

THENERGO

Interim Report for the 6 month period ended 30 June 2008

Index

1. Management report

2. Consolidated interim financial statements

Consolidated income statement

Consolidated balance sheet

Statement of changes in equity

Statement of cash flows

Notes to the consolidated interim financial statements

Note 1 – Corporate information

Note 2 – Statement of compliance

Note 3 – Segment reporting

Note 4 – Acquisitions of subsidiaries

Note 5 – Share-based payments

Note 6 – Income taxes

Note 7 – Financial instruments – market and other risks

Note 8 – Share capital

Note 9 – Earnings per share

Note 10 – Related parties

Note 11 – Events after the balance sheet date

Note 12 – List of subsidiaries, joint ventures and investments in associates

3. Independent auditor's report

1. Management report

This management report should be read in conjunction with THENERGO's consolidated interim financial statements ended 30 June 2008. All amounts are in thousands of Euros, unless explicitly stated differently.

1.1. Main transactions in 2007 and during the first six months of 2008

EURONEXT™ BRUSSELS AND PARIS LISTING – COLLECTION OF 70 MILLION € OF CAPITAL IN 2007 – FURTHER STRENGTHENING OF CAPITAL BASE DURING 2008

On 14 June 2007 the THENERGO shares were listed on Alternext by Euronext ™ Paris. In preparation of the Alternext admission, THENERGO raised 5 million € capital with qualified investors. Immediately after the Alternext listing, THENERGO further increased its share capital through a private placement of 65 million € with qualified investors which was completed on 18 June 2007. All shares were issued at 8,45 € per share.

On 25 August 2008 the Alternext Paris listing was replaced by a dual Euronext listing in Brussels and Paris.

To further accelerate the company's growth significant resources were dedicated to the strengthening of THENERGO's capital base during the first six months of 2008. As a result, in May 2008, THENERGO concluded an industrial partnership agreement with Agri Investment Fund (AIF), an investment entity of M.R.B.B., the financial holding company of the Boerenbond. AIF invested € 10 million in the share capital of THENERGO.

In June 2008, THENERGO filed an offering prospectus revealing the company's plan to raise new funds through a public offering in Belgium and France and a private placement with institutional investors in Europe. Due to worsening market conditions the Board of Directors decided on 10 July 2008 to withdraw the public offering. Instead, the company will secure its long term growth and project pipeline execution through alternative funding.

Note 8 *Share capital* of the interim financial statements explains in detail the changes in the company's share capital during the first six months of the year 2008.

ACQUISITION OF LEYSEN IN SEPTEMBER 2007

In September 2007 THENERGO concluded the acquisition of Leysen Invest NV ("Leysen"), a Belgian organic waste-to-energy group, active in two 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. The integration of Leysen's fuel procurement and logistics know-how, with Thenergo's concept engineering, operational management, electricity sales and trading experience

enhances both companies' strengths, while the highly complementary industrial partnership allows Thenergo to expand its existing business model and to accelerate the development of biomass units. At the same time, Thenergo's revenue and earnings substantially increase, and recurrent cash flows are enhanced thanks to Leysen's on-going waste management activities.

ACQUISITION OF TSE AG (previously ENRO AG) EFFECTIVE 1 JANUARY 2008

In order to secure a critical foothold in Germany, generally perceived as a high potential business region in Europe and a gateway to Central and Eastern Europe, THENERGO acquired 51% in ENRO AG, a German biomass-to-energy company listed on the Open Market (regulated unofficial market) at the Frankfurt Stock Exchange, during December 2007.

In a share swap, ENRO investors received one new THENERGO share for every 2,25 ENRO shares, based on the 9,00 € average market price of the Thenergo share during the 90 trading days preceding the initiation of the share swap. In addition, THENERGO bought in the market during 2007 21% of ENRO shares at an average price of 3,70 € per share.

All these transactions occurred without the consent of the supervisory board and management board of ENRO AG. On 5 December 2007 Thenergo publicly announced that it had obtained a controlling interest in ENRO AG. On 20 December 2007 the ENRO supervisory board announced its resignation, effective 31 December 2007. On 10 January 2008 the Essen (Germany) court decided to appoint members of Thenergo's key management as the new members of the ENRO supervisory board. Consequently, effective 10 January 2008, Thenergo obtained the ability to determine ENRO's strategic operating and financing policies as well as the power to protect, maintain or increase the level of benefits from its investment in ENRO. Based on the above, ENRO is consolidated starting 1 January 2008. At 31 December 2007 the 51% interest in ENRO AG was in the financial statements reported as an investment at cost for a total value of 8.014 €.

During the beginning of 2008 ENRO changed its name into THENERGO sustainable energies AG ("tse AG") and THENERGO acquired an additional 35% in tse AG of which 25% against 3.098 € of cash and 10% by issuing 165.376 THENERGO shares.

The tse acquisition allows THENERGO to accelerate the growth and structure of its existing business model while increasing its revenue and earnings.

EVENTS AFTER THE BALANCE SHEET DATE

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

1.2. Financial performance

The key financial data can be summarised as follows:

For the six month period ended 30 June	2008	%	2007	%
Operating income	37.171		6.489	
Revenue	35.212	100%	6.489	100%
Operating expenses	-36.211	-103%	-7.942	-122%
Operating result (EBIT)	960		-1.453	
Non-cash share-based payment expense	644		1.858	
Recurring operating result (REBIT)	1.604	5%	405	6%
Depreciation, amortisation and impairment	3.907	11%	552	9%
Recurring EBITDA	5.511	16%	957	15%
Financial income	753		268	
Financial costs	-3.158		-414	
Share of result of associates, excluding Van Dijke Recycling	37		87	
Recurring result of the period	-902	-3%	607	9%
Contemplated public offering costs	-2.816			
Share of result of associate Van Dijke Recycling	751			
Result of the period	-3.611		-1.251	
MWe in operation at 30 June	63,0		33,4	
MWe under construction at 30 June	34,7		25,9	

OPERATING ACTIVITIES

The increase in consolidated revenue by 28.723 € as compared to June 2007 stems for an amount of 24.260 € from external growth (primarily the September 2007 Leysen acquisition and the 2008 tse AG acquisition) while 4.463 € is attributable to organic growth.

Following the strong revenue growth, operating result (EBIT) increased from -1.453 € at 30 June 2007 to 960 € at 30 June 2008. When we exclude the effect of the non-cash share-based payment expense the recurring operating result (REBIT) increases from 405 € to 1.604 €.

Detailed information on the performance by operating segment is disclosed in note 3 *Segment reporting* of the consolidated interim financial statements.

The significant increase in the share of result of associates (788 € at 30 June 2008 compared to 87 € at 30 June 2007) is primarily explained by the 751 € share of result of Van Dijke Recycling BV (a 42% associate of THENERGO) at 30 June 2008. During the first six months of 2008 Van Dijke Recycling BV reported a profit of 1.788 € thanks to the June 2008 sale of its waste treatment business for an amount of 2.380 €. The latter is the result of the integration of the Leysen group and our focus on core activities.

CASH FLOWS

The cash flow from operating activities is positive for an amount of 549 €. When we exclude the interest paid/received and income tax paid cash flow from operations amounts to 2.192€, compared to an EBITDA figure of 4.867 €. The difference of 2.675 € is primarily explained by an increase of inventories by 945 € (mainly related to Jatropa inventory) and a higher amount of grants to collect at 30 June 2008 as compared to 31 December 2007 (+ 834 €). Last year, the operating cash flow was unusually high at 30 June 2007 due to a significant increase in accounts payable related to the Valmass project under construction.

Investments in property, plant and equipment amounted to 14.771 € (primarily relating to new sites and projects under construction) while the HY 2008 acquisitions accounted for 6.692 € of cash outflows. At the financing side, 10.000 € of new capital was raised while borrowings and leases were repaid for a total amount of 9.246 €. Proceeds from new borrowings and leases amounted to 2.812 € for the first six months of 2008.

1.3. Research and development

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

1.4. Risks and uncertainties

Judgments made by management in the application of IFRS that may have a significant effect on the interim financial statements and estimates with a significant risk of material adjustment are disclosed in the relevant notes of the consolidated interim financial statements. Management is not aware of any circumstances that may have a significant influence on the development of the company.

2. Consolidated interim financial statements

Consolidated income statement

thousands of Euros

For the six month period ended 30 June	Notes	2008	%	2007	%
Operating income		37.171		6.489	
Revenues	3	35.212	100%	6.489	100%
Other income	3	1.959			
Operating expenses		-36.211	-103%	-7.942	-122%
Cost of sales	3	-23.017	-65%	-4.508	-69%
Payroll expenses	3	-4.524	-13%	-588	-9%
Depreciation and amortisation	3	-3.713	-11%	-552	-9%
Share-based payment expense	5	-644		-1.858	
Other operating expenses	3	-4.313	-12%	-436	-7%
Operating result		960	3%	-1.453	-22%
Financial result		-5.221		-146	
Financial income	3	753		268	
Contemplated public offering costs	3	-2.816			
Financial costs	3	-3.158		-414	
Share of result of associates	3	788		87	
Result before tax		-3.473		-1.512	
Income tax (expense)/income	6	-138		261	
Result of the period		-3.611	-10%	-1.251	-19%
Attributable to :					
Equity holders of Thenergo		-3.566		-1.633	
Minority interests		-45		382	
Basic earnings per share (Euros)	9	-0,22		-0,31	
Diluted earnings per share (Euros)	9	-0,22		-0,31	

Consolidated balance sheet
thousands of Euros

	Note	30 June 2008	31 December 2007
Non-current assets		200.929	117.420
Goodwill	4	79.060	59.853
Intangible assets		7.104	7.507
Property, plant and equipment	4	108.311	38.016
Investments	4	1.672	9.332
Deferred tax assets		4.551	2.588
Other non-current assets		231	124
Current assets		62.911	68.627
Trade receivables		16.960	12.170
Other receivables		10.670	5.447
Inventories		1.462	205
Other current assets		1.766	980
Cash and cash equivalents		32.053	49.825
Total assets		263.840	186.047
Equity		134.604	122.473
Share capital	8	125.884	114.848
Retained earnings		-5.245	-1.386
Share-based payments	5	8.685	7.916
Hedging reserves		-325	-152
Minority interests		5.605	1.247
Non-current liabilities		86.324	39.158
Long-term borrowings	4	53.358	24.164
Leases	4	27.026	12.413
Employee benefits and provisions		1.536	
Deferred tax liabilities		2.925	2.581
Other non-current liabilities		1.480	
Current liabilities		42.912	24.416
Short-term borrowings		4.713	6.990
Leases		1.708	885
Trade payables	4	23.493	13.039
Other payables	4	6.607	2.317
Other current liabilities	4	6.390	1.185
Total equity and liabilities		263.840	186.047

Statement of changes in equity
thousands of Euros

For the six month period ended 30 June	Share capital	Treasury shares	Retained earnings	Hedging Reserve	Share-based payments	Equity attributable to equity holders of Thenergo	Minority interests	Total equity
Balance at 1 January 2007	3.471	-70	-1.640			1.761	6.369	8.130
Share capital increase	75.628					75.628		75.628
Transaction costs directly attributable to capital increase	-9.214				5.261	-3.953		-3.953
Change in consolidation scope							78	78
Result of the period			-1.633			-1.633	382	-1.251
Share-based payments					1.858	1.858		1.858
Dividends							-272	-272
Other			128			128	-2.402	-2.274
Balance at 30 June 2007	69.885	-70	-3.145		7.119	73.789	4.155	77.944
Balance at 1 January 2008	114.848	-43	-1.343	-152	7.916	121.226	1.247	122.473
Share capital increase	12.148					12.148		12.148
Transaction costs directly attributable to capital increase	-1.112					-1.112		-1.112
Change in consolidation scope							4.618	4.618
Result of the period			-3.566			-3.566	-45	-3.611
Share-based payments					769	769		769
Correction purchase accounting Leysen			-292			-292		-292
Share capital increases subsidiaries by minority shareholders							46	46
Cash flow hedge accounting				-173		-173	-261	-434
Balance at 30 June 2008	125.884	-43	-5.201	-325	8.685	129.000	5.605	134.605

The 2007 other changes in equity relate primarily to the finalisation of the Polargen purchase accounting.

Statement of cash flows
thousands of Euros

For the six month period ended 30 June	Note	2008	2007
Result before tax		-3.473	-1.512
<i>Non-cash or non-operating items</i>			
Share of result of associates		-788	-87
Elimination result with associates		24	231
Financial result		5.221	146
Allowance/(reversal) doubtful debtors		10	-145
Share-based payment expense		644	1.858
Depreciation, amortisation and impairment		3.907	553
Change in working capital		-3.353	4.284
Interest paid		-2.186	-200
Interest received		633	34
Income tax paid		-90	
Cash flow from operating activities		549	5.162
Acquisition of property, plant and equipment		-14.771	-6.122
Acquisition of subsidiaries, net of cash acquired	4	-6.692	
Acquisition price paid subsidiaries acquired previously			-1.530
Share capital increases subsidiaries by minority shareholders		46	
Cash flow from investing activities		-21.417	-7.652
Proceeds from the issue of share capital		10.000	75.628
Transaction costs directly attributable to share capital increases		-94	-3.953
Proceeds from borrowings and leases		2.812	1.459
Repayment of borrowings and leases		-9.246	-6.420
Contemplated public offering costs		-210	
Loans granted			-400
Minority interests in new subsidiaries			78
Dividends paid			-135
Other		-166	11
Cash flow from financing activities		3.096	66.268
Net cash flow for the period		-17.772	63.778
Cash and cash equivalents at the beginning of the period		49.825	2.979
Cash and cash equivalents at the end of the period		32.053	66.757

Notes to the consolidated interim financial statements

Note 1 – Corporate information

Thenergo SA is a Belgian company domiciled at 505 Avenue Louise, 1050 Brussels. The company and its subsidiaries design and operate cogeneration (combined heat and power – “CHP”) installations fuelled by renewable energy (biogas and biomass) as well as natural gas in Belgium, 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 power and CHP certificates.

The interim consolidated financial statements for the period ended 30 June 2008 comprise the company and its subsidiaries (together referred to as « Thenergo » or « the company ») as well as the company’s interests in joint ventures and 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 26 August 2008.

Note 2 – Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union up to 30 June 2008. The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2007. Thenergo has not applied IFRS requirements that are not yet effective at 30 June 2008. Certain 2007 amounts have been reclassified to conform to the 2008 presentation. As prescribed by IAS 34 *Interim Financial Reporting* as well as the European Transparency directive this IFRS interim financial report is prepared in accordance with IAS 34.

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

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

Note 3 – Segment reporting

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

- Energy production from natural gas: this segment contains the production and sale of energy from cogeneration installations fuelled by natural gas as well as the trade of the related CHP certificates.
- Energy production from biogas and biomass: this segment covers the production and sale of energy from installations fuelled by biogas and biomass as well as the trade of the related green power and CHP certificates.
- Concept engineering of energy plants: this segment groups the services with regard to the engineering and building of energy plants as well as operational services.
- Fuels & waste: this segment includes the procurement of fuels for energy processing and the upstream waste collection activities.

For the six month period ended 30 June	Energy from natural gas		Energy from biogas and biomass		Concept engineering & services		Fuels & waste		Holding		Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Operating income	14.780	1.678	6.307	620	7.633	5.017	10.358			9	-1.907	-835	37.171	6.489
Revenue external customers	14.653	1.678	5.100	620	5.533	4.182	9.926			9			35.212	6.489
Revenue other segments					1.907	835					-1.907	-835		
Operating expenses	-13.255	-1.448	-5.181	-397	-7.124	-3.817	-9.474			-2.722	-2.280	1.545	-36.211	-7.942
Operating result (EBIT)	1.525	230	1.126	223	509	1.200	884			-2.722	-2.271	-362	960	-1.453
Non-cash share-based payment expense										644	1.858		644	1.858
Recurring operating result (REBIT)	1.525	230	1.126	223	509	1.200	884			-2.078	-413	-362	1.604	405
Depreciation, amortisation and impairment	1.497	329	1.007	79	302	134	844			257	10		3.907	552
Recurring EBITDA	3.022	559	2.133	302	811	1.334	1.728			-1.821	-403	-362	5.511	957
	21%	33%	42%	49%	15%	32%	17%						16%	15%
Financial income	91	121	8	42	15	2	38			1.250	103	-649	753	268
Financial costs	-1.516	-340	-935	-32	-624	-40	-434			-298	-2	649	-3.158	-413
Share of result of associates, excluding Van Dijke Recycling	37	87											37	87
Income taxes	-2	113	179	-35	-102	-102	-122			-214		123	-138	260
Recurring result of the period	135	211	378	198	-202	1.060	366			-1.340	-312	-239	-902	607
Contemplated public offering costs										-2.816			-2.816	
Share of result of associate Van Dijke Recycling							751						751	
Result of the period	135	211	378	198	-202	1.060	1.117			-4.800	-2.170	-239	-3.611	-1.251
Assets	50.216	10.259	55.345	8.592	26.591	19.466	19.344			112.583	66.782	-239	263.840	104.548
Liabilities	43.022	8.025	36.076	7.907	23.031	11.515	15.796			15.675	534		133.600	27.981
Acquisition of property, plant and equipment	4.003	1.282	7.603	5.459	599	132	2.350			578	84	-362	14.771	6.122

The geographical segment data is as follows :

Half year ended 30 June	Belgium		Germany		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Revenue from external customers	24.191	5.884	9.475		1.547	605	35.213	6.489
Assets	199.942	103.655	56.222		7.676	893	263.840	104.548
Acquisition of property, plant and equipment	11.444	6.122	1.036		2.291		14.771	6.122

Operating income

Over the first half year, Thenergo's operating income increased from 6.489 € in 2007 to 37.171 € in 2008. The HY 2008 operating income increased with a multiplier of x 5.7 as compared to the 2007 operating income. This significant increase is caused by both organic and non-organic growth and can be detailed as follows:

Operating income	2008		2007	
Electricity	11.030	30%	841	13%
Heat	4.911	13%	470	7%
Green certificates	235	1%	387	6%
CHP certificates	3.044	8%	620	10%
Development fees & services	5.717	15%	3.731	57%
Waste management	9.926	27%		
Other revenues	350	1%	379	6%
Other income	1.958	5%	61	1%
Total	37.171	100%	6.489	100%

Electricity revenues are generated by sales of electricity to both the public grid and the local partners. The portion of electricity sold to the local partners is limited to an average of 3,7% of the electricity revenues. One of Thenergo's German plants does not generate but delivers electricity purchased on the market to its customers. This activity represents 5,7% of the electricity revenue.

The heat revenues are fully generated by sales of heat to the partners in our projects, or, in Germany, to third party customers.

Energy sales (electricity and heat) increased to 15.941 € in HY 2008 as compared to 1.311 € in HY 2007. This increase is linked to a higher number of operational CHP plants following our organic and external growth (primarily the tse AG acquisition – see also note 4 *Acquisitions of subsidiaries*).

At 30 June 2008 22 plants were operational. Thenergo has a majority in 17 of these plants and a joint venture relation in one. The total installed capacity amounts to 63,0 MW electrical and 184,4 MW thermal. The 4 operational plants of tse account for 13,7 MW electrical and 125,8 MW thermal capacity. At 30 June 2007 five CHP installations were operational. In four of them Thenergo had a majority stake (full consolidation). The total installed capacity amounted to 33,4 MW electrical and 33,5 MW thermal.

Revenues from certificates increased to 3.279 € following the higher number of operational plants.

Development fee revenues relate to concept engineering charged by Thenergo as remuneration for the project development effort and the concept engineering activities, including ad hoc sales of CHP installations (i.e. sales that do not relate to project companies in which Thenergo has an equity interest). The development revenues increased to 5.430 € in the first half of 2008 as compared to 3.731 € in HY 2007. The higher 2008 development revenues are explained by three ad hoc sales of CHP installations totalling 3.715 €. During HY 2008 two CHP plant were completed of which one is a subsidiary (full elimination of

the sales and margin) and one an associate (margin eliminated for the Thenergo share in the project company). During HY 2007 five CHP plants were completed, all in associated project companies.

Next to the development fees, other fees and commissions are charged (287 € in 2008) with respect to management & monitoring activities.

Revenue from waste management represents 27% of total revenue and is entirely generated by the Leysen group, which was acquired in September of 2007.

The other operating income of 1.958 € contains 946 € of insurance coverage to compensate for an engine break down in Germany during April 2008. Further, other operating income includes 176 € of compensation with regard to the Fertikal operating loss – see also note 4 *Acquisitions of subsidiaries*.

Operating expenses

Cost of sales

Fuel and other material costs

Thenergo's operational sites at 30 June 2008 were all fuelled by natural gas, except for one Belgian and two German plants. For the Belgian Biocogen plant biogas is used as fuel, coming from a purification process of polluted water. The German biomass plants are fuelled by waste wood.

The expenses following the purchase of natural gas serving as fuel for Thenergo's CHP plants increased to 6.291 € in 2008 compared to 725 € in HY 2007. This increase is linked to the higher number of operational CHP plants, using natural gas as fuel, in 2008 compared to 2007. Per 30 June 2008 the material costs represent 67% of revenue for electricity production based on natural gas and 40% for electricity production based on bio fuels.

Project development costs

Thenergo incurs costs linked to the project development for its own and external projects, sales of CHP engines, and services to third parties. These costs entail cost of studies and costs associated to sales of engines and installations.

Project development costs increased to 7.125 € for HY 2008 compared to 3.817 € for HY 2007.

Waste management costs

The most important cost relating to waste management is the treatment cost of waste (3.913 €) which are gate fees that need to be paid to external parties to process the waste. Important to note is that a part of these waste flows are considered as fuel for certain Thenergo projects under construction or in the pipeline and that therefore a certain amount of gate fees will be saved in the future.

Payroll expenses

Personnel costs (excluding share-based expenses – as discussed hereunder) amount to 5.846 € for HY 2008 of which 1.321 € was capitalised as project costs, compared to a total personnel cost of 588 € in HY 2007. The significant increase is to a large extent linked to the acquisition of Leysen and tse, adding extra personnel costs for an amount of 4.263 € to Thenergo's 2008 payroll expenses. The remaining variance is for 73 € due to personnel costs of Fertikal (a May 2008 acquisition – see note 4 *Acquisitions of subsidiaries*) and for 922 € to the extension of the Thenergo staff.

The average number of employees increased to 166 FTE's in 2008, coming from 14 in HY 2007. The significant increase is mainly linked to the Leysen and tse acquisitions.

Other operating expenses

Other operating expenses	2008	2007
Usage, office and utility costs	913	143
Repair and maintenance	824	7
Other outside services	609	126
Rent	521	71
PR, communication and marketing	391	83
Insurance	391	3
Audit fees	247	51
Impairment charges	204	-145
Travel expenses	111	43
Reporting and tax compliance support	102	54
Total	4.313	436

The strong increase in other operating expenses reflects the strong growth of the company as detailed above.

Non-recurring items

Share-based payment expense

Thenergo's HY 2008 reported EBITDA is negatively impacted by a share-based expense of 644 € compared to 1.858 € in HY 2007. The strong decrease of 1.214 € is primarily explained by the fact that the 2007 expense included 1.768 € related to warrants that vested immediately following the successful raise of capital for a total amount of 70 million € in June 2007. Further, the HY 2008 expense covers six months of operations while the HY 2007 expense only relates to 1,5 months of operations since the first warrants were granted in May of 2007. Finally, the HY 2008 expense contains a true-up of 196 € following the resignation of the CEO on 10 July 2008 - see also note 5 *Share-based payments* and note 11 *Events after the balance sheet date*.

Contemplated public offering costs

In June 2008, Thenergo filed an offering prospectus revealing the company's plan to raise new funds through a public offering in Belgium and France and a private placement with institutional investors in Europe. Due to worsening market conditions the Board of Directors decided on 10 July 2008 to withdraw the public offering. Instead, the company will secure its long term growth and project pipeline execution through alternative funding. For management reporting purposes, Thenergo did not include the public offering costs of 2.816 € in the Recurring EBITDA figures as Thenergo believes that including such expense does not properly reflect the financial performance of the company.

Share of result of associate Van Dijke Recycling

The HY 2008 result contains 751 € with regard to the share of result of Van Dijke Recycling BV (a 42% associate of Thenergo). During the first six months of 2008 Van Dijke Recycling BV reported a profit of 1.788 € thanks to the June 2008 sale of its waste treatment business for an amount of 2.380 €. The latter is the result of the integration of the Leysen group and our focus on core activities.

Recurring EBITDA

For discussing the EBITDA and EBIT figures, we exclude the share-based payment expense and 2008 contemplated public offering cost in order to properly compare the business performance over the years 2008 and 2007.

Thenergo's Recurring EBITDA increased to 5.511 € in HY 2008 as compared to 957 € for HY 2007. The Recurring EBITDA margin increased from 15% to 16%.

Recurring EBIT

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment increased to 3.907 € for HY 2008 compared to € 552 in 2007. The significant increase reflects the organic and external growth of the company. The HY 2008 figures include an impairment of 194 € with regard to a non strategic investment.

Thenergo's Recurring EBIT increased to 1.604 € for HY 2008 as compared to 405 € for HY 2007. The Recurring EBIT margin decreased to 5 % in HY 2008 compared to 6 % for HY 2007.

Result of the period

Financial result

Financial income increased to 753 € in HY 2008 compared to 268 € in HY 2007. The HY 2008 financial income increase is fully explained by the remaining cash following the 70 million € of IPO funds raised in June 2007. These funds are invested in short-term deposits. At 30 June 2008, Thenergo had a positive cash position of € 32.053.

Financial costs increased to 3.158 € in HY 2008 compared to 414 € in HY 2007. Besides interest charges from project financing as well as the external financing of the Leysen acquisition, financial costs contain a charge with regard to the change in fair value of the outstanding electricity forward contracts that are not part of a hedge accounting relationship (575 € for HY 2008 compared to 210 € for HY 2007). The HY 2008 interest charges from project financing increased in accordance with the growth of the company.

Income 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 (following tax credits for capital expenditures as well as notional interest deductions) and entities that pay income taxes (212 € for HY 2008). The consolidated income tax charge for HY 2008 amounts to € 138 compared to an income tax credit of 261 € in HY 2007 – see also note 6 *Income taxes*.

Note 4 – Acquisitions of subsidiaries

Tse AG (formerly ENRO AG) acquisition

As explained in note 5 *Acquisitions of subsidiaries* of our 2007 annual report 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 30 June 2008 Thenergo had a 86% 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). The tse purchase accounting is provisional at 30 June 2008 because management has not yet completed its analysis of the existing contracts nor the fair value measurement of the assets and liabilities acquired. The provisional goodwill amounts to 13.344 € and is justified by (i) the tse know-how (e.g. Rankine cycle) and (ii) revenue and cost synergies following Thenergo's access to the German energy market.

The HY 2008 tse revenue and result amounted to respectively 9.475 € and -691 €.

Acquisition of controlling stake in four CHP plants

Effective 1 January 2008 Thenergo increased its minority share in Groeikracht de Blackt NV, Groeikracht Bûtenpole BV, Groeikracht Vremde NV and Groeikracht Marvado NV to a controlling stake of 51%. The total purchase price for these acquisitions amounted to 366 €, payable during the second half of 2008. As a result, these CHP plants are fully consolidated since 1 January 2008 while they were previously accounting for under the equity method. Total goodwill for these acquisitions amounts to 196 € at 30 June 2008, which is subject to the finalisation of the purchase accounting.

The HY 2008 revenue and result of the four acquired CHP plants amounted to respectively 2.780 € and -219 €.

Acquisition of Bineryg Meer site

In March 2008 Thenergo acquired 100% of the Bineryg Meer NV (formerly Bioprom BVBA) shares against a total cash consideration of 4.525 €. The main assets of Bineryg Meer NV are the land, the grid connection and permits; together referred to as the "Bineryg Meer site". At 30 June 2008 the provisional goodwill from this acquisition amounted to 4.476 €, awaiting the results of the valuation report of the site. The related goodwill is justified by the future profits from this multi-fuel bio energy project that is planned to become operational by the end of 2009.

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. This plant will be converted to a 9 MWe sustainable CHP plant running on bio-oil. In addition, a new multi-fuel plant is planned to be constructed on the Fertikal site. 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 8 *Share capital*.

The company had not yet started the purchase accounting at 30 June 2008. The provisional goodwill on this acquisition amounts to 1.190 €. This goodwill is justified by the future profits from this site generated from both revenue and cost synergies.

The HY 2008 revenue and other operating income (AIF compensation for incurred operating losses) amounted to respectively 100 € and 176 € while the HY 2008 result of Fertikal was 13 €.

Impact of the acquisitions on the financial position of Thenergo

The impact of the acquisitions (figures at the respective dates that control was obtained over the subsidiaries) on the financial position of Thenergo is summarised as follows :

	2008	2007
Intangible assets	73	2.654
Property, plant and equipment	55.698	13.074
Investments		87
Deferred tax assets	1.240	
Non-current assets	57.011	15.815
Trade receivables	4.157	7.812
Other receivables	1.298	886
Inventories	312	52
Other current assets	609	202
Cash and cash equivalents	4.631	739
Current assets	11.007	9.691
Long-term borrowings	-33.625	-4.282
Leases	-12.718	-7.058
Deferred tax liabilities	-228	-918
Other non-current liabilities	-1.569	
Non-current liabilities	-48.140	-12.258
Short-term borrowings	-719	-2.263
Leases	-674	-340
Trade payables	-5.498	-6.818
Other payables	-1.401	-875
Other current liabilities	-3.715	-124
Current liabilities	-12.007	-10.420
Net identifiable assets and liabilities	7.871	2.828
Share acquired in the net identifiable assets and liabilities	3.253	2.828
Goodwill on acquisitions	19.207	53.788
Consideration	22.460	56.616
(Conditional) settlement in Thenergo shares	-1.128	-36.000
Bank loan to finance Leysen acquisition		-10.000
Cash acquired	-4.631	-739
Deferred payments	-1.995	
2007 acquisition value tse	-8.014	
Net cash outflow	6.692	9.877

Note 5 – Share-based payments

During the first half of 2008 key management received 466.006 warrants at an exercise price between 8,45 € and 10 €. 82.116 of these options vested immediately, 328.890 options vest gradually over a 2,5 year period while 55.000 options cliff vest on 24 April 2010. All these options have a contractual life of 5 years (expiring at 30 June 2012).

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

Amounts in Euro unless otherwise indicated	30 June 2008	30 June 2007
Fair value of warrants granted	2,27	2,97
Share price	8,33	8,90
Exercise price	8,67	8,45
Expected volatility	33%	41%
Expected dividends	0%	0%
Risk-free interest rate	4,06%	4,30%

As Thenergo is only listed since June 2007 expected volatility was based on the historical volatility (non-weighted average), calculated by using historical data of the last 250 days of five other companies in the energy sector. Based on the binomial Monte Carlo model the expected average life of the warrants granted during the first half of 2008 is 3,9 years (3,4 years for HY 2007). Expected dividends were set at zero because Thenergo has never distributed dividends.

The fair value of the warrants granted to key management and vested immediately amounts to 149 € (1.768 € for HY 2007). This amount is considered an operating expense. The total fair value of the warrants granted to key management that vest gradually over 2,5 years or cliff vest on 24 April 2010 amounts to 907 € (3.694 € for HY 2007). An operating expense of 691 € (90 € for HY 2007) was recognised during the first half year of 2008 for these warrants while a true-up of 196 € was recognised in 2008 with regard to the 2007 warrants following the resignation of Thenergo's CEO on 10 July 2008 – see also note 11 *Events after the balance sheet date*.

Note 6 – Income taxes

For the six month period ended 30 June	2008	2007
(Expense)/benefit current taxes	-212	-208
(Expense)/benefit deferred taxes	74	469
Total (expense)/benefit income taxes	-138	261

For the six month period ended 30 June	2008	2007
Current taxes of the period	-212	-208
Adjustments current taxes prior years	0	0
Deferred income taxes on the increase or reversal of temporary differences	74	469
Total (expense)/benefit income taxes	-138	261

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

For the six month period ended 30 June	2008	2007
Result before tax	-3.473	-1.512
Share of result of associates	788	87
Result before tax and before share of result of associates	-4.261	-1.599
Aggregated weighted nominal tax rate	33%	34%
Tax at aggregated weighted nominal tax rate	1.388	544
Reconciling items:		
<i>Losses for which no deferred tax asset was recognised</i>	-1.606	-87
<i>Elimination of intercompany profits</i>		284
<i>Expenses not deductible for tax purposes</i>	-254	-641
<i>Notional interest on equity</i>	50	32
<i>Tax credits for capital expenditures</i>	251	106
<i>Other</i>	33	23
Income tax (expense)/benefit recognised in the income statement	-138	261

The effect of non deductible expenses of -254 € (-641 € for HY 2007) relates primarily to share-based payments.

Note 7 – FINANCIAL INSTRUMENTS – MARKET AND OTHER RISKS

At 30 June 2008 no material change of market and other risks as described in note 20 *Financial instruments – market and other risks* of our annual financial statements ended 31 December 2007 took place.

Note 8 – Share capital

During the first half of 2008 Thenergo's share capital changed as follows :

Share capital gross	Thousands of €	Thousands of shares
At 31 December 2007	124.653	16.158
Share capital increase February 2008 against 282 thousand tse shares	1.128	125
Share capital increase May 2008 Agri Investment Fund (AIF)	10.000	953
Share capital increase AEK following AIF share capital increase	1.020	97
At 30 June 2008	136.801	17.333

Transaction costs directly attributable to capital increase	Thousands of €
At 31 December 2007	-9.805
Share capital increase May 2008 Agri Investment Fund (AIF)	-1.112
At 30 June 2008	-10.917

Total share capital net at 30 June 2008	125.884
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The company's shares are ordinary shares without par value. The holders of Thenergo shares are entitled to dividends in accordance with the Belgian company law and upon decisions of the shareholders' meeting.

The February 2008 share capital increase of 1.128 € relates to the contribution in kind of 282 thousand tse shares – see also note 4 *Acquisitions of subsidiaries*.

To further accelerate the company's growth significant resources were dedicated to the strengthening of Thenergo's capital base during the first six months of 2008. As a result, in May 2008, Thenergo concluded an industrial partnership agreement with Agri Investment Fund (AIF), an investment entity of M.R.B.B., the financial holding company of the Boerenbond. AIF invested 10 million € in the share capital of Thenergo against 953 thousand Thenergo shares. According to AIF's interpretation of the share capital agreement the company could be required to issue new shares or pay a cash penalty for an amount of up to

1.238 €. Based on an external legal opinion, Thenergo is confident that no new shares or cash would be due under this agreement.

In June 2008, the company filed an offering prospectus revealing Thenergo's plan to raise new funds through a public offering in Belgium and France and a private placement with institutional investors in Europe. Due to worsening market conditions the Board of Directors decided on 10 July 2008 to withdraw the public offering. Instead, the company will secure its long term growth and project pipeline execution through alternative funding. The related public offering costs of 2.816 € were fully expensed at 30 June 2008.

Following the February 2007 agreement between the company and Amsterdams Effectenkantoor B.V. ("AEK"), as amended in May 2007, AEK assists the company in raising capital during a period of maximum five years through share capital increases for a maximum amount of 100 million €. The AIF share capital increase of 10 million € was subject to the AEK agreement, as a result of which 97 thousand Thenergo shares will be issued to AEK representing a value of 1.020 € of transaction costs directly attributable to the May 2008 AIF share capital increase.

Note 9 – Earnings per share

Basic earnings per share	2008	2007
Result of the period attributable to equity holders of Thenergo (thousands of Euros)	-3.566	-1.633
Weighted average number of ordinary shares outstanding	16.420.593	5.233.101
Basic earnings per share (Euros)	-0,22	-0,31

The dilutive weighted average number of ordinary shares outstanding at 30 June 2008 amounts to 17.072.288. The potential ordinary shares are anti dilutive because their conversion to ordinary shares would decrease the loss per share. Consequently, the diluted earnings per share equal the basic earnings per share.

Note 10 – Related parties

Transactions with associates

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

For the six month period ended 30 June	2008	2007
Revenue	745	2.832
Finance income	14	
Other receivables	1.667	628
Other payables	46	150

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

Transactions with Theolia SA (France)

On 29 June 2007 Thenergo granted a short term loan of 400 € to Theolia SA which was reimbursed on 30 November 2007.

Note 11 – Events after the balance sheet date

On 10 July 2008 Thenergo decided to withdraw its public offering on Euronext Brussels and Euronext Paris, due to worsening market conditions. Under these circumstances, Thenergo's Chief Executive Officer, Kurt Alen, decided to leave the company with immediate effect. On 4 August 2008 Thenergo appointed Carl Malbrain as interim CEO until a permanent replacement has been hired.

Note 12 – List of subsidiaries and investments in associates

The following subsidiaries were fully consolidated at 30 June 2008:

Name	Country	% economic interest	% voting power	Activity
Binery Ieper NV	Belgium	75,00%	75,00%	Cogeneration based on biogas - under construction
Biocogen BVBA	Belgium	50,00%	50,00%	Cogeneration based on biogas
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
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
Polargen BVBA	Belgium	100%	100%	Design and operation of cogeneration projects
Polargen Holding BV	The Netherlands	100%	100%	Holding
Groeikracht Prinsenland BV	The Netherlands	95,00%	95,00%	Cogeneration based on natural gas - under construction
Valmass NV	Belgium	60,00%	60,00%	Cogeneration based on biogas and biomass – under construction
Groeikracht Wommelgem BVBA	Belgium	51,13%	51,13%	Cogeneration based on natural gas
Groeikracht Zwarthout NV	Belgium	100%	100%	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
Tse AG	Germany	86,32%	86,32%	Design and operation of cogeneration project
ENRO Energie und Service GmbH	Germany	86,32%	100%	Cogeneration based on natural gas
BBL Bio-Brennstoff Ludwigsfelde GmbH	Germany	86,32%	100%	Cogeneration based on biomass
Bio-Heizkraftwerk Ludwigsfelde GmbH	Germany	86,32%	100%	Cogeneration based on biomass
Bio-Heizkraftwerk Hünxe GmbH	Germany	86,32%	100%	Cogeneration based on biomass
Bio-Heizkraftwerke Elsterwerda GmbH	Germany	86,32%	100%	Cogeneration based on biomass
Stadtwerk Elsterwerda GmbH	Germany	44,02%	51,00%	Cogeneration based on natural gas
Groeikracht Abeelebaan NV	Belgium	51,56%	51,56%	Cogeneration based on natural gas - under construction
Binery Meer NV	Belgium	100%	100%	Cogeneration based on biomass - under construction
Fertikal CVBA	Belgium	51,11%	51,11%	Drying manure
Biofuel Record Co LTD	Thailand	49,00%	49,00%	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	30/06/2008		Activity
		% economic interest	% voting power	
ENRO Ludwigsfelde Energie GmbH	Germany	43,16%	50,00%	Cogeneration based on natural gas

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

Name	Country	30/06/2008		Activity
		% economic interest	% voting power	
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 Meer NV	Belgium	30,00%	30,00%	Cogeneration based on natural gas
Groeikracht Waver NV	Belgium	30,48%	30,48%	Cogeneration based on natural gas
Groeikracht Broechem NV	Belgium	25,00%	25,00%	Cogeneration based on natural gas
Groeikracht Etten-Leur BV	The Netherlands	30,00%	30,00%	Cogeneration based on natural gas
Van Dijke Recycling BV	The Netherlands	42,00%	42,00%	Waste treatment

3. Independent auditors' report

THENERGO NV

**LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL
INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008**

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity (jointly the "interim financial information") of THENERGO NV ("the company") and its subsidiaries (jointly "the group") for the six months period ended 30 June 2008. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

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

The interim financial information of several entities included in the scope of consolidation which represent total assets of 16.519 (000) EUR and a total profit of 430 (000) EUR have been subject to a limited review by other auditors. Our conclusion on the accompanying interim financial information, insofar as it relates to the amounts contributed by those entities; is based solely upon the reports of those other auditors.

Based on our limited review and based, to the extent necessary upon the reports of other auditors, nothing has come to our attention that causes us to believe that the interim financial information for the six months period ended

30 June 2008 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

We would like to draw the attention of the reader to Note 8 to the interim financial information, in which it is explained that the company is in discussions with one of its shareholders relative to a share capital agreement. The company has not recorded any liability or provision in this respect as of 30 June 2008.

Diegem, 26 August 2008

The Statutory Auditor _____

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Gert Vanhees