THENERGO

Financial report for the year ended 31 December 2009

Index

1. Comments of the Board of Directors

The Report of the Board of Directors should be read in conjunction with Thenergo's consolidated financial statements ended 31 December 2009. All amounts are in thousands of €, unless explicitly stated differently.

1.1. Main transactions of 2009

OPERATIONAL HIGHLIGHTS

In 2009 Thenergo's activities were predominantly focused on the operations of the current energy production units. In addition priority was given to the putting in operation of the projects under construction.

In 2009 Thenergo brought 3* new projects into operation.
At 31 December 2009 Thenergo holds 29 operational units (27 at 31 December 2008) in Belgium, the Netherlands and Germany, representing a total of 76 MW electrical (72 MW electrical at 31 December 2008) and 197 MW thermal capacity (195 MW thermal at 31 December 2008). During the first quarter of 2010 four extensions of operational project and one project under construction were brought into operation. At 31 March 2010 Thenergo holds 30 operational projects, representing a total of 85 MWe and 207 MWth. In total these plants provide approximately 118,000 households with clean electricity, Thenergo thus establishes a 157,000 ton CO_2-savings per year. With these 30 operational units Thenergo produces approximately 415,000 MWhe on a yearly basis.

Over the year 2009 Thenergo's operating income increased with 2.1%. The increase was caused by organic growth in Thenergo's core business, as explained above. Growth was most explicit in the cogeneration activities based on natural gas outside Germany (Groeikracht). This is linked to a higher number of operational projects.

In the cogeneration based on biomass/biogas outside Germany (Binergy) the operating income increased thanks to the higher contribution of Valmass, which became operational in the last quarter of 2008, and Biocogen which saw its (consolidated) operating income increasing in 2009 after the successful revision of the engine in February 2009.

The waste business suffered from the economic downturn during 2009. Due to the economic crisis the demand for recycled materials on international markets has collapsed causing a decline in recycling prices. However over 2009, more specifically during the second half of 2009, we saw a substantial pick-up of the business both in volumes and in pricing.

With regard to the Jatropha-project, in July 2009 Cintras (subsidiary of Leysen) received the permission from the Court of Commerce to apply the Law of the 31st of January 2009, regarding the Continuity of enterprises until the 9th of July 2009. Under this protection, Cintras was able to strengthen its negotiating position towards potential partners for its Jatropha-project in Thailand. In January 2010 Thenergo reached important agreements with major suppliers and contractors, regarding its jatropha activities in Thailand. An agreement was reached with the supplier of equipment for the jatropha-oil production plants. Both local project companies in Thailand have been sold. In addition the services agreement with the local partner was ended. These transactions result in a final settlement that ends all future liabilities of Thenergo with respect to the Jatropha project.

PMV INVESTS € 10 MILLION IN THENERGO

In April 2009 Thenergo announced the investment of € 10 million by ParticipatieMaatschappij Vlaanderen. The investment of PMV was immediately injected in cash with a mandatory convertible obligation. The conversion will take place at the same time and pro rata a private placement or on decision of PMV.

In June 2009 PMV converted 2,500 of the 10,000 obligations. The conversion was made at the thirty day average of the Thenergo share price. It resulted in the creation of 1,023,034 new shares. These shares are non-transferable until final conversion date of the obligation. The remaining balance of € 7.5 million needs to be converted by no later than 31 December 2010, the final conversion date of the obligation, at a conversion rate between € 2.04 and € 3.55 per share.

APPOINTMENT OF CEO

On 14 October 2009 the board of directors appointed Daniël Schurmans as Chief Executive Officer of the company. Daniël Schurmans gathered a thorough insight in the activities of Thenergo as member of the board of directors. Prior to his appointment as CEO Daniël worked as business unit manager sustainable development at ParticipatieMaatschappij Vlaanderen (PMV).

*Groeikracht Abelebaan, Groeikracht Bavikhove, Groeikracht Butenpole II (extension of operational production unit)

1.2. Financial performance

The key financial data can be summarised as follows:

	2009	%	2008	%	2007	%
Operating income	**76 495**		**74 912**		**20 903**	
Revenues	71 982	100%	70 628	100%	20 725	100%
Recurring EBITDA	**9 496**	**13%**	**9 882**	**14%**	**2 515**	**12%**
Depreciation, amortisation and impairment	- 10 460	14%	-8 340	12%	-1 836	9%
Recurring operating result (REBIT)	**-963**		**1 542**	**2%**	**679**	**3%**
<u>One-off items</u>						
Non-cash share-based payment expense	-394		-1 069		-1 880	
Goodwill impairment	-8 081		-52 040			
Asset impairment	-14 238					
Costs discontinued projects	- 9 489		-6 470			
One-off operating costs	- 2 911					
Operating result (EBIT)						
Financial income	995		2 222		1 569	
Financial costs	- 6 299		-6 769		-1 329	
One-off other financial costs	- 2 059		- 2 903			
Fair value adjustment forward contracts natural gas/electricity	- 3 311					
Share of result of associates	-130		421		227	
Income taxes	1 545		1 051		1 674	
Result for the year	**- 45 335**		**-64 015**		**942**	
Profit (loss) attributable to						
Owners of the company	-41 810		-62 841		23	
Non-controlling interests	-3 525		-1 174		894	
Basic losses per share (Euros)	- 2.04		-3.63		0.00	
Diluted earnings per share (Euros)	-2,04		-3.63		0.00	

* The 2008 figures as published were restated in order to reflect the final accounting for the Van Dijke Recycling sale. The restatement resulted in a decline of the result by € 690.

1.3. Risks and uncertainties

RISKS RELATED TO THE THENERGO'S BUSINESS AND INDUSTRY

Thenergo is dependent on the efficient and timely realization of its project portfolio
The growth and value creation of Thenergo is dependent on its current portfolio of realized and operational projects and the profitability of future projects. The realization of a renewable energy project will impose several challenges on Thenergo regarding technical, financial and organizational elements during the different phases of the project. Any delay or unforeseen obstacle in the realization of the project portfolio could result in additional charges and could have a negative effect on the economics of such project. These events include, but are not limited to, interruptions or delay on the construction site due to unfavorable weather conditions, limited access to debt financing, difficulties in connecting to the electricity network, failed deliveries by suppliers or manufacturing or construction faults.

Thenergo faces risk relating to sourcing and availability of the necessary feedstock at competitive prices
Having access to feedstock at competitive prices is an important driver of the profitability of Thenergo's projects. Certain feedstock may become scarce, having an impact on its pricing. Such feedstock price increases can impact the profitability of Thenergo's current and future projects or may cause additional costs as a consequence of re-engineering towards other feedstock types.

Thenergo is dependent on the connection to the electricity transport and distribution network
A connection to the electricity transportation or distribution network is required to be able to transfer the generated electricity to the electricity grid. Thenergo cannot guarantee that adequate connections to the network will be obtained within the deadlines and at the anticipated costs for projects in its pipeline and this could affect the future growth of Thenergo.

Thenergo might experience an adverse evolution in the prices of electricity, heat and certificates
An important part of Thenergo's income growth is envisaged to originate out of the sale of electricity, heat and certificates. In 2009, these segments together contributed 62% of the revenue figure. Although Thenergo sells part of its electricity through forward contracts at a fixed price, it is not insensible to fluctuations in the sale price of these products. During the first half of 2009 the low electricity prices negatively impacted the margins of the Belgian and Dutch CHP business.

Thenergo may be faced with deteriorating conditions for the financing of its future projects or the financing in place for its current projects
It is Thenergo's strategy to fund each project partly with equity and partly with debt. The market conditions for debt financing have deteriorated and may have an impact on the future debt financing of the projects. With respect to Thenergo's existing debt agreements, a 'change of control' covenant has been breached within the debt of tse.AG and certain financial covenants have been breached linked to its debt at Thenergo F+L. Thenergo is in a final stage to reach an agreement on both covenant breaches.. Thenergo's going concern will depend on (i) Thenergo's continued access to its credit facilities, (ii) the divestment of non-core assets and (iii) the timely raising of sufficient funds. Thenergo is confident that these measures will be timely executed to ensure the continuity of the Company for the year to come and hence the board has established these financial statements using the going concern assumption.

Risk related to partnerships
For most of its projects, Thenergo works together with partners who take off the heat, electricity and/or CO_2 produced by the CHP plant and/or secure the feedstock. Many of the partners in Thenergo's current portfolio are greenhouse agricultures whereby the CHP plant is built on the site of this partner. Insolvency of the partner and interruptions in the cooperation with the partner for whatever reason could result in a long term interruption of the CHP activities or in a complete shut-down of the plant, negatively impacting Thenergo's financials. This risk however is mitigated by the possibility to transfer the majority of the invested assets to potential other new sites.

2. Consolidated financial statements

Consolidated income statement

thousands of Euros

	Note	2009	%	2008*	%	2007	%
Operating income		**76 495**		**74 912**		**20 903**	
Revenues	5	71 982	100%	70 628	100%	20 725	100%
Other income	19	4 513		4 284		177	
Operating expenses		**- 112 571**	**-156%**	**-132 949**	**-188%**	**-22 103**	**-107%**
Cost of sales	5	- 45 949	-64%	-46 290	-66%	-13 585	-66%
Payroll expenses	16	- 11 746	- 16%	-10 891	-15%	-2 334	-11%
Depreciation and amortisation		- 10 460	-14%	-8 340	-12%	-1 836	-9%
Impairment non-current assets	5	- 14 238	-20%				
Impairment goodwill	7	- 8 081	-11%	-52 040	-74%		
Costs discontinued projects	5	- 9 489	-13%	-6 470	-9%		
Share-based payment expense	17	-394	-1%	-1 069	-2%	-1 880	
Other operating expenses	20	- 12 214	-17%	-7 849	-11%	-2 468	-12%
Operating result		**- 36 076**		**-58 037**	**-82%**	**-1 200**	**-6%**
Financial result		**- 10 674**		**-7 450**		**240**	
Finance income	21	995		2 222		1 569	
Contemplated public offering costs	21			-2 903			
Finance costs	21	- 11 669		-6 769		-1 329	
Share of result of associates		- 130		421		227	
Result before tax		**- 46 880**		**-65 066**		**-733**	
Income tax benefit/(expense)	22	1 545		1 051		1 674	
Result for the year		**- 45 335**	**- 63%**	**-64 015**	**-90%**	**942**	**5%**
Result attributable to							
Owners of the company		- 41 810		-62 841		23	
Non-controlling interests		- 3 525		-1 174		919	
Basic loss per share (Euros)	24	-2,04		-3,63		0.00	
Diluted loss per share (Euros)	24	-2,04		-3,63		0.00	

* The 2008 figures as published were restated in order to reflect the final accounting for the Van Dijke Recycling sale. The restatement resulted in a decline of the result by € 690.

Consolidated statement of comprehensive income

	2009	2008	2007
Result for the period	**- 45 335**	**- 64 015**	**942**
Cash flow hedges	- 4 273	3 586	-509
Actuarial gains (losses) on defined benefit plans	-301	+47	
Income tax relating to components of other comprehensive income	+ 1 177	-1 411	170
Total comprehensive income for the period	**-48 732**	**-61 793**	**603**
Total comprehensive income attributable to:			
Owners of the company	-44 532	-61 297	-129
Non-controlling interests	- 4 200	-496	732

Consolidated statement of financial position

thousands of Euros

	Note	2009	2008*	2007
Non-current assets		**146 408**	**155 914**	**121 861**
Goodwill	7	6 755	14 283	51 951
Intangible assets	8	15 287	20 978	19 720
Property, plant and equipment	9	117 688	114 863	38 016
Investments	10	495	1 169	9 332
Deferred tax assets	22	4 924	4 026	2 718
Other non-current assets		1 259	595	124
Current assets		**42 637**	**62 053**	**68 606**
Trade receivables	11	16 975	22 531	12 170
Other receivables	11	8 236	11 912	5 426
Inventories		1 635	3 206	205
Other current assets	23	975	5 814	980
Cash and cash equivalents	12	14 816	18 590	49 825
Total assets		**189 045**	**217 967**	**190 467**
Equity		**34 481**	**77 551**	**122 555**
Share capital	13	128 881	125 292	114 849
Retained earnings		- 106 225	-63 645	-1 305
Share-based payments	17	9 379	8 985	7 916
Hedging reserves	23	- 453	1 536	-152
Minority interests		2 899	5 814	1 247
Non-current liabilities		**90 400**	**92 472**	**43 691**
Long-term borrowings	14	46 370	52 355	24 164
Leases	14	33 671	29 827	12 794
Employee benefits and provisions	18	3 897	1 309	
Deferred tax liabilities	22	6 269	8 838	6 733
Other non-current liabilities		193	143	
Current liabilities		**64 164**	**47 945**	**24 221**
Short-term borrowings	14	25 523	9 095	6 990
Leases	14	5 168	4 373	885
Trade payables	15	17 510	24 448	13 039
Other payables	15	1 979	3 872	2 296
Other current liabilities	23	13 984	6 157	1 011
Total equity and liabilities		**189 045**	**217 967**	**190 467**

* The 2008 figures as published were restated in order to reflect the final accounting for the Van Dijke Recycling sale. The restatement resulted in an increase of equity by € 432.

Consolidated statement of changes in equity

thousands of Euros

	Share capital	Treasury shares	Retained earnings	Hedging Reserve	Share-based payments	Equity attributable to equity holders of Thenergo	Minority interests	Total equity
Balance at 31 December 2006	**3 471**	**-70**	**-1 640**			**1 761**	**6 369**	**8 130**
Finalisation purchase accounting Polargen – income statement impact			31			31	30	61
Finalisation purchase accounting Polargen equity							-2 729	-2 729
Change in accounting policies – income statement impact			-14			-14	-14	-28
Correction error in 2006 purchase accounting			139			139		139
Correction error in 2006 purchase accounting			139			139		139
Balance at 1 January 2007	**3 471**	**-70**	**-1 496**			**1 905**	**3 675**	**5 580**
Share capital increases	100 794					100 794		100 794
Transaction costs directly attributable to capital increase	-9 417				5 261	-4 156		-4 156
Contingent capital increase Leysen Acquisition	20 000					20 000		20 000
Change in consolidation scope							-2 569	-2 569
Share-based payments					2 655	2 655		2 655
Exchange treasury shares for Enro AG shares		27	213			240		240
Dividends							-761	-761
Cash flow hedge accounting				-152		-152	-17	-169
Result for the year			-60			-60	919	859
Balance at 31 December 2007	**114 848**	**-43**	**-1 343**	**-152**	**7 916**	**121 226**	**1 247**	**122 473**
Finalisation purchase accounting Leysen and De Markvallei:								
- income statement impact			84			84		84
- equity impact			-3			-3		-3
Balance at 1 January 2008	**114 848**	**-43**	**-1 262**	**-152**	**7 916**	**121 307**	**1 247**	**122 554**
Share capital increase	11 610					11 610		11 610
Transaction costs directly attributable to capital increase	-1 166					-1 166		-1 166
Change in consolidation scope							5 047	5 047
Change in consolidation method							-360	-360
Result for the year			-62 151			-62 151	-1 174	-63 325
Correction purchase accounting Leysen			-194			-194		-194
Share capital increases subsidiaries by minority shareholders							305	305
Cash flow hedge accounting				1 688		1 688	894	2 582
Dividends							-146	-146
Actuarial gains and losses			7			7	1	8
Currency translation difference			-2			-2		-2
Share-based payments						1 069		1 069
Balance at 31 December 2008	**125 292**	**-43**	**-63 602**	**1 536**	**8 985**	**72 168**	**5 814**	**77 982**
Correction result sale Van Dijke Recycling			-432			-432		-432
Balance at 1 January 2009	**125 292**	**-43**	**-64 034**	**1 536**	**8 985**	**71 736**	**5 814**	**77 550**
Share capital increase	2 513					2 513		2 513
Transaction costs directly attributable to capital increase	-206					-206		-206

Capital increase through transfer of reserves	1 282		- 1 282			0		0
Change in consolidation scope			149			149	558	707
Share based payments					394	394		394
Exchange treasury shares for Enro AG shares		40	273			313		313
Cash flow hedge accounting				- 1 989		-1 989	- 640	-2 629
Dividends							-233	-233
Share capital increases subsidiaries by non-controlling interests							143	143
Reversal of capital to be paid			822			822	807	1 629
Actuarial gains and losses			-266			-266	-35	- 301
Other			-74			-74	10	-64
Result for the year			-41 810			- 41 810	- 3 525	-45 335
Balance at 31 December 2009	**128 881**	**-3**	**-106 222**	**- 453**	**9 379**	**31 582**	**2 899**	**34 481**

Consolidated statement of cash flows

thousands of Euros

	2009	2008*	2007*
Result before tax	- 46 880	-65 066	-733
Non-cash or non-operating items			
Share of result of associates	130	-421	-227
Elimination result with associates	0	343	362
Financial result	10 674	7 451	-240
Allowance/(reversal) doubtful debtors	389	172	-117
Share-based payment expense	394	1 069	1 880
Depreciation and amortisation	10 071	11 450	1 835
Impairment goodwill & fixed assets	22 319	52 040	
Costs discontinued projects	8 776		
Other	1 192	1 546	
Change in working capital	771	-13 002	-2 747
Income tax paid	-381	-754	-43
Cash flow from operating activities	**7 455**	**-5 172**	**-30**
Acquisition of property, plant and equipment	- 20 906	-21 409	-13 600
Disposal of fixed assets	70		
Proceeds from the sale of investments	302		
Acquisition of subsidiaries		-10 498	-19 773
Acquisitions and incorporations of associates			-3 648
Change in consolidation method		368	
Cash flow from investing activities	**- 20 534**	**-31 539**	**-37 021**
Proceeds from the issue of share capital		12 000	75 628
Proceeds from the issuance of convertible bonds	10 000		
Transaction costs directly attributable to equity transactions	-205	-149	-4 156
Proceeds from borrowings	14 775	13 815	24 080
Repayment of borrowings and leases	- 10 192	-11 736	-10 807
Interest paid	- 5 359	-6 026	-749
Interest received	264	1 192	1 000
Contemplated public offering costs		-2 903	
Loans granted		-500	-750
Minority interests in subsidiaries	142	305	124
Dividends paid	-233	-557	-271
Dividends received from associates	242	32	102
Profit sharing arrangements	-149	-92	-169
Other	20	94	-135
Cash flow from financing activities	**9 305**	**5 475**	**83 897**
Net cash flow for the year	- 3 774	-31 236	46 846
Cash and cash equivalents at the beginning of the year	18 590	49 825	2 979
Cash and cash equivalents at the end of the year	**14 816**	**18 590**	**49 825**

* The 2008 figures as published were restated in order to reflect the final accounting for the Van Dijke Recycling sale. The restatement had no impact on the cash movements of 2008

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Notes to the consolidated financial statements

Note 1 – Corporate information

Thenergo SA is a Belgian company domiciled at 59 Brusselstraat, 2018 Antwerp and founded in 2002. 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, Germany 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 and CHP certificates.

The consolidated financial statements for the year ended 31 December 2009 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 March 30, 2010.

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 31 December 2009. The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2008. Thenergo has not applied IFRS requirements that are not yet effective at 31 December 2009.

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

Note 3 – Summary of significant accounting policies

Depending on the applicable IFRS requirements, the measurement basis used in preparing the financial statements is cost, net realisable value, fair value or recoverable amount. Whenever IFRS provides an option between cost and another measurement basis (e.g. systematic revaluation), the cost approach is applied.

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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes hereafter.

(A) Principles of consolidation

Subsidiaries are those companies in which Thenergo, directly or indirectly, has an interest of more than half of the voting rights or otherwise has control, directly or indirectly, over the operations so as to obtain benefits from the companies' activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Jointly controlled entities are consolidated using the proportionate method of consolidation.

The financial statements of our subsidiaries, jointly controlled entities and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. All intercompany transactions, balances and unrealised gains and losses on transactions between group companies have been eliminated.

Profit on revenue arising from sales with associates and jointly controlled entities is eliminated to the extent of Thenergo's interest in the entity. With regard to concept engineering fees invoiced to associates the elimination is done by reducing revenue against investments in associates. The deferred profit is released to revenue over the useful life of the installations, which is typically 10 years. Losses from transactions with associates and jointly controlled entities are eliminated in the same way as profits, but only to the extent that there is no evidence of impairment. The company's significant subsidiaries, jointly controlled entities and associates are disclosed in note 29 *List of subsidiaries, joint ventures and investments in associates*.

(B) Business combinations and goodwill

All business combinations are accounted for by applying the purchase method. The cost of a business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by Thenergo in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill is determined as the excess of the cost of an acquisition over Thenergo's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, jointly controlled entity or associate recognised at the date of acquisition. If Thenergo's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination such excess is recognised immediately in the income statement as required by IFRS 3. Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

When Thenergo acquires minority interests any difference between the cost of acquisition and the minority interest's share of net assets acquired is taken to goodwill or the income statement in the case of an excess (badwill).

In conformity with IFRS 3 *Business Combinations*, goodwill is stated at cost and not amortised but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which the goodwill has been allocated, may be impaired (refer accounting policy J).

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

(C) Intangible Assets

Internally generated intangible assets - Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.
Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products or processes, is capitalised if, and only if, the following have been demonstrated for the product or process:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development and service contracts waste

Development contracts represent acquired contractual rights in a business combination to deliver and operate cogeneration installations and the commitment of the customer to purchase cogeneration installations and services from Thenergo. These rights are initially recognised at fair value and amortised on a straight-line basis over the estimated useful life of the related cogeneration project which is typically 10 years.

Service contracts waste represent acquired contractual rights in a business combination to provide waste collection services and the commitment of the customer to purchase such services from Thenergo. These rights are initially recognised at fair value and amortised on a straight-line basis over the estimated useful life of the related contract which ranges between 20 and 30 years.

(D) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer accounting policy J). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. permits, non refundable tax, costs of dismantling and removing the items and restoring the site on which they are located, if applicable). The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

Subsequent expenditure

The company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation

The depreciable amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually. Depreciation is calculated from the date the asset is available for use, using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are as follows:

Buildings	20 years
Cogeneration installations based on natural gas	7 - 10 years
Cogeneration installations based on biogas and biomass	5 - 20 years
Furniture, vehicles, containers and other	3 - 10 years

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Land is not depreciated as it is deemed to have an infinite life.

(E) Accounting for leases

Leases of property, plant and equipment where the company assumes substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are recognised as assets and liabilities (leases) at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments at inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Amortisation and impairment testing for depreciable leased assets is the same as for depreciable assets that are owned (refer accounting policy D and J).

Leases of assets under which all the risks and rewards of ownership are substantially retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(F) Investments

Investments in associates are undertakings in which Thenergo has significant influence over the financial and operating policies, but which it does not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. This is generally evidenced by ownership of between 20% and 50% of the voting rights. Associates are accounted for by the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases. When Thenergo's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and no further losses are recognised except to the extent that Thenergo has incurred obligations in respect of the associate.

Any excess of the cost of acquisition over Thenergo's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of Thenergo's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

(G) Trade and other receivables

Trade and other receivables are carried at amortised cost less impairment losses. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the balance sheet date. An impairment loss is recognised in the income statement for the difference between the carrying amount of the receivables and the present value of the estimated future cash flows.

(H) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The weighted average method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labour, other direct cost and an allocation of fixed and variable overhead based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs.

(I) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demandable deposits. These financial assets are measured at fair value.

(J) Impairment

The carrying amounts of financial assets, property, plant and equipment, goodwill and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). In addition, goodwill is tested for impairment annually. An impairment loss is recognised whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

The recoverable amount is determined as the higher of the fair value less costs to sell of the asset and the value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

For goodwill, the recoverable amount of the cash generating units to which the goodwill belongs is based on a fair value approach. More specifically, a discounted free cash flow approach is used similar to the valuation model applied at the transaction date. These calculations are corroborated by valuation multiples. As regards the level of goodwill impairment testing, Thenergo's overall approach is to test goodwill for impairment at the segment level or one level below.

Reversal of impairment losses

An impairment loss in respect of goodwill is not reversed. Impairment losses on other assets are reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(K) Provisions

Provisions are recognised when (i) the company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(L) Employee benefits

Contributions to defined contribution plans are recognised as an expense in the income statement when employees have rendered service entitling them to the contributions. For defined benefit plans, the pension expense is determined by applying the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans. The amounts charged to the income statement consist of current service cost, interest cost, the expected return on any plan assets, past service costs and the effect of any curtailments or settlements. The pension obligations recognised in the balance sheet are measured at the present value of the estimated future cash outflows using interest rates of high quality corporate bonds, which have terms to maturity approximating the terms of the related liability, less any past service costs not yet recognised and the fair value of any plan assets. Past service costs result from the introduction of, or changes to, post-employment benefits. They are recognised as an expense over the average period that the benefits vest. Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of changes in equity. The company operated one defined benefit plan at the balance sheet date.

(M) Share-based payments

The company's 2007 share option ("warrant") programme allows company senior management and members of the board to acquire Thenergo shares. The fair value of the warrants is estimated at grant date, using the binomial Monte Carlo option pricing model. Based on the expected number of warrants that will vest, the fair value of the warrants granted is expensed over the vesting period. At each balance sheet date, the company reviews its estimate of the number of warrants expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share based payment reserve within the equity section. When the warrants are exercised, equity is increased by the amount of the proceeds received.

(N) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the initial amount and the maturity amount being recognised in the income statement over the expected life of the instrument on an effective interest rate basis.

Borrowing costs are recognised in profit or loss in the period in which they are incurred unless they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

(O) Income tax

Income tax on the result for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the tax effect is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

In accordance with IAS 12 *Income Taxes* deferred taxes are provided using the so-called balance sheet liability method. This means that, taking into account the IAS 12 requirements, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet a deferred tax liability or asset is recognised. Under this method a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognised (i) on initial recognition of goodwill, (ii) at the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and (iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.
A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(P) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the company and the income can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is reduced for rebates and other similar allowances.

Goods and services sold

In relation to the sale of goods and services, revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the services have been delivered, and no significant uncertainties remain regarding recovery of the consideration due, associated costs or the possible return of goods, and there is no continuing management involvement with the goods. Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Green and CHP certificates earned from the cogeneration production of electricity and heat are recognised when production has occurred and the collection of the sales value is probable.

Revenue from the sale of cogeneration installations is recognised in the income statement when the projects are substantially completed. The company does not apply the percentage of completion method on projects under construction because (i) the average completion period is less than one year and (ii) profit is eliminated for projects in which the company has a controlling interest or eliminated to the extent of Thenergo's interest in the case of associates – see also (A) *Principles of consolidation* above. Thenergo has a controlling or at least significant interest in most of the cogeneration projects undertaken.

Government grants

A government grant is recognised in the balance sheet when there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants related to property, plant and equipment are presented in the balance sheet as a deduction of property, plant and equipment and recognised in the income statement over the life of the related asset by way of a reduced depreciation charge. Grants that compensate the company for expenses to be incurred (typically interest expense) are presented in the balance sheet as deferred income and recognised as finance income on a systematic basis in the same periods in which the interest expenses are incurred.

Finance income

Finance income comprises interest earned on short-term demandable deposits and interest charged to customers as part of the pre-financing of cogeneration projects completed. Further, finance income includes gains on hedging instruments that are not part of a hedge accounting relationship as well as any gains from hedge ineffectiveness (refer accounting policy R). Finance income also includes government grants with regard to interest expenses as explained above. The company has no significant transactions or exposures in foreign currencies.

(Q) Expenses

Finance costs

Finance costs comprise interest payable on borrowings and leases, calculated using the effective interest rate method and losses on hedging instruments that are not part of a hedge accounting relationship, as well as any losses from hedge ineffectiveness (refer accounting policy R). Further, finance costs include the expenses of profit sharing arrangements.

(R) Derivative financial instruments

Thenergo uses derivative financial instruments to manage the economic impact of interest rates and electricity prices on the company's performance. Thenergo's financial risk management policy prohibits the use of derivative financial instruments for trading purposes and the company does therefore not hold or issue any such instruments for such purposes. Derivative financial instruments that are economic hedges but that do not meet the strict IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting rules, however, are accounted for as financial assets or liabilities at fair value through profit or loss.

Derivative financial instruments are recognised initially at fair value. Fair value is the amount for which the asset could be exchanged or the liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates. These pricing models also take into account the current creditworthiness of the counterparties.
Subsequent to initial recognition, derivative financial instruments are remeasured to their fair value at balance sheet date. Depending on whether cash flow hedge accounting is applied or not, any gain or loss is either recognised directly in equity or in the income statement.

Cash flow hedge accounting is applied to all hedges that qualify for hedge accounting when the required hedge documentation is in place and when the hedge relation is determined to be effective. The company does not apply any fair value hedge accounting.

Cash flow hedge accounting

When a derivative financial instrument hedges the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any resulting gain or loss on the derivative financial instrument is recognised directly in equity (hedging reserves). When the forecasted transaction results in the recognition of a financial asset or liability, the cumulative gain or loss on the hedging instrument is reclassified from equity into the income statement in the same period during which the hedged risk affects the income statement (e.g. when the variable electricity income is recognised). The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss remains in equity and is reclassified in accordance with the above policy when the hedged transaction occurs. If the hedged transaction is no longer probable, the cumulative gain or loss recognised in equity is reclassified into the income statement immediately.

(S) Recently issued IFRS

To the extent that new IFRS requirements are expected to be applicable in the future, they have been summarised hereafter.

IMPROVEMENTS TO IFRS (2009)

The IASB issued another collection of amendments as part of its "Annual Improvement Process." It includes a number of minor IFRS changes, seeking to specify the rules and eliminate inconsistencies. Most of the amendments become effective for fiscal years starting on or after January 1, 2010.

IFRS 3: ***BUSINESS COMBINATIONS (2008)***

The standard contains amended regulations on the accounting of business combinations. Compared to the original version of IFRS 3, these changes relate to the scope of application and the treatment of successive share purchases. Furthermore, IFRS 3 (2008) offers companies an option: non-controlling interests can be measured at fair value or at the proportionate share of net assets. Depending on which option a company exercises, any goodwill is recognised in full or only in proportion to the majority owner's interest. IFRS 3 (2008) becomes effective for the first time for fiscal years starting on or after July 1, 2009.

IFRS 9: ***FINANCIAL INSTRUMENTS***

The standard replaces the previous regulations of IAS 39 in respect of the classification and measurement of financial instruments. IFRS 9 (2009) becomes effective for the first time for fiscal years starting on or after January 1, 2013.

IAS 24: ***RELATED PARTY DISCLOSURES (2009)***

This standard essentially simplifies reporting on related parties which are controlled or significantly influenced by the state. IAS 24 (2009) becomes effective for the first time for fiscal years starting on or after January 1, 2011.

IAS 27***: CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (2008)***

In particular, by revising IAS 27, the IASB changed the regulations for the treatment of transactions with non-controllinginterests of a group. Transactions which result in a parent company changing its ownership interest in a subsidiary without a loss of control are to be accounted for as equity transactions without an effect on profit t or loss. Regulations for treatment in the event of a loss of control over a subsidiary were also changed: The standard regulates how deconsolidation gains or losses are to be calculated and how residual ownership interest in the former subsidiary is to be measured following a partial sale. This amendment of IAS 27 becomes effective for the first time for fiscal years starting on or after July 1, 2009.

AMENDMENT TO IAS 32: ***CLASSIFICATION OF RIGHTS ISSUES (2009)***

The standard pertains to the issuer's accounting treatment of specific foreign-currency subscription rights, options and warrants. In the future, these instruments must be classified as equity. The new rule becomes effective for the first time for fiscal years starting on or after February 1, 2010.

The following standards and interpretations, which are to be applied for the first time in the fiscal year, have no material impact on the Thenergo Group's consolidated financial statements:

- Amendments to IFRS 1 and IAS 27 (2008) – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to IFRS 2 (2008) – Vesting Conditions and Cancellations
- Amendments to IAS 32 and IAS 1 (2008) – Puttable Financial Instruments and Obligations Arising on Liquidation
- Improvements to IFRSs (2008)
- Amendments to IFRIC 9 and IAS 39 (2009) – Embedded Derivatives
- IFRIC 13 – Customer Loyalty Programmes
- Amendment to IFRIC 14 – IAS 19: The limit on a Defined Benefit Asset, Minimum Funding requirements and their Interaction – Prepayments of a Minimum Funding Requirement (applicable for annual periods beginning on or after 1 January 2011)

Note 4 – Critical estimates and judgements

The balance sheet as per 31 December 2009 shows a loss carried forward of € 106 225. Nevertheless, the Board of Directors is of the opinion that the application of the existing valuation rules under going concern is still justified.

The board of directors notes that, as a consequence of the impairments made as per 31 December 2009, the statutory net assets of the company (€ 38 697) have fallen to less than half of the company's statutory share capital (€ 134 005) . Further, as per 31 December 2009 Thenergo shows a negative working capital for € -21 527 (defined as 'current assets' minus 'current liabilities). In accordance with article 633 of the Company Law Code, the board of directors has decided to call a general meeting of shareholders. They will meet in order to deliberate and decide whether to wind up the company or take any other measures.

Within the framework of article 633 of the Belgian Company Law Code the board of directors proposes to carry on the company's business activities, conditional to the implementation of the short term measures to recover the financial situation of the company:

- Attracting capital at the level of the subholdings either through debt financing or by attracting minority shareholders
- Continue the cost saving program by restructuring the internal organization and further reduction of the headcount and the holding and operational costs
- Stopping the cash drain
    - by selling the Jatropha related activities
    - by divestment of Leysen and other non-core assets
- Recapitalization of the company by calling an extraordinary general meeting to organize a capital increase

In this respect, Thenergo's going concern will depend on (i) Thenergo's continued access to its credit facilities (see note 14 – *Borrowings and leases*), (ii) the divestment of non-core assets at their expected sales price and with a waiver of the € 2 500 guarantee with respect to the Greenpower project and (iii) the timely raising of sufficient incremental funds. Thenergo is confident that these measures will be timely executed and for sufficient amounts to ensure the continuity of the Company for the year to come and hence the board has established these financial statements using the going concern assumption.

With respect to the evaluation of the goodwill and assets recognized in Thenergo's balance sheet – see note *7 Goodwill*, note 8 *Intangible assets* and note 9 *Property, plant and equipment*, different assumptions were taken with respect to the valuation of the cash generating units. The applied growth rate of 5.8% for the Thenergo and former Polargen projects reflects the full year impact of projects that were started during 2009 as well as projects that were under construction at 31 December 2009 and will become operational in 2010 and have a full year effect in 2011. For evaluating the tse.AG business, no growth rates were applied and a stable long term EBITDA of € 4 000 was applied in the DCF analysis.
We believe that the above applied growth rates and EBITDA's are realistic to evaluate the long term plans of the different cash generating units.

With respect to the impairment losses taken on the Leysen business, no DCF analysis was made, but as reference for the evaluation of the Leysen net assets recognized on the balance sheet an indicative offer from Van Gansewinkel has been used as benchmark.
Also with respect to the impairment losses and provisions taken on Greenpower and Fertikal, external bid references were used for determining the respected amounts of the assets and goodwill to be impaired or determining the provisions. With respect to Greenpower a provision of 2 500 € has been accounted for with respect to a guarantee issued by Thenergo to the financing bank.

For Leysen RES no DCF and no bid references were used and a full impairment of the goodwill and assets has been made based on Thenergo's decision to stop any further investments in its Jatropha oil production activities.

In March 2010 Thenergo is in negotiation with a number of parties with respect to a sale of its waste business, reflected in the segment reporting under the segment 'Fuels and Waste' – see also note 5 *Segments.* The criteria however with respect to IFRS 5 – discontinued operations was not met on 31 December 2009. Therefore the 'Fuels and Waste' segment is fully reflected in the 2009 financial statements. In 2009, the waste business represented a turnover of € 17 795, a recurring EBITDA of € 2 339 and an total assets base of € 13 540.

Note 5 – Segment reporting

The company has adopted IFRS 8 *Operating Segments* with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports regarding components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (IAS 14 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach. As a result, following the adoption of IFRS 8, the identification of Thenergo's reportable segments has changed: in prior years, segment information reported externally was predominantly based on the differences in the company's activities. Information reported to Thenergo's chief operating decision maker for the purposes of resource allocation and assessment of performance is based on a combination of geographical location and business type. The company's reportable segments under IFRS 8 are therefore as follows:

- Cogeneration based on natural gas outside Germany
- Cogeneration based on biomass/gas outside Germany
- Cogeneration activities in Germany
- Waste business
- Concept engineering
- Holding

Thenergo's reportable segments are strategic business units that offer different products and services, are located in different markets and use different fuels. They are managed separately because each business requires different technologies and sales strategies or is subject to different regulatory requirements. Most of the businesses were acquired as individual units, and the management at the time of the acquisition was retained.

The accounting policies of the operating segments are the same as Thenergo's accounting policies. The company evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses. Thenergo accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Amounts reported for the prior periods have been restated to conform to the requirements of IFRS 8.

Year ending 31 December	Cogeneration based on natural gas outside Germany		Cogeneration based on biomass/gas outside Germany		Cogeneration activities Germany		Fuels & waste		Concept engineering		Holding		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Operating income	**29.723**	**23.450**	**6.206**	**2.945**	**17.552**	**19.860**	**17.795**	**19.823**	**5.096**	**8.746**	**123**	**87**	**76.495**	**74.912**
Revenue external customers	29.649	23.360	4.022	1.658	15.519	17.381	17.734	19.552	5.047	8.634	12	42	71.982	70.628
Other income	74	91	2.185	1.286	2.033	2.479	62	271	49	112	111	45	4.513	4.284
Recurring EBITDA	**6.032**	**5.642**	**1.319**	**595**	**2.146**	**3.015**	**2.378**	**3.168**	**-264**	**1.270**	**-2.114**	**-3.808**	**9.497**	**9.882**
Depreciation, amortisation and impairment	-3.622	-2.375	-1.278	-687	-2.531	-2.535	-2.151	-2.033	-712	-590	-166	-119	-10.460	-8.339
Recurring operating result (REBIT)	**2.410**	**3.267**	**41**	**-91**	**-385**	**480**	**226**	**1.135**	**-976**	**680**	**-2.281**	**-3.927**	**-964**	**1.543**
Financial result	-2.177	-2.113	-570	-888	-2.205	-2.707	-691	-802	-90	-238	430	1.291	-5.304	-5.457
Fair value hedge accounting	-3.217	828	-95	81									-3.311	909
Non recurring items														
Non-cash share-based payment expense											-394	-1.069	-394	-1.069
Costs of discontinued projects					-105	-1.752	-5.048	-4.355			-4.336	-363	-9.489	-6.470
Impairment goodwill & assets			-6.689		-8.193	-13.539	-7.305	-38.502	-132				-22.319	-52.040
Other non-recurring costs			-210		-1.143				-1.063		-495		-2.911	
One-off financial costs					-2.059							-2.903	-2.059	-2.903
Share of result of associates	-110	420					-19						-130	420
Income tax benefit/(expense)	475	381	791	1.200	32	-154	271	37	198	-342	-222	-70	1.545	1.051
Result of the period	**-2.619**	**2.783**	**-6.732**	**302**	**-14.058**	**-17.671**	**-12.566**	**-42.486**	**-2.064**	**99**	**-7.297**	**-7.042**	**-45.335**	**-64.015**
Total assets	40.376	45.801	44.686	36.211	27.789	41.589	13.540	31.320	11.014	15.245	51.640	47.799	189.045	217.967
Liabilities	34.794	34.985	35.248	21.522	42.019	41.911	15.545	20.884	4.311	6.782	22.647	6.169	154.563	132.194
Acquisition of property, plant and equipment	1.205	8.788	12.517	16.360	3.139	1.127	686	4.200	112	556	29	113	17.689	31.144

Operating income

Over the year 2009 Thenergo's operating income has increased with 2.1% to € 76 495 as compared to € 74 912 in 2008 and € 20 903 in 2007. This increase was caused by organic growth in Thenergo's core businesses.

Growth was most explicit in the Cogeneration based on natural gas outside Germany segment which increased from € 23 450 in 2008 to € 29 723 in 2009. This increase was mainly linked to the higher number of operational plants within this segment. At 31 December 2009 23 plants were fully operational is this segment, whereas only 19 plants on average were operational during the prior year. The capacity of operational plants in this segment represents a gross capacity of 60 MW electrical.

Operating income also increased in the Cogeneration based on biomass/gas outside Germany segment form € 2 945 in 2008 to € 6 206 in 2009. This higher contribution is mainly caused by (i) the Valmass plant which became operational in the last quarter of 2008 and (ii) the Biocogen plant which saw its (consolidated) operating income increasing from € 743 in 2008 to € 999 in 2009 after the successful revision of the engine in February 2009.

Operating income in the Cogeneration activities Germany declined from € 19 860 in 2008 to € 17 552 in 2009. This is partly explained by the economic downturn, resulting in a lower heat demand from external industrial partners (which affected the Ludwigsfelde plant) and partly by the standstill for a major refurbishment of the boiler cover in the Elsterwerda plant together with a disruption in ORC turbine process unit of the Ludwigsfelde biomass plant in the 4th quarter.

Also the waste business suffered from the economic downturn, especially during the first half of 2009. Due to this economic downturn international demand for recycling materials collapsed, causing a fierce decline in recycling prices. As a consequence operating income of the Waste business decreased from € 19 823 in 2008 to € 17 795 in 2009. However during the second half of 2009 we saw a substantial pick-up of the business, both in volumes and pricing.

Operating income within the segment Concept engineering declined from € 8 746 in 2008 to € 5 096 in 2009, which is directly linked to the fewer number of projects developed and delivered to external customers and associates.

The breakdown of Thenergo's operating income can be detailed as follows:

Operating Income	2009		2008		Variance
Electricity	28.085	37%	24.376	33%	3.709
Heat	9.918	13%	9.021	12%	897
Green certificates	1.497	2%	418	1%	1.079
CHP certificates	7.990	10%	7.108	9%	881
Development fees & services	5.287	7%	9.017	12%	-3.730
Waste business	18.033	24%	19.492	26%	-1.459
Sale of byproducts & other revenues	1.172	2%	1.195	2%	-22
Other income	4.513	6%	4.284	6%	229
Total	**76.495**	100%	**74.912**	100%	**1.583**

Electricity revenues are generated by sales of electricity to both the project partners and to the public grid. The portion of electricity sold to the grid remained stable at a level of 97,6% of total electricity revenues. The remaining production of electricity is (a) sold to local project partners or (b) used in the internal production process of the biomass plants.

The heat revenues are fully generated by sales of heat to the local partners in the projects ("Groeikrachten") or external industrial parties (Cogeneration activities Germany).

Energy sales (electricity and heat combined) increased from € 33 397 in 2008 to € 38 003 in 2009. This increase is linked to the higher number of CHP plants fully operational during a full year. The portion of energy sales in total Operating income has therefore increased from 45% in 2008 to 50% in 2009.

Revenues from CHP certificates also follow the higher number of operational Belgian CHP plants and increased from € 7 108 in 2008 to € 7 990 in 2009. Also revenues from green certificates increased from € 418 in 2008 to € 1 497 in 2009, thanks to the Valmass project, which was fully operational during the largest part of the year (started up end of 2008 with ramp up phase at the beginning op 2009). Next to the Valmass project, also the Biocogen plant is generating green certificates.

Development fee revenues relate to concept engineering charged by Thenergo to all of its projects (both in majority and non-controlling held projects) as remuneration for the project development effort and the concept engineering activities, including ad hoc external sales of CHP installations. The development revenues declined from € 8 386 in 2008 to € 4 446 in 2009. This is explained by the lower number of ad hoc projects sold to external parties or associates. In 2008 5 external projects and 3 projects for associated partners have been issued for completion, whereas in 2009 3 external projects and 1 project for an associated party were completed.

Next to the development fees, other external fees and commissions are charged with respect to sales commissions and management & monitoring activities. This kind of revenue increased from € 631 in 2008 to € 841 in 2009.

The sale of by-products remained stable at € 1 172 in 2009 (versus € 1 192 in 2008) and consists mainly of the proceedings from drying manure in the Fertikal project (€ 742 in 2009).

The 2009 other income of € 4 513 (€ 4 284 in 2008) relates to insurance coverage to compensate for engine damages in Ludwigsfelde and Elsterwerda (€ 1 544). Another important part of the other income is explained by the compensation by the Agri Investment Fund of the Fertikal operational loss for an amount of € 2 109 as compared to € 1 282 in 2008.

With respect to the geographical information, revenues in Belgium (country of domicile) amounted to € 54 510 in 2009 as compared to € 52 018 in 2008. In Germany, revenue was € 17 552 in 2009 compared to € 19 860 in 2008. Revenues are attributed to countries on the basis of the customer's location.

Operating expenses

Cost of sales

Fuel costs

Thenergo's operational sites are all of the "Groeikracht" type, except for the Biocogen and the Valmass plant in Belgium, and the plants in Germany. The fuel used for the "Groeikracht" plants is natural gas, whilst for the Biocogen, Valmass and Beckum plants biogas is used as fuel. The source of the biogas used by Biocogen is coming from a purification process of polluted water from an industrial production process, while Valmass uses organic waste and Beckum runs on sugar beets. The biomass plant in Ludwigsfelde uses fresh wood while the biomass plant in Elsterwerda uses waste wood as energy source.

The purchase of natural gas serving as fuel for Thenergo's CHP plants increased to € 19 336 in 2009 compared to € 14 096 in 2008. This increase is linked to the higher number of CHP plants operational for a full year, using natural gas as fuel, in 2009 compared to the previous year. Within the Biogas/mass outside Germany segment the consumption of biomass increased from € 334 in 2008 to € 465 in 2009 following the fact that Valmass was operational for a full year. The fuel cost for the biomass plants in Germany decreased from € 6 105 to € 3 738 following a lower heat demand and temporary standstills, partly offset by a higher consumption of natural gas.

Project development costs

Thenergo incurs costs linked to the project development for its own projects or for external projects, sales of engines or services to third parties. These costs entail engineering expenses and costs linked to the sales of engines and installations.

External project development costs declined from € 7 354 in 2008 to € 3 978 in 2009, corresponding with the lower number of CHP plants sold to third parties.

Waste management costs

The Waste management expenses relate to the purchase of recovery goods on one hand and to treatment costs of waste on the other hand. The expenses for recovery goods (purchase of paper and cardboard and plastics to a lesser extent) decreased in 2009 to € 94, coming from € 573 in 2008 following a decline in prices on the international markets due to the economic crisis. Treatment costs of waste are gate fees that need to be paid to external parties that process the waste. This amount decreased to € 7 852 in 2009, coming from € 8 834 in 2008 because of lower volume and lower prices due to overcapacity in the waste processing sector.

Payroll expenses

Total personnel costs decreased from € 13 227 in 2008 to € 12 984 in 2009. The decline of staff at Leysen following the impact of the economic downturn on the waste business and the rationalization of the allocation of staff in the tse.AG-companies was however partly offset by a higher operational staff in the biomass plants. Also fewer personnel costs have been capitalized as compared to 2008, following a shortened pipeline of projects under development.

The average number of employees increased to 180 FTEs in 2009, coming from 175 FTEs in 2008. This increase is mainly linked to the start up of the biomass plants Binergy Ieper and Valmass, while a decline in the number of staff was seen in the Leysen group, following the economic downturn in the Waste business. At 31 December of 2009 Thenergo counted 181 FTEs with the following distribution: 84 FTEs employed in the Leysen Group, 46 FTEs in tse.AG, and a total of 51 FTEs in the other Thenergo companies. This includes operational personnel in the biomass plants (Valmass and Binergy Ieper), operational management of plants and corporate functions.

Other operating expenses

For the full year 2009, Thenergo's most important other operating expenses (total amount for 2009 is € 12 214) were:

- Non recurring operating costs (€2 911);
- Maintenance and rent of installations (€2 603);
- Third party services (€1 705), i.e. mainly insurance, audit and accounting fees;
- Usage costs (€ 2 012), i.e. mainly utilities and office supplies;
- PR, marketing & sales (€ 383), i.e. mainly communication & PR and representation costs.

Recurring EBITDA

Despite the economic downturn, Thenergo's Recurring EBITDA remained stable at € 9 496 in 2009 versus € 9 882 in 2008. The growth of Recurring EBITDA in the segments Cogeneration based on natural gas and based on biomass/gas (outside Germany) was more than offset by the segments that suffered from the economic downturn, being Cogeneration activities Germany, the Waste business and the Concept engineering. Further, in the Concept engineering less costs were capitalized in 2009 then in 2008 (capitalization of personnel and G&A costs in the concept engineering segment (for projects under development) decreased from € 1 150 in 2008 to € 596 in 2009). Significant cost cuttings at Holding level lead to a drastic decrease in holding cost from € 3 808 in 2008 to € 2 114 in 2009. The overall Ebitda margin decreased from 13,2% in 2008 to 12,4% in 2009.

Recurring EBIT

Amortisations and depreciations

Amortisations and depreciations increased from € 8 339 in 2008 to € 10 460 in 2009, as consequence of the higher number of operational sites in 2009.

Recurring EBIT

Thenergo's Recurring EBIT decreased from € 1 543 in 2008 to € -964 in 2009, mainly explained by the impact of the economic downturn on the segments Cogeneration activities Germany, the Waste business and Concept engineering, however partly compensated by a favourable Holding cost evolution.

Financial result

The recurring financial result remained stable at € -5 304 in 2009 versus € -5 457 (amount excluding contemplated public offering costs of 2 903 €) in 2008.
Higher financial expenses were recorded with respect to the fair value fluctuations of the energy hedges, for which hedge accounting is no longer applied. These IAS 39 result decreased from a gain of € 909 in 2008 to an expense of € 3 311 in 2009.

The 2009 financial result also includes a provision of a penalty fee for tse.AG with regard to a financial covenant breach of € 2 059 - see also note 22 *Finance costs and income*.

The debt and interest expense of all the project companies in which Thenergo is the controlling shareholder are consolidated in the Thenergo financials.

Non recurring items

Share based payment

Thenergo's 2009 reported EBITDA and EBT is negatively impacted by a share-based payment expense for an amount of € 394 (€ 1 069 in 2008). This expense is a non-cash expense related to the share options granted to key Management and personnel: see also note 17 *Share-based payments*. For management reporting purposes the company does not include such expense in the Recurring EBITDA/EBIT figures as Thenergo believes that including such expense does not properly reflect the financial performance of the company.

Cost Discontinued projects

Thenergo's decision to stop its Jatropha oil production business was reflected in an agreement including a final settlement for all of Thenergo's future commitments to this respect. This deal involved a final settlement in cash of 340 € paid by Thenergo in January 2010 ending any future liabilities with respect to Thenergo's Jatropha project.

The discontinuation of Thenergo's Jatropha oil production business triggered a final impairment charge regarding the Jatropha project amounting to € 9 489. This includes (1) the PPE under construction with respect to Jatropha crushers, flakers and press-lines and the reversal of a provision taken on 31 December 2008 with respect to commitments in this respect - see also note 9 *Property, plant and equipment* - and (2) a provision regarding the Greenpower CHP project since this project was designed to run on Jatropha oil - see also note 20 *Other operating expenses*.

Impairment of goodwill and assets

The table below summarizes the amounts accounted for as impairment losses over 2009:

	Impairment loss 2009	Note
Goodwill	8 081	7
Intangible assets	4 464	8
Property, Plant and Equipment	9 774	9
Total	**22 319**	

1) Goodwill
At the end of 2009 Thenergo recognized a goodwill impairment charge of 7 528 € related to the non-realization of the Leysen RES projects and the impact on 2 bio-fuel projects following Thenergo's decision to stop its Jatropha oil production business. An additional impairment of € 553 on the goodwill regarding tse.AG had to be accounted for due to share swap slightly increasing Thenergo's participation in tse.AG to 90.86%.
As these costs are non-recurring, they were not included in the Recurring EBITDA. See also note 7 *Goodwill.*

2) Intangibles
In combination with the goodwill impairment in the Binergy Meer project following the discontinuation of the Jatropha oil production the permits regarding this project were fully impaired for an amount of € 2 543. Furthermore the waste service contracts in the container business were partly impaired for an amount of € 1 921 reflecting the impact of the economic downturn on the valuation of the waste business segment. See also note 8 *Intangible Fixed Assets.*

3) Asset impairment
Following Thenergo's decision to stop its Jatropha oil production business, a number of related projects under construction, intended to operate on Jatropha oil as fuel, have been stopped or reduced in scope, triggering a total impairment charge of € 2 002. The involved CHP projects are Fertikal, and Binergy Meer. In tse.AG an impairment charge of € 7 639 on the CHP installations was booked given the historical performance of the Ludwigsfelde and Elsterwerda biomass CHP plants. See also note 9 *Property, plant and equipment.*

Other non-recurring costs
Severance payments have been provided for regarding the restructuring costs in Germany for € 400 and at Thenergo holding level for € 495. For Biocogen an amount of € 210 had to be taken into account as a retrospective compensation for carbon-dioxide emission rights missed at the project partner. The Elsterwerda biomass CHP plant incurred non-recurring repair charges for € 743 (out of a total of € 1 511). Finally, a provision for other risks and charges of € 1 063 was provided for in the concept engineering segment.

Result for the year

Share of result of associates

In May 2009 the company's 42% share in Van Dijke Recycling BV was sold, resulting in a loss of € 432. This loss is reported as part of the finance costs.

Taxes

As all of Thenergo's projects are structured in separate legal entities, the income tax position of each entity is analysed separately in order to determine the income taxes due. Thenergo has both operational projects which are subject to deferred tax assets (€ 1 822, following tax credits for capital expenditures as well as notional interest deductions and eliminations of intercompany profits) and entities that pay income taxes (€ 277). The consolidated income tax credit for 2009 amounts to € 1 545 compared to an income tax credit of € 1 051 in 2008 – see also note 5 *Income taxes*.

Result

Thenergo reports a loss of € 45 335 in 2009 as compared to a loss of € 64 015 in 2008.

The Thenergo share of the result in 2009 amounts to a loss of € 41 810 as compared to a loss of € 62 841 in 2008.

Note 6 – Acquisitions of subsidiaries

In 2009 Thenergo focused on organic growth and the optimization of the operational and financial performance of its existing CHP plants. In 2009 Thenergo did not acquire any new activities or companies.

Below an overview is given of the most important acquisitions over the last years :

Polargen acquisition

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. The Polargen purchase price amounted to € 5 100 paid in cash, resulting in a goodwill of € 2 841.

On 30 November 2007 Thenergo acquired the remaining minority interest of 49% in Polargen in exchange for 556 thousand Thenergo shares. The transaction was valued at € 4 900 and resulted in an additional goodwill of € 2 994. The total Polargen goodwill of € 5 835 is justified by (i) the Polargen know-how, (ii) revenue synergies and (iii) the proven profitability of the Polargen business and its investments in associates.

Leysen acquisition

In September 2007 Thenergo concluded the acquisition of Leysen Invest NV ("Leysen"), a Belgian waste management group, active in two core areas; Waste Procurement solutions for agribusinesses, industry, regional authorities and ports in the Benelux area and Upstream Logistics activities including waste collection, sorting, treatment and processing for energy recovery.
Founded in 2002, Leysen was a privately owned company, headquartered in Turnhout, Belgium. Its core activities include collection, pre-treatment & treatment of waste in the Benelux region, and biomass for energy, biomass application, investing in projects and companies in the field of renewable energy on a more global scale.

The total purchase price amounts to € 54 000, of which € 20 000 was paid in cash, leveraged by debt financing of € 10 000, while € 16 000 was settled against 1 727 862 Thenergo shares in September 2007 and € 18 000 (the contingent consideration) was settled in October 2008 by issuing 1 943 844 Thenergo shares following the August 2008 Euronext listing (liquidity event). Since the contingent consideration was initially estimated at € 20 000 the purchase price was reduced by € 2 000 in 2008. The € 9.26 value of a Thenergo share, used in determining the number of Thenergo shares to be issued to settle the acquisition price, is, because of the thinness of the market, based on the average market price of the Thenergo share between the IPO date of 14 June 2007 and 31 August 2007.
The goodwill on the Leysen transaction amounted to € 45 885, of which € 38 501 was impaired in 2008 due to the non-realisation of pipe-line projects and the economic downturn that started in the second half of 2008. The remaining goodwill of € 5 384 is fully impaired on 31 December 2009 following Thenergo's decision to stop its Jatropha oil production activities – see also note 7 *Goodwill*.

Tse.AG (formerly ENRO AG) acquisition

Tse.AG is a German company active in power production through cogeneration, using woody biomass as most important type of fuel. Thenergo obtained control over tse.AG (formerly ENRO AG) on 10 January 2008. As a result, tse.AG and its subsidiaries (together referred to as "tse") are included in the consolidated financial statements of Thenergo as from 1 January 2008. At 31 December 2007 the tse.AG investment amounted to € 8 014, reported at cost as part of the balance sheet caption *Investments*.
At 31 December 2009 Thenergo had an 89% equity interest in tse.AG. The tse purchase price, including directly attributable expenses of € 706, amounts to € 12 310 of which € 6 707 was paid in cash (€ 2 903 during November-December of 2007 and € 3 804 in February 2008) while € 5 603 was settled against 599 thousand Thenergo shares (€ 4 266 in December 2007 and € 1 128 in February 2008). Goodwill on this transaction amounted to € 13 539 and has been fully written off on 31 December 2008 following the financial crisis, limiting the development of new pipeline CHP projects – see note 7 *Goodwill.*

Acquisition of Binergy Meer site

In March 2008 Thenergo acquired 100% of the Binergy Meer NV (formerly Bioprom BVBA) shares against a total cash consideration of € 4 525. The main assets of Binergy Meer NV are the land, the grid connection and permits; together referred to as the “Binergy Meer site”. Goodwill from this acquisition amounted to € 1 785. Following Thenergo’s decision to stop any further investment in the Jatropha oil production business and the fact that Binergy Meer would partially be running on Jatropha oil, this goodwill is fully impaired on 31 December 2009 – see note 7 *Goodwill.*

Fertikal CVBA acquisition

At the end of May 2008 Thenergo acquired a 51% controlling interest in Fertikal CVBA for a total cash consideration of € 5 259 of which € 1 630 is deferred. Fertikal CVBA is an existing plant for drying manure fuelled by natural gas. The intention was to convert this plant and add a 9 MWe sustainable CHP plant running on bio-oil. During the conversion phase, the operating losses of Fertikal CVBA are carried by the seller Agri Investment Fund (AIF), an investment entity of M.R.B.B., the financial holding company of the Boerenbond. This project is the first tangible result of the industrial partnership with the Boerenbond – see also note 13 *Share capital*.
The goodwill on this acquisition amounted to € 358 and has been fully impaired on 31 December 2009 following Thenergo’s decision to stop investments in its Jatropha oil production business – see note 7 *Goodwill*.

Note 7 – Goodwill

The cost of goodwill developed as follows during the past years:

	2009	2008	2007
Cost			
Balance at beginning of the year	*66 323*	*51 951*	*2 841*
Acquisition 100% Leysen			45 888
Acquisition 49% minority interest Polargen			2 994
Acquisition 43% minority interest Groeikracht Merksplas			162
Acquisition 41% minority interest Groeikracht Boechout			68
Acquisition 86% tse.AG		13 539	
Acquisition of controlling stake in four CHP plants		690	
Acquisition of 100% Binergy Meer		1 785	
Acquisition of 51% Fertikal		358	
Settlement Leysen purchase price		-2 000	
Increase in tse.AG shareholdership through share swap	553		
Balance at end of year	*66 876*	*66 323*	*51 951*
Accumulated impairment losses			
Balance at beginning of the year	*52 040*	*0*	*0*
Leysen + Leysen RES	7 528	38 501	
Tse.AG	553	13 539	
Balance at end of year	*60 121*	*52 040*	*0*
Carrying amount at end of year	**6 755**	**14 283**	**51 951**

For details on the above mentioned acquisitions we refer to note 6 *Acquisitions of subsidiaries*.

Impairment losses recognised in the year.

Goodwill has been tested for impairment by reference to the cash-generating unit's value in use or its fair value less costs to sell in case a sales scenario seemed to be more probable going forward. In some cases the business reality justified the accounting for impairment losses on some assets part of the cash generating unit value in use calculation. The acquisition cost, accumulated impairment loss and net book value of goodwill by cash generating unit is as follows:

	2009	2008	2007
Cost			
1. Thenergo and former Polargen projects	8 899	8 899	6 064
2. Leysen waste business	16 505	16 505	17 505
3. tse.AG business (Germany)	14 092	13 539	0
4. Leysen Renewable Energy Solutions (“RES”) business	27 380	27 380	28 382
	66 876	**66 323**	**51 951**
Accumulated impairment losses			
1. Thenergo and former Polargen projects	2 143	0	0
2. Leysen waste business	16 505	16 505	0
3. tse.AG business (Germany)	14 092	13 539	0
4. Leysen Renewable Energy Solutions (“RES”) business	27 380	21 996	0
	60 121	**52 040**	**0**
Net Book Value			
1. Thenergo and former Polargen projects	6 755	8 899	6 064
2. Leysen waste business	0	0	17 505
3. tse.AG business (Germany)	0	0	
4. Leysen Renewable Energy Solutions (“RES”) business	0	5 384	28 382
	6 755	**14 283**	**51 951**

The main assumptions used in our goodwill impairment testing are as follows:

Cash generating unit	WACC		Number of years discounted		Estimated CAGR		Terminal value	
	2009	2008	2009	2008	2009	2008	2009	2008
1. Thenergo and former Polargen projects	6.7%	6.8%	12	12	5.8%	9.2%	No	No
2. tse.AG business (Germany)	8.0%	7.9%	20	20	0%	2.6%	No	No

The Weighted Average Cost of Capital (“WACC”) was determined by weighting the current cost of debt after taxes with our cost of equity. The weighting is done based on a conservative existing and expected share of external debt in the respective cash generating units. Our cost of equity was taken at 13%.
The estimated 2010 EBITDA, used as basis for this exercise, is based on the company's budget or forecast as approved by the board of directors.
The WACC and ‘number of years discounted’ assumptions are in line with the previous goodwill testing exercise of 31 December 2008, except for Leysen RES, where no DCF analysis has been made given the fact that the business reality supported a full impairment of the assets of this cash-generating unit. The growth rates (CAGR) have been put at a lower level.
Also for Leysen waste business no DCF analysis has been made, alternatively the fair value has been measured through indicative bids received for these assets.

1. Thenergo and former Polargen Projects

The growth rate of 5.8% for the Thenergo and former Polargen projects reflects the full year impact of projects that were started during 2009 as well as projects that were under construction at 31 December 2009 and will become operational in 2010 and have a full year effect in 2011. The long term annual growth rate is limited to 2% per year. We believe that the applied growth rates are robust based on the growth realised in 2008 and 2009. Consequently, a reasonably possible change in an assumption is not expected to cause a cash-generating units' recoverable amount to become smaller than its carrying amount.

However, the realisation probability of two of Thenergo's bio-fuel pipeline projects was negatively impacted by Thenergo's decision to stop any further investments with respect to the production of Jatropha oil. This results in the full impairment of the goodwill related to the Binergy Meer project for an amount of € 1 785 and a full impairment of the goodwill related to the Fertikal project for an amount of € 358.

2. Leysen waste business

Due to the overall economic downturn the estimated CAGR of the Leysen waste business was substantially decreased compared to the business plan of 2007 on which the acquisition was based. As a result, the goodwill related to the waste business of € 16 505 was already fully impaired at 31 December 2008. For 2009, the fair value of the Leysen waste business has been measured through external bids received for these assets.

3. Tse.AG business

With regard to the German tse business, the company announced in December 2008 the restructuring of tse.AG. Based on the reassessment of the expected future cash flows from the German projects as well as the challenges to raise new capital needed to execute pipeline projects, the € 13 539 and € 553 goodwill was fully impaired at 31 December 2008 and 31 December 2009 respectively. Additionally, as per 31 December 2009 assets were also impaired for an amount of € 7 639 - see note 5 Segment *reporting*.

4. Leysen RES business

The initial € 27 380 goodwill related to the Leysen RES cash generating unit was predominantly based on pipeline projects. Following the uncertainty to raise sufficient funding to finance these projects, goodwill was impaired for an amount of € 21 996 at 31 December 2008.
The remaining goodwill of € 5 384 at 31 December 2008 related to the development of a limited number of bio-fuel projects. Following Thenergo's decision to stop any further investments with respect to the production of Jatropha oil, this remaining goodwill of € 5 384 was fully impaired at 31 December 2009.

For management reporting purposes, Thenergo did not include the goodwill impairment charge of € 8 080 in the Recurring EBIT figures since this is a one-time cost.

The company cannot predict whether other events that trigger goodwill impairment will occur, when they will occur or how they will affect the asset values reported. Thenergo believes that all of its estimates are reasonable: they are consistent with the internal reporting, external market data and reflect management's best estimates. However, inherent uncertainties exist that management may not be able to control. While a change in the estimates used could have a material impact on the calculation of the fair values and trigger an impairment charge, the company is not aware of any reasonably possible change in a key assumption used that would cause a cash generating units' carrying amount to exceed its recoverable amount.

Note 8 – Intangible assets

	2009	2008	2007
Acquisition cost			
Balance at end of previous year	22 660	20 237	5 232
Acquisitions through business combinations		2 602	2 528
Finalisation purchase accounting			12 352
Other	-2	-179	125
Balance at end of year	**22 658**	**22 660**	**20 237**
Amortisation and impairment			
Balance at end of previous year	-1 682	-517	-13
Amortisations	-1 230	-1 165	-366
Finalisation purchase accounting			-138
Impairments	-4 464		
Other	5		
Balance at end of year	**-7 371**	**-1 682**	**-577**
Carrying amount			
at 31 December	**15 287**	**20 978**	**19 660**

Upon the Leysen acquisition in 2007 (see also note 6 *Acquisitions of subsidiaries)*, the Leysen service contracts waste were recognised as intangible assets, representing acquired contractual rights to provide waste collection services and the commitment of the customer to purchase such services from Thenergo. These rights were primarily valued based on the revenue valuation approach and are amortised on a straight-line basis over the estimated useful life of the related contract which ranges between 20 and 30 years.

The intangible assets acquired in 2008 relate mainly to the fair value of the permits of the Binergy Meer site following the purchase price accounting – see also note 6 *Acquisitions of subsidiaries*.

No intangible assets were acquired in 2009. The total amount of € 4 464 impairments booked in 2009 relates to (i) an impairment of the intangible assets of the Leysen business for € 1 921 which reflects the impact of the economic downturn on the valuation of the Leysen waste business and its related service contracts. The impairment was determined by comparing the carrying amount of the intangible assets with their fair value less cost to sell; and (ii) an impairment of all of the intangible assets of the Binergy Meer site for € 2 543 as a consequence of Thenergo's decision to stop its Jatropha oil production activities. The methodology to determine the impairment loss for the Binergy Meer intangibles is described in note 7 – *Goodwill*. (Thenergo and former Polargen projects)

Note 9 – Property, plant and equipment

	2009						2008	2007
	Land and buildings	Installations, machinery & equipment	Leased equipment	Furniture, vehicles & other	PPE under construction	Total	Total	Total
Acquisition cost								
Balance at end of previous year	11.649	68.732	29.113	1.769	16.026	127.289	40 249	9 287
Change in consolidation method							-1 590	
Acquisitions through business combinations							57 485	13 074
Acquisitions	978	801	3 000	279	18 848	23 906	31 144	17 929
Change in accounting policy								
Other (reclassification / disposals)		-3 920	746		-881	- 4 055		-41
Balance at end of year	**12 627**	**65 613**	**32 859**	**2.048**	**33 993**	**147 140**	**127 288**	**40 249**
Depreciation and impairment								
Balance at end of previous year	-234	-4.098	-4.486	-583	-3.024	-12.425	-2 233	-902
Change in consolidation method						0	281	
Depreciations	-222	-5 525	-2 787	-308		-8 842	-7 449	-1 331
Impairment	-1.788	-7.600	-224		-31	-9 643	-3 025	
Other (disposals/reclassification)	-554	-420	-569	-23	3 024	-1 458		
Balance at end of year	**-2.798**	**-17.643**	**-8 066**	**-914**	**-31**	**-29 452**	**-12 425**	**-2 233**
Carrying amount								
at 31 December 2009	**9 829**	**47 970**	**24.793**	**1.134**	**33 962**	**117.688**		
at 31 December 2008	**11 415**	**64 634**	**24 627**	**1 185**	**13 001**		**114 863**	
at 31 December 2007	**1 972**	**13 552**	**14 423**	**690**	**7 379**			**38 016**

The residual value of the cogeneration installations was estimated at 10% of the acquisition cost.

The impairment mainly relates to the tse.AG business. After reducing the value of the goodwill to zero, the value of PP&E was reduced with another € 8 195 in order to align the carrying amount of this CGU with its value in use.

As mentioned in note 7 – *Goodwill*, the value of the Fertikal goodwill (integrated in the CGU “Thenergo and former Polargen projects”) was reduced to zero. The value of the corresponding PP&E was reduced with € 1 971 in order to reduce it to its fair value less cost to sell.

The movement in others consists mainly out following elements:

- reclassifications as a result of the commissioning of projects,
- refinancing of former installations by means of lease agreements,
- disposals due to the discontinuation of the Jatropha’s oil business.

The company leases cogeneration installations (carrying amount of € 19.320 at 31 December 2009 and 18 603 € at 31 December 2008) as well as containers, furniture and vehicles (carrying amount of 5 473 € at 31 December 2009 and 6 023 € at 31 December 2008) under a number of finance lease agreements.

Government grants were recognised as follows in the balance sheet:

Government grants	2009	2008	2007
Government assistance for cogeneration installations - deducted from the acquisition cost	5719	6 034	1 770
Government assistance for the financing of cogeneration installations - deferred income included in *other liabilities*	190	265	354
Total	**5909**	**6 299**	**2 124**

Note 10 – Investments

The decrease in the carrying amount of investments by € 674 between 31 December 2008 and 31 December 2009 is primarily explained by the sale of Van Dijke Recycling.

The outstanding investments € 495 are related to investments in associates – see also note 25 *Related parties* gives additional information.

Note 11 – Trade and other receivables

Trade receivables consist of the following:

	2009	2008	2007
Accounts receivable	16 975	21 694	10 970
Contracts under construction	0	836	1 200
Total	**16 975**	**22 531**	**12 170**

The ageing of the accounts receivable is as follows:

	Net carrying amount as of December 31	Of which: neither impaired nor past due on the reporting date	Of which not impaired as of the reporting date and past due as follows			
			Past due - less than 30 days	Past due - between 30 and 60 days	Past due - between 60 and 90 days	Past due - more than 90 days
At 31 December 2009	16 975	9 136	3 419	1 062	153	3 205
At 31 December 2008	21 694	13 728	2 573	924	324	4 145
At 31 December 2007	10 970	5 566	1 849	1 325	156	2 074

The 2009 significant decrease in Trade Receivables by € 5 556 is the result of a thorough follow-up on trade receivables through the implementation of a structured process whereby aging lists regularly reviewed and actions are taken to speed up the cash-in of the outstanding receivables.

The 2009, 2008 and 2007 impairment loss on trade receivables amounted to respectively € 389 (provision), € 172 and € -117 (reversal of a provision).

Other receivables consist of the following:

	2009	2008	2007
VAT to recover	1 970	2 187	1 283
Current income and withholding taxes to recover	305	449	151
Grants to collect	1 303	3 552	1 246
Trade receivables from associates	1 377	1 258	1 664
Compensation Fertikal losses by AIF	2 109	2 067	
Cash guarantees	504	581	
Loans granted		519	650
Other	668	1 299	453
Total	**8 236**	**11 912**	**5 447**

The VAT to recover and grants to collect are incurred during the start-up of new projects and reflect the growth of the business and the projects under construction.

In the year 2008 and 2009 Thenergo's subsidiary Fertikal CVBA recovers the operating losses from the Agri Investment Fund. The related receivable amounts to € 2 109 at 31 December 2009.

The € 1 377 trade receivables from associates at 31 December 2009 are mainly located at Thenergo Operations BVBA for € 808 and Thenergo NV for € 296.

Other receivables amount to € 668 relate to the Leysen business for € 418 and relate to insurance coverage for our German operations for € 134.

Contracts under construction consist of the following:

	2009	2008	2007
Contract costs incurred	0	2 729	3 971
Progress billing on contract costs incurred	0	-1 893	-2 771
Total	**0**	**836**	**1 200**

No Contract costs & progress billing on contract costs incurred are outstanding on 31 December 2009 since no external projects for third parties were under construction.

Note 12 – Cash and cash equivalents

	2009	2008	2007
Cash on hand	8 646	6 940	3 733
Short-term demandable deposits	6 170	11 649	46 092
Total	**14 816**	**18 590**	**49 825**

Short term demandable deposits are invested for maximum 3 months with tier 1 financial institutions.

The Group carries € 14 816 cash and cash equivalents per 31 December 2009 of which € 5 956 at Thenergo NV corporate level. The cash at affiliates (€ 8 860) is immediately available for local debt servicing at affiliate level but can generally be streamed up to corporate level only after :

a) Approval of the minority shareholder
b) Allocation of the minority share
c) Deduction of the restricted amount following debt covenants at affiliate level (€ 696 EUR)

The lead time for streaming cash from affiliates to corporate level may differ significantly.

Note 13 – Share capital

The company's share capital, including share premiums, changed over the last three years as follows:

	Thousands of Euros	Thousands of shares
At 1 January 2007	**3 859**	**45**
23 April 2007: multiplication of the number of shares by 100		4 405
Share capital increase of May 2007 (by Theolia SA)	5 628	666
Share capital increase of May 2007	5 004	592
Share capital increase of June 2007	64 996	7 692
Share capital increase Leysen acquisition September 2007	16 000	1 728
Contingent share capital increase Leysen acquisition September 2007	20 000	
Share capital increase December 2007 Polargen 49%	4 900	556
Share capital increase December 2007 ENRO acquisition	4 266	474
At 31 December 2007	**124 653**	**16 158**
Share capital increase February 2008 against 282 thousand tse.AG shares	1 128	125
Share capital increase May 2008 Agri Investment Fund (AIF)	10 000	953
Derivative component share capital increase AIF	-538	
Share capital increase AEK following AIF share capital increase	1 020	97
Settlement contingent share capital increase Leysen acquisition September 2008	-20 000	
Share capital increase via contribution in kind by former Leysen shareholders October 2008	18 000	1 944
Share capital increase in cash by former Leysen shareholders October 2008	2 000	357
At 31 December 2008	**136 263**	**19 634**
Share capital increase June 2009 PMV bond conversion + interests	2 512	1 023
Capital increase through transfer of reserves	1 282	
Total share capital at 31 December 2009	**140 057**	**19 634**

Transaction costs directly attributable to capital increase	Thousands of Euros
At 1 January 2007	**-388**
Share capital increases of May and June 2007	-9 214
Share capital increases September and December 2007	-203
At 31 December 2007	**-9 805**
Share capital increase May 2008 Agri Investment Fund (AIF)	-1 112
Share capital increase October 2008 former Leysen shareholders	-53
At 31 December 2008	**-10 970**
Share capital increase June 2009 bond conversion	-206
At 31 December 2009	**-11 176**
Total share capital net	**128 881**

The company's shares are ordinary shares without par value. All shares that have been issued are fully paid and have the same rights. The holders of Thenergo shares are entitled to dividends in accordance with the Belgian company law and upon decisions of the shareholders' meeting.

In April 2009 Thenergo announced the investment of € 10 million by ParticipatieMaatschappij Vlaanderen. The investment of PMV was immediately injected in cash through a mandatory convertible obligation. The conversion will take place at the same time and pro rata a private placement or on decision of PMV.

In June 2009 PMV converted 2,500 of the 10,000 obligations. The conversion was made at the thirty day average of the Thenergo share price. It resulted in the creation of 1,023,034 new shares.
These shares are non-transferable until final conversion date of the obligation. The remaining balance of € 7.5 million needs to be converted by no later than 31 December 2010, the final conversion date of the obligation, at a conversion rate between € 2.04 and € 3.55 per share. In this respect we also refer to note 27 *Events after the balance sheet date.*

Note 14 – Borrowings and leases

This note provides information about the contractual terms of the company's borrowings and leases. For more information about the company's exposure to interest rate risk we refer to note 23 *Financial instruments – market and other risks.*

Non-current borrowings

	2009	2008	2007
Secured bank loans	44 441	44 808	22 967
Unsecured bank loans	288	6 114	862
Secured other loans	9	125	
Unsecured other loans	1 632	1 308	335
Borrowings	**46 370**	**52 355**	**24 164**
Leases	**33 671**	**29 827**	**12 794**
Total	**80 041**	**82 182**	**36 958**

Current borrowings

	2009	2008	2007
Secured bank loans	11 209	3 032	2 922
Unsecured bank loans	6 712	6 055	4 060
Unsecured other loans	7 602	8	8
Borrowings	**25 523**	**9 095**	**6 990**
Leases	**5 168**	**4 373**	**885**
Total	**30 691**	**13 468**	**7 875**

Our cogeneration plants are primarily financed by external borrowings or leases from financial institutions over an 8 to 10 years period with straight line amortisations. The loans with regard to cogeneration installations are typically secured by the cogeneration installations as well as the working capital of the related project company – see also note 26 *Collateral and contractual commitments for capital expenditures*.

In May 2009 Thenergo NV issued a convertible bond of 10 000 granted by PMV, ParticipatieMaatschappij Vlaanderen, of which € 2 500 has been converted to equity on 18 June 2009, implying an outstanding amount of € 7 500 on 31 December 2009. The final conversion date is 31 December 2010. PMV has the right to reimbursed for the outstanding amount if Thenergo increases its capital between now and 31 December 2010 at a issue price below 2.04 per share. This current subordinated loan is included in the above table under *unsecured other loans*.

Since 2006, Tse.AG holds a € 5 000 subordinated credit facility, containing a 'change of control' covenant which has been breached according to the lender and for which a pre-payment notice has been given to Thenergo in August 2009. Meanwhile,

discussions have taken place and legal advice has been sought on the validity of the lender's claim. Following the legal advice obtained by Thenergo, Thenergo is confident to find a solution and obtain a waiver for this covenant breach.
Following the notice received from the lender however, this € 5 000 debt has been transferred from 'long term debt' to 'short term debt' in the 2009 balance sheet. Also a provision was taken for the penalty fee linked to a breach in the amount of € 2 059 - see also note 5 *Segment Reporting*.

Additionally a credit facility of the Thenergo F+L subsidiary was subject to a financial covenant breach. This debt has been provided by KBC and Dexia and has an outstanding amount of € 8 472 on 31 December 2009. Following the covenant breach this € 8 472 debt has been transferred from 'long term debt' to 'short term debt' in the 2009 balance sheet.
The Company expects to fully reimburse this debt after the planned sale of the Leysen waste business.

Depending on the capital structure of the project company, subordinated loans from the minority shareholders are provided.

At 31 December 2009 the outstanding borrowings and leases mature as follows:

	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Secured bank loans	56 240	11 209	4 248	14 012	26 771
Unsecured bank loans	7 000	6 712	85	203	0
Secured other loans	9	0	9	0	0
Unsecured other loans	9 229	7 602	388	347	892
Leases	38 839	5 168	5 371	13 777	14 523
Total	**111 317**	**30 691**	**10 101**	**28 339**	**42 186**

The difference between the total amount of € 111 317 and the total carrying amount in the balance sheet of € 110 732 is explained by € 585 transaction costs directly attributable to the issue of borrowings. These costs are amortised over the life of the related borrowings.

With the exception of long-term borrowings and leases the carrying amounts of our financial assets and liabilities correspond with the estimation of their fair value. It was estimated that the fair value of our outstanding long-term borrowings was € 62 and € 309 lower at respectively 31 December 2008 and 31 December 2007 and € 1 029 lower at 31 December 2009. For non-current lease obligations the fair value was estimated to be € 34 higher at 31 December 2008 and € 432 lower at 31 December 2007. At 31 December 2008 the fair value was estimated to be € 25 lower. The differences between the carrying amount and the fair value stem from the fact that the reference interest rate of the borrowings and leases had changed at the respective balance sheet dates.

Note 15 – Trade and other payables

Trade payables consist of the following:

	2009	2008	2007
Accounts payable	17 471	22 454	12 154
Accrued expenses	39	1 994	479
Progress billing regarding contracts under construction			406
Total	**17 510**	**24 448**	**13 039**

Other payables can be detailed as follows:

	2009	2008	2007
Current income tax	63	54	207
VAT payable	166	812	405
Payroll related debt	859	931	501
Dividend payable	1	1	490
Other	890	2 074	693
Total	**1 979**	**3 872**	**2 296**

Note 16 – Payroll and related benefits

	2009	2008	2007
Wages and salaries	9 476	8 847	1 703
Social security contributions	1 730	1 307	318
Other personnel costs	384	531	300
Pensions and group insurance	156	206	13
Total	**11 746**	**10 891**	**2 334**

Wages and salaries increased from € 8 847 to € 9 476 linked to fewer capitalized costs in 2009, which decreased from € 1 797 in 2008 to € 627 in 2009.
Other personnel costs relate primarily to management services received as well as recruitment costs.

The average number of full time equivalents (FTEs) can be split as follows:

	2009	2008	2007
Thenergo NV (parent company)	16	13	9
Subsidiaries	164	157	47
Average number of full time equivalents	**180**	**170**	**56**

The increase of the average number of full time equivalents in 2008 versus 2007 at subsidiaries is explained by the effect of the Leysen employees accounted for a full year and the tse.AG acquisition as from 1 January 2008 – see also note 6 *Acquisitions of subsidiaries* as well as the organic growth of the cogeneration activities. In 2009, the full time equivalents increased linked to staff hired for the biogas sites Valmass and Binergy Ieper, partly compensated by a decrease in staff in the waste business (Leysen), due to the economic downturn. At 31 December 2009 the company employed 181 full time equivalents. Tse.AG employed 46 FTEs, Leysen employed 84 FTEs and all other Thenergo companies employed 51 FTEs.

Note 17 – Share-based payments

Following the raise of capital for a total amount of 70 million € (see note 13 *Share capital*) 2 071 006 options («*warrants »)* were granted to Amsterdams Effectenkantoor BV ("AEK") with an exercise price of € 8.45. These options have vested immediately.
Further, key management received during 2007 1 545 030 warrants at the same exercise price of € 8.45. 40 % of these options were vested immediately while 60 % vests gradually over a 3.5 year period. All these options have a contractual life of 5 years (expiring at 30 June 2012). Due to changes in key management 622.704 of these warrants forfeited during 2008 and 2009.

To stimulate the further growth of the company, key management was granted 490 000 warrants in December 2007. These warrants have the same exercise price and expiration date as the warrants described above. Starting from the reference point of 113 million € as market capitalisation, 70 000 warrants vest each time that the company's market capitalisation has increased by 50 million € (based on the weighted average share price during 20 trading days) with the last portion vesting when a market capitalisation of 463 million € is reached. 380 000 of these warrants forfeited during 2008 following the changes in key management.

The fair value of the warrants granted to AEK in 2007 amounts to € 5 261. This amount is considered as a transaction cost directly attributable to the share capital – see also note 13 *Share capital*. The fair value of the 2007 warrants granted to key management and vested immediately amounts to € 1 650 while the total fair value of the warrants expensed over their vesting period amounts to € 4 522. The 2007 operating expense of € 1 880 with regard to the above described warrants is net, after capitalisation of direct costs related to installations built or under construction for a total amount of € 754.

During 2008 and 2009 additional warrants for a total of 699 434 (458 006 in 2008 and 241 428 for 2009) were granted to key management and personnel. These warrants have an exercise price between € 4.50 € and € 10. 159 392 of these options (fair value of € 241) vested immediately while the remaining , 540 042 options (fair value of € 1 129) vest gradually over a 2.5 year.

At 31 December 2009, 3 026 247 warrants were exercisable. A total of 1 359 450 warrants forfeited during 2008 (987 287) and 2009 (372 163).

No warrants were granted or exercised during 2009. The share-based payment expenses in 2009 amounts to € 394.

Note 18: Pension obligations

The amounts recognized in the balance sheet *Employee benefits and provisions* are related to pension obligations as follows:

	2009	2008
Present value of unfunded obligations	1 526	1 129
Fair value of plan assets	Not applicable	Not applicable
Liability on the balance sheet	1 526	1 129

The amounts recognized in the income statement are as follows:

	2009	2008
Current service cost	5	5
Interest on obligation	73	71
Other	18	
Total:	96	76

Movements in net liability:

	2009	2008
Net liability in the balance sheet at 1 January	1 129	1 061
Expenses	96	76
Net actuarial loss (gain) recognized during the year	301	8
Net liability in the balance sheet at 31 December	1 526	1 129

In Germany the group has 1 defined benefit plan. The principal actuarial assumptions applied were as follows:

- The weighted average discount rate was 5.58% for 2009 and 5.03% for 2008;
- The weighted expected general salary increase was 2.00% for 2009 and 2.00% for 2008

Note 19 – Turnover and other operating income

For a detailed description of the evolution of the turnover, we refer to note 5 – *segment reporting*.

Other operating income can be detailed as follows:

	2009	2008	2007
Insurance income	1 615	1 699	11
Agri Investment fund compensation	2 109	1 282	0
Other	789	1 303	166
Total	**4 513**	**4 284**	**177**

The compensation by the Agri Investment Fund is explained in note *5 Segment reporting*.

Note 20 – Other operating expenses

Other operating expenses can be detailed as follows:

	2009	2008	2007
PR, communication and marketing	383	974	659
Usage, office and utility costs	2 012	1 795	606
Accounting, reporting and tax compliance support	238	429	124
Repair and maintenance	2 603	1 311	219
Impairment charges			-117
Rent	1 315	1 071	191
Travel expenses	181	236	181
Audit fees	208	524	229
Insurance	967	757	135
Legal fees	355	422	88
Consulting fees	116	193	14
Other	925	137	139
Non recurring operating costs	2 911		
Total	**12 214**	**7 849**	**2 468**

Other operating expenses have increased from € 7 849 in 2008 to € 12 214 in 2009. The increase is primarily explained by (1) the higher repair and maintenance costs linked to the German CHP plants (which account for € 1 326) and the Fertikal project (accounts for € 348) and (2) the fact that less costs have been capitalized in 2009 (€ 155) in comparison to 2008 (€ 2 009). The residual item “Other” has increased from € 137 in 2008 to € 925 in 2009 because of less capitalization and higher technical advice and technical oriented services like sampling, testing and monitoring services from third parties.

Further, the non-recurring operating costs relate to severance payments have been provided for regarding the restructuring costs in Germany for € 400 and at Thenergo holding level for € 495. For Biocogen an amount of € 210 had to be taken into account as a retrospective compensation for carbon-dioxide emission rights missed at the project partner. The Elsterwerda biomass CHP plant incurred non-recurring repair charges for € 743 (out of a total of € 1 511). Finally, a provision for other risks and charges of € 1 063 was provided for in the concept engineering segment.

Besides these increases all other costs remained stable or declined. Accounting, reporting and tax compliance support declined from € 429 in 2008 to € 238 in 2009 because of insourcing. Other decreases relate to PR, communication & marketing and legal and consulting fees as a consequence of cost cutting at holding level.

Note 21 – Finance costs and income

Finance costs can be detailed as follows:

	2009	2008	2007
Recurring finance costs			
Interest expense on borrowings	3 910	3 842	508
Interest expense on leases	1 860	1 751	241
Other recurring finance costs	117	116	29
Non-recurring finance costs			
Financial covenant breach costs (provision)	2 059		
Contemplated Public Offering Costs		2 903	
Profit sharing arrangements	149	91	169
Other non-recurring finance costs	127	57	
Changes in fair value of			
Embedded derivative with regard to convertible bond	68	700	
Interest rate swaps not designated in a hedge accounting relationship	69	212	
Gas forward sale contracts not designated in a hedge accounting relationship	2 205		
Electricity forward sale contracts not designated in a hedge accounting relationship	1 107		382
Total	**11 669**	**9 672**	**1 329**

The non-recurring finance costs of € 2 335 in 2009 contain € 2 059 with regard to the provision of the financial covenant breach of tse.AG – see also note 14 *Borrowings and leases*, and € 149 with regard to share-based payments – see also note 25 *Related parties*.

The changes in fair value are primarily related to with regard to derivatives and sales contracts not designated in a hedge accounting relationship € 3 381 and with regard to the derivative component of the AIF share capital increase for € 68 – see also note 13 *Share capital*.

No borrowing costs have been capitalised in 2009.

Finance income comprises the following:

	2009	2008	2007
Interest income	250	1 198	1 070
Government grants related to interest expense		115	110
Interest charged to customers as part of the pre-financing of cogeneration projects			187
Gain on hedging instruments that are not part of a hedge accounting relationship		909	20
Other finance income	745		182
Total	**995**	**2 222**	**1 569**

The finance income of € 995 during current financial year was primarily generated by € 620 with regard to the non usage of financial cost provisions. A decrease of interest income is explained by the weighted interest rate of short-term term deposits, which decreased from 3,8% in 2008 to 0,97% in 2009. If this interest rate would have been 100 basis points higher, the interest income would have been higher by € 90 (2008: € 231).

Note 22 – Income taxes

	2009	2008	2007
Benefit/(expense) current taxes	-277	-448	-128
Benefit/(expense) deferred taxes	1 822	1 499	1 755
Total benefit/(expense) income taxes	**1 545**	**1 051**	**1 627**

	2009	2008	2007
Current taxes of the year	-277	-448	-128
Adjustments current taxes prior years			
Deferred income taxes on the increase or reversal of temporary differences	1 822	1 499	1 755
Total benefit/(expense) income taxes	**1 545**	**1 051**	**1 627**

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

	2009	2008	2007
Result before tax	-46 880	-65 066	-733
Share of result of associates	-130	421	-227
Result before tax and before share of result of associates	-46 750	-65 487	-959
Aggregated weighted nominal tax rate	33%	32%	31%
Tax at aggregated weighted nominal tax rate	15 428	20 956	297
Reconciling items:			
Losses for which no deferred tax asset was recognised	-9 374	-5 196	*-235*
Realisation of losses for which no deferred tax asset was recognised		241	
Elimination of intercompany profits	35	41	*638*
Expenses not deductible for tax purposes	-2 301	-18 132	*-654*
Notional interest on equity	54	1 228	*718*
Tax credits for capital expenditures	57	1 256	*915*
Derecognition of deferred tax assets of previous years	-915		
Other	-1 439	657	*-5*
Income tax benefit/(expense) recognised in the income statement	**1 545**	**1 051**	**1 674**

The income tax effect on the 2009 losses for which no deferred tax asset was recognised of € 9 374 relates primarily to holding companies, Cintras NV as well as tse.AG. The amount of expenses not deductible for tax purposes in 2009 (€ 2 301) stems for an amount of € 2 159 from the goodwill impairment charges that are not deductible for tax purposes. The derecognition of deferred tax assets of previous years relates to Cintras NV, Greenpower NV and Leysen R.E.S. NV.

	Assets			Liabilities		
Carrying values	**2009**	**2008**	**2007**	**2009**	**2008**	**2007**
Balance at 1 January	**4 026**	**2 718**	**244**	**8 838**	**6 733**	**1 774**
Acquisitions through business combinations		1 163	757		2 115	5 114
Change in consolidation method		41			-158	
Increase / (decrease) through profit or loss	897	1 549	1 591	-925	50	-164
Increase / (decrease) through equity		-1 445	126	-1 644	98	9
Balance at 31 December	**4 923**	**4 026**	**2 718**	**6 269**	**8 838**	**6 733**

Origin of the deferred taxes at balance sheet date	Assets			Liabilities		
	2009	2008	2007	2009	2008	2007
Temporary differences	**4 130**	**4 963**	**1 661**	**7 242**	**13 181**	**7 184**
Property, plant and equipment	1 783	1 492	1 211	2 010	4 651	812
Intangible assets	6	1 429	239	4 995	6 883	6 249
Investments	13	71	112			
Contracts under construction				187		72
Financial instruments	1 223		99	4	1 442	43
Borrowings and leases	1 061	1 967		5	205	
Other	44	24		41		8
Unused tax losses and tax credits	**1 766**	**3 386**	**1 508**			
Gross deferred taxes	**5 896**	**8 349**	**3 169**	**7 242**	**13 181**	**7 184**
Offsetting between assets and liabilities	-973	-4 343	-451	-973	-4 343	-451
Net deferred taxes recognised	**4 923**	**4 026**	**2 718**	**6 269**	**8 838**	**6 733**

Deferred tax assets not recognised	2009	2008	2007
Deductible temporary differences	1 905	1 389	1 363
Tax losses and credits	23 126	17 489	1 088
Total	**25 032**	**18 878**	**2 451**

Tax losses carried forward do not have an expiration date.

Note 23 – Financial instruments – Market and other risks

Interest rate risk

Due to the capital intensive nature of the company's activities Thenergo has substantial borrowings and leases outstanding as disclosed in note 14 *Borrowings and leases* above. Interest rates on the long-term borrowings and leases for cogeneration plants are fixed either directly in the finance contract or via interest rate swaps. At 31 December 2009 the fixed interest rates applicable on the outstanding borrowings and leases ranged between 2.45% and 11.3% (against 3.3% and 11.3% at 31 December 2008).

At 31 December 2009 the company had two interest rate swaps outstanding which are accounted for at fair value through the income statement. The carrying amount of these swaps was € -144 (against € -75 at 31 December 2008) resulting in a 2009 loss on hedging instruments that are not part of a hedge accounting relationship of € -69 - see also note 21 *Finance costs and income*. Further, the company entered in April 2008 into an interest rate swap to fix the variable interest rate exposure on the € 10 000 debt financing of the Leysen acquisition as well as € 4 500 of working capital financing at Leysen. This interest rate swap is designated as a cash flow hedge of the floating interest rate risk and effectiveness is determined in accordance with the fixed benchmark method. At 31 December 2009 the fair value of € -453 (2008 : € -564) was recognised in the hedging reserve within equity against other current liabilities and deferred tax assets.

Spark spread

The company is exposed to the volatility of the electricity and natural gas prices. For the cogeneration plants fuelled by natural gas the spark spread is mitigated through the correlation of gas prices with electricity prices.

To manage the volatility of electricity prices and natural gas, purchase prices of natural gas are fixed with vendors on a 6 to 24 months basis. Total MWh purchased forward amounts to 649 340 for 2010. These purchase contracts allow the company to fix the cost from planned production while having the flexibility from the decentralized installations to produce less electricity that initially planned when market conditions are unfavourable.

Further, the company economically hedges its highly probable sales of electricity on a 3 to 15 months basis through electricity forward sales contracts. Total MWh hedged amounts to 189 330 for the first nine months of 2010 (between 10 800 and 22 300 per month for the first nine months of 2009) and is around 59 817 for the last three months of 2010 (14 500 per month for the last quarter of 2009). These economic hedges allow the company to fix the revenue from planned production while having the flexibility from the decentralised installations to produce more electricity than initially planned when market conditions are favourable.

Electricity sale contracts

During the second half of 2007 Thenergo implemented cash flow hedge accounting for these electricity sale contracts to the extent that the strict hedge accounting rules were met. For the first nine months of 2008, between 66% and 88% of the planned monthly MWh production was designated in the hedge accounting relationship. For the last quarter of 2008 the percentage of monthly production hedged ranges between 66% and 72%.

As from 2009 onwards, Thenergo does no longer apply hedge accounting.

The fair value of the electricity forward contracts was based on the contractual terms by obtaining market quotes from an external party. In calculating the fair values, counterparty credit risk was ignored.

The outstanding electricity forward contracts were included in the *other current assets* and *other current liabilities* as follows:

	2009	2008
Part of a cash flow hedge accounting relationship	0	4 150
At fair value through the income statement	0	539
Total included in other current assets	**0**	**4 664**

	2009	2008
Part of a cash flow hedge accounting relationship	0	0
At fair value through the income statement	563	0
Total included in other current liabilities	**563**	

For 2009 the cost recognised in the income statement as a result of the change in the fair value of the electricity forward contracts amounts to € 1 107.

For 2008 the difference between the change in fair value through the income statement based on the above (income of € 609) and the income recognised in the income statement of € 909 is explained by the fact that the above 2007 balance sheet data does not include the fair values of the outstanding electricity forward contracts of the four CHP plants that were acquired effective 1 January 2008 – see note 6 *Acquisitions of subsidiaries*.

The above described hedge accounting applied until year-end 2008 resulted in 2008 in the recognition of a gain (after taxes) of € 2 099 in the hedge accounting reserve. During 2008 € 921 of losses were released from the hedge accounting reserve to the income statement.

Prospective hedge effectiveness was based on the planned production of electricity: the hedge accounting relationships were considered to be effective as long as the designated hedged volume of electricity was below the planned production volume for the related period. Retrospective hedge effectiveness was for the first time calculated during 2008 (on a quarterly basis) by using daily production data of electricity. As long as at least 90% of the designated KWh have actually been sold the hedge accounting relationship was considered to be effective. No hedge ineffectiveness was observed during 2008.

No transactions were designated as cash flow hedges anymore as of 31 December 2009. The corresponding decrease in the value of transactions designated as cash flow hedges as of 31 December 2009 resulted in a decrease in the hedge accounting reserve of € 2 099 (after taxes). During 2009 € 2 687 of profits were released from the hedge accounting reserve to the income statement (2008 a loss of € 921).

Gas contracts

As from 2009 onwards, gas contracts are no longer considered to be own use contracts. As a result of this, from 2009 onwards, gas contracts are accounted for at their fair value with the corresponding change in fair value accounted for through the income statement. The fair value of the gas contracts was based on quotations on Endex Futures Exchange TTF as of 31 December 2009.

The outstanding gas contracts were included in the *other current liabilities* as follows:

	2009	2008
Part of a cash flow hedge accounting relationship	0	0
At fair value through the income statement	2 205	0
Total included in other current liabilities	**2 205**	**0**

For 2009 the cost recognised in the income statement as a result of the change in the fair value of the gas contracts amounts to € 2 205. The remaining items of other current liabilities € 11 779 are discussed in note 5 *Segment reporting* and note 20 *Other operating expenses*.

As regards our biomass installation operating during the years 2006 – 2009 the spark spread is managed by (i) using the same index for the purchase of the biomass and the sale of the heat and (ii) fixing the sales price of the electricity produced in a long-term contract ending at 31 December 2009.

Liquidity risk

Each project company has its own external financing of on average 80% of the total investment. Sourcing of external financing is done from different credit institutions. Budgeted cash flows cover the amounts due under to borrowings and leases over the life of the project. Overall, the cash position of € 14 816 at 31 December 2009 mitigates the company's liquidity risk.

At 31 December 2009 the balance sheet shows negative retained earnings for an amount of €-106 225 . The board of directors is of the opinion that the application of the existing valuation rules under going concern is still justified (see note 4- *Estimations and judgements*).

Under the € 10 000 debt financing related to the Leysen acquisition Thenergo is required to have a minimum level of equity. The necessary measures will be taken to ensure that the legal entity holding the € 10 000 debt financing is not in breach with any covenants.

Credit risk

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligation to pay Thenergo. Revenue from electricity sales and certificates is collected from prime utility companies on a monthly basis. Revenue from heat is collected from our greenhouse and industrial partners while the customers in our waste business range from small private companies to government institutions. The company monitors counterparty credit exposures closely and started working capital initiatives to improve collection of aged receivables.

Based on these factors, Thenergo considers the risk of counterparty default per 31 December 2009 to be limited.

Other risks

The profitability of the company is highly dependent on government incentives with regard to the production of renewable energy. While the sustainability of existing government incentives is not within management's control, we are not aware of any reasonably possible changes to the government incentives based on which the profitability of the company would be significantly deteriorated.

Heat revenue is subject to a limited seasonality as the heat procurement from the greenhouse partners in cold periods is higher than in warm periods. About 15% of revenue from waste management is also subject to seasonality: in warm periods more containers are used on worksites as compared to cold periods or wintertime.

Capital management

As a fast growing company Thenergo is undergoing significant changes to its capital structure. After the May/June 2007 share capital increases totalling € 75 628 (see note 13 *Share capital*) Thenergo attracted external financing in executing its strategic plan of both organic and external growth. On average, cogeneration projects are leveraged by debt financing for 80% of the investment. When analyzing our capital structure we use the same debt/equity classifications as applied in our IFRS reporting.

Thenergo believes that a sound capital structure is of utmost importance in the sector in which it operates and will therefore continue to strive to keep an optimal capital structure throughout the different stages of its growth. In its current growth phase, Thenergo believes it is important to have access to a minimal cash buffer in order to be able to absorb unforeseen cash needs without being dependent on access to financial debt markets which, in the recent past, have proven to be difficult to access.

Each project company has its specific capital requirements as agreed with our financial partners and required by company law.

Note 24– Result per share

Basic result per share	2009	2008	2007
Result for the year attributable to equity holders of Thenergo (thousands of Euros)	-41 810	-62 841	23
Weighted average number of ordinary shares outstanding	20 163 872	17 303 716	9 885 381
Basic result per share (Euros)	- 2,04	-3.63	0.00

The dilutive weighted average number of ordinary shares outstanding during 2009 amounts to 20 163 872. 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 result per share.

Note 25 – Related parties

Transactions with associates

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

	2009	2008	2007
Revenue	358	381	3 174
Finance income	14	44	189
Other receivables	1 377	1 258	1 664
Other payables	37	297	32

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

The summarised financial data of our associates is as follows:

Balance sheet	2009	2008	2007
Non-current assets	9 000	10 296	16 031
Current assets	4 319	7 188	5 312
Total assets	**13 319**	**17 484**	**21 343**
Equity	1 176	4 287	2 095
Non-current liabilities	6 155	7 665	12 533
Current liabilities	5 989	5 532	6 715
Total equity and liabilities	**13 320**	**17 484**	**21 343**

Income statement	2009	2008	2007
Revenues	7 099	6 741	5 024
Operating result	1 127	3479	1 353
Financial result	-917	291	-1 340
Result for the year	**-457**	**3 083**	**737**

Transactions with Board and Executive Committee members (key management personnel)

In addition to short-term employee benefits (primarily salaries) Thenergo's key management personnel is eligible for the company's warrant programme – see also note 17 *Share-based payments*. Total Board members' and Executive committee members' remuneration can be detailed as follows:

	2009		2008		2007	
	Board members	Executive committee	Board members	Executive committee	Board members	Executive committee
Short-term employee benefits	172	1 341	239	1 421	101	1 122
Share-based payments	161	227	460	571	1 220	1 414
Total	**333**	**1 568**	**699**	**1 992**	**1 321**	**2 536**

The decrease in the share-based payment expense is explained by forfeitures following changes in key management – see also note 17 *Share-based payments*.

Note 26 – Collateral and contractual commitments for capital expenditures

Borrowings and leases with regard to cogeneration installations are typically secured by the cogeneration installations as well as the working capital of the related project company. The carrying amount of property, plant and equipment securing outstanding borrowings and leases amounted to € 94 490 at 31 December 2009, compared to € 96 234 at 31 December 2008 and € 24 464 at 31 December 2007. The carrying amount of working capital items collateralized amounted to € 15 809, € 18 920 and € 9 683 at respectively 31 December 2009, 31 December 2008 and 31 December 2007.

The company's contractual commitments for capital expenditures relate primarily to cogeneration installations and plants under construction. At 31 December 2009 the total capital expenditure commitment for these installations and plants under construction amounted to € 17 555. As disclosed in note 23 *Financial instruments – Market and other risks* 80% of the capital expenditures are financed by borrowings or leases.

Note 27 – Events after the balance sheet date

At the Board of 12 January 2010, the Board gave the Executive committee the assignment to restructure the group and to look for possible opportunities to sell non-core activities. In the beginning of February, the Executive committee starts negotiations with potential investors for Thenergo's fuel and waste business. These negotiations came in a final stage at the end of March 2010 but were not yet finalized at the moment of issuance of the financial statements.
In 2009, the "Fuels & Waste" business represented a turnover of € 17 795, a recurring EBITDA of € 2 339 and an total assets base of € 13 540 – see also note 5 Segments

On 20 January 2010, Thenergo reaches an agreement with the supplier of equipment for the jatropha-oil production plants. Both local project companies in Thailand have been sold. In addition the services agreement with the local partner was ended. These transactions result in a final settlement of € 340 by Thenergo that ends all future liabilities of Thenergo with respect to its Jatropha oil production business.

Following Thenergo's decision to stop with its Jatropha oil production activities, Thenergo has initiated a sales process for its Greenpower CHP plant in Merksplas. This bio-fuel CHP plant is in a final phase of construction, but was not yet operational during 2009 and therefore generated no material operating profits or losses in 2009. In the 2009 balance sheet the Greenpower project represents a total asset base of € 8 186.

In March 2010 Thenergo is in negotiation with a number of parties with respect to a sale of its waste business, reflected in the segment reporting under the segment 'Fuels and Waste' – see also note 5 *Segments*
In 2009, the waste business represented a turnover of € 17 795, a recurring EBITDA of € 2 339 and an total assets base of € 13 540.

On 11 March 2010, Thenergo increased its capital with € 2 781 at a subscription price of € 2.04 per share. This results in the creation of 1,363,417 new shares. The transaction resorts under the mandate, that the Board of Directors received of the Extraordinary General Meeting on May 27th 2009, to raise capital.

The capital increase consists of an increase in capital in cash of € 1 343, which results in the creation of 658,333 new shares. In addition, in April 2009, ParticipatieMaatschappij Vlaanderen (PMV) invested € 10 000 in Thenergo with a mandatory convertible obligation (MCO). The conversion of the MCO takes place at the same time and for the same amount of a capital increase. On 11 March 2010, PMV converts 1,343 obligations at an issue price of € 2.04 per share and increases its shareholding in Thenergo to 7.85%.

Note 28 – Information on the Statutory Auditor, his remuneration and related services

The Company's Statutory Auditor is Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Gert Vanhees.

	2009
Audit fee	175
Other engagements linked to the auditor's mandate	38
Additional services rendered by parties related to the Auditor of the Group	0

The item other engagement concerns mainly legal missions in the framework of the statutory audit.

Note 29 – List of subsidiaries, joint ventures and investments in associates

The main subsidiaries included in the consolidated financial statements are:

Name	Country	% economic interest	% voting power	Activity
Binergy Ieper NV	Belgium	75%	75%	Cogeneration based on biogas - under construction
Groeikracht Abelebaan NV	Belgium	51.56%	51.56%	Cogeneration based on natural gas
Groeikracht Boechout NV	Belgium	95.54%	95.54%	Cogeneration based on natural gas
Cintras NV	Belgium	100%	100%	Fuel
Groeikracht de Boskapel NV	Belgium	51.56%	51.56%	Cogeneration based on natural gas
Groeikracht Bavikhove NV	Belgium	51%	51%	Cogeneration based on natural gas
Leysen NV	Belgium	100%	100%	Waste
Groeikracht de Markvallei NV	Belgium	100%	100%	Cogeneration based on natural gas
Groeikracht Marveco NV	Belgium	50.79%	50.79%	Cogeneration based on natural gas
Groeikracht Merksplas NV	Belgium	100%	100%	Cogeneration based on natural gas
Groeikracht Pierstraat NV	Belgium	51.14%	51.14%	Cogeneration based on natural gas
Thenergo Operations BVBA	Belgium	100%	100%	Design and operation of cogeneration projects
Thenergo Nederland BV	The Netherlands	100%	100%	Holding
Groeikracht Prinsenland BV	The Netherlands	95.00%	95.00%	Cogeneration based on natural gas
Valmass NV	Belgium	60.00%	60.00%	Cogeneration based on biogas
Groeikracht Zwarthout NV	Belgium	60.11%	60.11%	Cogeneration based on natural gas
Groeikracht de Blackt NV	Belgium	51.18%	51.18%	Cogeneration based on natural gas
Groeikracht Bûtenpôle BV	The Netherlands	51.11%	51.11%	Cogeneration based on natural gas
Groeikracht Vremde NV	Belgium	50.79%	50.79%	Cogeneration based on natural gas
Groeikracht Marvado NV	Belgium	51.26%	51.26%	Cogeneration based on natural gas
Groeikracht Vrasene NV	Belgium	50.96%	50.96%	Cogeneration based on natural gas – under construction
tse.AG	Germany	90.86%	88.87%	Design and operation of cogeneration projects
ENRO Energie und Service GmbH	Germany	90.86%	100%	Cogeneration based on natural gas
BBL Bio-Brennstoff Ludwigsfelde GmbH	Germany	90.86%	100%	Cogeneration based on biomass

Bio-Heizkraftwerk Ludwigsfelde GmbH	Germany	90.86%	100%	Cogeneration based on biomass
Bio-Heizkraftwerk Hünxe GmbH	Germany	90.86%	100%	Cogeneration based on biomass
Bio-Heizkraftwerke Elsterwerda GmbH	Germany	90.86%	100%	Cogeneration based on biomass
Stadtwerk Elsterwerda GmbH	Germany	46.34%	51.00%	Cogeneration based on natural gas
Binergy Meer NV	Belgium	100%	100%	Cogeneration based on biomass - under construction
Fertikal CVBA	Belgium	51.00%	51.00%	Drying manure
Biofuel Record Co LTD	Thailand	49.00%	90.00%	Fuel

When Thenergo's voting power is around 50% it is assessed whether based on other factors (e.g. management contracts in place) the company actually controls the financial and operating policy decisions of the project company. When this is the case, the project company is fully consolidated.

Joint ventures proportionally consolidated:

Name	Country	% economic interest	% voting power	Activity
ENRO Ludwigsfelde Energie GmbH	Germany	43.16%	50.00%	Cogeneration based on natural gas
Biocogen BVBA	Belgium	50.00%	50.00%	Cogeneration based on biogas
Groeikracht Wommelgem BVBA	Belgium	51.13%	51.13%	Cogeneration based on natural gas

Before 2008 Biocogen BVBA and Groeikracht Wommelgem BVBA were fully consolidated. Based on a reassessment of the facts it was decided to consider these entities as joint ventures. Prior year figures were not restated because the impact on the 2007 figures is immaterial.

The main investments in associates accounted for under the equity method are the following:

Name	Country	% economic interest	% voting power	Activity
Groeikracht Lierbaan NV	Belgium	30.21%	30.21%	Cogeneration based on natural gas
Groeikracht Rielbro NV	Belgium	30.16%	30.16%	Cogeneration based on natural gas
Groeikracht Waver NV	Belgium	30.48%	30.48%	Cogeneration based on natural gas
Groeikracht Broechem NV	Belgium	25%	25%	Cogeneration based on natural gas
Groeikracht Etten-Leur BV	The Netherlands	30%	30%	Cogeneration based on natural gas

3. Independent Auditor's Report

Thenergo NV

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2009 to the shareholders' meeting

To the shareholders
As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comments.

Disclaimer of opinion on the consolidated financial statements
We have audited the accompanying consolidated financial statements of Thenergo NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 189.045 (000) EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 41.810 (000) EUR.
The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.
In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole.

The group incurred significant losses which weakened its financial position and its short term ability to continue as a going concern. We draw your attention to the annual report including the special report of the board of directors prepared in accordance with articles 119 respectively 633 of the company code and to note 4 critical estimates and judgements to the consolidated financial statements in which the board describes the groups liquidity, negative working capital and going concern situation and the related accumulated uncertainties as well as the proposed management actions all of which need to be executed timely and with success for the group to be able to continue as a going concern. The accumulation of these circumstances presents a fundamental uncertainty about the going concern of the group and as a consequence about the relevance of these consolidated financial statements. No adjustments have been recorded herein with respect to the valuation or the classification of certain balance sheet items, which would be required, should the group no longer be able to continue its operations.

Taking into account the combination of the considerable uncertainties with respect to the group's going concern described above, we are unable to express an opinion on whether the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2009, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

> The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, March 31, 2010

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gert Vanhees

4. Excerpt from the Thenergo NV separate (non-consolidated) financial statements prepared in accordance with Belgian GAAP

The following information is extracted from the separate Belgian GAAP financial statements of Thenergo NV. These separate financial statements, together with the management report of the board of directors to the general assembly of shareholders as well as the auditors' report, will be filed with the National Bank of Belgium within the legally foreseen time limits. These documents are also available on request from: Thenergo NV, Brusselstraat 59, 2018 Antwerp.

It should be noted that only the consolidated financial statements as set forth above present a true and fair view of the financial position and performance of the Thenergo group. Since Thenergo NV is essentially a holding company, which recognises its investments at cost in its non-consolidated financial statements, these separate financial statements present no more than a limited view of the financial position of Thenergo NV. For this reason, the board of directors deemed it appropriate to publish only an abbreviated version of the non-consolidated balance sheet and income statement prepared in accordance with Belgian GAAP as at and for the year ended 31 December 2009, 31 December 2008 and 31 December 2007.

Abbreviated non-consolidated balance sheets of Thenergo NV

	2009	2008	2007
Non-current assets	**24 903**	**47 096**	**50 888**
Incorporation expenses and intangibles	3 105	4 086	4 011
Property, plant and equipment	388	458	436
Financial assets	21 410	42 552	46 441
Current assets	**25 219**	**39 008**	**56 015**
Other current assets	19 263	29 495	9 922
Cash and cash equivalents	5 956	9 513	46 093
Total assets	**50 122**	**86 104**	**106 903**
Equity	**41 197**	**80 734**	**104 737**
Share capital and share premium	140 597	136 802	104 653
Retained earnings	- 99 400	-56 068	84
Current liabilities	**8 925**	**5 370**	**2 166**
Total equity and liabilities	**50 122**	**86 104**	**106 903**

Abbreviated non-consolidated income statements of Thenergo NV

	2009	2008	2007
Operating income	**866**	**937**	**3 019**
Revenues	701	915	2 973
Other income	165	22	46
Operating expenses	**9 554**	**8 536**	**3 931**
Operating result	**- 8 688**	**-7 599**	**- 912**
Financial result	**3 250**	**3 850**	**2 704**
Financial income	3 712	5 107	2 835
Financial costs	462	1 257	131
Extraordinary charges	**40 394**	**52 403**	
Result before tax	**- 45 832**	**-56 152**	**1 792**
Result for the year	**- 45 832**	**-56 152**	**1 792**