during 90 days before the date of grant. The AEK commission on share capital increases amounts to 5% of the issuance price of the new shares. Further, AEK receives a number of warrants that is determined as 25% of the number of shares issued under the Program of Capital Increase.

Based on the share capital increases during the first half of 2007 for a total amount of 70 million € AEK received a commission of 3.500 € as well as 2.071.006 warrants at a purchase price of 0.0001 € per warrant. These warrants have an exercise price of 8.45 € (see note 5 *Share-based payments*).

Transactions costs directly attributable to the share capital increases during the first six months of 2007 include share-based payment expenses for an amount of 5.261 € (see also note 5 *Share-based payments*).

## Note 9 – Earnings per share

Basic earnings per share	2007	2006
Result of the period attributable to equity holders of Thenergo (thousands of Euros)	-1.251	-265
Weighted average number of ordinary shares outstanding	5.233.101	3.630.310
Basic earnings per share (Euros)	-0,239	-0,073

The dilutive weighted average number of ordinary shares outstanding at 30 June 2007 amounts to 5.450.896. The potential ordinary shares are antidilutive because their conversion to ordinary shares would decrease the loss per share. Consequently, the diluted earnings per share equal the basic earnings per share.

## Note 10 – Related parties

### Transactions with associates

Thenergo's transactions with associates can be summarised as follows:

	2007	2006
Revenue	2.832	0
Current assets	628	0
Current liabilities	150	0

The revenue realised with associates relates primarily to concept engineering for new cogeneration projects.

### Transactions with Theolia SA (France)

On 29 June 2007 Thenergo granted a short term loan of 400 € to Theolia SA.

## Note 11 – Events after the balance sheet date

On 6 August 2007 Thenergo announced it will develop a 3.3 MW CHP agri-waste to electricity facility or E-farm in West Flanders (Belgium). The project will be operational for up to 8,000 hours per year, generating annually 24,000 MWh of clean power, enough to supply around-the clock electricity for up to 6,000 households. Thenergo E-farms will produce energy from organic waste produced by agricultural businesses, ranging from livestock smallholders to industrial-scale farmers and processors. E-farms are both an elegant waste solution – avoiding the need for landfill and incineration – and a source of much needed renewable energy for Europe. E-farms will assure agricultural businesses of reliable and cost-effective on-site energy while also providing surplus renewable energy to the local and national electricity grids. Construction of the E-farm will begin in October 2007 and is expected to be operational within 15 months. The development and building costs represent an investment of 20 million €. Thenergo will hold a 75% stake in this project. The facility will generate power from animal manure (60,000T pa) and food processing waste (60,000T pa). Long term contracts with local suppliers will ensure delivery over the 20 year life of the plant. The facility will generate average annual revenue of 6 million €.

On 9 August 2007 Thenergo announced that it is developing a 5,5 MW electricity and biocoal plant, or E-park, in northern Holland. In partnership with Eclair-E, a Dutch CHP sustainable energy supplier and Venture Kapitaalfonds III BV a 100% subsidiary of NV NOM, the investment and development agency for the Northern Netherlands, the E-park will generate annually up to 42,800MWh of power and 75K/ton of biocoal pellets. Biocoal is thermally processed wood debris, forest residue and chippings. In pellet form it is a multipurpose clean burning fuel, easy to store and handle. It provides a much needed renewable energy source for Europe. Located on the Dutch-German border near Coevorden, the project will begin construction in April 2008 and is expected to be fully operational within 18 months. The development and building costs will require an investment of 30 million €. Thenergo will have a majority interest in the project. In this first truly cross-border bio energy project, electricity will be sold to German grid operators, while biocoal pellets will supply Dutch and German coal fired power stations. The E-park will generate average annual revenue of up to 13 million €. The E-park's primary fuel will come from regionally sourced forest debris and pruned wood from public land (225K/t per year). Since biocoal pellets are water resistant they can be stored for many years without decay. The higher energy density allows for up to 25% savings on transport and storage. Biocoal pellets enable large scale co-firing of biomass in existing coal-fired power stations, with virtually no additional investment or handling.



## Note 12 – List of subsidiaries and investments in associates

The following subsidiaries were fully consolidated:

Name	Country	% economic interest	% voting power	Activity
Valmass SA	Belgium	60,00%	60,00%	Cogeneration based on biogas and biomass
Polargen Holding BV	The Netherlands	51,00%	51,00%	Holding
Polargen Invest BV	The Netherlands	51,00%	100,00%	Holding
Polargen SPRL	Belgium	51,00%	100,00%	Design and operation of cogeneration projects
Biocogen SPRL	Belgium	50,00%	50,00%	Cogeneration based on biogas
Groeikracht Merksplas SA	Belgium	50,94%	56,65%	Cogeneration based on natural gas
Groeikracht Boechout SA	Belgium	48,04%	54,78%	Cogeneration based on natural gas
Groeikracht Wommelgem SA	Belgium	26,08%	51,13%	Cogeneration based on natural gas
Groeikracht Zwarthout SA	Belgium	50,73%	99,47%	Cogeneration based on natural gas
Groeikracht Pierstraat SA	Belgium	26,08%	51,14%	Cogeneration based on natural gas
Groeikracht Marveco SA	Belgium	25,90%	50,79%	Cogeneration based on natural gas

On 30 November 2006 the company acquired 51% of the Polargen Holding BV shares. As a result, Groeikracht Merksplas SA and Groeikracht Boechout SA are fully consolidated as from 30 November 2006 while they were proportionally consolidated at 30 June 2006.

The investments in associates accounted for under the equity method and operational at 30 June 2007 are the following:

Name	Country	% economic interest	% voting power	Activity
Groeikracht De Markvallei SA	Belgium	12,82%	25,13%	Cogeneration based on natural gas
Groeikracht Broechem SA	Belgium	12,75%	25,00%	Cogeneration based on natural gas
Groeikracht Etten-Leur BV	The Netherlands	15,30%	30,00%	Cogeneration based on natural gas
Groeikracht De Blackt SA	Belgium	15,30%	30,00%	Cogeneration based on natural gas
Groeikracht Butenpole BV	The Netherlands	15,30%	30,00%	Cogeneration based on natural gas
Groeikracht Waver SA	Belgium	15,30%	30,00%	Cogeneration based on natural gas
Groeikracht Marvado SA	Belgium	15,30%	30,00%	Cogeneration based on natural gas

### 3. Independent auditor's report

THENERGO NV

**LIMITED REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007**

To the Board of Directors

***Unqualified limited review opinion on the interim financial information for the six-month period ended 30 June 2007***

**Disclaimer of limited review opinion on the interim financial information for the six-month period ended 30 June 2006**

We have performed a limited review of the accompanying consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity (jointly the "interim financial information") of Thenergo NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2007. The Board of Directors of the company is responsible for the preparation and the fair presentation of the interim financial information. Our responsibility is to issue a report on the interim financial information based on our review.

The interim financial information has been prepared in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". A limited review consists in making inquiries with group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on the consolidated annual accounts as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Therefore, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2007 has not been prepared, in all material respects, in accordance with the legal and regulatory requirements and the recognition and measurement criteria of IFRS as adopted by the European Union. Since our nomination entered into force only on 18 December 2006, we are not in the position to issue a limited review opinion on the comparative interim financial information for the six-month period ended 30 June 2006 such as it appears in the interim financial information.

25 September 2007

#### **The Statutory Auditor**

**DELOITTE Reviseurs d'Entreprises**  
SC s.f.d. SCRL

Represented by

---

Gert Vanhees

---

Dieter Engelen



**Thenergo nv/sa**  
**Gateway House, Brusselstraat 59, B-2018 Antwerp – Belgium**  
**Tel +32 3 292 96 96 Fax +32 3 292 96 97**  
**[www.thenergo.eu](http://www.thenergo.eu)**