



Interim report for the six month period ended 30 June 2010

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## 1. Report of the Board of Directors

This report of the Board of Directors should be read in conjunction with Thenergo's consolidated financial statements for the six month period ended 30 June 2010. All amounts are in thousands of Euros, unless explicitly stated differently.

### 1.1. Main transactions during the first six months of 2010

#### FOCUS ON CORE BUSINESS

During the first 6 months of 2010, Thenergo realized a number of important steps in the realization of its strategic plan and segment approach as set forth in the annual report of 2009. This approach entails a clear segmentation in business units and a focus on Thenergo's core activities.

In light of this focus on core activities, in January 2010, Thenergo reached a final settlement of all of its jatropa related activities and subsequent liabilities in Thailand. An agreement was reached with the supplier of equipment for the jatropa-oil production plants. Both local project companies in Thailand have been sold. In addition the services agreement with the local partner was ended. These transactions resulted in a final settlement that ends the liabilities of Thenergo. The ending of these operations had no impact on the interim financial statements because these costs were already included in the figures of 2009.

A further important step in the refocus on its core activities was taken by Thenergo on 2 April 2010, where it announced the sale of its Leysen (waste management) division. Leysen engages in the collection, processing and trade of waste products, its core activity being the collection of industrial waste using roll containers and skips. The company is also active in household waste collection, hazardous waste treatment, waste collection in the Antwerp harbour and the distribution of secondary fuels. Leysen was established in 2002 and, as a result of various acquisitions, grew relatively quickly to become a medium-sized player in the Belgian waste market. By selling Leysen, Thenergo is able to reimburse the total outstanding acquisition debt from the Leysen purchase in 2007. The resulting total debt position of Thenergo decreased with € 15 million of which € 8 million at holding level. Therefore the transaction had an important positive impact on the future cash flow of the company. In 2009 the Leysen revenues amounted to € 17.7 million and the REBITDA amounted to € 2.3 million.

The sale of Leysen was closed on 3 June 2010.

The focus on core business also lead to the sale of Thenergo's German activities. On 26 May 2010, the Thenergo Board of Directors announced that Thenergo would sell its German subsidiary. Tse.AG was acquired by Thenergo in January 2008 and holds five renewable energy projects. In 2009 the tse.AG revenue amounted to € 15.5 million and the REBITDA amounted to € 2.1 million. The decision to sell the

tse.AG activities was taken to reduce future cash-out and the consolidated debt position. The sale of the tse.AG shares was executed on 30 June 2010 and did not entail any further impairments on the consolidated income statement.

## **2.6 MIO EURO CAPITAL INCREASE**

On 11 March 2010 Thenergo announced the increase of its capital with € 2.6 million at a subscription price of € 2.04 per share. The transaction resorted under the mandate received by the Board of Directors from the Extraordinary General Meeting on May 27<sup>th</sup> 2009, to raise capital.

The capital increase consisted of an increase in capital in cash of € 1.3 million and the conversion by PMV of 1,343 obligations at an issue price of € 2.04 per share. In April 2009, ParticipatieMaatschappij Vlaanderen (PMV) invested € 10 million in Thenergo with a convertible obligation (CO) with maturity date 31 December 2010. The conversion of the CO takes place at the same time and for the same amount of a capital increase.

## **GM GIVES MANDATE TO RAISE 16 MIO EURO IN CAPITAL**

On 5 May 2010 the Thenergo Extraordinary General Meeting (EGM) decided unanimously to give the Board of Directors the mandate to raise the capital of the company by contribution in cash with a maximum of € 16 million. The mandate will expire on 31 May 2011.

## **RESTRUCTURING OF THE THENERGO GROUP**

On the general assembly of May 5<sup>th</sup> 2010, the shareholders of Thenergo gave the mandate to the board of directors to execute a capital increase for the amount of € 16 million euro with a minimum price of € 0.01 per share. Despite the efforts until today, the board and management were up to now unable to raise additional capital which is needed to safeguard the continued financing of overall operations and projects under construction.

Due to the remaining uncertainty to raise capital in short term, the board of directors decided on 4 August 2010 that following actions will be taken with immediate effect in order to safeguard the continuity of Thenergo:

1° all projects that have a negative contribution or that need significant amount of investment (both capital expenditure and working capital) will be stopped or sold. In a first step, the Binergy (biogas) activities, which still need a short term financing of approximately € 4 million, will be sold or ended.

2° a fierce restructuring plan, which today is already partially implemented, will be finalized in order to further reduce the recurring overhead and engineering costs. This will result in an annual recurrent saving of approximately € 1.8 million (after sale of the Binergy projects). The execution of the plan will bring Thenergo into a positive recurrent EBIT result (REBIT) based on the 2009 audited figures.

These actions must enable the board of directors to further restructure the company and create a clean basis in order to pursue the attempts to attract potential investors for a new start of Thenergo.

The future strategy and operational plans for 2010 and the coming years will focus on the development of its activities in the following three defined areas of competence (business segments):

- **MyPower** supplies industries and communities with energy produced by natural gas fired CHP-units. The units are dimensioned based on the production process and heat needs of the partner. These units will run on fossil fuels with an energetic efficiency above 90%, implying an optimal use of energy. Today Thenergo manages one operational MyPower-site with a capacity of 1.4 MWe.
- **Groeikracht** supplies greenhouse growers with energy produced by natural gas fired CHP-units. The units are dimensioned on the heat demand of the greenhouse, the CO<sub>2</sub>-needs of the crops and the electricity needed for the artificial light in the greenhouse. Thenergo manages twenty-three Groeikracht-units with a capacity of 65.9 MWe.
- **Thenergo Services** aims to become the leading service provider for decentralized energy producing companies in the current volatile renewable energy market. Thenergo Services manages centrally the various installations of the business segments and is in charge with the overall operations and maintenance of the operational units. The backbone of the daily operations is an in house developed central monitoring and steering system (TPS) in which the decentralized CHP-units are managed as one central production unit. Thenergo's Energy Portfolio Management aims to minimize the partner's energy costs and maximize revenues by matching peak loads and energy demands. Thenergo Services has a team of engineers and coworkers at its disposal with thorough legal and financial knowhow.

In this way Thenergo envisages future growth through each of the above mentioned segments. The type and speed of growth of the Thenergo business will mainly be determined by the speed in which a capital increase on Thenergo NV level can be executed and a strategic investor for each of the individual business segments could be found complemented with the synergies that this strategic investor would bring along.

## 1.2. Financial performance

The key financial data can be summarised as follows:

	<i>thousands of Euros</i>					
<b>For the six month period ended 30 June</b>	<b>2010</b>	<b>%</b>	<b>2009</b>	<b>%</b>	<b>2008*</b>	<b>%</b>
<b>Operating income</b>	<b>13.374</b>		<b>19.645</b>		<b>15.304</b>	
Revenues	13.387	100%	19.599	100%	15.134	100%
<b>Recurring EBITDA</b>	<b>2.157</b>	<b>16%</b>	<b>2.219</b>	<b>11%</b>	<b>1.635</b>	<b>11%</b>
Depreciation, amortisation and impairment	3.905	29%	2.292	12%	1.733	11%
<b>Recurring operating result (REBIT)</b>	<b>-1.748</b>	<b>-13%</b>	<b>-73</b>	<b>0%</b>	<b>-98</b>	<b>-1%</b>
Non-cash share-based payment expense	83		438		644	
Other non-recurring costs	551					
<b>Operating result (EBIT)</b>	<b>-2.382</b>		<b>-511</b>		<b>-742</b>	
Financial income	3.434		1.203		685	
Financial costs	-2.937		-2.348		-1.647	
Contemplated public offering costs	0		0		-2.816	
Share of result of associates	168		191		36	
Income tax benefit/(expense)	-235		-119		-77	
<b>Result for the period from continuing operations</b>	<b>-1.952</b>		<b>-1.584</b>		<b>-4.562</b>	
<b>Discontinued operations</b>	<b>-13.128</b>		<b>-5.913</b>		<b>327</b>	
<b>Result for the period</b>	<b>-15.080</b>		<b>-7.497</b>		<b>-4.235</b>	
Attributable to:						
Equity holders of Thenergo	-12.850		-6.440		-4.198	
Non-controlling interests	-2.230		-1.057		-37	
Basic earnings per share (Euros)	-0,60		-0,33		-0,26	
Diluted earnings per share (Euros)	-0,60		-0,33		-0,26	

\* The 2009 and 2008 figures as published were restated in accordance with IFRS 5. The actual presentation separates the continuing activities from the activities that are or will be disposed. As such the presentation reflects better the future potential growth activities of the Group.

## 1.3. Risks and uncertainties

### *Risks related to the Thenergo's business and industry*

#### **Thenergo is dependent on the efficient and timely realization of its project portfolio**

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

#### **Thenergo faces risk relating to sourcing and availability of the necessary feedstock at competitive prices**

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

#### **Thenergo is dependent on the connection to the electricity transport and distribution network**

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

#### **Thenergo might experience an adverse evolution in the prices of electricity, heat and certificates**

An important part of Thenergo's income growth is envisaged to originate out of the sale of electricity, heat and certificates. In the first of half year 2010, these segments together contributed 98% of the revenue figure. Although Thenergo sells part of its electricity through forward contracts at a fixed price, it is not insensible to fluctuations in the sale price of these products.

**Thenergo may be faced with deteriorating conditions for the financing of its future projects or the financing in place for its current projects**

It is Thenergo's strategy to fund each project partly with equity and partly with debt. The market conditions for debt financing have deteriorated and may have an impact on the future debt financing of the projects. In order to safeguard the future activities and reducing potential risks of being unable to repay debts, the Board of Thenergo decided to dispose the cash absorbing activities. This resulted in the sale of the Leysen waste business and tse.AG, as well in a plan to locate a buyer for the Binergy and Greenpower activities. The disposing of the above activities will reduce the consolidated bank debt position from € 111 million at year end to € 34 million at June 2010. There are no covenant breaches for the remaining activities. Thenergo is confident that the above mentioned disposals will ensure the continuity of the Company for the year to come and hence the board has established these financial statements using the going concern assumption.

**Risk related to partnerships**

For most of its projects, Thenergo works together with partners who take off the heat, electricity and/or CO<sub>2</sub> produced by the CHP plant and/or secure the feedstock. Many of the partners in Thenergo's current portfolio are greenhouse agricultures whereby the CHP plant is built on the site of this partner. Insolvency of the partner and interruptions in the cooperation with the partner for whatever reason could result in a long term interruption of the CHP activities or in a complete shut-down of the plant, negatively impacting Thenergo's financials. This risk however is mitigated by the possibility to transfer the majority of the invested assets to potential other new sites.

## 1.4. Events after the balance sheet date

See note 11 *Events after the balance sheet date* of the consolidated financial statements for the six month period ended 30 June 2010.

## 1.5. Unaudited consolidated interim financial statements

The consolidated financial statements for the six month period ended 30 June 2010 have not been audited.

## 1.6. Statement from the responsible persons

The undersigned persons state, to the best of their knowledge:

- the consolidated interim financial statements of Thenergo NV and its subsidiaries as of 30 June 2010 have been prepared in accordance with the International Reporting Standards (IFRS), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies included in the consolidation;
- and the interim report of the Board of Directors gives a fair overview of the information required to be included therein.

Sofinan bvba represented by  
Norbert Van Leuffel

Dascco bvba represented by  
Daniel Schurmans

## 1.7. Financial calendar

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Full year results 2010	30 March 2011
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General Shareholders Meeting 2010	4 May 2011
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## 2. Consolidated financial statements

### Consolidated income statement

thousands of Euros

For the six month period ended 30 June	Note	2010	%	2009*	%	2008*	%
<b>Continuing operations</b>							
<b>Operating income</b>		<b>13.374</b>		<b>19.645</b>		<b>15.304</b>	
Revenues	3	13.387	100%	19.599	100%	15.134	100%
Other income	3	-13		46		171	
<b>Operating expenses</b>		<b>-15.757</b>	<b>-118%</b>	<b>-20.155</b>	<b>-103%</b>	<b>-16.046</b>	<b>-106%</b>
Cost of sales	3	-8.773	-66%	-14.652	-75%	-11.516	-76%
Payroll expenses	3	-1.719	-13%	-1.719	-9%	-998	-7%
Depreciation, amortisation and impairment	3	-4.166	-31%	-2.292	-12%	-1.733	-11%
Gain/loss on disposal of activities		-43	0%	0	0%	0	0%
Share-based payment expense		-83	-1%	-438	-2%	-644	-4%
Other operating expenses	3	-973	-7%	-1.055	-5%	-1.154	-8%
<b>Operating result</b>		<b>-2.382</b>	<b>-18%</b>	<b>-511</b>	<b>-3%</b>	<b>-742</b>	<b>-5%</b>
<b>Financial result</b>	3	<b>497</b>		<b>-1.145</b>		<b>-3.779</b>	
Interest Income		35		89		620	
Interest expense		-2.264		-1.455		-1.068	
Other financial income and expenses		2.726		220		-3.331	
Share of result of associates		168		191		36	
<b>Result before tax</b>		<b>-1.717</b>		<b>-1.465</b>		<b>-4.485</b>	
Income tax benefit/(expense)	3	-235		-119		-77	
<b>Result for the period from continuing operations</b>		<b>-1.952</b>		<b>-1.584</b>		<b>-4.562</b>	
<b>Discontinued operations</b>		<b>-13.128</b>		<b>-5.913</b>		<b>327</b>	
<b>Result for the period from discontinued operations</b>	7	<b>-13.128</b>		<b>-5.913</b>		<b>327</b>	
<b>RESULT FOR THE PERIOD</b>		<b>-15.080</b>		<b>-7.497</b>		<b>-4.235</b>	
Attributable to:							
Equity holders of Thenergo							
Result for the period from continuing operations		-2.822		-1.962		-4.558	
Result for the period from discontinued operations		-10.027		-4.478		360	
Result for the period attributable to equity holders of Thenergo		-12.850		-6.440		-4.198	
Non-controlling interests							
Result for the period from continuing operations		870		378		-4	
Result for the period from discontinued operations		-3.100		-1.435		-33	
Result for the period attributable to non-controlling interests		-2.230		-1.057		-37	
Earnings per share:							
From continuing and discontinued operations							
Basic earnings per share (Euros)	6	-0,60		-0,33		-0,26	
Diluted earnings per share (Euros)	6	-0,60		-0,33		-0,26	
From continuing operations							
Basic earnings per share (Euros)	6	-0,13		-0,10		-0,28	
Diluted earnings per share (Euros)	6	-0,13		-0,10		-0,28	

\* The 2009 and 2008 figures as published were restated in accordance with IFRS 5. The actual presentation separates the continuing activities from the activities that are or will be disposed. As such the presentation reflects better the future potential growth activities of the Group.

## Consolidated statement of financial position

thousands of Euros

	Note	30/06/2010	31/12/2009	31/12/2008
<b>Non-current assets</b>		<b>49.852</b>	<b>146.408</b>	<b>155.914</b>
Goodwill		6.755	6.755	14.283
Intangible assets		3.769	15.287	20.978
Property, plant and equipment		35.907	117.688	114.863
Investments		368	495	1.169
Deferred tax assets		2.111	4.924	4.026
Other non-current assets		942	1.259	595
<b>Current assets</b>		<b>57.911</b>	<b>42.637</b>	<b>62.053</b>
Trade receivables		6.310	16.975	22.531
Other receivables		3.060	8.236	11.912
Inventories		0	1.635	3.206
Other current assets		1.739	975	5.814
Cash and cash equivalents		3.909	14.816	18.590
Assets classified as held for sale	8	42.893		
<b>Total assets</b>		<b>107.763</b>	<b>189.045</b>	<b>217.967</b>
<b>Equity</b>		<b>23.906</b>	<b>34.481</b>	<b>77.551</b>
Share capital	4	131.651	128.881	125.292
Retained earnings		-120.044	-106.225	-64.077
Share-based payments		9.462	9.379	8.985
Hedging reserves		0	-453	1.536
Minority interests		2.836	2.899	5.814
<b>Non-current liabilities</b>		<b>26.580</b>	<b>90.400</b>	<b>92.472</b>
Long-term borrowings		3.563	46.370	52.355
Leases		20.528	33.671	29.827
Employee benefits, provisions and other		1.152	3.897	1.309
Deferred tax liabilities		1.336	6.269	8.838
Other non-current liabilities		0	193	143
<b>Current liabilities</b>		<b>57.278</b>	<b>64.164</b>	<b>47.944</b>
Short-term borrowings	4	7.252	25.523	9.095
Leases		2.439	5.168	4.373
Trade payables		3.929	17.510	24.448
Other payables		512	1.979	3.872
Other current liabilities		6.586	13.984	6.156
Liabilities directly associated with assets classified as held for sale	8	36.558		
<b>Total equity and liabilities</b>		<b>107.763</b>	<b>189.045</b>	<b>217.967</b>

## Consolidated cash flow statement

thousands of Euros

For the six month period ended 30 June	2010	2009	2008
Result before tax	-13.022	-7.675	-4.184
<i>Non-cash or non-operating items</i>			
Share of result of associates	-168	-171	-355
Elimination result with associates			24
Financial result	1.055	4.828	5.164
Gain on the disposal of subsidiary	-1.907		
Allowance/(reversal) doubtful debtors	1.755	100	10
Share-based payment expense	83	438	644
Depreciation, amortisation and impairment	14.915	7.083	4.015
Other	-760	-1.110	
Change in working capital	342	-1.035	-3.677
Income tax paid	-108	-286	-71
<b>Cash flow from operating activities</b>	<b>2.185</b>	<b>2.172</b>	<b>1.569</b>
Acquisition of property, plant and equipment	-2.217	-7.002	-14.411
Acquisition of subsidiaries			-6.692
Proceeds from the sale of fixed assets	34	278	
Proceeds from the sale of investments	5.981	302	46
Acquisitions and incorporations of associates		-8	
<b>Cash flow from investing activities</b>	<b>3.798</b>	<b>-6.430</b>	<b>-21.057</b>
Proceeds from the issue of share capital	1.343		10.000
Proceeds from the issuance of convertible bonds		10.000	
Transaction costs directly attributable to the capital increases	-12	-181	-94
Proceeds from borrowings	972	5.217	2.668
Repayment of borrowings and leases	-13.832	-7.926	-9.145
Interest paid	-3.268	-3.015	-2.186
Interest received	46	143	633
Contemplated public offering costs			-210
Non-controlling interests in subsidiaries		142	
Dividends paid	-100	-41	
Dividends received from associates		102	
Profit sharing arrangements	-149	-183	
Other	-276	-185	-166
<b>Cash flow from financing activities</b>	<b>-15.276</b>	<b>4.073</b>	<b>1.501</b>
Net cash flow for the period	-9.293	-177	-17.987
Cash and cash equivalents at the beginning of the period	14.816	18.590	49.825
<b>Cash and cash equivalents at the end of the period</b>	<b>5.523</b>	<b>18.412</b>	<b>31.838</b>

## 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 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 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>
<b>Balance at 1 January 2010</b>	<b>128.882</b>	<b>-3</b>	<b>-106.222</b>	<b>-453</b>	<b>9.379</b>	<b>31.582</b>	<b>2.899</b>	<b>34.481</b>
Share capital increase	2.781					2.781		2.781
Transaction costs directly attributable to capital increase	-12					-12		-12
Share based payments					83	83		83
Total comprehensive income statement for the period			-13.123	453		-12.670	-2.258	-14.928
Change in consolidation scope			-648			-648	648	0
Non-controlling interests on disposal of subsidiaries						0	1.586	1.586
Other			-48			-48	-39	-87
<b>Balance at 30 June 2010</b>	<b>131.651</b>	<b>-3</b>	<b>-120.041</b>	<b>0</b>	<b>9.462</b>	<b>21.068</b>	<b>2.836</b>	<b>23.904</b>

## Consolidated statement of comprehensive income

*thousands of Euros*

For the six month period ended 30 June	2010	2009	2008
<b>RESULT FOR THE PERIOD</b>	<b>-15.080</b>	<b>-7.497</b>	<b>-4.235</b>
<b>Other comprehensive income</b>			
Cash flow hedges	687	-1.889	-641
Actuarial gains (losses) on defined benefit pension plans	-301	-192	
Income tax relating to components of other comprehensive income	-233	593	347
<b>Other comprehensive income for the period, net of tax</b>	<b>152</b>	<b>-1.488</b>	<b>-294</b>
<b>Total comprehensive income for the period</b>	<b>-14.928</b>	<b>-8.985</b>	<b>-4.529</b>
Total comprehensive income attributable to:			
Equity holders of Thenergo	-12.670	-7.519	-4.323
Non-controlling interests	-2.258	-1.466	-206

## Notes to the consolidated financial statements

### Note 1 – Corporate information

Thenergo SA is a Belgian company domiciled at 59 Brusselstraat, 2018 Antwerp and founded in 2002. The company and its subsidiaries design and operate cogeneration (combined heat and power – “CHP”) installations fuelled by renewable energy (biogas and biomass) as well as natural gas in Belgium 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 six month period ended 30 June 2010 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 31 August 2010.

### Note 2 – Statement of compliance

IAS 34 was applied to the interim financial report. The consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as in the annual consolidated financial statements of 2009, except for the adoption of new standards and interpretations effective as of 1 January 2010, noted below:

Standards and interpretations effective in the current period.

- Amendment to IAS 27 Consolidated and Separate Financial Statements (effective from 1 January 2010). This Standard amends IAS 27 Consolidated and Separate Financial Statements (revised 2003).
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective from 1 January 2010).
- IFRS 2 (Amendment), Share-based Payment – Group cash-settled and share-based payment transactions (effective from 1 January 2010), issued in June 2009.
- IFRS 3 Business Combinations (effective from 1 January 2010). This Standard replaces IFRS Business Combinations as issued in 2004.
- Improvements to IFRS (2008-2009) (applicable for accounting years beginning on or after 1 January 2010).
- IFRS 1 (Amendment), First-time Adoption of IFRS (effective from 1 January 2010). This amendment introduces some new exemptions.
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective from 1 January 2010).

The first time adoption of the above standards and interpretations did not have a material financial impact on the financial statements.

Standards and interpretations that are not yet effective in 2010 and have not been early adopted.

- IFRS 9 (Issued November 2009), Financial Instruments (effective from 1 January 2013). The present version of the new standard mainly simplifies the classification and measurement of financial assets.
- IAS 24 (Revised 2009), Related Party Disclosures (effective from 1 January 2011). This revision basically introduces exemptions for state-owned entities.
- IAS 32 (Amendment), Financial Instruments: Presentation (effective from 1 January 2011). This amendment deals with the classification of rights issues.
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments (effective from 1 January 2011). This interpretation provides guidance on debt for equity swaps.
- IFRIC 14 (Amendment), IAS 19 – The Limit on a Defined-Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1 January 2011). This amendment deals with the prepayments of a minimum funding requirement.
- IFRS 1 (Amendment; issued January 2010), Limited exemption from Comparative IFRS 7 Disclosures for First-time Adopters (effective for annual periods beginning on or after 1 July 2010).
- Amendment to IFRS 1 (Issued May 2010), First-time adoption of International Financial Reporting Standards (effective from 1 January 2011). Additional guidance is given on presentation and disclosure with regard to accounting policy changes in the year of adoption, use of deemed cost for operations subject to rate regulation and interim reporting for part of the period covered by the first IFRS financial statements.
- Amendment to IFRS 3 (issued May 2010), Business Combinations (effective for annual periods beginning on or after 1 July 2010). This amendment deals with transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS and measurement of non-

controlling interests and introduces an exemption for un-replaced and voluntarily replaced share-based payment awards.

- Amendments to IFRS 7 (issued May 2010), Financial Instruments: Disclosures (effective from 1 January 2011). This amendment gives additional guidance on disclosure requirements.
- Amendments to IAS 1 (issued May 2010), Presentation of Financial Statements (effective from 1 January 2011). Additional clarification is given on information to be presented in the statement of changes in equity.
- IAS 27, transition requirements for amendments arising as a result of IAS 27 Consolidated and Separate Financial Statements (issued May 2010, effective for annual periods beginning on or after 1 July 2010).
- Amendments to IAS 34 (issued May 2010), Interim Financial Reporting (effective from 1 January 2011). Significant events and transactions.
- Amendment to IFRIC 13 (issued May 2010), Customer Loyalty Programmes (effective from 1 January 2011). Fair value of award credits.

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**

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.

Following the sale of Leysen and tse.AG and the decision to sell the Greenpower and Binergy projects only the continuing operations will be reported on in this note. As explained in paragraph 1.1 of the interim financial report, from 1 January 2010 onwards, Thenergo expands its continuing activities in the following four segments :

Groeikracht  
MyPower  
Services  
Holding

The composition of the Groeikracht and Services segment corresponds with the composition of respectively the former “Cogeneration based on natural gas outside Germany” and “Concept engineering” segment. The MyPower segment used to be a part of the former “Cogeneration based on biomass/gas outside Germany” segment. The holding segment also includes some small entities that used to be part of the “Fuel and Waste” segment.

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.

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 aligned with the new segment reporting structure as explained above.

For the six month period ended 30 June (Continuing operations)	Groeikracht		MyPower		Services		Holding		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Operating income</b>	<b>12.535</b>	<b>17.531</b>	<b>512</b>	<b>419</b>	<b>296</b>	<b>1.693</b>	<b>31</b>	<b>2</b>	<b>13.374</b>	<b>19.645</b>
Revenue external customers	12.566	17.490	512	419	299	1.688	10	2	13.387	19.599
Other income	-31	41	0	0	-3	5	21	0	-13	46
<b>Recurring EBITDA</b>	<b>3.480</b>	<b>3.677</b>	<b>240</b>	<b>254</b>	<b>-438</b>	<b>-161</b>	<b>-1.126</b>	<b>-1.552</b>	<b>2.157</b>	<b>2.219</b>
Depreciation, amortisation and impairment	-2.071	-1.693	-73	-35	-1.395	-483	-367	-82	-3.905	-2.292
<b>Recurring operating result (REBIT)</b>	<b>1.410</b>	<b>1.985</b>	<b>168</b>	<b>220</b>	<b>-1.833</b>	<b>-643</b>	<b>-1.492</b>	<b>-1.634</b>	<b>-1.748</b>	<b>-73</b>
<b>Non recurring items</b>										
Non-cash share-based payment expense							-83	-438	-83	-438
Loss on disposal of activities							-43		-43	0
Impairment of assets	-204				-47		-9		-261	0
Other non-recurring profits/(costs)	37				-148		-136		-247	0
<b>Operating result (EBIT)</b>	<b>1.242</b>	<b>1.985</b>	<b>168</b>	<b>220</b>	<b>-2.028</b>	<b>-643</b>	<b>-1.764</b>	<b>-2.072</b>	<b>-2.382</b>	<b>-511</b>
Financial result	-882	-1.377	-72	-77	-7	-90	-1.437	184	-2.398	-1.360
Fair value hedge accounting	2.895	215							2.895	215
Share of result of associates	168	191	0	0					168	191
Income tax benefit/(expense)	-676	-328	-47	-31	452	200	36	40	-235	-119
<b>Result of the period</b>	<b>2.747</b>	<b>686</b>	<b>49</b>	<b>111</b>	<b>-1.583</b>	<b>-533</b>	<b>-3.165</b>	<b>-1.848</b>	<b>-1.952</b>	<b>-1.584</b>
Total assets (*)	45.389	45.622	1.039	1.294	14.074	16.239	4.369	10.073	64.871	73.229
Liabilities (*)	31.879	32.979	488	713	3.009	5.315	11.923	24.505	47.299	63.512
Acquisition of property, plant and equipment (*)	2.269		2		68		0		2.338	

\* Balance sheet figures at respectively 30/06/2010 and 31/12/2009

## Operating income

Over the first half year (HY) 2010, Thenergo's operating income has decreased from € 19 645 in HY 2009 to € 13 374 in HY 2010. This is explained by (i) a pure price effect on energy sales in the Groeikracht segment on one hand and (ii) by the absence of external project delivery in the Services segment on the other hand.

Operating income in the Groeikracht segment declined from € 17 531 in HY 2009 to € 12 535 in HY 2010. Although the segment saw all of its volumes increasing (electricity +6%, heat +7% and certificates +10%), price decreases on all of these components more than compensated the volume effect that ultimately revenues from electricity and heat proceeds decreased with 41% and 31% respectively. Only certificate sales rose since the price effect was moderate (minus € 2/certificate on average). The increase in production volumes was mainly linked to the higher number of operational plants within this segment, mainly thanks to extensions. At 30 June 2010 23 plants were fully operational in this segment. The operational plants in this segment now represent a gross capacity of 65.9 MW electrical, which is 10% above last year's corresponding figure (59,9 MW electrical).

Operating income increased in the MyPower segment from € 419 in HY 2009 to € 512 in HY 2010. In the first half of 2009 the engine of the Biocogen project was fully revised and therefore production had been down for several weeks in 2009. The engine has been running satisfactory since this revision.

Operating income within the segment Services declined from € 1 693 in HY 2009 to € 296 in HY 2010, which is directly linked to the fact that no cogeneration projects developed and delivered to external customers and associates were commissioned. All projects in back log for external parties and associates were completed in 2009. On the other hand during the first half of 2010 four projects were completed for subsidiaries, of which two extensions to existing installations.

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

Operating income					
For the six month period ended 30 June					
	2010		2009		Variance
Electricity	6.205	46%	10.377	53%	-4.172
Heat	2.055	15%	3.037	15%	-982
CHP certificates	4.682	35%	4.407	22%	275
Green certificates	261	2%	187	1%	74
Development fees & services	149	1%	1.599	8%	-1.450
Other income	21		38		-17
<b>Total</b>	<b>13.374</b>	<b>99%</b>	<b>19.645</b>	<b>100%</b>	<b>100%</b>

Electricity revenues are generated by sales of electricity to both project partners and to the public grid. The portion of electricity sold to the grid is 93% (98,1% in HY 2009), the remaining electricity is sold to local project partners.

The heat revenues fully correspond to the sales of heat to the local partners in the Groeikracht projects.

Energy sales (electricity and heat combined) decreased to € 8 260 in HY 2010 as compared to € 13 414 in HY 2009, following the adverse price effects on both revenue streams and despite the volume increase in electricity and heat production. The portion of energy sales in Thenergo's total Operating income now reaches 61% (68% in HY 2009).

Revenues from CHP certificates, following the higher number of operational CHP plants, increased to € 4 682 in HY 2010, coming from € 4 407 in HY 2009. The number of earned certificates rose with 10%, whereas the average price declined with 5%. Also revenues from green certificates increased from € 187 in HY 2009 to € 261 in HY 2010, thanks to the fact that the Biocogen project was operational for the full HY 2010.

Development fee revenues relate to concept engineering fees charged by Thenergo to all of its projects (both in subsidiaries and non-controlled entities) as remuneration for the project development effort and the concept engineering activities, including ad hoc external sales of CHP installations. There were no development revenues in HY 2010 since all external projects were already issued for completion last year (€ 1 321 in HY 2009).

Next to the development fees, other external fees and commissions are charged (€ 149 in HY 2010; € 278 in HY 2009) with respect to and management & monitoring activities.

Other income mainly relates to rental income in one of the Groeikracht projects..

With respect to the geographical information revenues in Belgium (country of domicile) amounted to € 12 104 at 30 June 2010 (€ 16 843 at 30 June 2009). Revenues are attributed to countries on the basis of the customer's location.

## **Operating expenses**

### **Cost of sales**

#### *Fuel costs*

Thenergo's operational sites, with exception of the MyPower plant (Biocogen), are all of the "Groeikracht" type. The fuel used for the "Groeikracht" plants is natural gas, whilst for the Biocogen plant biogas is used as fuel. The source of the biogas used by Biocogen is coming from a purification process of polluted water.

The purchase of natural gas serving as fuel for Thenergo's Groeikracht plants decreased from € 11 827 in HY 2009 to € 7 031 in HY 2010. Although the volume of purchased natural gas rose with 6,7%, following the higher production output, the favourable price effect was prevailing. Natural gas prices declined with 43% on average.

#### *Project development costs*

Since there were no projects issued for delivery in HY 2010, the costs linked to the project development for external projects, declined from € 1 221 in HY 2009 to € 5 in HY 2010.

#### *Maintenance of engines and installations*

The cost of sales include for € 1 181 costs with regard to the maintenance of engines and installations (€ 1 097 in HY 2009).

#### *Electricity transport and handling costs*

The cost of sales include for € 556 costs with regard to the electricity transport and handling costs (€ 487 in HY 2009).

### **Payroll expenses**

Personnel costs (excluding the share based expense and personnel costs within the discontinued operations as discussed above and disregarding the impact of personnel costs capitalized to projects) remained stable at € 1 719 in HY 2010. The average number of employees in the continuing operations increased to 33 FTEs at 30 June 2010, coming from 31.6 FTEs at 30 June 2009. This increase is mainly linked to the management of biomass/biogas projects. Other functions regard operational management of operational plants and corporate functions.

### **Other operating expenses**

For HY 2010, Thenergo's most important other operating expenses (total amount for HY 2010 is € 973. HY 2009 1 055) relate to :

- third party services , i.e. mainly insurance, accounting fees, legal advice;
- housing, office running & IT related costs .

### **Recurring EBITDA**

Thenergo's Recurring EBITDA decreased slightly from € 2 219 in HY 2009 to € 2 157 in HY 2010. The decrease in the Groeikracht and Services segments (€ -474), was more than offset by a decrease of the negative EBITDA margin in the Holding Segment (€ -1 126 in HY 2010; € -1 552 in HY 2009). In the Holding segment an accrual for personnel expenses and general & administrative costs to be recharged by the operating companies to the holding was reversed following the sale of Leysen.

### **Recurring EBIT**

#### *Amortisations and depreciations*

Amortisations and depreciations increased to € 3 905 in HY 2010 compared to € 2 292 in HY 2009, as consequence of impairments of receivables, mainly in the Services segment (€ 1 006), the Groeikracht segment (€ 617) and Holding segment (€ 283). In the Services and Groeikracht segments these impairments were based on the difficult financial situations of some project partners.

As consequence Thenergo's Recurring EBIT decreased to € -1 748 in HY 2010 as compared to € -73 in HY 2009.

### **Result for the period**

#### *Non-recurring items*

#### *Share based payment*

Thenergo's HY 2010 EBITDA is negatively impacted by a share-based payment expense for an amount of € 83 (€ 438 at 30 June 2009). This expense is a non-cash expense related to the share options granted to key management and personnel. 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.

#### *Loss on disposal of activities*

The loss on disposal of activities comprises the conclusion of the bankruptcy of Cintras for an amount of € 43.

#### *Impairment of assets*

The following assets have been impaired at 30 June 2010: (i) investments in Groeikracht operations Etten-Leur and Lierbaan for a total amount of € 204, (ii) work in progress in the Services segment for an amount of € 19 following the cancellation of a project extension and (iii) impairments accounted for on projects under development (€ 38).

#### *Other non-recurring profits/(costs)*

Other non-recurring costs comprise of severance payments to former executive committee members for an amount of € 148, the cost of a vendor due diligence investigation as commissioned by the Board of Directors for an amount of € 136 and a rectification in the accounting treatment of capital grants in Groeikracht Boecheut for an amount of € -37.

### **Financial result**

The financial result is an income of € 497 in HY 2010 compared to a loss of € 1 145 in HY 2009. This was mainly the result of a € 2 895 gain on the hedge ineffectiveness on forward electricity sales in the Groeikracht segment. On the other hand a cost of € 916 had to be born following the repayment of an interest rate swap concerning Dexia and KBC loans that have been paid off subsequent the sale of Leysen, which had a negative market value at the time of repayment.

**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 investment deduction) and entities that pay income taxes. The tax income is also impacted by the non-recognition of deferred tax assets attributable to tax losses in Belgium. The consolidated income tax charge for the 2010 half year amounts to € 235 compared € 119 for the first six months of 2009.

#### Note 4 – Share capital

Share capital gross	Thousands of €	Thousands of shares
At 31 December 2009	140.057	20.657
Share capital increase through conversion of bond PMV (March 2010)	1.438	705
Share capital increase through payment in cash (March 2010)	1.343	658
<b>At 30 June 2010</b>	<b>142.838</b>	<b>22.020</b>

Transaction costs directly attributable to capital increase	Thousands of €
At 31 December 2009	-11.176
Share capital increase March 2010	-12
<b>At 30 June 2010</b>	<b>-11.188</b>
<b>Total share capital net at 30 June 2010</b>	<b>131.651</b>

On 11 March 2010 Thenergo announced the increase of its capital with € 2.6 million at a subscription price of € 2.04 per share. The transaction resorted under the mandate received by the Board of Directors from the Extraordinary General Meeting on May 27<sup>th</sup> 2009, to raise capital.

The capital increase consisted of an increase in capital in cash of € 1.3 million and the conversion by PMV of 1,343 obligations at an issue price of € 2.04 per share.

In April 2009, ParticipatieMaatschappij Vlaanderen (PMV) invested € 10 million in Thenergo with a convertible obligation (CO). The conversion of the CO takes place at the same time and for the same amount of a capital increase.

The remaining balance of the CO amounts € 6.15 million at 30<sup>th</sup> June 2010 and needs to be converted by no later than 31 December 2010.

#### Note 5 – Financial instruments – market and other risks

At 30 June 2010 no material change of market and other risks as described in note 23 *Financial instruments – market and other risks* of our annual financial statements ended 31 December 2009 took place.

#### Note 6 – Earnings per share

For the six month period ended 30 June	2010	2009	2008
Result of the period attributable to equity holders of Thenergo (thousands of Euros)			
From continuing and discontinued operations	-12.850	-6.440	-4.198
From continuing operations	-2.822	-1.962	-4.558
Weighted average number of ordinary shares outstanding	21.487.408	19.708.436	16.420.593
Earnings per share:			
From continuing and discontinued operations			
Basic earnings per share (Euros)	-0,60	-0,33	-0,26
Diluted earnings per share (Euros)	-0,60	-0,33	-0,26
From continuing operations			
Basic earnings per share (Euros)	-0,13	-0,10	-0,28
Diluted earnings per share (Euros)	-0,13	-0,10	-0,28

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 7 – Discontinued operations

At the end of 2009 Thenergo carried out a thorough strategic exercise and decided to focus on its core activity, the decentralized production of electricity and heat in four well defined segments: MyPower, Groeikracht, Binergy and Tse.AG.

The termination of the jatropho activities in Thailand, end 2009, was a first step in the repositioning of Thenergo.

In the first half of 2010 the focus was further reduced to the decentralized production of electricity and heat in the MyPower and Groeikracht segment.

### *Disposal of Leysen operations*

On 2 April 2010, the board of directors entered into a sale agreement to dispose of Leysen to the Van Gansewinkel Group. The disposal was completed on 3 June 2010, on which date control of Leysen passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit on disposal, are disclosed in note 9 Disposal of subsidiary.

Leysen engages in the collection, processing and trade of waste products, its core activity being the collection of industrial waste using roll containers and skips. The company is also active in household waste collection, hazardous waste treatment, waste collection in the Antwerp harbor and the distribution of secondary fuels.

The proceeds of the sale exceeded the carrying amount of the related net assets and, accordingly, a gain of € 788 was recognized in results of discontinued operations.

The sale of Leysen was a next step and is part of the measures that were introduced by the board of directors at the end of 2009.

By selling Leysen, Thenergo was able to reimburse the total outstanding acquisition debt from the Leysen purchase in 2007. The resulting total debt position of Thenergo decrease with € 15 million of which € 8 million at holding level. Therefore the transaction has a positive impact on the future cash flow of the company. In 2009 the Leysen revenues amounted to € 17.7 million and the REBITDA amounted to € 2.3 million. During the first half of 2010, the Leysen revenues amounted to € 7.9 million and the REBITDA amounted to € 1.3 million.

### *Disposal of tse.AG operations*

On 26 May 2010, the board of directors entered into a sale agreement to dispose of tse.AG. The disposal was completed on 30 June 2010, on which date the control of tse.AG was passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit on disposal, are disclosed in note 9 - Disposal of subsidiary.

Tse.AG was acquired by Thenergo in January 2008 and holds five renewable energy projects. The Ludwigsfelde heating plant is operator of its own power supply system and supplies heat to the industrial estate in Ludwigsfelde. The Ludwigsfelde biomass plant is fuelled by woody biomass. In Elsterwerda Tse.AG holds a public utility supplying district heating to the city of Elsterwerda in two grids. This heat is coming from the Elsterwerda biomass plant, fuelled by waste wood. Finally, in 2009, Biogasanlage Beckum was put into operation. In Beckum sugar beets are transformed into biogas through a process of biological fermentation. This biogas is then used to produce electricity and heat.

In 2009 the tse.AG revenue amounted to € 15.5 million and the REBITDA amounted to € 2.1 million. During the first half of 2010, the tse.AG revenues amounted to € 6.1 million and the REBITDA amounted to € 0.5 million.

The decision to sell the tse.AG activities was taken to reduce future cash-out. The sale will decrease the consolidated debt with € 36 million and won't entail any further impairment on the consolidated income statement.

*Plan to dispose of the Binergy and Greenpower business*

During the first half year, the board of directors initiates several plans to dispose of the entities of the Binergy and Greenpower business. The disposal is consistent with the Group's long-term policy to focus its activities on the Mypower and "Groeikracht" markets.

At 28<sup>th</sup> July the Group entered into an agreement to sell Binergy Ieper, Valmass and Binergy Meer. However the agreement comprises a number of conditions precedent that weren't fulfilled mid August. As a consequence of failure of these conditions Binergy Ieper went into bankruptcy on 17<sup>th</sup> August 2010. An impairment loss of € 9.1 million for Binergy Ieper and € 1.3 million for Valmass was recognised on the reclassification of these operations as held for sale. By accounting for the impairment loss, the net assets value of both companies was reduced to zero. Furthermore, the Group plans to liquidate the Fertikal activities. The Group has not recognized any impairment losses in respect of the Fertikal business at the end of the reporting period. The Binergy business realized a consolidated revenue of € 6.2 million in 2009 and a REBITDA of € 1.3 million. During the first half year of 2010 the Binergy Business generated a revenue of € 1.1 million and a recurring EBITDA of € - 1.09 million.

At date of publication the Group still negotiates with a potential buyer for the Greenpower business. No revenue was generated in the past for the reason that the plant was never start up. No impairment losses was recognized in respect of the Greenpower business.

The loss for the period from discontinued operations is analyzed as follows:

For the six month period ended 30 June (Thousand of €)	Note	2010	2009	2008
Operating income		16.856	20.756	21.289
Operating expenses		-18.419	-23.263	-19.923
Financial result		-1.553	-3.683	-1.385
Share of result of associates		0	-19	319
<b>Result before tax</b>		<b>-3.116</b>	<b>-6.210</b>	<b>301</b>
Income tax benefit/(expense)		-1.823	297	26
<b>Result for the period</b>		<b>-4.938</b>	<b>-5.913</b>	<b>327</b>
<b>Gain/(loss) on remeasurement to fair value less cost to sell</b>		<b>-10.098</b>	<b>0</b>	<b>0</b>
<b>Attributable income tax benefit/(expense)</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Gain/(loss) on disposal of operation</b>	9	<b>1.908</b>	<b>0</b>	<b>0</b>
<b>Attributable income tax benefit/(expense)</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total result for the period from discontinued operations</b>		<b>-13.128</b>	<b>-5.913</b>	<b>327</b>

## Note 8 – Assets held for sale

As described in note 7 the Group is seeking to dispose the Bineryg and Greenpower business and anticipates that the disposal will be completed within 1 year. The assets and liabilities at the end of the reporting period are as follows:

For the six month period ended 30 June (Thc	30/06/2010	31/12/2009	31/12/2008
Assets related to Bineryg business	29.958		
Assets related to Greenpower business	12.934		
<b>Total</b>	<b>42.893</b>		

For the six month period ended 30 June (Thc	30/06/2010	31/12/2009	31/12/2008
Liabilities related to Bineryg business	25.149		
Liabilities related to Greenpower business	11.409		
<b>Total</b>	<b>36.558</b>		

The analysis per segment is as follows:

	Total Bineryg business Thousand of €	Total Greenpower business Thousand of €	Total Thousand of €
<b>Non-current assets</b>			
Property, plant and equipment	23.706	12.127	35.833
Other non-current assets	576	0	576
Investments	54	0	54
<b>Current assets</b>			
Inventories	198	0	198
Trade receivables	575	127	703
Other receivables	3.239	632	3.871
Other current assets	44	0	44
Cash and bank balances	1.565	48	1.613
<b>Assets classified as held for sale</b>	<b>29.958</b>	<b>12.934</b>	<b>42.893</b>
<b>Non-current liabilities</b>			
Long-term borrowings and leases	6.471	302	6.773
<b>Current liabilities</b>			
Short-term borrowings and leases	14.787	9.300	24.088
Trade payables	2.905	1.719	4.624
Other payables	593	0	593
Other current-liabilities	393	88	481
<b>Liabilities classified as held for sale</b>	<b>25.149</b>	<b>11.409</b>	<b>36.558</b>
<b>Net assets classified as held for sale</b>	<b>4.809</b>	<b>1.525</b>	<b>6.334</b>

## Note 9 – Disposal of subsidiary

On respectively 3 June 2010 and 30 June 2010, the Group disposed of the Leysen Group and tse.AG. For more detail we refer to note 7 discontinued operations.

	Leysen Thousand of €	TSE AG Thousand of €
Consideration received in cash and cash equivalents	9.254	0
Deferred sales proceeds	375	0
<b>Total consideration received</b>	<b>9.629</b>	<b>0</b>

The gain on disposal of Leysen and tse.AG at the date of disposal was as follows:

	Leysen Thousand of €	TSE AG Thousand of €
Net assets disposed of	9.136	-16.220
Write-off receivables on disposed entities	0	13.522
Non controlling interests	0	1.590
Other	-295	-12
Total	8.841	-1.119
<b>Total consideration</b>	<b>9.629</b>	<b>0</b>
<b>Gain/(loss on disposal)</b>	<b>788</b>	<b>1.119</b>

Net cash inflow on disposal of subsidiary:

For the six month period ended 30 June (Thousand of €)	2010	2009	2008
Consideration received in cash and cash equivalents	9.254	NA	NA
Less: cash and cash equivalent balances disposed of	-3.273	NA	NA
<b>Net cash inflows</b>	<b>5.981</b>	<b>NA</b>	<b>NA</b>

## Note 10 – Related parties

### Transactions with associates and jointly controlled entities

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

For the six month period ended 30 June	2010	2009	2008
Revenue	149	151	745
Finance income	4	11	14
Other receivables	1.602	870	1.667
Other payables	0	12	46

The revenue realised with associates relates primarily monitoring services provided by the Group to its associates.

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

For the six month period ended 30 June	2010	2009	2008
Operating result	1.557	779	519
Result for the period	1.007	376	231
Non-current assets	12.769	8.488	8.218
Current assets	7.643	3.024	2.730
Non-current liabilities	8.082	5.306	6.601
Current liabilities	7.120	2.183	2.169

#### Note 11 – Events after the balance sheet date

At 28<sup>th</sup> July the Group entered into an agreement to sell Binergy Ieper, Valmass and Binergy Meer. However the agreement comprises a number of conditions precedent that weren't fulfilled mid August. As a consequence of failure of these conditions Binergy Ieper went into bankruptcy on 17<sup>th</sup> August 2010.

At date of publication the Group still negotiates with a potential buyer for the Greenpower business.

#### Note 12 – 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
Binergy Ieper NV	Belgium	75%	75% Cogeneration based on biogas - under construction
Groekracht Abelebaan NV	Belgium	51.56%	51.56% Cogeneration based on natural gas
Groekracht Boechout NV	Belgium	95.54%	95.54% Cogeneration based on natural gas
Groekracht de Boskapel NV	Belgium	51.56%	51.56% Cogeneration based on natural gas
Groekracht Bavikhove NV	Belgium	100%	100% Cogeneration based on natural gas
Groekracht de Markvallei NV	Belgium	100%	100% Cogeneration based on natural gas
Groekracht Marveco NV	Belgium	50.79%	50.79% Cogeneration based on natural gas
Groekracht Merksplas NV	Belgium	100%	100% Cogeneration based on natural gas
Groekracht 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
Thenergo Invest	The Netherlands	100%	100% Holding
Groekracht Prinsenland BV	The Netherlands	95%	95% Cogeneration based on natural gas
Valmass NV	Belgium	60%	60% Cogeneration based on biogas and biomass
Groekracht Zwarthout NV	Belgium	60.11%	60.11% Cogeneration based on natural gas
Groekracht de Blackt NV	Belgium	51.18%	51.18% Cogeneration based on natural gas
Groekracht Bütenspöle BV	The Netherlands	51.11%	51.11% Cogeneration based on natural gas
Groekracht Vremde NV	Belgium	50.79%	50.79% Cogeneration based on natural gas
Groekracht Marvado NV	Belgium	51.26%	51.26% Cogeneration based on natural gas
Binergy 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

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.

The following joint ventures are proportionally consolidated:

Joint ventures	Country	% economic interest	% voting power Activity
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