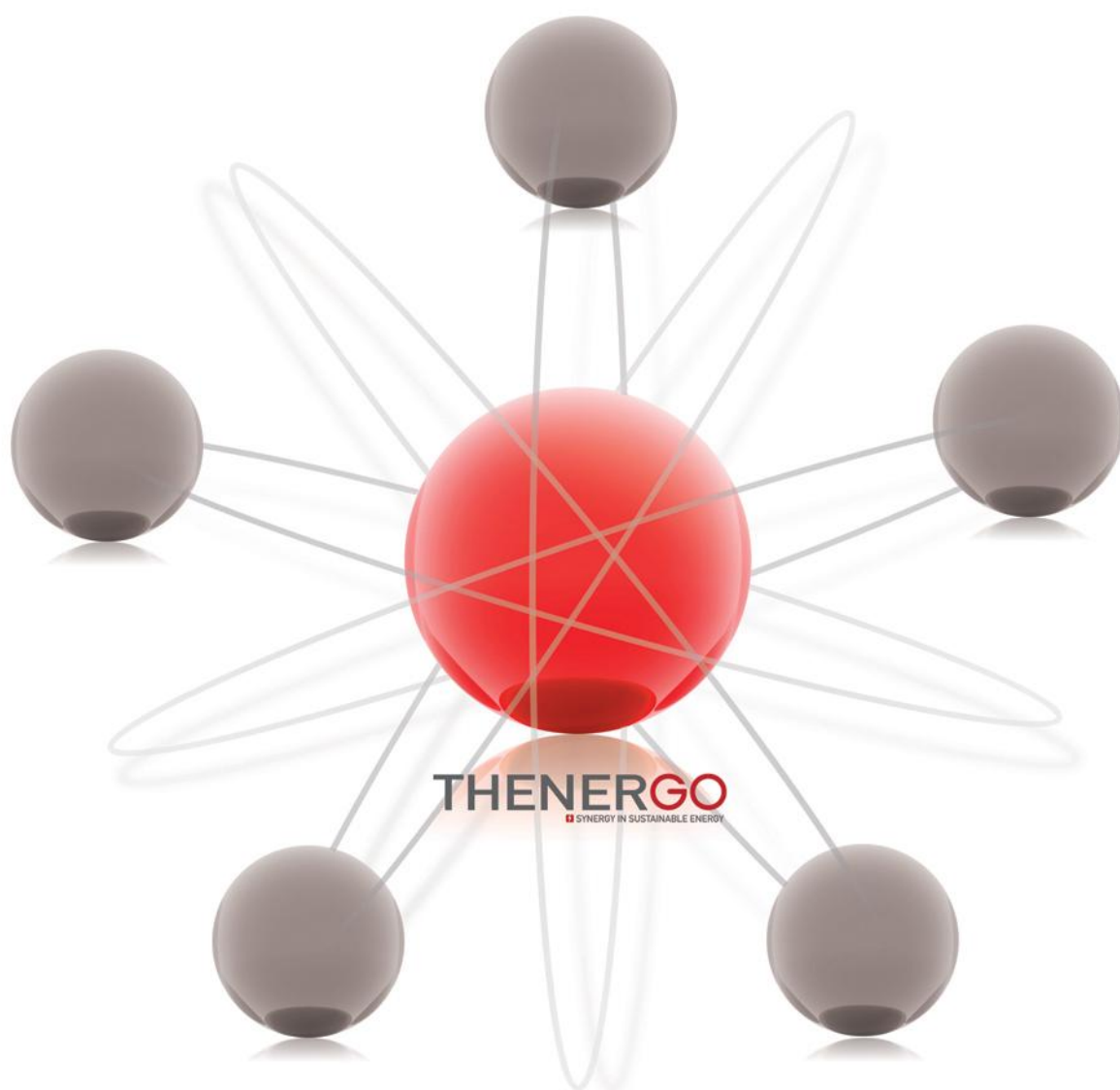


Interim report for the six month period ended 30 June 2009



## **1. Consolidated financial statements**

**Consolidated income statement**

**Consolidated balance sheet**

**Consolidated statement of cash flows**

**Consolidated statement of changes in equity**

**Consolidated statement of comprehensive income**

### **Notes to the consolidated financial statements**

Note 1 – Corporate information

Note 2 – Statement of compliance

Note 3 – Segment reporting

Note 4 – Income taxes

Note 5 – Share capital

Note 6 – Financial instruments – market and other risks

Note 7 – Earnings per share

Note 8 – Related parties

Note 9 – Events after the balance sheet date

Note 10 – List of subsidiaries, joint ventures and investments in associates

## **2. Independent auditors' report**

## 1. Consolidated financial statements

### Consolidated income statement

thousands of Euros

For the six month period ended 30 June	Note	2009	%	2008*	%	2007	%
<b>Operating income</b>		<b>40,400</b>		<b>36,593</b>		<b>6,489</b>	
Revenues	3	37,987	100%	34,635	100%	6,489	100%
Other income	3	2,413		1,958			
<b>Operating expenses</b>		<b>-43,418</b>	<b>-114%</b>	<b>-35,969</b>	<b>-104%</b>	<b>-7,942</b>	<b>-122%</b>
Cost of sales	3	-24,777	-65%	-22,687	-66%	-4,508	-69%
Payroll expenses	3	-5,931	-16%	-4,524	-13%	-588	-9%
Depreciation, amortisation and impairment	3	-7,114	-19%	-3,822	-11%	-552	-9%
Share-based payment expense		-438	-1%	-644	-2%	-1,858	-29%
Other operating expenses	3	-5,158	-14%	-4,292	-12%	-436	-7%
<b>Operating result</b>		<b>-3,018</b>	<b>-8%</b>	<b>624</b>	<b>2%</b>	<b>-1,453</b>	<b>-22%</b>
<b>Financial result</b>		<b>-4,828</b>		<b>-5,164</b>		<b>-146</b>	
Finance income	3	1,271		755		268	
Contemplated public offering costs	3			-2,816			
Finance costs	3	-6,099		-3,103		-414	
Share of result of associates		171		355		87	
<b>Result before tax</b>		<b>-7,675</b>		<b>-4,184</b>		<b>-1,512</b>	
Income tax benefit/(expense)	4	177		-51		261	
<b>Result for the period</b>		<b>-7,497</b>		<b>-4,235</b>		<b>-1,251</b>	
Attributable to:							
Equity holders of Thenergo		-6,440		-4,198		-1,633	
Non-controlling interests		-1,057		-37		382	
Basic earnings per share (Euros)	7	-0.33		-0.26		-0.31	
Diluted earnings per share (Euros)	7	-0.33		-0.26		-0.31	

\* The 2008 figures as published were restated in order to reflect the finalisation of the Leysen purchase accounting and Van Dijke Recycling sale as well as the change in consolidation method for Biocogen and Groeikracht Wommelgem (see also note 25 *List of subsidiaries, joint ventures and investments in associates* of our 2008 annual financial statements). The restatements resulted in a decrease of the result by € 624.

## Consolidated balance sheet

thousands of Euros

	Note	30/06/2009	31/12/2008*	31/12/2007
<b>Non-current assets</b>		<b>165,566</b>	<b>155,914</b>	<b>121,860</b>
Goodwill		14,283	14,283	51,951
Intangible assets		20,351	20,978	19,720
Property, plant and equipment		124,014	114,863	38,016
Investments		929	1,169	9,332
Deferred tax assets		4,769	4,026	2,718
Other non-current assets		1,219	595	124
<b>Current assets</b>		<b>55,755</b>	<b>62,053</b>	<b>68,606</b>
Trade receivables		18,536	22,531	12,170
Other receivables		12,719	11,912	5,426
Inventories		1,773	3,206	205
Other current assets		4,315	5,814	980
Cash and cash equivalents		18,412	18,590	49,825
<b>Total assets</b>		<b>221,321</b>	<b>217,967</b>	<b>190,466</b>
<b>Equity</b>		<b>71,484</b>	<b>77,551</b>	<b>122,554</b>
Share capital	5	127,612	125,292	114,849
Retained earnings		-70,501	-64,077	-1,305
Share-based payments		9,423	8,985	7,916
Hedging reserves		537	1,536	-152
Minority interests		4,412	5,814	1,247
<b>Non-current liabilities</b>		<b>96,085</b>	<b>92,472</b>	<b>43,692</b>
Long-term borrowings	5	49,706	52,355	24,164
Leases		35,981	29,827	12,794
Employee benefits, provisions and other		1,863	1,452	0
Deferred tax liabilities		8,536	8,838	6,733
<b>Current liabilities</b>		<b>53,751</b>	<b>47,944</b>	<b>24,221</b>
Short-term borrowings		17,260	9,095	6,990
Leases		4,118	4,373	885
Trade payables		21,457	24,448	13,039
Other payables		3,119	3,872	2,296
Other current liabilities		7,797	6,156	1,011
<b>Total equity and liabilities</b>		<b>221,321</b>	<b>217,967</b>	<b>190,467</b>

\* 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 decrease of the equity by € 432.

## Consolidated statement of cash flows

thousands of Euros

For the six month period ended 30 June	2009	2008*	2007
Result before tax	-7,675	-4,184	-1,512
<i>Non-cash or non-operating items</i>			
Share of result of associates	-171	-355	-87
Elimination result with associates		24	231
Financial result	4,828	5,164	146
Allowance/(reversal) doubtful debtors	100	10	-145
Share-based payment expense	438	644	1,858
Depreciation, amortisation and impairment	7,083	4,015	553
Other	-1,110		
Change in working capital	-1,035	-3,677	4,284
Income tax paid	-286	-71	
<b>Cash flow from operating activities</b>	<b>2,172</b>	<b>1,569</b>	<b>5,328</b>
Acquisition of property, plant and equipment	-7,002	-14,411	-6,122
Acquisition of subsidiaries		-6,692	-1,530
Proceeds from the sale of fixed assets	278		
Proceeds from the sale of investments	302	46	
<b>Cash flow from investing activities</b>	<b>-6,430</b>	<b>-21,057</b>	<b>-7,652</b>
Proceeds from the issue of share capital		10,000	75,628
Proceeds from the issuance of convertible bonds	10,000		
Transaction costs directly attributable to the capital increases	-181	-94	-3,953
Proceeds from borrowings	5,217	2,668	1,459
Repayment of borrowings and leases	-7,926	-9,145	-6,420
Interest paid	-3,015	-2,186	-200
Interest received	143	633	34
Contemplated public offering costs		-210	
Loans granted			-400
Non-controlling interests in subsidiaries	142		78
Dividends paid	-41		-135
Dividends received from associates	102		
Profit sharing arrangements	-183		
Other	-185	-166	11
<b>Cash flow from financing activities</b>	<b>4,073</b>	<b>1,501</b>	<b>66,268</b>
Net cash flow for the period	-177	-17,987	63,778
Cash and cash equivalents at the beginning of the period	18,590	49,825	2,979
<b>Cash and cash equivalents at the end of the period</b>	<b>18,412</b>	<b>31,838</b>	<b>66,757</b>

\* The 2008 figures as published were restated in order to reflect the finalisation of the Leysen purchase accounting and Van Dijke Recycling sale as well as the change in consolidation method for Biocogen and Groeikracht Wommelgem (see also note 25 *List of subsidiaries, joint ventures and investments in associates* of our 2008 annual financial statements). The restatements resulted in a decrease of the result by € 624.

## 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	Non-controlling interests	Total equity
<b>Balance at 1 January 2007</b>	<b>3,471</b>	<b>-70</b>	<b>-1,496</b>			<b>1,905</b>	<b>3,675</b>	<b>5,580</b>
Share capital increase	75,628					75,628		75,628
Transaction costs directly attributable to capital increase	-9,214				5,261	-3,953		-3,953
Change in consolidation scope						0	78	78
Share-based payments					1,858	1,858		1,858
Dividends						0	-272	-272
Other			128			128	-2,402	-2,274
Total comprehensive income for the period			-1,633			-1,633	382	-1,251
<b>Balance at 30 June 2007</b>	<b>69,885</b>	<b>-70</b>	<b>-1,368</b>	<b>0</b>	<b>7,119</b>	<b>75,566</b>	<b>1,461</b>	<b>75,394</b>
<b>Balance at 1 January 2008</b>	<b>114,848</b>	<b>-43</b>	<b>-1,343</b>	<b>-152</b>	<b>7,916</b>	<b>121,226</b>	<b>1,247</b>	<b>122,473</b>
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						0	4,618	4,618
Share-based payments					769	769		769
Correction purchase accounting Leysen			-292			-292		-292
Share capital increases subsidiaries by non-controlling interests						0	46	46
Total comprehensive income for the period			-3,566	-173		-3,739	-306	-4,045
<b>Balance at 30 June 2008 as published</b>	<b>125,884</b>	<b>-43</b>	<b>-5,201</b>	<b>-325</b>	<b>8,685</b>	<b>129,000</b>	<b>5,605</b>	<b>134,605</b>
Finalisation purchase accounting Leysen			-116			-116		-116
Change in consolidation method Biocogen and GK Wommelgem			-99			-99	-269	-410
<b>Balance at 30 June 2008 restated</b>	<b>125,884</b>	<b>-43</b>	<b>-5,416</b>	<b>-325</b>	<b>8,685</b>	<b>128,785</b>	<b>5,336</b>	<b>134,079</b>
<b>Balance at 31 December 2008 as published</b>	<b>125,292</b>	<b>-43</b>	<b>-63,602</b>	<b>1,536</b>	<b>8,985</b>	<b>72,168</b>	<b>5,814</b>	<b>77,982</b>
Correction result sale Van Dijke Recycling			-432			-432		-432
<b>Balance at 1 January 2009</b>	<b>125,292</b>	<b>-43</b>	<b>-64,034</b>	<b>1,536</b>	<b>8,985</b>	<b>71,736</b>	<b>5,814</b>	<b>77,550</b>
Share capital increase	2,500					2,500		2,500
Transaction costs directly attributable to capital increase	-180					-180		-180
Change in consolidation scope			261	-92		169	234	403
Share-based payments					438	438		438
Share capital increases subsidiaries by non-controlling interests						0	30	30
Dividends						0	-167	-167
Other			-73			-73	-33	-106
Total comprehensive income for the period			-6,611	-907		-7,518	-1,466	-8,984
<b>Balance at 30 June 2009</b>	<b>127,612</b>	<b>-43</b>	<b>-70,457</b>	<b>537</b>	<b>9,423</b>	<b>67,072</b>	<b>4,412</b>	<b>71,484</b>

## Consolidated statement of comprehensive income

thousands of Euros

For the six month period ended 30 June	2009	2008*	2007
<b>Result for the period</b>	<b>-7,497</b>	<b>-4,235</b>	<b>-1,251</b>
<b>Other comprehensive income:</b>			
Cash flow hedges	-1,889	-641	
Actuarial gains (losses) on defined benefit pension plans	-192		
Income tax relating to components of other comprehensive income	593	347	
<b>Other comprehensive income for the period, net of tax</b>	<b>-1,488</b>	<b>-294</b>	
<b>Total comprehensive income for the period</b>	<b>-8,985</b>	<b>-4,529</b>	<b>-1,251</b>
Total comprehensive income attributable to:			
Equity holders of Thenergo	-7,519	-4,323	-1,633
Non-controlling interests	-1,466	-206	382

\* The 2008 figures as published were restated in order to reflect the finalisation of the Leysen purchase accounting and Van Dijke Recycling sale as well as the change in consolidation method for Biocogen and Groeikracht Wommelgem (see also note 25 *List of subsidiaries, joint ventures and investments in associates* of our 2008 annual financial statements). The restatements resulted in a decrease of the result by € 624.

## Notes to the consolidated financial statements

### Note 1 – Corporate information

Thenergo SA is a Belgian company domiciled at 505 Avenue Louise, 1050 Brussels 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 power and CHP certificates. Following the acquisition of Leysen in September 2007 Thenergo entered into the Belgian waste market in order to develop the “waste to energy” business while creating synergies with the existing renewable energy activities.

The interim consolidated financial statements for the six month period ended 30 June 2009 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 2009.

### Note 2 – Statement of compliance

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 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 30 June 2009. Certain 2007 and 2008 amounts have been reclassified to conform to the 2009 presentation.

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

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
- Fuels & waste
- 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.

For the six month period ended 30 June	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
	<b>Operating income</b>	<b>17,531</b>	<b>9,349</b>	<b>3,245</b>	<b>567</b>	<b>9,316</b>	<b>10,781</b>	<b>8,613</b>	<b>10,358</b>	<b>1,693</b>	<b>5,529</b>	<b>2</b>	<b>10</b>	<b>40,400</b>
Revenue external customers	17,490	9,314	1,979	391	8,184	9,475	8,643	9,926	1,688	5,519	2	10	37,987	34,635
Other income	41	36	1,266	176	1,131	1,305	-30	432	5	10			2,413	1,958
<b>Recurring EBITDA</b>	<b>3,600</b>	<b>2,094</b>	<b>591</b>	<b>204</b>	<b>1,150</b>	<b>1,945</b>	<b>715</b>	<b>1,728</b>	<b>-131</b>	<b>1,034</b>	<b>-1,392</b>	<b>-1,720</b>	<b>4,534</b>	<b>5,284</b>
Depreciation, amortisation and impairment	-1,615	-1,136	-682	-85	-1,241	-1,242	-1,040	-1,021	-483	-275	-82	-257	-5,143	-4,016
<b>Recurring operating result (REBIT)</b>	<b>1,985</b>	<b>958</b>	<b>-91</b>	<b>119</b>	<b>-91</b>	<b>703</b>	<b>-325</b>	<b>707</b>	<b>-613</b>	<b>759</b>	<b>-1,474</b>	<b>-1,977</b>	<b>-609</b>	<b>1,268</b>
Non-cash share-based payment expense											-438	-644	-438	-644
Impairment Jatropa assets							-1,971						-1,971	
<b>Operating result (EBIT)</b>	<b>1,985</b>	<b>958</b>	<b>-91</b>	<b>119</b>	<b>-91</b>	<b>703</b>	<b>-2,296</b>	<b>707</b>	<b>-613</b>	<b>759</b>	<b>-1,912</b>	<b>-2,621</b>	<b>-3,018</b>	<b>624</b>
Financial result	-1,162	-1,249	-510	-213	-3,379	-1,229	-330	-396	-90	-213	643	952	-4,828	-2,348
Contemplated public offering costs												-2,816		-2,816
Share of result of associates, excluding Van Dijke Recycling	191	36					-19						171	36
Share of result of associate Van Dijke Recycling								319						319
Income tax benefit/(expense)	-328	170	423	220	-195	-164	77	-62	200	-214		0	177	-51
<b>Result of the period</b>	<b>685</b>	<b>-85</b>	<b>-178</b>	<b>126</b>	<b>-3,664</b>	<b>-691</b>	<b>-2,569</b>	<b>568</b>	<b>-503</b>	<b>332</b>	<b>-1,269</b>	<b>-4,485</b>	<b>-7,497</b>	<b>-4,235</b>
Assets*	43,267	45,801	42,953	36,211	38,025	41,589	27,575	31,320	13,596	15,245	55,904	47,799	221,320	217,967
Liabilities*	32,979	34,985	28,552	21,522	42,247	41,911	19,583	20,884	5,315	6,782	21,161	14,392	149,837	140,417
Acquisition of property, plant and equipment	687	3,827	2,752	5,227	973	1,910	1,134	2,632	70	237	1,386	578	7,002	14,411

\* Balance sheet figures at respectively 30/06/2009 and 31/12/2008

## Operating income

Over the first half year 2009, Thenergo's operating income has increased with 10.4%: from € 36,593 in HY 2008 to € 40,400 in HY 2009. This increase was fully caused by organic growth in Thenergo's core cogeneration businesses.

Growth was most explicit in the segment Cogeneration based on natural gas outside Germany: from € 9,349 in HY 2008 to € 17,531 in HY 2009. This increase was mainly linked to the number of operational plants within this segment. At 30 June 2009 23 plants were fully operational in this segment, whereas only 18 plants were operational during the prior half year including 4 plants still being in the start up phase. The operational plants in this segment now represent a gross capacity of 59.9 MW electrical.

Operating income increased in the Cogeneration based on biomass/gas outside Germany segment: from € 567 in HY 2008 to € 3,245 in HY 2009. The reason is the contribution of (i) the Valmass plant which became operational in the last quarter of 2008 and (ii) the Fertikal project which was acquired at the end of May 2008.

Operating income in the Cogeneration activities Germany declined from € 10,781 in HY 2008 to € 9,316 in HY 2009. This is on one hand partly explained by the economic downturn as a result of which the demand for heat from external industrial partners decreased (mainly Ludwigsfelde plant) and on the other hand partly by the standstill for a major refurbishment of the boiler cover in the Elsterwerda plant.

Also the Fuels & waste business suffered from the economic downturn in the first half of 2009. Due to the financial crisis international demand for recycling materials collapsed, causing a decline in recycling prices. As a consequence operating income of the Fuels & waste business decreased from € 10,358 in HY 2008 to € 8,613 HY 2009.

Operating income within the segment Concept engineering declined from € 5,529 in HY 2008 to € 1,693 in HY 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					
For the six month period ended 30 June	2009		2008*		Variance
Electricity	15,222	38%	10,777	29%	4,445
Heat	6,127	15%	4,843	13%	1,283
Green certificates	691	2%	118	0%	573
CHP certificates	4,488	11%	2,878	8%	1,610
Development fees & services	1,810	4%	5,743	16%	-3,933
Waste business	8,643	21%	9,926	27%	-1,283
Sale of byproducts & other revenues	1,007	2%	350	1%	656
Other income	2,413	6%	1,958	5%	455
<b>Total</b>	<b>40,400</b>	<b>100%</b>	<b>36,593</b>	<b>100%</b>	<b>3,807</b>

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 has further increased to 98.1% of the electricity revenues. The remaining electricity is sold to local project partners.

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

Energy sales (electricity and heat combined) increased to € 21,349 in HY 2009 as compared to € 15,620 in HY 2008. This increase is linked to the higher number of operational CHP plants. The share of energy sales in the Operating income has therefore increased from 42% in HY 2008 to 53% in HY 2009.

Revenues from CHP certificates, following the higher number of operational CHP plants, increased to € 4,488 in HY 2009, coming from € 2,878 in HY 2008. Also revenues from green certificates increased from € 118 in HY 2008 to € 691 in HY 2009, thanks to the Valmass project. The other project earning green certificates is the Biocogen plant.

Development fee revenues relate to concept engineering charged by Thenergo to the 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 were limited to € 1,415 in HY 2009, linked to the completion of one external project.

Next to the development fees, other external fees and commissions are charged (€ 278 in HY 2009) with respect to sales commissions and management & monitoring activities.

The sale of by-products increased from € 350 in HY 2008 to € 1,007 in HY 2009 and mainly consists of the proceedings from drying manure in the Fertikal project (€ 698 in HY 2009).

The other income of € 2,413 encompasses insurance coverage to compensate for engine damages in Ludwigsfelde and Elsterwerda (€ 875). Another important component of the other income consists of the compensation with regard to the Fertikal operational loss of € 1,263.

As regards geographical information revenues in Belgium (country of domicile) amounted to € 26,968 at 30 June 2009 (€ 23,614 at 30 June 2008) with non-current assets of € 114,840 at 30 June 2009 (€ 106,072 at 31 December 2008). In Germany, revenue reached € 8,184 at 30 June 2009 compared to € 9,475 at 30 June 2008 while non-current assets amounted to € 41,436 at 30 June 2009 as compared to € 41,734 at 31 December 2008. Revenues are attributed to countries on the basis of the customer's location.

In Thenergo's cogeneration business outside Germany the company sells electricity to the grid as well as cogeneration certificates through a limited number of major energy players. As a result, € 16,411 of the 30 June 2009 revenue is realised with four major energy players.

## ***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, Valmass uses organic waste and Beckum runs on sugar beets. The biomass plant in Ludwigsfelde uses fresh wood while the biomass plant in Elsterwerda has waste wood as energy source.

The purchase of natural gas serving as fuel for Thenergo's CHP plants increased to € 12,308 in HY 2009 compared to € 6,164 in HY 2008. This increase is linked to the higher number of operational CHP plants in HY 2009, using natural gas as fuel, in HY 2009 compared to HY 2008.

#### *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 associated to sales of engines and installations.

External Project development costs declined from € 4,595 in HY 2008 to € 1,239 in HY 2009, corresponding the lower number of CHP plants sold to third parties.

#### *Waste management costs*

The waste management expenses relate to the purchase of recovery goods (€ 429 for HY 2009) and to treatment costs of waste (€ 3,556 for HY 2009). While the expenses for recovery goods mainly relate to the purchase of paper and cardboard and also plastics to a lesser extent, the treatment cost of waste are gate fees that need to be paid to external parties that process the waste.

#### *Payroll expenses*

Personnel costs (excluding share-based payment expense – as discussed hereunder) increased to € 5,931 in HY 2009, compared to € 4,524 in HY 2008. This increase is explained by (i) the full-year impact of Fertikal (acquisition in May 2008), (ii) the extension of the staff mainly in the German operational plants and in corporate and management services and (iii) the fact that fewer personnel costs have been capitalised for the development of projects under construction.

The average number of employees increased to 183 FTEs at 30 June 2009, coming from 166 at 30 June 2008. This increase is mainly linked to the Fertikal staff and the extension of personnel in Germany, corporate and management functions. At 30 June of 2009 Thenergo's staff was distributed as follows: 88 FTEs employed in the Leysen Group, 50 FTEs in tse.AG and a total of 45 FTEs in the other Thenergo companies. This includes operational management of plants and corporate functions.

## *Other operating expenses*

For HY 2009, Thenergo's most important other operating expenses (total amount for HY 2009 is € 5,189) were:

- Maintenance and rent of installations (€ 2,465);
- Third party services (€ 1,482), i.e. mainly insurance, audit and accounting fees;
- Usage costs (€ 746), i.e. mainly utilities and office supplies;
- PR, marketing & sales (€ 274), i.e. mainly communication & PR and representation costs.

## **Recurring EBITDA**

Thenergo's Recurring EBITDA decreased from € 5,284 in HY 2008 to € 4,534 in HY 2009. The growth of Recurring EBITDA in the segment Cogeneration based on natural gas (outside Germany) was more than offset by the segments that suffered from the economic downturn in the first half of the year, being Cogeneration activities Germany, the Fuels & waste business and Concept engineering.

Thenergo's 2009 EBITDA is negatively impacted by a share-based payment expense for an amount of € 438 (€ 644 at 30 June 2008). This expense is a non-cash expense related to the share options granted to Key Management and personnel: see also note 16 *Share-based payments* of the 31 December 2008 annual financial statements. For management reporting purposes the company does not include such expense in the Recurring EBITDA figures as Thenergo believes that including such expense does not properly reflect the financial performance of the company.

## *Recurring EBIT*

Thenergo's Recurring EBIT decreased to € - 609 in HY 2009 as compared to € 1,268 in HY 2008. The improvement in the segments Cogeneration based on natural gas (outside Germany) and the Holding, was more than offset by segments Cogeneration activities Germany, the Waste business and Concept engineering, which suffered from the economic downturn in the first half of the year. During the first half of 2009 the Fuels & waste business recognised a non-recurring impairment charge of € 1,971 on its Jatropa inventory and fixed assets due to potential risks on the advances to farmers and Jatropa seedlings. For management reporting purposes the company does not include this expense in the Recurring EBIT figure because the impairment charge is non-recurring.

## **Result for the period**

### **Financial result**

The financial result is a loss of € 4,828 in 2009 compared to € 2,348 (amount excluding the contemplated public offering costs of 2,816 €) in 2008. The 2009 finance costs of € 6,099 include a non-recurring charge of € 2,078 with regard to a potential covenant breach penalty on the € 5 million debt of our subsidiary tse.AG following its acquisition by Thenergo in 2008. Further, the higher financial loss is primarily the combined effect of (i) higher interest charges by € 585 following a higher number of operational plants, which to a large extent are financed by bank loans and financial leasing, (ii) a drop in interest income (€ - 533) as a result of lower interest rates as well as lower cash deposits during the first half of 2009, (iii) a € 456 gain

from hedge ineffectiveness on forward electricity sales due to a lower production than planned, (iv) a decrease in the gain from changes in fair value of electricity forward sale

contracts not designated in a hedge accounting relationship by € -282, and (v) a gain of € 619 on the AIF derivative following the change in its fair value (see also note 12 *Share capital* of Thenergo's 31 December 2008 financial statements).

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

### ***Share of result of associates - sale Van Dijke Recycling***

The 2008 share of result in associates of € 355 contains 319 € with regard to the share of result of Van Dijke Recycling BV (a 42% associate of Thenergo at 30 June 2008). Initially, the gain was estimated at € 751 (as published in 2008) and the 2008 figures have been restated accordingly.

### ***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 (€ 287 at 30 June 2009 compared to € 183 at 30 June 2008). The consolidated income tax benefit for the 2009 half year amounts to € 177 compared to an income tax charge of € 51 for the first six months of 2008 – see also note 4 *Income taxes*.

## Note 4 – Income taxes

For the six month period ended 30 June	2009	2008	2007
Current taxes of the period	-249	-183	-208
Adjustments current taxes prior years	-38		
Deferred income taxes on the increase or reversal of temporary differences	464	132	469
<b>Total benefit/(expense) income taxes</b>	<b>177</b>	<b>-51</b>	<b>261</b>

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

For the six month period ended 30 June	2009	2008	2007
Result before tax	-7,675	-4,184	-1,512
Share of result of associates	171	355	87
Result before tax and before share of result of associates	-7,846	-4,539	-1,599
Aggregated weighted nominal tax rate	32%	33%	34%
Tax at aggregated weighted nominal tax rate	2,481	1,498	544
Reconciling items:			
<i>Losses for which no deferred tax asset was recognised</i>	-2,406	-1,606	-87
<i>Elimination of intercompany profits</i>			284
<i>Expenses not deductible for tax purposes</i>	-329	-254	-641
<i>Notional interest on equity</i>	64	48	32
<i>Tax credits for capital expenditures</i>	457	230	106
<i>Other</i>	-90	33	23
<b>Income tax benefit/(expense) recognised in the income statement</b>	<b>177</b>	<b>-51</b>	<b>261</b>

The effect of non deductible expenses of € - 329 (€ - 254 for HY 2008 and € - 641 for HY 2007) relates primarily to share-based payments.

## Note 5 – Share capital

During the first half of 2009 Thenergo's share capital changed as follows :

Share capital gross	Thousands of €	Thousands of shares
At 31 December 2008	136,263	19,634
Share capital increase June 2009 PMV bond conversion	2,500	1,023
<b>At 30 June 2009</b>	<b>138,763</b>	<b>20,657</b>

Transaction costs directly attributable to capital increase	Thousands of €
At 31 December 2008	-10,970
Share capital increase June 2009 bond conversion	-181
<b>At 30 June 2009</b>	<b>-11,151</b>
<b>Total share capital net at 30 June 2009</b>	<b>127,612</b>

In April 2009 Thenergo agreed with Participatiemaatschappij Vlaanderen NV (PMV) to issue a mandatorily convertible bond of € 10 million. The convertible bond consists of 10 000 bonds with a face value of € 1,000. The agreement was subject to the approval of Thenergo's shareholders' meeting (including an authorisation to increase Thenergo's share capital further by another € 10 million via cash contributions) as well as the appointment of a PMV manager to the Board of Thenergo NV. All conditions were fulfilled on 27 May 2009, as a result of which Thenergo collected the € 10 million on 27 May 2009.

The conversion price of the PMV bond shall be between € 2.04 (4,901,961 Thenergo shares) and € 3.55 (2,816,901 Thenergo shares). The actual conversion price depends on the issuance price of additional Thenergo shares and/or the average of the Thenergo share price during 30 days before the conversion. The bond expires on 31 December 2010 and will be automatically converted into Thenergo shares.

The bond bears an interest charge of 9% per year. Interest due is settled in shares on the same basis and at the same time as the conversion of (a part of) the bonds.

In accordance with IAS 32 *Financial Instruments: Presentation* and IAS 39 *Financial Instruments: Recognition and Measurement* the conversion range of the PMV bond (between € 2.04 and € 3.55) was considered a derivative that needs to be reported separately. At inception, the fair value of the derivative was estimated at € 27. At 30 June 2009 the fair value of this derivative was estimated at € -154. The change in fair value of 181 € was recognised as a financial cost at 30 June 2009. The future evolution of the fair value, being a non-cash item, is highly sensitive to the probability and pricing of a future capital increase.

In June 2009 PMV converted the first 2.5 thousand bonds, including accrued interest charges of € 13, into Thenergo shares at € 2.46 per Thenergo share. As a result, the outstanding balance of the mandatorily convertible bond (reported as part of the *Long-term borrowings*) amounts to € 7,500 at 30 June 2009.

## Note 6 – Financial instruments – market and other risks

At 30 June 2009 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 2008 took place.

## Note 7 – Earnings per share

For the six month period ended 30 June	2009	2008	2007
Result of the period attributable to equity holders of Thenergo (thousands of Euros)	-6,440	-4,198	-1,633
Weighted average number of ordinary shares outstanding	19,708,436	16,420,593	5,233,101
Basic earnings per share (Euros)	-0.33	-0.26	-0.31

The diluted earnings per share equal the basic earnings per share because the result of the period is negative and the outstanding options are out of the money.

## Note 8 – Related parties

### Transactions with associates and jointly controlled entities

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

For the six month period ended 30 June	2009	2008	2007
Revenue	151	745	2,832
Finance income	11	14	
Other receivables	870	1,667	628
Other payables	12	46	150

The 2007 and 2008 revenue realised with associates relates primarily to concept engineering for new cogeneration projects. Further, the company provides monitoring services to its associates.

Aggregate amounts of Thenergo's interest in jointly controlled entities are as follows:

For the six month period ended 30 June	2009	2008	2007
Operating result	779	519	
Result for the period	376	231	
Non-current assets	8,488	8,218	
Current assets	3,024	2,730	
Non-current liabilities	5,306	6,601	
Current liabilities	2,183	2,169	

## Note 9 – Events after the balance sheet date

There were no events after 30 June 2009 that warrant disclosure in accordance with IAS 10 *Events after the Reporting Period*.

## Note 10 – List of subsidiaries, joint ventures and investments in associates

The main subsidiaries included in the consolidated financial statements are:

Subsidiaries	Country	% economic interest	% voting power	Activity
Bineryg leper 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	100%	100%	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%	95%	Cogeneration based on natural gas
Valmass NV	Belgium	60%	60%	Cogeneration based on biogas and biomass
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
tse.AG	Germany	88.87%	88.87%	Design and operation of cogeneration projects
ENRO Energie und Service GmbH	Germany	88.87%	100%	Cogeneration based on natural gas
BBL Bio-Brennstoff Ludwigsfelde GmbH	Germany	88.87%	100%	Cogeneration based on biomass
Bio-Heizkraftwerk Ludwigsfelde GmbH	Germany	88.87%	100%	Cogeneration based on biomass
Bio-Heizkraftwerk Hünxe GmbH	Germany	88.87%	100%	Cogeneration based on biomass
Bio-Heizkraftwerke Elsterwerda GmbH	Germany	88.87%	100%	Cogeneration based on biomass
Stadtwerk Elsterwerda GmbH	Germany	45.32%	51%	Cogeneration based on natural gas
Bineryg Meer NV	Belgium	100%	100%	Cogeneration based on biomass - under construction
Fertikal NV	Belgium	51.11%	51.11%	Drying manure
Greenpower QEF NV	Belgium	50%	50%	Cogeneration based on bio-oil
Biofuel Record Co LTD	Thailand	49%	90%	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:

Joint ventures	Country	% economic interest	% voting power Activity
ENRO Ludwigsfelde Energie GmbH	Germany	44.43%	50% Cogeneration based on natural gas
Biocogen BVBA	Belgium	50%	50% Cogeneration based on biogas
Groeikracht Wommelgem BVBA	Belgium	51.13%	51.13% Cogeneration based on natural gas

Until 30 June 2008 Biocogen BVBA and Groeikracht Wommelgem BVBA were fully consolidated. Based on a reassessment of the facts it was decided at the end of 2008 to consider these entities as joint ventures. The 30 June 2008 figures were restated to reflect this change in consolidation method.

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

Associates	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

## 2. Independent auditors' report

THENERGO NV

### LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2009

To the board of directors

We have performed a limited review of the accompanying consolidated balance sheet, income statement, cash flow statement, statement of changes in equity, statement of comprehensive income (jointly the "interim financial information") of THENERGO NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2009. 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 Réviseurs d'Entreprises/Instituut van de 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 Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Despite the fact that the group has incurred significant losses over the year, the consolidated interim financial statements have been drafted using the going concern principle. This assumption is only justified to the extent that the group can further rely on the financial support of its shareholders, continue to use the existing credit facilities or can get access to additional financing. Without modifying the above unqualified review report, we draw your attention to section 1.3 of the report of the board of directors, in which the going concern principle is justified despite the fact that breaches of covenants at tse AG and Thenergo F+L have taken, respectively may take place. No adjustments have been recorded 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.

27 August 2009

#### The Statutory Auditor

**DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises**

SC s.f.d. SCRL

Represented by Gert Vanhees