

Annual Report 2001

EnergieKontor



Table of Contents

| | | | |
|---|---------|---|---------|
| Key figures | 3 | Management Report and Group Management Report for the 2001 Financial Year | 18 - 29 |
| Supervisory Board Report | 4 | Consolidated Financial Statement (IAS) | 30 - 31 |
| To our shareholders, customers and other business friends | 5 | Consolidated Profit and Loss Account (IAS) | 32 |
| Company portrait | 6 - 7 | Notes to the Accounts and to the Group Accounts | 33 - 55 |
| Value creation chain | 8 - 9 | Consolidated Statement of Capital Change (IAS) | 56 |
| Energiekontor in Germany | 10 - 11 | Cash Flow Statement for the Group (IAS) | 57 |
| Our foreign markets | 12 - 13 | Balance Sheet Public Limited Company (HBG) | 58 |
| The future: Offshore wind power | 14 - 15 | Profit and Loss Account Public Limited Company (HGB) | 59 |
| The share price and our wind power funds | 16 - 17 | Auditors' Report | 60 - 61 |
| | | Company Calender 2002 | 62 |
| | | Contact | 63 |

Executive Bodies

Supervisory Board: Markus Jochum (Chairman), Senator (ret.) Jörg Kuhbier, Dr. Hans-Joachim Huss

Board of Directors: Dr. Bodo Wilkens (Chairman), Günter Lammers

Key figures

Key figures for the Group as of 31st December 2001 (IAS)

| | |
|--|------------|
| Sales revenue in Euro'000 | 101,273 |
| EBIT in Euro'000 | 9,024 |
| Earnings from normal business operations in Euro'000 | 10,026 |
| Group profit in Euro'000 | 6,138 |
| Group profit under DVFA/SG definition in Euro '000 | 6,138 |
| Earnings per share under DVFA/SG definition in Euro | 0.41 |
| Equity capital in Euro'000 | 66,541 |
| Equity capital proportion in % | 43.57 |
| No. of (1 Euro) unitary shares | 15,650,510 |
| Cash Flow (Euro'000) | 10,553 |



Supervisory Board Report

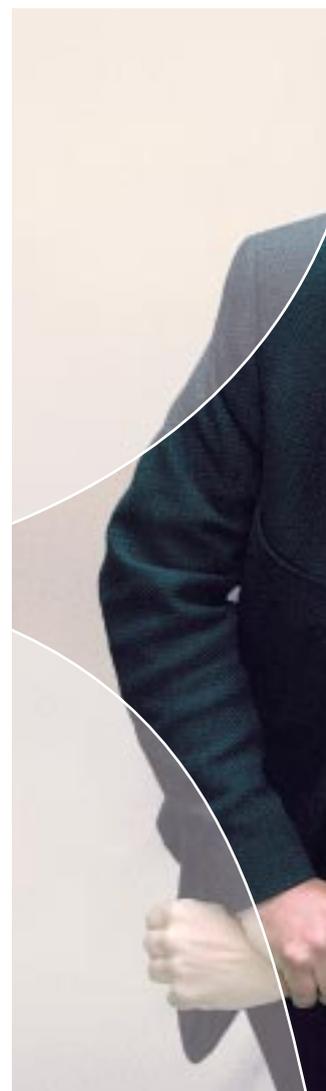
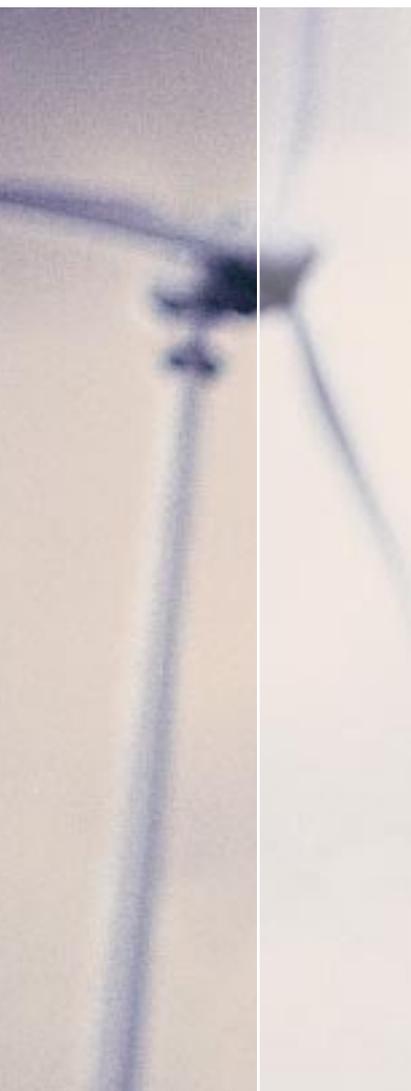
The Supervisory Board of Energiekontor AG fulfilled its obligations during the year under review in accordance with the law and the company's Statutes. At five regular meetings and individual discussions with the Management Board it obtained information about the development of the company and its financial and profit situation. The basic principles of business policy and the main business events, meaning in particular investment and acquisition projects, were discussed in detail with the Management Board.

The Supervisory Board examined the activities for which the law and the Statutes require the Supervisory Board's consent and took its decisions by passing resolutions on them at its meetings or by the circulation of documents. A capital increase based on a cash contribution was carried out on 23rd May 2001 by the circulation of written documents that raised the company's capital by Euro 270,000 to Euro 3,770,000. For the take-over of Energiekontor-WSB-GmbH & Co. Wind-Solar-Bau KG (WSB KG) the Supervisory Board passed a resolution at its regular meeting on 2nd July 2001 to raise the capital on the basis of a contribution in kind. The resolution on the shareholding in L & L Rotorservice as part of a further increase in capital based on a contribution in kind was passed by the circulation of documents on 28th November 2001. The auditing firm of Schmitt Hörtnagl + Partners was elected by the Annual General Meeting and mandated by the Supervisory Board to audit the annual accounts including the bookkeeping and the management report for the 2001 financial year, as well as the Group Report and Accounts, and it issued them with an unrestricted certificate of confirmation. The Supervisory Board has also examined the 2001 annual accounts of Energiekontor AG on its own responsibility, and discussed them in full detail with the auditors at its meeting today. This examination did not give rise to any objections. The company's annual accounts have thus been adopted in accordance with Article 172 sentence 1 of the Aktiengesetz (the German Companies Act). The Group Report and Accounts were duly noted during the course of these discussions. The Supervisory Board has also passed a resolution endorsing the Management Board's proposal for the appropriation of the profit for the year. The members of the Supervisory Board would like to thank the Management Board and the company's employees for their enormous commitment and constant willingness to give their best performance. Without the hard work of all concerned it would not have been possible for the company's successful development to continue.

Bremen, 20th March 2002

A handwritten signature in black ink, appearing to read 'Markus Jochum'.

Markus Jochum
Chairman of the Supervisory Board



To our shareholders, customers and other business friends



Ladies and Gentlemen:

As in every one of the eleven years in our company history, we were able to increase sales during the financial year just finished. Sales revenue for 2001 came to Euro 101,273,000 or about 43.5 percent higher than in 2000 (Euro 70.6 million). This fact seems to us to be particularly well worth mentioning because various delays in the conclusion of projects at the end of the year had a serious impact on sales and profits and brought them well below the level we had estimated in our last quarterly report.

These delays were caused by a change in legislation governing the planning approval for wind farms in Germany that was introduced in August without any transitional period, and are the reason for which the EBIT (earnings before interest and tax) for 2001 came to only Euro 9,024,000.

In 2001 Energiekontor AG took a number of highly significant steps that will secure our further advance into the future. For instance, our first wind farm outside Germany was completed and can be marketed shortly. With this first foreign involvement we are able to offer the German equity market a new and very promising product, and at the same time are writing a new chapter in the history of Energiekontor because construction approval has already been received for further wind farms in Greece, Great Britain, and Portugal.

Our plans for wind farms in Germany are also giving rise to great expectations. Our project pipeline has never been so full of fine prospects based on potential sites, and it is continuing to grow constantly. One contributor here is an acquisition strategy that makes it possible to identify potential locations for utilising wind power very quickly.

Preparations are well in hand and on schedule for opening up a further segment of the market with extraordinarily great potential for the future: the offshore wind farm projects »Nordergründe« and »Borkum Riffgrund West«, both in the North Sea. Environmental compatibility studies are currently being conducted. Various studies have been carried out on the British »Southport« offshore project, and wind measurements have started for the Greek »Porto Lagos« offshore site.

We do not want to miss this opportunity of referring to a matter that recently put Energiekontor AG into the headlines. It involved an offer the company made to some of its customers who had acquired shares in three wind farms. As the income from the wind farms was falling behind the forecasts, the profit was also lower than expected. Nevertheless, the projects are operating profitably, so in the interests of a fair reconciliation of interests we prepared a strategy under which we would buy the shares back from the customers and resell them. We are doing this because we regard reliable collaboration with our partners as the basis for the continued success of the company's work.

Bremen, March 2002

Dr. Bodo Wilkens

Chairman of the Board of Directors

Company portrait

Energiekontor AG –

a company with the wind behind it



Energy demand is continuing to grow all over the world. The dramatic consequences of the emissions of carbon dioxide, which is created whenever oil, coal, or gas are burnt, for the world climate are becoming more and more evident. On the other hand, a large proportion of Europe's total energy requirement could be met in an environmentally friendly manner by wind power stations. Utopia? – yes, but it is the force that drives the employees of Energiekontor AG.

Wind farms with a total output of about 8,750 MW have so far been built in Germany. As one of the pioneers in the industry, Energiekontor AG has had a decisive share in this success. The company was founded in 1990 by Dr. Bodo Wilkens and Günter Lammers. The first Energiekontor wind farm came on stream in 1994, and so far the company has built 40 wind farms with a total of 225 wind power stations and a total output of 225.6 MW. They are thus producing enough energy to provide a city of 370,000 inhabitants with environmentally generated electricity. In addition to this, Energiekontor AG has developed five wind farms with a total capacity of 54.5 MW on behalf of other companies. At the end of 2001 about 190 people were working for the company.

Based on experience gained in Germany, Energiekontor AG made an early start onto the market in the rest of Europe. The first wind farm outside Germany came on stream in Greece in 2001, and construction started in October 2001 on a second one, in Portugal. Construction approval has been received for wind farms in Greece, Great Britain, and Portugal.

The company is currently preparing to make a quantum leap. Wind farms out to sea, or »offshore« wind farms, represent a new priority. Once the wind-driven power stations that Energiekontor has already planned have been built off the coast and can start to feed the electric grid they will not only be making a major contribution to relieving the world climate but also generating a profit. In the same way as the investments in onshore wind farms, these offshore ones will once again ensure that the value of the company continues to rise constantly.

The success of Energiekontor AG, which long ago developed from a pioneer in a niche market into a modern service provider, is not based on ecological consciousness alone but also, and in particular, on technical knowledge, determination, and staying-power – and keen business acumen. Energiekontor was already making profits when that was still regarded on the Neuer Markt as being out of fashion. The motto of Energiekontor AG was after all chosen carefully: »Rethinking is worthwhile«.



Energiekontor AG concentrates on its core competence: wind power. It achieves a high margin compared with the rest of its industry because the whole of the value creation chain is kept entirely within the company.

Acquisition of locations: Attractive locations are viewed all over the country on the basis of well founded technical and business analyses and their potential exploited to the full.

Planning: For each location the company arranges for experts to prepare assessments of the wind conditions, and then negotiates with the local authorities and power utilities. Neighbours and local communities are drawn into the planning process at an early stage. The planning phase ends with approval to build the wind farm.

Erection and construction supervision: The company's own engineers and technicians plan and supervise the construction of the wind farm until it has been commissioned. The company is independent of any one manufacturer for the erection of the wind farm as it regularly signs out-line contracts with a number of manufacturers of wind power stations for the supply and maintenance of wind farms. The contracts leave scope for flexibility in the choice of turbines but at the same time ensure a commercially workable buying-in price.

Financing and sale: Successful planning also requires a solid financial basis. Energiekontor AG plans and secures the entirety of the financing and also puts up the advance finance on its projects. The company offers private shareholdings in the form of shares in a limited partnership (Kommanditgesellschaft) structure. Investors receive personal, professional advice. The »secondary market« has also created a platform for supporting entry into and exit from on-going projects.

Service and operation: The profitability and functional readiness of a wind farm is based on careful observation and maintenance. The company's own technicians check at least twice every day by means of remote monitoring on the state of the wind farms and arrange for any malfunction to be rectified immediately. A stand-by team ensures that this service is available on 365 days every year.



Value creation chain

The basis for high profits

Acquisition, planning, financing, and service all from one source



Energiekontor

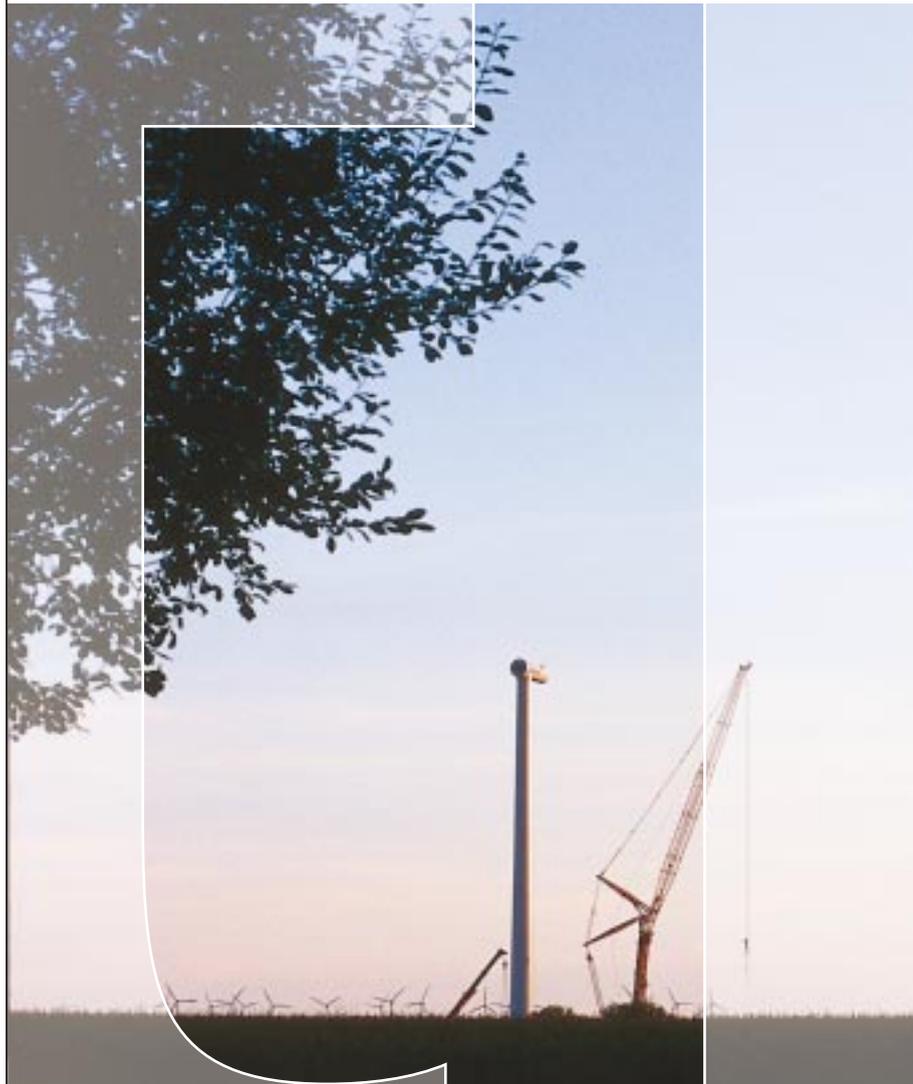
New technology

in Germany

opens up new locations.

Energiekontor AG's first two wind farms went on stream in 1994. Since then the company has planned and developed 45 wind farms, under its own name or for third parties, with a total nominal output of 280.1 MW. Acquisition activities are concentrated on windy regions of Germany north of the line formed by the River Main and mainly in the states of Lower Saxony, North Rhine Westphalia and Berlin / Brandenburg, where there are plenty of sites that can be used for wind farms.

One reason for which locations far from the coast can be used profitably is to be found in the break-neck pace of technical progress that the industry has undergone in the passed decade. Whereas eight years ago wind turbines with a hub height of 40 metres and a rotor diameter also of 40 metres were the norm, installation with a hub height of 100 metres and a rotor diameter of 80 metres are now perfectly normal. The leap in output is colossal: the smaller wind turbines only generated about 500 kW, but the big ones are increasing this to 1.5 or even 2.5 MW, or by more than 300 percent.





Another important reason for which it is possible to open up new locations well inland is this: At a height of 100 metres the wind blows on average 0.3 to 0.4 metres per second faster than it does at a height of 50 metres, which results in a substantial improvement in the profitability of a wind farm. Its increase is exponential at the third power: If the average wind speed doubles, yield increases 8-fold.

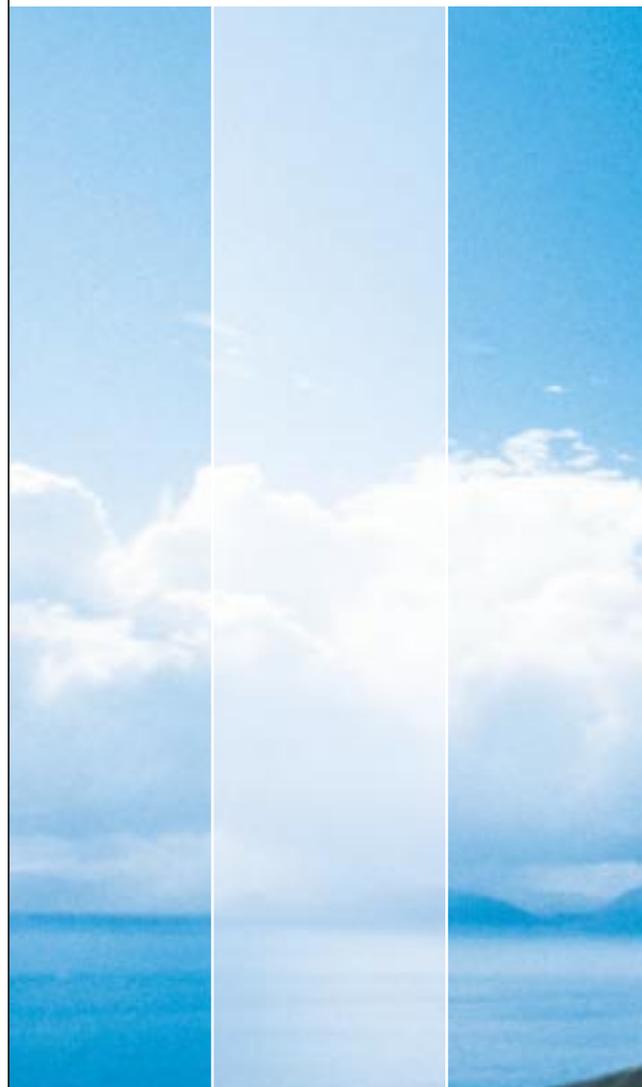
The great increases in profit returns that can be achieved with this improved technology will in future be attainable at numerous locations on which smaller wind turbines were constructed a long time ago, and particularly in the windy coastal locations. This process of »repowering« involves selling the old turbines and replacing the equipment with more modern and far more efficient plants. In some cases it is only the complete »gondola« – the rotor together with its gears and generator – that have to be replaced, but in other cases the height of the tower has to be increased as well. The yield from the wind farm is considerably increased in every case. This new market segment holds the promise of good potential returns in coming years.

European countries outside Germany hold enormous growth potential for Energiekontor AG. Just as it does on the German market, the company aims to gain a leading position in other countries in the wind power field. With the support of the European Union and its target of extending wind energy to 40,000 MW by 2010, and also because of national legislation in more and more states, there is a good, solid basis all over Europe for investments in wind energy. In Great Britain and Spain, for instance, industry studies show that installed wind-power output will grow by several hundred percent by 2004 (source: BTM Consult ApS, March 2001).

The company is a pioneer in other European countries as well, and founded its first subsidiaries in Greece and Portugal back in 1995. These were joined by companies in Spain and Great Britain in 2000, and a further foreign branch has been established in France. The subsidiary companies work locally on planning and carrying out promising projects. For instance, the »Zarax I« wind farm on the Greek island of Evia was the first wind farm in Europe outside Germany to be brought on stream by a publicly listed German wind farm planner. Moreover, construction work started on 9th October 2001 on the Energiekontor wind farm at Trandeiras in Portugal, which will have an output of more than 18 MW and meet the annual energy requirements of nearly 30,000 of the local average households.

The project pipeline also includes one of Greece's biggest wind farms. With 17 wind turbines each generating 1.5 MW the Antirrio wind farm on the Gulf of Corinth will produce a total output of 25.5 MW. Energiekontor AG has also been granted production approval for more wind farms in Greece: for Epanosifi on Crete with an output of 6.3 MW, where construction work could start in the first half of 2002, and for Profitis Ilias in the Peloponnesian islands with 0.6 MW.

The basis for these highly promising projects is the work of the subsidiary companies. Starting as relatively small units with highly motivated em-



Our foreign markets

A pioneer in the rest of Europe as well



employees, in some cases they work alongside local partner companies in order to ensure a rapid market entry. For instance, Energiekontor cooperates in Spain with a number of companies and thus has projects in the pipeline totalling more than 500 MW. Personnel capacity is expanded in parallel with the development of the project. Because it is only specialists who understand the market, the approval procedures, the statutory regulations, and most importantly the mentality in each country who can produce really good work at each location, the company believes in recruiting its employees locally. The aim is to achieve organic growth exactly in line with current requirements. This is proving successful: For instance, the company was itself able to acquire its first sites in the Spanish province of Granada, and this will secure the entire value creation chain from the acquisition of the site to the operational management of the wind farm.

These inhouse acquisitions in particular are carried forward systematically. The company's attention is focused on coastal and mountain locations in Greece, Great Britain, Portugal, Spain, and France. In order to ensure close coordination between the local work and Energiekontor AG's headquarters there is always a national supervisor in Bremen who is in daily contact with the employees on the spot. Project management tools have also been developed to ensure constant synchronisation of targets. This form of »remote control« is a major factor in the success of our pan-European growth strategy.

The company meticulously reviews all background data to avert the danger of projects being held up in the approval process. It only operates in those countries in which there is clear political backing for wind power. In addition to this it also believes in the tried-and-trusted strategy of qualitative growth; the decisive criterion for all project is and always will be the profit return.

The future: Offshore wind power

Innovative technology enables us to exploit
the powerful potential of the sea wind

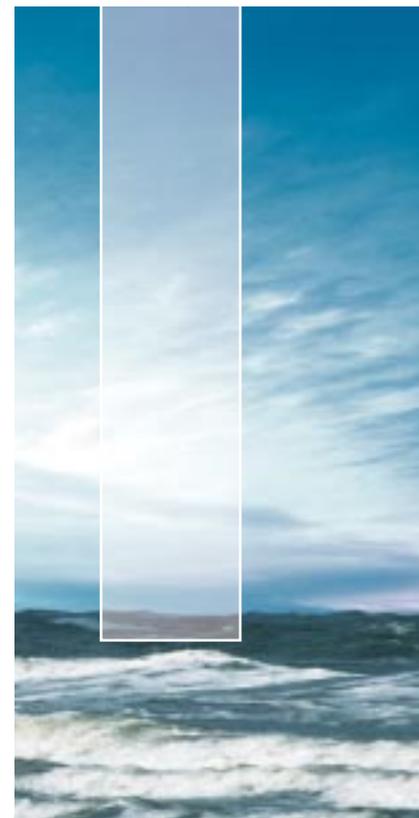


Another growth market for utilising wind power can be found out to sea. The coasts of Europe hold a colossal potential in the form of wind energy. Theoretically the whole of Europe's power consumption could be met by exploiting the resources of the wind. Moreover, the wind at sea holds at least 50 percent more energy than the wind on dry land because its speed is high and its movements are more constant. Constant developments in technology are now making power generation at offshore locations potentially very profitable, and Energiekontor AG intends to have a major share in it.

The company is currently developing three locations in the German sector of the North Sea: »Borkum Riffgrund West«, out of sight of land off the island of Borkum, »Nordergründe« in the Weser estuary, and »White Bank«, north of the island of Helgoland. A fourth location is »Southport«, off the English coast in the Irish Sea, and a fifth is »Porto Lagos« in Greece. Plans are at their most advanced stage for the »Borkum Riffgrund West« and »Nordergründe« projects. Working in collaboration with experienced partners, the company has developed technologically innovative and commercially interesting systems on the basis of which Energiekontor AG is constantly refining its concept for the offshore wind farm. The »Nordergründe« wind farm, for instance, is to supply about 280,000 households with environmentally friendly electricity.

Another important part of the current approval procedures is the environmental compatibility study that has to precede each wind farm project. Energiekontor AG commissions independent experts to carry out comprehensive investigations. Being a pioneer in its industry, the company purchased the offshore exploration ship »LaCour« in the spring of 2001; she is fitted out, amongst other things, with the necessary instruments and laboratory equipment for analysing samples of water and from the sea bed immediately on board. Investigations into the fish and bird life can also be carried out as well as seismic explorations.

The knowledge that is being gained from these extensive investigations confirm the original assessment that workable sites for offshore wind farms can be found in the areas under exploration. The exploitation of the enormous wind energy potential of the seas around Europe is thus coming tangibly closer.



Everybody knows that 2001 was not a particularly good year on the stock market. The DAX actually dropped 18 percent during the course of the year and the NEMAX AllShare index by as much as 56 percent. Not even Energiekontor AG shares were able entirely to escape this market pressure. Starting at the beginning of 2001 at Euro 21.16, by the end of the year the price was Euro 11.55. All the same, most share analysts agree that it was mainly the negative market environment that had put the share price under pressure, and not the fundamental data from the course of the business.

Because of relentless optimisation in the production and the yield of wind power stations, the cost of generating electricity from wind power is falling at a rate of about 3 to 5 percent every year. Technical progress, rising profitability, an incipient international boom, and the broadening of the technical usefulness of energy from wind power will guarantee the industry – and Energiekontor in particular – a long-lasting up-swing. This will open up promising prospects for investors, and at the same time will assure Energiekontor AG shares of favourable conditions for an enduring upward trend in the share price when the market environment improves.

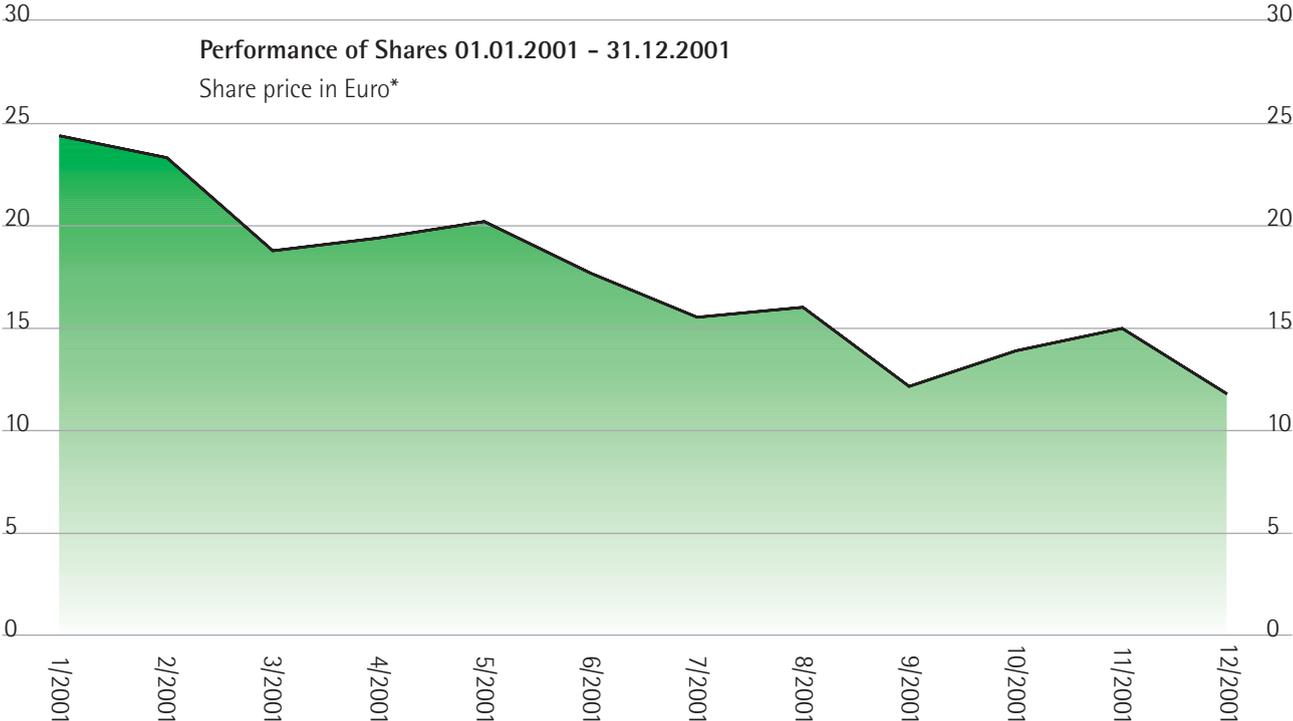
In addition to participation in the success of Energiekontor AG via its shares, the company also offers another interesting investment possibility: shares in a wind farm that Energiekontor has already completed. These are the actual »finished products« of the Energiekontor Group. A separate company is established for each wind farm, and investors who are interested can participate directly in them. This is known as a »closed fund«. Shareholdings are mainly available in multiples of Euro 10,000. The power generated by the wind farm is fed into the national grid and paid for accordingly. This income provides the investor with an interesting potential return. Financial participation in a wind farm normally covers a period of ten to 20 years.



The share price

Profit opportunities in two areas: on the stock exchange and with Wind Power Fund

and our wind power funds

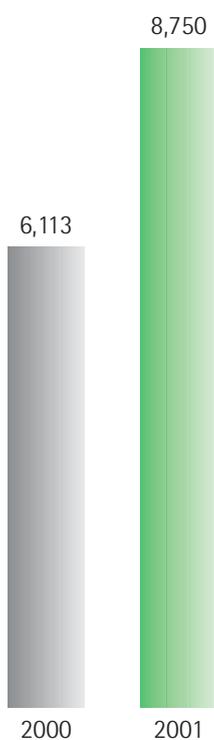


*according to share-split on 7th November 2001

Source: Deutsche Börse AG

Management Report and Group Management Report for the 2001 Financial Year

Installed capacity
in Germany in MW



1. Situation in the industry and course of the business

Regenerative energy sources continue their advance

Electricity from wind power is still Germany's leading source of renewably generated power. In 2001 wind power stations were installed with a total output of 2,659 MW (source: German National Federation for Wind Energy, BWE). Compared with the rate of new construction in 2000, when 1,668 MW was installed, this represents a growth rate of about 59 percent. According to information from the BWE, on 31st December about 11,500 wind power stations were operating all over Germany with a total installed output of about 8,750 MW. Compared with the situation at the end of 2000, this represents an increase of about 44 percent.

The rate of increase in the German growth rate in 2001 represents just on its own about 57 percent of the increase in the installed base in the whole of Europe, and even about 38 percent of the newly built capacity in the world, which came to 7,000 MW last year (source: BTM Consult ApS).

In a normally windy year it is possible for the wind turbines installed in Germany to cover just about 3.5 percent of total power consumption in this country. It is the intention of the German Government that 10 percent of power production should be coming from wind power by 2010, and as

much as a quarter by 2025; within this segment, 60 percent should be coming from offshore wind farms. This would mean that about 15 percent of total electricity production in Germany would be coming from somewhere out at sea.

The »Renewable Energy Priority Act«, which has been in force in Germany since 1st April 2000, makes sure of investment in the industry. According to the latest rulings handed down by the European Court of Justice, German regulations on feeding in electricity from renewable sources do not represent any concealed state subsidies and thus do not violate the European Union's principle of the free movement of goods. The remuneration rates under this Act are limited to 20 years, differentiate by location, and are constantly being adjusted to bring them into line with current commercial and technological possibilities. Technical progress on wind power stations is also leading to the cost of generating power from wind is falling at a rate of up to 5 percent a year. Assuming a constant trend, the production cost of electricity from wind power can be forecast to fall possibly within the current decade to the same level as for fossil fuels – but wind power avoids all their disadvantages such as the atmospheric pollution from CO₂ emissions that these entail, and the foreseeable exhaustion of these reserves of energy.

In addition to the planned offshore projects, foreign markets for the German windenergy industry are another important growth factor.

Industry observers expect annual growth rates for the whole European region to be over 20 percent from now until 2010, by which time some 80,000 MW of output will have been installed, one important reason for this being that in most European countries similar minimum-price regulations apply to those in Germany.

At the end of the year under review Energiekontor AG was operating not only in Germany but also in five other European countries, where it was represented by subsidiary companies: in France, Greece, Great Britain, Portugal, and Spain. Because of the already high proportion of wind energy within the German energy mix, the field of repowering will become more and more important in the medium term.

The replacement of smaller plant by more modern and more efficient units and the replacement of components to increase output will play an increasingly important role in the value creation chain of the wind farm developer. Energiekontor has already carried out repowering projects on some of the wind farms that it originally erected.

However, wind energy does not just symbolise the environmentally friendly generation of electricity; it is also an important element in the jobs market. According to BWE figures, the whole industry is now employing about 35,000 people, one in five of whom was taken on during the year under review. This means that the industry is developing in the opposite direction to the

current trend on the jobs market. Per capita sales revenue in the industry is about Euro 100,000.

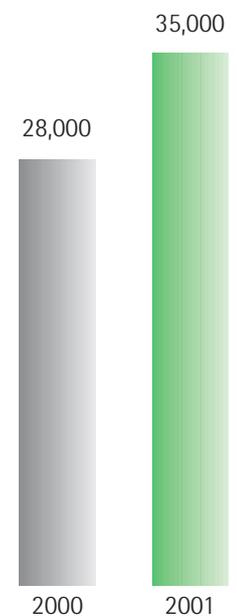
Capital market

Despite all the records that wind energy was able to break in 2001, the price on the stock market of its publicly quoted shares took a far less satisfactory course than in 2000 as a result of the generally poor capital market environment. Although Energiekontor shares had increased their price by 290 percent at the end of the year from their price at floatation on the stock exchange in May, even they were unable to hold on to it during the year under review. Compared with the closing price in December 2000 (Euro 21.00 after elimination of the share split), by the end of the year under review it had fallen by 45 percent. Its closing price on 28th December 2001 was Euro 11.55.

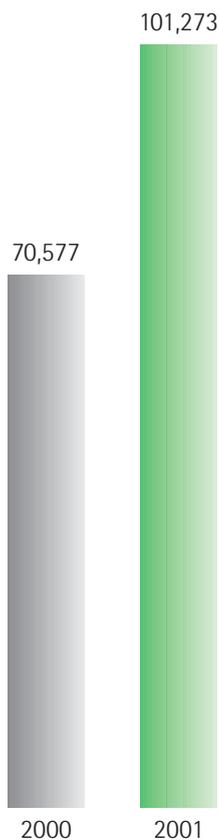
Share split

On 7th November 2001, 11,693,691 new Energiekontor AG shares were released for trading on the stock market. The Annual General Meeting on 23rd August 2001 had amongst other things passed a resolution to raise the basic capital from Euro 3,897,897 by Euro 11,693,691 to Euro 15,591,588 by converting part of the capital reserve shown in the balance sheet as of 31st December 2000. As a result, the AGM decided to redistribute the basic capital in such a way that each of the older unitary bearer shares with a theoretical share of the basic capital of Euro 1.00 per share would be replaced by four new unitary

Employees in the wind power industry



Group revenues
in Euro'000



shares. This would result in the basic capital being divided into 15,591,588 unitary shares. The relevant amendment to the Statutes was entered in the Commercial Register maintained at the Local Court of Bremen on 9th October 2001.

The completion of the share split also necessitated a change in the stock exchange listing. The pricing of all Energiekontor AG shares (WKN 531 350) on the Neuer Markt of the Frankfurt Securities Exchange was changed over with effect from 7th November 2001. This did not make any change to the share held by each shareholder in the basic capital of Energiekontor AG.

Group sales and operating profits (IAS)

Energiekontor was able to continue on its growth course during the 2001 financial year that has just come to an end despite the delays caused to several projects by changes in statutory regulations. The Group achieved a consolidated sales revenue in the year under review of Euro 101,273,000, thus increasing the previous year's sales figure of Euro 70,577,000 by about 43.5 percent. The main contributors to this consolidated sales revenue figure were the sales on a turnkey basis of complete wind farms and revenue from planning work totalling Euro 94,446,000. Sales of services in connection with the sale and establishment of wind farm operating companies came to Euro 5,535,000 in the year under review.

Energiekontor Windkraft GmbH contributed Euro 1,025,000 to total sales with revenue from operational management. This includes revenues from the technical and business management of wind farms.

Personnel costs considerably on account of the increase in numbers employed and reached Euro 6,480,000 (2000: Euro 4,465,000). The acquisition of subsidiaries brought in 71 additional employees as of December 2001.

Other operating expenses amounted to Euro 3.543 million. This represented an increase of 52.3 percent over the preceding year, and was caused in particular by the operation of the newly acquired exploration ship »LaCour«, by increased rent expenses for the new business premises in Bremen, and by the increased commission payable on the increased sales. As a result of the non-trading results of Euro 1.029 million and the more favourable tax rate, and despite the lower EBIT, the Group profit for the year was Euro 6.138 million and thus higher than the preceding year's figure of Euro 5.600 million.

One reason for the previous year's EBIT of Euro 10.6 million having sunk to Euro 9.024 million is that revenue from services, which brings in a much higher margin than construction work, fell both absolutely and as a proportion of total sales. This in turn was due to the delay already described in the timing of project handovers, which determines when these services can be invoiced.

A change in the approval procedure also resulted in the postponement of the erection of two projects during the current financial year. The expenses already incurred during the year under review were not matched by any income from erecting and selling the wind farms. The margins on projects that Energiekontor buys in were likewise smaller than those from wind farm locations that the company itself acquired.

Non-trading results

The liquidity from the stock exchange floatation and the cash capital increase carried out during the year under review was largely retained and led to interest income of Euro 1.700 million. Taking interest expenditure of Euro 0.671 million into account, this resulted in financial earnings of Euro 1.029 million.

Investments

Investments in software and tangible assets totalling Euro 453 thousand were made during the year under review in connection with the increase in numbers employed and the removal to Bremen.

In preparation for the initiation of projects for offshore wind farms, an exploration ship, the »LaCour«, was purchased for Euro 621 thousand.

The acquisition of the majority of the shares in three companies, Energiekontor-WSB-GmbH & Co. Wind-Solar-Bau KG and the two L & L Rotor-service companies, which was based on a cash contribution in kind, resulted in an increase in the scope of the consolidation.

Take-over of Energiekontor-WSB-GmbH & Co. Wind-Solar-Bau KG

The company's Supervisory and Management Boards passed the necessary resolutions in July 2001 to take over Energiekontor-WSB-GmbH & Co. Wind-Solar-Bau KG (WSB KG), a company based in Bremerhaven and operating in the field of wind farm planning and mainly developing projects outside Germany. The main components of WSB KG project portfolio are wind farm projects in Portugal and Greece. The purchase price of about Euro 9,080,700 was paid in kind in the form of Energiekontor AG shares from the Capital I approved by the Annual General Meeting on 6th March 2000. The share capital of Energiekontor AG was thus increased by Euro 127,897 from Euro 3,770,000 to Euro 3,897,897. As is usual in the case of any capital increase in kind, the shareholders' subscription right was suspended under Article 186 (3) of the Aktiengesetz (Companies Act).

Shareholding in L & L Rotor-service

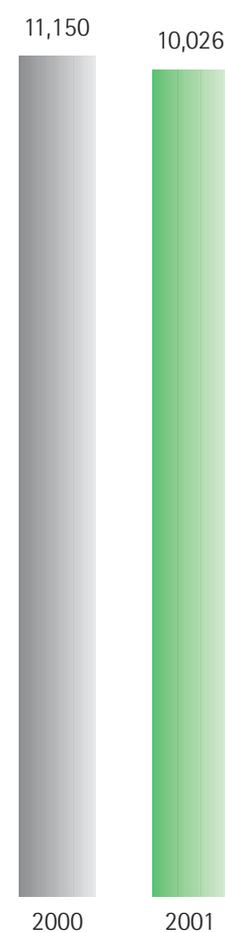
The contract for the integration of a 55-percent shareholding by the company in L & L Rotor-service, a company based in Hipstedt (near Bremerhaven), was signed on 30th November 2001. L & L Rotor-service sells a wide range of services stretching from the cleaning and repair of rotor blades and the modernisation of towers to the complete in-

stallation of wind power stations. Its customers include a large number of wind farm operating companies whose equipment comes from virtually all the main manufacturers. It has five service and repair centres in Germany and currently two abroad, in Spain and Portugal – two of the countries in which Energiekontor AG is planning major wind power projects. The shareholding in this company supplements the Energiekontor Group's existing fields of business and will enable the collaboration already existing between the two companies to be intensified. All in all this shareholding represents an extension of the Energiekontor Group's value creation chain and will also provide the opportunity for exploiting synergies and reducing costs. The purchase price of about Euro 925,000 was paid in Energiekontor AG shares from the capital increase approved by the AGM on 23rd August 2001 and represented a capital contribution in kind. This meant that Energiekontor AG's basic capital was raised by Euro 58,922, from Euro 15,591,588 to Euro 15,650,510. As is usual in the case of any capital increase in kind, the shareholders' subscription right was suspended under Article 186 (3) of the Aktiengesetz.

Capital increase in cash

The company placed 270,000 junior shares in June 2001 from a capital increase based on a cash contribution. This raised the basic capital of Energiekontor to Euro 3,770,000. The capital increase took the form of a placement of Energiekontor shares with institutional investors in Germany and other countries. The shareholders' subscription right was suspended under Article 186 (3) sentence 4 of the Aktiengesetz. Because of the lively interest aroused by these junior shares it proved possible to place them at a price close to the stock market price without any significant discount. The final subscription price was Euro 72 (or Euro 18 if the split is eliminated). The shares were first quoted on 13th June 2001. The new unitary shares will be fully entitled to dividend for the company financial years from 1st January 2001 onwards.

Group result before tax
in Euro'000



Employees

A total of 190 people were employed in the Energiekontor Group on 31st December 2001. This includes 71 employees of the L&L Rotorservice Group in which Energiekontor acquired a majority stake on 30th November 2001. These figures represent an increase of 40 percent over the preceding year (organic growth, excluding the acquisition of subsidiaries). The staff consists mainly of graduate engineers, economists, and administration specialists. In Energiekontor's subsidiaries in France, Greece, Great Britain, Spain, and Portugal preference is given to hiring local employees who are familiar not only with the requirements of local business activities but also with the German way of doing business. The great majority of these employees are paid a fixed monthly salary and a performance-related bonus. By these means Energiekontor aims to increase the employees' motivation and their self-identification with the company. The variable portion of their salary is based on key figures defined in accordance with each person's function and area of responsibility. Targets derived from corporate plans are set for each of these key figures at the beginning of each financial year.

A stock option programme arranged in two tranches and designed for the majority of the employees was approved at an extraordinary general meeting on 12th April 2000 with the consent of the Supervisory Board. The aim of this programme is to gain the long-term loyalty to the company of employees and managers and further to increase their motivation. The option can be exercised at any time from the date on which it is granted during a window of time lasting one month from the end of the AGM provided that the other conditions of the stock option plan are met, but subject to a lock-up period of two years from the date on which the relevant option rights are granted. The options are totally forfeit if they are not exercised within a period of five years after they are granted. The prerequisite for exercising the option rights is that the stock market price of Energiekontor shares at the time when the option is exercised

must be at least 200 percent of the price fixed on the Neuer Markt when the shares were placed under the IPO in 2000.

An increase in conditional capital was approved at the AGM on 23rd August 2001 that is to be used for extending the stock option programme and for Energiekontor AG to acquire its own shares. We would like to thank our employees expressly for their hard work and fine performance, without which it would not be possible to continue shaping our future successfully.

Sales trend and operating profit of Energiekontor AG (HGB standard)

Energiekontor AG places its salaried staff at the disposal of its German subsidiaries. The increase in numbers employed by the AG to 127 as of the closing date for the 2001 accounts led to increases in revenue from the provision of staff (by Euro 1.958 million) and in personnel costs (by Euro 1.658 million).

Other operating expenses in the AG increased by about 160 percent to Euro 2.9 million. The costs of the capital increases in 2001 totalled about Euro 1.048 million. In the preceding year the costs of the IPO (Euro 2.315 million) had still been below the extraordinary income in that year. The operating costs for the exploration ship »LaCour« came to about Euro 0.488 million.

Energiekontor AG's income from equity holdings

Energiekontor AG has entered into profit-transfer contracts with a number of subsidiary companies. During the year under review profits totalling Euro 8.560 million (2000: Euro 8.889 million) were transferred to the AG.

2. Company situation

2.1 Group situation (IAS)

Asset structure

A total of six subsidiary companies were founded during the year under review, and two companies were acquired. The acquisitions of Energiekontor-WSB-GmbH & Co. Wind-Solar-Bau KG



led to the capitalisation of a goodwill value of Euro 6.844 million. The goodwill value of the shares in the L & L Rotorservice Group came to Euro 0.887 million.

Operational current assets also increased considerably during the year under review. The increase in stocks is attributable to the acquisition and storage of parts for wind power stations. The increase in trade accounts receivable (Euro 64.995 million) above the preceding year's figure (Euro 36.389 million) is mainly due to the high stock levels and advanced degree of production of the wind farms that have not yet been handed over.

The other assets (Euro 17.898 million) consist mainly of short-term equity prefinancing of the operating companies.

Financial situation

One capital increase on the basis of a cash contribution and two on the basis of contributions in kind took place in the AG during the year under review. The capital increase in cash brought Euro 19,440 million in liquid assets into the AG. The costs of placing these shares (after tax) of Euro 644 thousand were charged against capital reserves in the Group in compliance with IAS. Equity capital increased during the period under review by a total of Euro 33.843 million. The number of shares was increased through the issue of free shares in the ratio of 3:1 to 15,591,588.

The cause of the increase in accounts payable to banks and trade accounts payable was the increased financing requirement for the large number of wind farm projects.

2.2 Energiekontor AG (HGB)

Asset structure

The formation and acquisition of new subsidiary companies in Germany and other countries led to an increase in the balance sheet total at Energiekontor AG as well and to longer-term capital being tied up. Accounts payable netted out for the whole of the consolidated group serve to finance the subsidiary companies. The »Other assets« item contains the loan to wind farm KG-companies for the initial financing of their own equity.

Financial situation

The dominant feature of the AG's financial situation is the three capital increases that have already been explained. One reason for which the capital reserve differs from that in the Group accounts is that it was agreed during the acquisition of the shares in the L&L Rotorservice companies to maintain the book value under commercial and tax law, but the IAS accounts require a different treatment.

Also, the costs of the cash capital increase (before tax) of Euro 1.048 million was not offset in the accounts under the German HGB standard against the capital reserve but was booked with profit impact.





Outline contracts with manufacturers of wind power stations

Energiekontor AG is still independent of any one manufacturer in the construction of wind farms. For turnkey projects the company regularly enters into outline contracts with various manufacturers of wind power stations for the supply and maintenance of the installations. These contracts give Energiekontor AG plenty of scope in selecting the turbines while at the same time ensuring profitable buying-in prices.

The collapse of the American Enron Corporation, to which the German company of Enron Wind GmbH indirectly belonged, has had no effect on the wind farm projects initiated by Energiekontor. The outline contract still in force at the end of the year between Energiekontor and Enron Wind GmbH for the supply of wind turbines has been fulfilled as agreed.

Growth through internationalisation

The Energiekontor Group is pursuing the internationalisation route in order to ensure the long-term growth of the company. A French subsidiary was founded in Toulouse during the year under review, and this means that the Group is represented in six European countries: Greece, Great Britain, Portugal, and Spain, as well as France and Germany. These countries represent the markets of the future for wind power with above-average growth forecasts. The personnel in the Group companies in these countries was further strengthened where necessary during the financial year just ended. The first wind farm to be erected by Energiekontor AG outside Germany came on stream in Greece in April 2001; the »Zarax I« wind farm on the island of Evia with its five Enercon E40/600 kW wind turbines and a total output of 3 MW is expected to start operation in the first half of the current financial year. Energiekontor can operate this wind farm and the majority of the subsequent foreign projects under existing double-taxation agreements using the tried-and-trusted »Kommanditgesellschaft« (»KG« or »limited partnership«) model in Germany as a closed wind power fund. Other projects in these countries are expected to follow before the end of 2002. All in all the company is assuming that with effect from the current financial year the share of sales accounted for by projects outside Germany will continue to rise.

Research and development

Energiekontor's research and development activities lie principally in the field of offshore technology. The prospect of building wind farms out at sea is opening up new potential locations for the company and thus also further growth opportunities. Offshore wind farms enjoy the higher and more constant wind speeds at sea which deliver a higher energy yield. The company has highly qualified employees for this part of the business who are currently planning three projects off the German North Sea coast and two projects in other countries, one of which is located in the Irish Sea. R & D activities will be concentrated in future to a limited extent within this offshore department. In 2002 our specialists are working together with suppliers on the development of a lower-cost foundation concept and profitable cable routing.

Shares held by members of the Supervisory and Management Boards

At the end of the period under review the two directors, Dr. Bodo Wilkens and Günter Lammers, each held 5,031,100 unitary bearer shares. These represent 64.54 percent of the basic capital of Euro 15,591,588. One member of the Supervisory Board, Dr. Hans-Joachim Huss, held 780 shares in Energiekontor AG during and up to the end of the period under review. The two other members of the Supervisory Board, Markus Jochum and Jörg Kuhbier, did not hold any shares in Energiekontor AG during or at the end of the period under review. The shares carry full entitlement to participate in profits from

the financial year running from 1st January to 31st December 2001 and thereafter. None of the members of the Supervisory or Management Boards undertook any securities transactions for which notification is mandatory during or up to the end of the period under review.

As part of a securities loan one director, Dr. Bodo Wilkens, made 63,948 shares available under trusteeship and the other, Günter Lammers, 63,949 shares. The sole aim of this action was to facilitate the handling of the transaction for the take-over of WSB KG. The same numbers of shares were transferred back to these directors once the capital increase had been carried out on 26th July 2001.

3. Planning and risks

Company development

The enormous commercial potential for the company in Germany and other countries, on dry land and out at sea, obviously also harbours risks which Energiekontor AG attempts to incorporate diligently into its business processes. The principal potentially negative factors affecting the business are changes in legislative provisions and basically legal problems that could have an unfavourable impact on the project planning. This also includes the »delay risk« in planning-approval proceedings. There are also product risks, the risks inherent in the financial market, and general country risks including possibly currency risks in non-Euro countries resulting from Energiekontor's increasingly international commitment.

Acquisition of locations in Germany and other countries

The coming years will continue to be dominated for Energiekontor AG by continual growth, and the company will be concentrating totally on the profit situation. For this company, profit is the most important target dimension. Assumptions for the achievement of this target are still the possibility of acquiring sufficient sites for the installation of the planned wind power output and a smooth flow in the planning-approval procedure. In Germany and other countries, Energiekontor will be concentrating on acquiring sites for itself. Now that most of the coastal locations in Germany are already occupied by wind power stations, locations inland will now be used because continual improvements to wind power stations now makes them profitable. In the long term, however, these locations will become scarcer. Energiekontor AG is increasingly replacing the older equipment in existing wind farms with new and more efficient turbines (»repowering«). The company is already operating in this business field.

The company has become aware during the financial year just finished that projects that are bought in at various different stages in their planning may contribute to achieving the sales target but are not suitable for optimising margins. Its own acquisition of sites has therefore been set on a broader basis to cover all suitably windy areas north of the River Main.





The company is also pressing ahead with acquisition of further sites in other countries, concentrating mainly on coastal and mountain sites in Portugal, Greece, Spain, and Great Britain. Our activities in France in the year under review will be supplementary. This market will now be examined in more detail.

Employees

If Energiekontor is to continue to be successful, it will require employees with sufficient qualifications and motivation as they are the key to the company's success. Additional efforts will be needed in future to integrate these new employees. The growth in the number of employees during the year under review was about 40 percent over the level in 2000.

Offshore

Another priority will continue to be the acquisition, planning, and implementation of offshore projects in German and other countries' waters. During the year under review the company deployed its own research vessel »LaCour« on extensive investigations related to the »Borkum Riffgrund West« and »Nordergründe« projects in the North Sea. An assessment of the risks and opportunities in the offshore field is currently being carried out. These offshore projects will represent a quantum leap for the company in terms of installed output and investment volumes. The planned Borkum and Nordergründe projects will provide about 2,000 MW between them once they reach their final extent. Construction work on the pilot stage could start as early as 2005. The third project in the German sector of the North Sea, »White Bank«, is envisaged as producing another 800 MW. The investment volume on these three projects together will be of the order of Euro 4 billion. The option on using the site for the planned »Southport« wind farm in the Irish Sea, which Energiekontor obtained from the Crown Estate during the year under review, will enable a wind farm to be built with a capacity of 100 MW and an investment volume of about Euro 128 million.

Risk reporting

In order to ensure that Energiekontor is not exposed to any uncontrollable dangers, potential risks are identified with the tools of a risk management system, categorised under types of risk, monitored, and minimised as far as possible. The risk management system was prepared in 2000 and put into virtually full use in the year under review. The strategic processes and business risks thus identified have been systematised and supplemented by an indicator system from which a systematic risk minimisation/avoidance strategy can be derived. When the individual risks are being assessed a check is made on whether and to what extent they can be managed. The yardstick for the assessment of risks is always the degree of probability that the company's assets or even its very existence will be threatened. The risk management system used in this case is monitored by the financial control function

and the latest developments are discussed regularly at meetings of the Management Board and the senior managers. The company's most relevant core risks and product risks are described below.

Fundamental legal problems

If existing usership contracts for plots of land were faulty and the operation of existing wind farms therefore had to be interrupted, this could endanger the profitability of the project concerned. All usership contracts into which the operating companies enter are therefore scrutinised minutely by lawyers and by the banks that are putting up the loans. In addition to this, easements are entered in the Land Register for each German project. It is not impossible that neighbours and those interested in nature conservation may raise objections, and this is a problem area that every wind farm project developer has to face. Energiekontor AG examines problems of this kind right back at the exploration and acquisition phase and takes them into account whenever necessary during the further stages of the planning process.

Delays can also occur during the approval process and hold up the implementation of a wind farm project even at relatively advanced stages of planning.

Tax legislation and building law

Tax legislation is subject to constant changes, which necessitates the ability to react flexibly in the commercial design of wind power projects. The change to Article 2b of the Einkommensteuergesetz (the Income Tax Act, which also governs certain aspects of company taxation) in 2000, for instance, meant that programmes designed primarily to enable investors to optimise their tax liability through tax-deductible depreciation are now no longer being pursued. The focus of the commercial concept for Energiekontor projects, however, is on the highest possible distributions. Changes to building law with disadvantageous

consequences for the approval of wind farm plans represent a further potential risk for the company.

Supplier and the capital market

One risk that can never be completely eliminated is series faults in wind-driven power stations, and this is a risk that cannot usually be offset by any insurance cover. Although expert assessments of wind conditions are drawn up for potential sites by experienced scientific institutes, actual wind conditions can differ from the findings of the assessment. In order to minimise this risk the company carries out »wind consensus estimates«, and a second external assessment is also obtained. Additional wind measurements are also taken for those sites that present a particularly complex picture.

Drastic changes on the capital market resulting from sudden increases in interest rates can also jeopardise the profitability of new projects, and this is another risk that cannot be entirely ruled out.

Product risks/profitability of wind farms

The prospectuses for the sale of shareholdings in Energiekontor wind farms are subject to constant further development. They include a comprehensive description of the potential risks inherent in any entrepreneurial participation in a wind power fund. The appropriate prospectus audit reports are available on the prospectuses issued by Energiekontor. Nevertheless, the possibility cannot be entirely ruled out that investors who have made a capital contribution to a Kommanditgesellschaft company operating an Energiekontor wind farm could sue the company or its subsidiary as the contractual partner. The grounds for the action might be lower returns than those forecast in the prospectus, which in turn might be due to less favourable wind conditions than those reported in the expert assessment. In order to keep this risk to a minimum, amongst the steps that Energiekontor takes are





to carry out plausibility studies on neighbouring wind farms, to deduct an adequate safety margin, and to carry out wind measurement in difficult topographical terrain.

Other countries

The markets in Europe and some non-European countries present a great growth potential for Energiekontor AG. The risks inherent in any international commitment lie in the local imponderables and a generally greater degree of legal uncertainty in some of the company's target countries. In addition to this, the company can become dependent on local partner companies when it enters into local cooperation agreements. Also, the maintenance and management of wind farms that we build in other countries can prove to be more difficult than here in Germany. In order

to minimise these risks the company already set up its own offices some time ago with local employees who are familiar with the local mentality and legal system and customs. For instance, they can coordinate the deployment of service teams locally. The technical operations are managed from Germany as far as possible. Double-taxation agreements might be changed in such a way that the projects we have planned abroad could suffer a negative impact on their profitability.

Offshore

Energiekontor's offshore projects harbour risks regarding an approval procedure situation that is not yet fully clarified. The company is therefore pursuing a policy of project diversification in this business field by acquiring and planning projects in as many different countries as possible. In order to keep the technical risks of wind parks out at sea as low as possible, Energiekontor is already working in the planning phase with experienced suppliers, research and consultancy organisations, and manufacturers.

4. Prospects and miscellaneous

Concentration on the core competence of wind energy

In 2002 the company will be concentrating particularly on acquiring wind farm locations for itself as part of its value creation chain. This procedure is more profitable than buying projects at various different planning stages. This has been shown by experience gained during the year under review. Nevertheless, the possibility still exists of acting flexibly in individual cases and taking over a project that is still at the planning stage, but this will be subject to the precondition that it meets the quality criteria that Energiekontor defined in a checklist during the financial year just finished.

In foreign countries the centre of focus will be completing the wind farms on schedule that are planned for 2002. As with the German projects, a particularly close eye will be kept on systematically optimising the margin. All in all the company is assuming that from the current financial year onwards the proportion of foreign projects will increase. The Greek »Zarax I« wind farm is to be marketed during the first half of the year, and a start will be made on erecting the wind turbines at the Trandeiras wind farm in Portugal. Energiekontor is expecting approval to be granted to build a number of projects in other countries, and construction work to begin all depending on the progress of the project.

Energiekontor AG will be pushing ahead resolutely throughout the current financial year with its offshore projects. A number of investigations initiated during the year under review will be completed during the current financial year and will then be evaluated. These investigations are a component part of the investigation framework that was defined at the application conferences. During the current financial year Energiekontor is now expecting to reach the application con-

ference on the third German offshore project, »White Bank« in the North Sea. The company is examining some promising offshore sites in other countries for basic feasibility, and already holds an option on a first project in Greece that should lead to 160 MW of capacity if it proves possible to implement and operate the wind farm profitably.

Business-Planning

For the 2002 financial year the company is assuming that a growth trend will continue. However, in accordance with the existing experience the company expects a more conservative development. Therefore, the business-plan is currently being updated to meet the expected future conditions of the market. The new business-plan will be published by the company upon its completion.

Events subsequent to the closing of the accounts

At the end of January 2002 the shares of all wind farm planning companies came under heavy pressure as a result of press articles stating that Energiekontor was »in a state of crisis«. The background to this assertion was the company's announcement that it would buy back the shares of three wind farms of which the profits had been below forecast since they were commissioned at various times in 1998 and 1999. These press articles were based mainly on speculation, in particular that the company's liquidity would be endangered by this plan. The correct version is, however, that Energiekontor had been in discussion since last summer with shareholders in the operating companies over the possibility of buying back the shares. The appropriate plans for then reselling the shares in these wind farms, which are nonetheless profitable, have now been prepared. Discussions were held as planned in February 2002 with the Advisory Boards of the wind farm companies. The company is working on the assumption that agreement will be reached

by the middle of 2002 and, furthermore, that its balance sheet will not suffer any lasting damage as a result of this plan. The company would also like to point out expressly that it is not under any obligation to buy these shares back; this is a voluntary action in which the interests of the company's shareholders and customers are being weighed up carefully.

Internal organisation

2002 will also be dominated by the completion of a process of internal reorganisation within the company. This was stated during the year of the IPO with an improvement in internal procedures and the installation of a comprehensive financial control and reporting system, and was mainly completed in the year under review. Because of the rapid growth in numbers employed both in Germany and abroad following the IPO, departmental and human resources structures will need to be further optimised during the course of the current financial year.

Relocation to the Free and Hanseatic City of Bremen

In May 2001 the company moved into new business premises in the City-State of Bremen. The removal had been necessitated by the great growth in numbers employed. It enabled the various departments based in Stuhr/Brinkum and those in branch office at Stresemannstrasse 46 in Bremerhaven to be brought together. Only the Service Division, which handles the operational management of the Energiekontor wind farms, is still based in Bremerhaven. The removal also necessitated the official transfer of the company's registered offices, which was formally approved at the AGM on 23rd August 2001. The Group company's registered address is now at Mary-Somerville-Strasse 5 in 28359 Bremen.

Bremen, 5th March 2002

The Board of Directors


Dr. Bodo Wilkens


Günter Lammers



Consolidated Financial Statement

ASSETS as of 31.12.2001 according to the IAS
(explanatory numeral see notes
and consolidated notes)

| | EUR | 31.12.2001 EUR | 31.12.2000 EUR |
|--|---------------|-----------------------|----------------------|
| A. Fixed assets ⁽¹⁾ | | | |
| I. Intangible assets | | | |
| 1. Concessions, industrial property rights and similar rights and assets | 130,962.81 | | 46,201.36 |
| 2. Goodwill ^(1a) | 8,056,679.95 | 8,187,642.76 | 600,605.31 |
| II. Property, land and equipment | | | |
| 1. Land, similar rights and buildings ^(1b) | 1,346,455.84 | | 1,206,473.02 |
| 2. Other equipment, factory and office equipment ^(1c) | 1,282,505.64 | 2,628,961.48 | 99,776.79 |
| III. Financial assets | | | |
| 1. Shares in associated companies ^(1d) | 227,424.67 | | 254,104.88 |
| 2. Participating interests | 5,871.24 | 233,295.91 | 0.00 |
| B. Current assets | | | |
| I. Inventories | | | |
| 1. Raw materials and consumables | 7,786,664.43 | | 0.00 |
| 2. Work in progress | 33,677.77 | | 0.00 |
| 3. Payments on account | 7,441.17 | 7,827,783.37 | 8,365.76 |
| II. Debtors and other assets ^(3a) | | | |
| 1. Trade debtors | 64,916,542.40 | | 36,388,917.01 |
| 2. Amounts owed by affiliated companies | 78,380.15 | | 0.00 |
| 3. Other assets | 17,898,384.52 | 82,893,307.07 | 5,370,973.01 |
| III. Securities | | | |
| 1. Shares in affiliated companies | 322,257.15 | | 0.00 |
| 2. Other securities | 31,757.01 | 354,014.16 | 31,757.01 |
| IV. Cheques, cash in hand, central bank and postal giro balances, bank balances | | 50,491,665.56 | 32,562,186.07 |
| C. Prepaid expenses | | 97,115.69 | 64,850.10 |
| Total assets | | 152,713,786.00 | 76,634,210.32 |

| LIABILITIES as of 31.12.2001 according to the IAS (explanatory numeral see notes and consolidated notes) | | | |
|---|---------------|-----------------------|----------------------|
| | EUR | 31.12.2001 EUR | 31.12.2000 EUR |
| A. Equity | | | |
| I. Subscribed capital ⁽⁴⁾ | | 15,650,510.00 | 3,500,000.00 |
| II. Capital reserves ⁽⁸⁾ | | 40,277,768.28 | 23,673,239.82 |
| III. Profit reserves ⁽⁹⁾ | | | |
| 1. Statutory reserves | | 15,000.00 | 15,000.00 |
| 2. Other profit reserves | | 3,335,366.70 | 162,683.91 |
| IV. Consolidated retained earnings | | 7,262,524.02 | 5,347,438.89 |
| B. Capital share attributable to minority interests | | 56,960.59 | 24,400.44 |
| C. Provisions | | | |
| 1. Tax provisions ⁽¹⁰⁾ | 4,049,789.83 | | 3,910,251.05 |
| 2. Other provisions ^(11a) | 4,589,818.04 | 8,639,607.87 | 4,066,072.25 |
| D. Creditors ^(12a) | | | |
| 1. Bank loans and overdrafts | 17,740,626.22 | | 8,590,686.47 |
| 2. Payments received on account | 2,841,095.60 | | 1,406,563.97 |
| 3. Trade creditors | 54,310,276.83 | | 23,138,967.04 |
| 4. Amounts owed to associated companies | 173,779.65 | | 199,344.25 |
| 5. Amounts owed to affiliated companies | 260,010.23 | | 0.00 |
| 6. Other creditors | 2,055,760.60 | 77,381,549.13 | 2,452,127.86 |
| E. Deferred income | | 94,499.41 | 147,434.37 |
| Total liabilities and shareholders' equity | | 152,713,786.00 | 76,634,210.32 |

Consolidated Profit and Loss Account

from 01.01.2001 to 31.12.2001 according to the IAS
(explanatory numeral see notes
and consolidated notes)

| | EUR | 2001 EUR | 2000 EUR |
|---|--------------|----------------|---------------|
| 1. Sales revenue ^(14a) | | 101,273,082.34 | 70,577,021.28 |
| 2. Other operating income ^(15a) | | 581,542.80 | 1,358,293.92 |
| 3. Cost of materials | | | |
| - Cost of raw materials, consumables and goods for resale | | 82,279,925.92 | 54,447,570.88 |
| 4. Personnel costs | | | |
| - Wages and salaries | 5,802,904.14 | | 4,079,223.25 |
| - Social security, pensions and other benefits | 677,335.41 | 6,480,239.55 | 385,534.88 |
| 5. Amortisation and depreciation | | | |
| - of fixed intangible and tangible assets | | 527,284.83 | 113,975.57 |
| 6. Other operating charges | | 3,542,770.35 | 2,326,342.91 |
| 7. Expenses on participating interests in associated companies | | 26,680.20 | 90,731.95 |
| 8. Other interest receivables and similar income ^(16a) | | 1,699,757.97 | 878,317.14 |
| 9. Interest payable and other similar charges ^(16a) | | 671,000.26 | 219,671.76 |
| 10. Profit on ordinary activities | | 10,026,482.00 | 11,150,581.14 |
| 11. Tax on profit and income ⁽¹⁷⁾ | | 3,907,189.61 | 5,520,326.06 |
| 12. Profit for the year | | 6,119,292.39 | 5,630,255.08 |
| 13. Profit attributable to minority interests | | 18,478.10 | -29,818.74 |
| 14. Consolidated profit for the year | | 6,137,770.49 | 5,600,436.34 |
| 15. Unappropriated profits brought forward | | 4,297,438.89 | 2,459,686.47 |
| 16. Transfer to profit reserves | | -3,172,685.36 | -2,712,683.92 |
| 17. Consolidated retained earnings | | 7,262,524.02 | 5,347,438.89 |
| Earnings per Share (in accordance with IAS 33) | | | |
| Undiluted number of shares (weighted) | | 14,854,682 | 11,060,000 |
| Diluted number of shares (weighted) | | 14,950,204 | 11,155,522 |
| Earnings per share, undiluted | | 0.41 | 0.51 |
| Earnings per share, diluted | | 0.41 | 0.50 |

Notes to the Accounts and to the Group Accounts

Energiekontor Group Accounts conforming with IAS principles and to the Annual Accounts of Energiekontor AG Conforming with German accounting principles (HGB) for the 2001 company financial year

Table of Contents

| | |
|---|---------|
| I. General information | 34 |
| II. Companies included in the consolidation | 34 - 37 |
| III. Presentation and valuation principles | 37 - 38 |
| IV. Consolidation principles | 38 - 39 |
| V. Explanations on the Group and AG balance sheets | 40 - 51 |
| VI. Explanations on the P&L of the Group and the AG | 51 - 53 |
| VII. Other information | 53 - 55 |





I. General information

The annual accounts of Energiekontor AG and the consolidated accounts of the Energiekontor Group are explained here jointly. The Management Report and the Group Management Report have likewise been combined. Unless there is any specific note to the contrary, these Notes apply to both sets of accounts.

The Group accounts for the 2001 financial year comply with the International Accounting Standards (IAS, as last revised in December 2001).

The interpretations of the Standard Interpretation Committee (SIC) have been observed.

The annual accounts of Energiekontor AG have been drawn up in accordance with national German regulations. To the extent applicable, the accounting standards of the DRSC, the German accounting standards committee, have also been adhered to.

The parent company is Energiekontor AG, (hereinafter also called the »Company« or the »AG«). The Company's registered offices were transferred during the 2001 financial year from Stuhr-Brinkum to Bremen.

The additional data required for the individual items in the balance sheet and the profit-and-loss account have been transferred to the Notes in the interests of clarity and comprehensibility. The P&L figures, both for the Group and the AG, were prepared in euros for the first time, the conversion being carried out for all items in the year under review and the preceding year at the conversion rate irrevocably set by the Council of the European Union of Euro 1.0 = DM 1.95583. All the bookkeeping and accounts were changed over to euros with effect from 1st January 2002. Preparing the Group accounts in conformity with IAS requires management to make estimates and assumptions that affect the valuation rates applied to the fixed assets and the debts, the contingent liabilities existing on the closing date of the accounts, and the income and expenditure during the financial year.

It is possible for actual valuation rates to differ from these estimates.

The annual accounts of the Group accounts and the AG have been drawn up using the full-cost method.

Reporting by segment

Under IAS 14 it is not necessary to break the figures down into specific segments for reasons of essential significance. The activities of the Energiekontor Group were confined during 2001 to two fields of business; the main one consists of designing, erecting, and selling wind farm projects, and the other of service activities connected with the operational management of wind farm companies and with the acquisition of a majority holding in the L & L Rotorservice Group and of maintenance and repair work. This »operational management« field of business did not reach any of the threshold levels during 2001 above which IAS 14 requires reports to be broken down by segment.

It has also been decided to dispense with a geographical breakdown for 2001, likewise for reasons of essential significance. Although the foreign subsidiaries that have now been established developed business activities of their own during the year under review, none of them reached any of the threshold levels during 2001 above which IAS 14 requires reports to be broken down by segment.

II. Companies included in the consolidation

The parent company is Energiekontor AG, of Bremen (hereinafter also called the »Company« or the »AG«).

The Group accounts as of 31st December 2001 comprise not only this parent company but also those companies, inside and outside Germany, with which the parent, as of 31st December 2000, had either majority voting rights or else dominant influence on the grounds of any other rights in accordance with IAS 27.

Shares in associated companies over which the AG has a major influence, directly or indirectly, and that have not been acquired with the intention of disposing of them in the near future, are valued under the equity method and shown separately in the Group accounts under »financial assets«.

The following companies were consolidated into the Energiekontor AG accounts:

| Name, Location | Shareholdings in % | Currency | Equity capital EUR'000 (1) | Profit 2001 EUR'000 (1) |
|---|-----------------------|----------|-------------------------------|-------------------------------|
| Energiekontor-EK-GmbH, Bremerhaven (3) | 100.0 | EUR | 26 | 2,757 |
| Energiekontor Umwelt GmbH, Bremerhaven | 100.0 | EUR | -36 | -5 |
| Energiekontor Windkraft GmbH, Bremerhaven | 100.0 | EUR | 29 | 143 |
| Energiekontor Infrastruktur und Anlagen GmbH, Bremerhaven (3) | 100.0 | EUR | 26 | 4,700 |
| Energiekontor-WSB-GmbH, Bremerhaven | 100.0 | EUR | 29 | 39 |
| Energiekontor-VB-GmbH, Bremerhaven (3) | 100.0 | EUR | -74 | 1,103 |
| WPS Windkraft GmbH, Bremerhaven | 100.0 | EUR | 16 | 0 |
| Energiekontor Portugal Trandeiras GmbH, Bremerhaven | 100.0 | EUR | 23 | 0 |
| Energiekontor Ocean Wind AG, formerly Energiekontor EK West GmbH, Hückelhoven | 100.0 | EUR | 54 | -2 |
| Energiekontor Portugal - Energia Eólica, Lda., Lissabon, Portugal | 60.0 | EUR | -26 | -110 |
| Hellenic Energiekontor SA, Chanea, Greece | 51.0 | EUR | 99 | 50 |
| Energiekontor Griechenland ZARAX GmbH, Bremerhaven | 100.0 | EUR | 25 | 1 |
| Energiekontor Portugal Márao GmbH, Bremerhaven | 100.0 | EUR | 25 | 1 |

| Name, Location | Shareholdings in % | Currency | Equity capital EUR'000 | Profit 2001 EUR'000 (1) |
|---|-----------------------|----------|---------------------------|-------------------------------|
| Energiekontor UK GmbH, Bremerhaven | 100.0 | EUR | 24 | 0 |
| Energiekontor UK Limited, Leeds, Great Britain | 100.0 | GBP | 47 | 30 |
| Energiekontor Iberia S.L., Barcelona, Spain | 10.0 | EUR | -43 | -34 |
| Energiekontor Greichenland Epanosifi GmbH Bremerhaven | 100.0 | EUR | 25 | 0 |
| Energiekontor-WSB-GmbH & Co. Wind-Solar-Bau KG, Bremerhaven | 100.0 | EUR | 716 | -470 |
| Energiekontor Ökofonds GmbH, Bremerhaven | 100.0 | EUR | 24 | -1 |
| Energiekontor Infraestructuras Y Construcción Barcelona, Spain | 100.0 | EUR | 15 | 0 |
| Energiekontor UK Construction Ltd. Leeds, Great Britain | 100.0 | GBP | -4 | -4 |
| Ekeol SAS-Groupe Energiekontor Toulouse, France | 100.0 | EUR | 14 | -6 |
| L & L Rotorservice GmbH Windkraftanlagenservice, Hipstedt | 55.0 | EUR | 25 | 3 |
| L & L Rotorservice GbR (4) Immobilien-Vermögensverwaltung, Hipstedt | 55.0 | EUR | 16 | -1 |
| Energiekontor UK Offshore Ltd. Leeds, Great Britain | 100.0 | GBP | 0 | 0 |
| through Energiekontor Windkraft GmbH Energiekontor Umwelt GmbH & Co. Ökologische Wohnimmobilien KG, Bremerhaven (2) | 40.0 | EUR | 239 | -40 |
| through Energiekontor VB GmbH Energiekontor-EK-GmbH & Co. Projektgesellschaft für ökologische Energieanwendung KG, Bremerhaven | 100.0 | EUR | 3,691 | -1,800 |

- (1) If relevant, annual accounts prior to implementation of a profit-transfer contract with Energiekontor AG
- (2) »At equity« consolidation (see IAS 28).
- (3) These companies concluded a profit-transfer agreement with Energiekontor AG with effect from 1st January 2000.
- (4) Energiekontor AG bears unlimited liability for the payable accounts of these companies.

Changes to the scope of the consolidation:

The following companies were added to the consolidation on account of new establishment or acquisition during 2001

- Energiekontor Griechenland Epanosifi GmbH, Bremerhaven,
- Energiekontor-WSB-GmbH & Co. Wind-Solar-Bau KG, Bremerhaven,
- Energiekontor Ökofonds GmbH, Bremerhaven,
- Energiekontor Infraestructuras Y Construccion, Barcelona, Spain,
- Energiekontor UK Construction Ltd., Leeds, Great Britain,
- Energiekontor UK Offshore Ltd., Leeds, Great Britain,
- Ekeol SAS- Groupe Energiekontor, Toulouse, France,
- L & L Rotorservice GmbH Windkraftanlagen-service, Hipstedt,
- L & L Rotorservice GbR Immobilien-Vermögensverwaltung, Hipstedt.

All additions were subject to full consolidation in 2001, with a minority indication wherever applicable. The two L & L Rotorservice companies were drawn into the consolidation for the first time on 1st December 2001 and Energiekontor WSB GmbH & Co Wind-Solar-Bau KG on 1st July 2001 (the point in time of first consolidation). The company purpose of the L & L Rotorservice companies consists of services in the range from repairing and cleaning rotor blades to the complete assembly of wind farms. Energiekontor-WSB-GmbH & Co Wind-Solar-Bau KG is a wind farm planning company mainly engaged on foreign projects.

All the other new acquisitions involved the establishment of companies for the preparation of foreign and offshore wind farms.

III. Presentation and valuation principles

The principles set out below have been applied without change from last year. The presentation of the 2001 flow-of-funds analysis has been constructed in the manner recommended in IAS 7. The accounts of the parent company and of the subsidiaries inside and outside Germany are always drawn up on the basis of uniform presentation and valuation principles. This basically also applies to the annual accounts of associated companies.

Intangible fixed assets are always presented at historic cost minus scheduled amortisation. The going-concern value or goodwill in subsidiary companies or resulting from the capital consolidation is always amortised on a linear basis over a period of 15 years. The amortisation period and method are reviewed every year at the time of the closing of the accounts.

Fixed assets are shown at historic (acquisition or production) costs, minus scheduled depreciation in the case of items subject to wear and tear.

Non-scheduled depreciation is also applied whenever necessary. Scheduled depreciation is applied on the basis of the expected service life under normal operating conditions, which is between 4 and 12 years. Interest on outside capital is not capitalised. Land is shown at historic cost minus any necessary non-scheduled depreciation. The factors applied for service life and the depreciation methods are reviewed every period.

Low-value assets (those with a historic cost of Euro 409 or less) are treated as having been acquired and disposed of in the same year, and are written off in full.

For reasons of simplification, the whole year's depreciation is applied to assets acquired during the first half of the financial year and half the rate to the rest.



Shares in affiliated companies are always included in the full consolidation. If no long-term investment is intended, shares in affiliated companies are shown at historic cost under the heading of »securities« within current assets. Stocks are shown at acquisition or production costs plus any directly attributable ancillary costs using the lower-value principle.

Shares in associated companies are shown in the Group accounts under the »equity« method. Accounts receivable and other assets are value at their nominal value, low-interest loan accounts receivable at the net current cash value. Baddebt risks do not have to be included and no flatrate write-downs have been made. Special items with a reserve character created purely on the basis of tax regulations have not been included in the Group accounts, but as either equity capital or debt, all according to their actual character.

Provisions against tax and other provisions represent obligations towards third parties for legal or factual reasons, so long as the obligation appears likely to arise and the amount can be reliably estimated. All information is taken into account that was known on the closing date for the accounts.

Accounts payable are valued at the amount due for repayment.

Credit bank balances in foreign currencies are converted at the selling price on the closing date or at the officially set conversion rate for the euro. Accounts payable or receivable in foreign currencies are converted at the rate in force on the closing date. In the annual accounts of the AG the conversion has been made at the rate on which the payable or receivable account was created or at the rate in force on the closing date if this is less favourable.

Sales turnover is included in the Group accounts on the basis of the »percentage of completion« method (see IAS 11), under which the sales turnover and production costs connected with a wind farm are shown as income or expenditure in proportion to the amount of work completed up to the closing date. The basis on which the profit from the order is estimated is the project

costs account. Revenue from orders not yet completed on the closing date for the accounts is shown under trade accounts receivable. In the annual accounts of the consolidated subsidiaries, revenue is shown in accordance with the requirements of commercial law and in accordance with the contractual regulations when the wind farm is handed over.

Currency has been converted, in the case of the foreign subsidiaries, on the basis of the functional currency. In the Group accounts the items in the balance sheet have been converted at the average rate on the closing date, and in the P&L at the average for the financial year. The equity capital of the foreign subsidiaries is converted at the historic rate. Currency differences arising from the application of different conversion rates are charged against Group reserves with no impact on profit.

Presentation and valuation methods differing substantially from German national commercial law

The consolidated accounts of Energiekontor AG as of 31st December 2001 have been drawn up under the exemption regulations for Group accounts in compliance with Article 292a of the German Commercial Code (HGB) and with IAS, and also on the basis of the German Accounting Standard DRS 1 issued by the German Standardisation Council (DRSC). The HGB regulations and those contained in German company law (the Aktiengesetz) differ from IAS regulations at a number of important points, so the main differences that might be relevant to the valuation of equity capital and earnings as shown in the consolidated accounts of Energiekontor AG as of 31st December 2001 will now be explained.

Inclusion of profit from production orders

Sales revenue and the resultant profits from production orders are realised in these Group accounts under IAS 11 in proportion to the progress made up to the relevant point in time on the project design and construction work even before wind farm projects have been completed. Proportional sales and profits are therefore calculated and shown for each period in proportion to the progress made so far on the indivi-

dual orders as part of this partial realisation of profits. Under German law, however, it is never allowed to show a profit until the order has been completed. Compared with the German method, therefore, the IAS accounts show sales and profits moved forward by the corresponding length of time.

Latent (deferred) taxes

Tax credits resulting from tax losses carried forward have to be capitalised under IAS 12 if it can be assumed with sufficient certainty that these tax credits can be applied against future profits. The regulations in German tax law do not provide for the capitalisation of latent tax credits. IAS 12 also requires latent tax credits to be shown in the individual companies' accounts as well if they arise from timing differences in the evaluation under IAS compared with German profits tax regulations. On the other hand, HGB provides the option, as an aid to presentation, of capitalising deferred taxes for latent tax credits on short-term profit differences.

Foreign currency conversion

Under IAS, foreign currency items are shown with profit impact at the exchange rate on the closing date for the accounts with the associated gains and losses. Under HGB, valuation losses are shown at the closing date for each set of accounts whilst gains are not shown until they have been realised.

IV. Consolidation principles

1. Capital consolidation

The capital consolidation in the Group accounts conforms with IAS 27, and is based on setting off the historic cost of the shares belonging to the parent company in each of its individual subsidiaries with the parent company's share in the subsidiary's equity capital at the point in time when the relevant subsidiary was first consolidated into the Group accounts. Any excess in the historic costs over the current market value of all identifiable assets and liabilities is capitalised as goodwill and written off at a constant rate over a period corresponding to its expected useful life.

Positive and negative differences from the capital consolidation are not offset against one another. Negative differences (totalling Euro 199 thousand at the moment of first consolidation) are shown on the liabilities side as items transferred from other periods (Euro 81 thousand as of 31st December 2001) and liquidated at a constant rate over five years with a profit impact.

The subsidiary companies acquired or newly established during the course of the financial year have been consolidated as of the point in time of acquisition. If no interim accounts were drawn up at that point in time, the trends in the balance sheet and in profits have been estimated on the basis of the company books as of the point in time of first consolidation.

The consolidation of equity holdings in associated companies always follows the »equity method« in accordance with IAS 28 as of the point in time at which the associated company was first included in the Group accounts.

2. Eliminations

Intra-Group profits, sales, expenditure, and income, and all trade accounts receivable and payable between consolidated companies, are eliminated in the Group accounts.

3. Latent taxes

Latent taxes have been calculated in the Group accounts under the »liability method« for all timing differences between the Group accounts, the German HB II accounts, and the tax accounts as required by IAS 12. Latent taxes have been booked whenever the differences lead to an actual tax expense or surplus at later liquidation. Latent tax claims are also capitalised as required by IAS 12 if they arise from tax losses carried forward and if it can be assumed with an adequate degree of certainty that these tax losses can be applied to future profits for tax purposes.

4. Closing date for the Group accounts

The closing date for the Group accounts is set at the closing date for the accounts of the parent company. The annual accounts of the consolidated subsidiary companies likewise relate to the same closing date as that in the Group accounts.



V. Explanations on the Group and AG balance sheets

The following figures, if they relate to items in the balance sheet or the P&L of the Group or the AG, are stated in the relevant items in each balance sheet or P&L. Unless otherwise stated, all figures are rounded off to the nearest multiple of Euro 1,000.

1. Group fixed assets

Changes in Group fixed assets are shown on the following page. Low-value business assets are treated as having been acquired and disposed of in the same year, and are written off in full.

Changes in fixed assets in the 2001 financial year (IAS)

| | Acquisition Costs | | | | |
|-------------------------------------|---------------------|---------------------|--------------------------------|-------------------|----------------------|
| | 1st Jan 2001 | Acquisitions | Changes in consolidation | Disposals | 31st Dec 2001 |
| | EUR | EUR | EUR | EUR | EUR |
| A. Fixed assets | | | | | |
| I. Non-tangible assets | | | | | |
| - Software | 50,320.32 | 111,081.66 | 13,257.80 | 0.00 | 174,659.79 |
| - Goodwill | 674,217.76 | 7,841,138.32 | 0.00 | 0.00 | 8,515,356.08 |
| | 724,538.08 | 7,952,219.99 | 13,257.80 | 0.00 | 8,690,015.87 |
| II. Tangible assets | | | | | |
| - Land and buildings | 1,206,473.02 | 9,173.29 | 145,369.70 | 0.00 | 1,361,016.01 |
| - Operating machinery and equipment | 146,578.50 | 962,854.48 | 459,747.77 | -6,881.92 | 1,562,298.84 |
| | 1,353,051.52 | 972,027.77 | 605,117.47 | -6,881.92 | 2,923,314.85 |
| III. Financial assets | | | | | |
| - Holdings in associated companies | 254,104.88 | 0.00 | 0.00 | -26,680.20 | 227,424.67 |
| - Holdings in other Group companies | 0.00 | 0.00 | 5,871.24 | 0.00 | 5,871.24 |
| | 254,104.88 | 0.00 | 5,871.24 | -26,680.20 | 233,295.92 |
| | 2,331,694.48 | 8,924,247.76 | 624,246.51 | -33,562.12 | 11,846,626.64 |

| Depreciation and amortisation | | | | | Book value | |
|--------------------------------------|-------------------|--------------------------------|------------------|---------------------------|---------------------------|---------------------------|
| 1 st Jan 2001 | Acquisitions | Changes in consolidation | Disposals | 31 st Dec 2001 | 31 st Dec 2001 | 31 st Dec 2000 |
| EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| 4,118.97 | 33,655.33 | 5,922.68 | 0.00 | 43,696.97 | 130,962.81 | 46,201.36 |
| 73,612.45 | 385,063.68 | 0.00 | 0.00 | 458,676.13 | 8,056,679.95 | 600,605.31 |
| 77,731.42 | 418,719.01 | 5,922.68 | 0.00 | 502,373.11 | 8,187,642.76 | 646,806.67 |
| 0.00 | 595.02 | 13,965.16 | 0.00 | 14,560.17 | 1,346,455.84 | 1,206,473.02 |
| 46,801.71 | 107,970.80 | 131,902.61 | -6,881.92 | 279,793.20 | 1,282,505.64 | 99,776.79 |
| 46,801.71 | 108,565.82 | 145,867.77 | -6,881.92 | 294,353.38 | 2,628,961.48 | 1,306,249.81 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 227,424.67 | 254,104.88 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,871.24 | 0.00 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 233,295.92 | 254,104.88 |
| 124,533.13 | 527,284.83 | 151,790.44 | -6,881.92 | 796,726.48 | 11,049,900.16 | 2,207,161.35 |



a) Going-concern or goodwill value

The goodwill value in the Group accounts consists exclusively of differences arising out of the capital consolidation. Acquisitions during the 2001 financial year were made up mainly of differences arising from Energiekontor-WSB-GmbH & Co Wind-Solar-Bau KG (Euro 6,844 thousand) and the L & L Rotor-service companies (Euro 887 thousand).

b) Land

Land was acquired during the 2001 financial year with a total value of Euro 9 thousand. The land used for L & L Rotorservice operations is included in the full consolidation with the value of Euro 131 thousand, and the total under this heading came to Euro 1,346 thousand (2000: Euro 1,206 thousand) as of the closing date for the accounts.

c) Other assets, operating and business equipment

A research ship, the »LaCour«, has been acquired for the necessary project planning work in the off-shore field. Other assets acquired were computers, office furniture, and other business equipment in connection with the removal to new company premises in Bremen and as additional equipment for the foreign subsidiaries.

d) Shares in associated companies

The Shares in associated companies item includes the 40 percent shareholding in Energiekontor Windkraft GmbH and Energiekontor Umwelt GmbH & Co. Ökologische Wohnimmobilien KG (established for the purpose of managing and renting out the company's own ecological residential property), which as last year are valued »at equity« as part of the Group consolidation (IAS 28). The value of these shareholdings on the closing date for the accounts was Euro 227 thousand (2000: Euro 254 thousand).

2. Assets in the AG

Low-value business assets are treated as having been acquired and disposed of in the same year, and are written off in full.

Changes in fixed assets in the 2001 financial year

| Acquisition costs | | | | |
|-----------------------------------|--------------------------|---------------------|-------------|---------------------------|
| A. Fixed assets | 1 st Jan 2001 | Acquisitions | Disposals | 31 st Dec 2001 |
| | EUR | EUR | EUR | EUR |
| I. Tangible assets | | | | |
| Other assets, | | | | |
| Operating machinery and equipment | 0.00 | 620,849.61 | 0.00 | 620,849.61 |
| II. Financial assets | | | | |
| Holdings in associated companies | 353,697.97 | 9,376,653.04 | 0.00 | 9,730,351.02 |
| | 353,697.97 | 9,997,502.65 | 0.00 | 10,351,200.63 |



| Acquisition depreciation and amortisation | | | | Book value | |
|---|------------------|-------------|---------------------------|---------------------------|---------------------------|
| 1 st Jan 2001 | Acquisitions | Disposals | 31 st Dec 2001 | 31 st Dec 2001 | 31 st Dec 2000 |
| EUR | EUR | EUR | EUR | EUR | EUR |
| 0.00 | 20,703.38 | 0.00 | 20,703.38 | 600,146.23 | 0.00 |
| 0.00 | 0.00 | 0.00 | 0.00 | 9,730,351.02 | 353,697.97 |
| 0.00 | 20,703.38 | 0.00 | 20,703.38 | 10,330,497.25 | 353,697.97 |

3. Trade accounts receivable and other assets

a) Group

For the purpose of the IAS accounts, sales revenue has been shown using the »percentage of completion method« (IAS 11), under which the sales revenue and related costs are registered in accordance with the extent to which the work has been completed on the closing date for the accounts and included with profit impact. The sales revenue is shown according to the costs incurred by the related work on each project as a percentage of the estimated total production cost.

| | 31 st Dec 2001 EUR'000 | 31 st Dec 2000 EUR'000 |
|---|--------------------------------------|--------------------------------------|
| Trade accounts receivable | 64,917 | 36,389 |
| - of which, falling due in more than 1 year | 2,466 | 654 |
| Accounts receivable from affiliated companies | 78 | 0 |
| - of which, falling due in more than 1 year | 0 | 0 |
| Other assets | 17,898 | 5,371 |
| - of which, falling due in more than 1 year | 485 | 0 |
| | 82,893 | 41,760 |

The figures shown are the trade accounts receivable calculated by applying the »Percentage of Completion« method totalling Euro 48,656 thousand (2000: Euro 9,462 thousand).

The item Other assets includes loans to the wind farm operating companies (Euro 12,368 thousand) and capitalised latent taxes.

4. Latent taxes

Major timing differences between the commercial and the tax accounts of the subsidiary companies and the presentation in accordance with IAS in the parent company's figures are shown in the Group accounts by applying the »liability method« (IAS 12) which is customary internationally.

Latent tax accounts receivable from the losses carried forward by individual companies in the Energiekontor Group have been capitalised to a total of Euro 428 thousand (2000: Euro 31 thousand).

It has been demonstrated by means of a tax plan that adequate taxable income will be achieved in the future.

Latent tax amounts of Euro 731 thousand (2000: Euro 83 thousand) were capitalised in respect of intra-Group interim profits.

The difference in amortisation of goodwill according to the German accounting principles resp. the IAS led to a passivating latent tax amounting to 290 thousand (previous year active latent tax in the amount of 4 thousand).

The »percentage of completion method« led to passive latent taxes in the amount of Euro 1,431 thousand.



| Latent taxes shown as Group assets | 31 st Dec 2001 EUR'000 | 31 st Dec 2000 EUR'000 |
|---|--------------------------------------|--------------------------------------|
| Latent taxes from elimination of Intra-Group profits | 731 | 83 |
| Latent taxes from difference in goodwill amortisation | 0 | 4 |
| Latent taxes from off-setting losses | 428 | 31 |
| | 1,159 | 118 |

| Latent taxes shown as Group liabilities | 31 st Dec 2001 EUR'000 | 31 st Dec 2000 EUR'000 |
|---|--------------------------------------|--------------------------------------|
| Latent taxes from realisation of partial profits | 1,431 | 209 |
| Latent taxes from differences in amortisation of goodwill | 290 | 0 |
| | 1,720 | 209 |

Latent tax claims or debts are valued on the basis of the tax rates applicable to the year in which the tax is to be paid, meaning in this case for the tax years after 31st December 2001.

No latent taxes were created in the AG.

b) AG

| | HGB 2001 EUR'000 | HGB 2000 EUR'000 |
|---|------------------------|------------------------|
| Trade accounts receivable | 1,558 | 1,321 |
| Accounts receivable from affiliated companies | 22,438 | 11,877 |
| Other assets | 15,424 | 4,804 |
| | 39,420 | 18,002 |

These figures show the accounts receivable from third parties for planning work (Euro 1,497 thousand) and from affiliated companies for supplying personnel, as well as administrative charges, profit transfers, and the granting of loans (Euro 22,438 thousand).

The »other assets« mainly include the advance financing of equity capital for the operating companies that are still in the investment phase, which totalled Euro 12,368 thousand (2000: Euro 4,755 thousand). None of the accounts receivable falls due in more than one year.



4. Registered capital

The share capital of Energiekontor AG amounted on the closing date for the accounts to Euro 15,650,510.00, which on the closing date for the accounts did not yet include a capital increase of Euro 58,922.00. This was entered in the Trade Register on 26th February 2002.

The share capital is divided into 15,650,510 common shares with no par values (unitary shares with a theoretical nominal value of Euro 1.00).

The share capital as well as the number of shares has changed during the year under review as follows:

| | 2001 EUR | 2001 Shares |
|---|----------------------|-------------------|
| 1 st January | 3,500,000.00 | 3,500,000 |
| Capital increase in cash | 270,000.00 | 270,000 |
| Capital increase in kind – WSB KG | 127,897.00 | 127,897 |
| Capital increase from company's resources (share split) | 11,693,691.00 | 11,693,691 |
| Closing level of registered capital | 15,591,588.00 | 15,591,588 |
| Capital increase in kind – L&L Rotorservice (not yet entered in Commercial Register on closing date) | 58,922.00 | 58,922 |
| 31st December | 15,650,510.00 | 15,650,510 |

The increase in basic capital resulting from the issuing of new shares against a cash contribution of Euro 270,000.00 was carried out on 11th June 2001 and entered in the Commercial Register on 9th October 2001.

The Annual General Meeting on 6th March 2000 had decided to increase the approved capital by a maximum of Euro 1,080,000.00 (Approved Capital I) against contributions in cash and/or in kind. Part of this sum, Euro 127,897.00, was utilised during the 2001 financial year in order to acquire the shares in Energiekontor-WSB-GmbH & Co Wind-Solar-Bau KG. 127,897 new unitary shares with a theoretical par value of Euro 1.00 were issued. The capital increase was entered in the Commercial Register on 9th October 2001. Approval to raise the remainder of the approved capital remains in force until 28th February 2005.

The Management Board has also been empowered to raise the basic capital at any time up to 28th February 2005 by issuing new shares for a further Euro 270,000.00 (Approved Capital II). During the 2001 financial year the Management Board decided to raise the base capital Euro 270,000.00 against a contribution in cash. The capital increase was carried out and entered in the Commercial Register on 5th June 2001.

The capital increase from the company's own resources was approved at the Extraordinary General Meeting on 23rd August 2001. It was carried out by converting the partsum of Euro 11,693,691.00 from the capital reserves by issuing 11,693,691 new bearer shares with no par value (but with a theoretical par value of Euro 1.00 each) to the company's shareholders in the proportion of 3:1. The new shares participated in full in the 2001 profit.

5. Approved capital

The Annual General Meeting on 23rd August 2001 empowered the Management Board, acting with the consent of the Supervisory Board, to raise the basic capital at any time up to 31st July 2006 by issuing a total of 7.5 million new unitary shares at a theoretical par value of Euro 1.00 against contributions in cash and/or in kind in one or more than one tranche up to a total of Euro 7.5 million (Approved Capital III). The Supervisory Board is authorised to make the necessary changes to the Statutes.

6. Conditional capital

The Extraordinary General Meeting on 12th April 2000 passed a resolution to raise the company's basic capital conditionally by a maximum of Euro 150,000 by issuing 150,000 new unitary bearer shares at a theoretical par value of Euro 1.00 as shares under a subscription option. This resolution was entered in the Commercial Register on 4th May 2000.

The capital increase in the year 2001 raises the conditional capital according to Article 218 Aktiengesetz of the German Companies Act to Euro 600,000.00 resp. 600,000 unitary bearer shares.

The sole purpose of the conditional capital increase is to grant subscription rights to the company's employees and to the employees and directors of affiliated companies under a share option plan (see Article 192 paragraph 2 clause 3 of the Aktiengesetz, the German Companies Act) with the aim of retaining these employees' and managers' long-term loyalty and increasing their motivation. The conditional capital increase is only to be carried out to the extent that the subscription rights thus granted are exercised by each of the beneficiaries. The new shares will participate in the company's profit from the start of the financial year in which they are purchased by exercising of the subscription rights. The Management Board has been authorised, acting with the consent of the Supervisory Board, to decide on the further details of the conditional capital increase and its execution.

The prerequisites for granting the option to the employees were met for the 2001 business year and a total of 176,532 valid options can be exercised when the various exercise hurdles have been passed but in no case sooner than 26th May 2002. Each option entitles the holder to subscribe to one share at the fixed price of Euro 8.00 per share.

Energiekontor AG was authorised by the Annual General Meeting on 23rd August 2001 under Article 71 paragraph 1 clauses 2 and 8 of the Aktiengesetz to acquire the company's shares up to the level of 10 percent of the company's basic capital at a price that must not vary substantially from the stock exchange price at the time of the acquisition in order to be able to offer them to the company's employees and those in affiliated companies under a subscription option (as employees' shares) and to third parties in connection with the acquisition of other companies.





7. Capital increase not yet registered

58,922 new shares with a theoretical par value of Euro 1.00 were issued from the Approved Capital for the purpose of acquiring the shares in the L & L Rotorservice companies. 58,922 new shares with a theoretical par value of Euro 1.00 were issued. The effective date for the transfer of the contribution in kind for these shares in the L & L Rotorservice companies was 30th November 2001. On the closing date for the annual accounts the capital increase of the AG had not yet been entered in the Commercial Register; this was done on 26th February 2002.

In the IAS Group accounts this item is attributed to equity capital because the transfer of ownership took place before the end of 2001.

8. Capital reserves

a) Group

The capital reserves of Euro 40,278 thousand arise out of the premiums from the stock exchange floatation and the capital increases, minus the cost of the IPO in 2000 and the capital increase in cash in 2001. The costs are shown net of their tax impacts in compliance with SIC 17. The capital reserves the Group accounts differ from those in the AG because it was agreed during the acquisition of the shares in the L & L Rotorservice companies to maintain the book value under commercial and tax law, but the IAS accounts require a different treatment.

b) AG

The capital reserves have changed as follows:

| | 2001 EUR |
|--|----------------------|
| 1 st January | 24,800,000.00 |
| Premium from issuing new shares | 19,170,000.00 |
| Theoretical value of excess part of capital contribution in kind | 8,961,136.11 |
| Conversion into registered capital | -11,693,691.00 |
| 31st December | 41,237,445.11 |

9. Profit reserves

The statutory reserves in the AG remained unchanged at Euro 15,000.00. The other profit reserves in the Group and the AG changed as follows:

| | 2001 EUR |
|---|---------------------|
| 1st January | 162,683.91 |
| Transferred from 2000 profit for the year | 3,172,682.79 |
| 31st December | 3,335,366.70 |

The transfer from the 2000 profit was made on the basis of a resolution passed by the Annual General Meeting on 23rd August 2001.

10. Provisions against tax

| | Status on 1 st January 2001 | Reserves created during the year | Reserves for acquisition of subsidiaries | Reserves liquidated during the year | Reserves utilised during the year | Status on 31 st January 2001 |
|-------------------------------|--|---|--|--|--|---|
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Provisions against tax | | | | | | |
| a) effective tax provisions | 3,701 | 2,188 | 26 | 0 | 3,586 | 2,329 |
| b) latent tax provisions | 209 | 1,721 | 0 | 0 | 209 | 1,721 |
| | 3,910 | 3,909 | 26 | 0 | 3,795 | 4,050 |

No latent taxes were transferred to the liabilities side of the AG balance sheet in this year's accounts.

11. Other reserves

a) Group

| | Status on 1 st January 2001 | Reserves created during the year | Reserves for acquisition of subsidiaries | Reserves liquidated during the year | Reserves utilised during the year | Status on 31 st January 2001 |
|---|--|---|--|--|--|---|
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Other reserves | | | | | | |
| a) Commitment to construction work | 3,260 | 2,928 | 102 | 390 | 2,909 | 2,991 |
| b) Reserves against personnel costs | 468 | 938 | 222 | 0 | 468 | 1,161 |
| c) Cost of legal and other professional advice | 261 | 238 | 25 | 12 | 191 | 321 |
| d) Outstanding invoices | 18 | 48 | 1 | 0 | 0 | 66 |
| e) Other | 59 | 0 | 0 | 0 | 8 | 51 |
| | 4,066 | 4,151 | 350 | 403 | 3,575 | 4,590 |

The reserves against personnel costs relate to profit-sharing, overtime, and holiday entitlements not yet taken.

As last year, the reserves did not contain any long-term components.

b) AG

| | 2001 EUR'000 | 2000 EUR'000 |
|----------------------------------|-----------------|-----------------|
| Reserves against personnel costs | 938 | 468 |
| Other reserves | 300 | 247 |
| | 1,238 | 715 |

12. Liabilities

a) Group

| | 2001 | | | 2000 | | |
|--|--------------------------|-----------------|----------------|--------------------------|-----------------|----------------|
| | of which, falling due in | | | of which, falling due in | | |
| | Total | up to 1 year | 1 - 5 years | Total | up to 1 year | 1 - 5 years |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Accounts payable to banks | 17,741 | 17,547 | 193 | 8,591 | 8,591 | 0 |
| Instalment payments received on orders | 2,841 | 2,841 | 0 | 1,407 | 1,407 | 0 |
| Trade accounts payable | 54,310 | 54,310 | 0 | 23,139 | 23,139 | 0 |
| Accounts payable to affiliated companies | 260 | 260 | 0 | 0 | 0 | 0 |
| Accounts payable to associated companies | 174 | 0 | 174 | 199 | 199 | 0 |
| Other accounts payable | 2,056 | 1,458 | 598 | 2,452 | 1,729 | 723 |
| of which, for taxes | 235 | 235 | 0 | 558 | 558 | 0 |
| of which, in connection with social security | 193 | 193 | 0 | 81 | 81 | 0 |
| | 77,382 | 76,416 | 965 | 35,788 | 35,065 | 723 |

b) AG

| | 2001 | | 2000 | |
|--|--------------------------|-----------------|--------------------------|-----------------|
| | of which, falling due in | | of which, falling due in | |
| | Total | up to 1 year | Total | up to 1 year |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Accounts payable to banks | 14,821 | 14,821 | 5,822 | 5,822 |
| Trade accounts payable | 317 | 317 | 223 | 223 |
| Accounts payable to affiliated companies | 7,956 | 7,956 | 865 | 865 |
| Other accounts payable | 284 | 284 | 742 | 742 |
| of which, for taxes | 102 | 102 | 564 | 564 |
| of which, in connection with social security | 112 | 112 | 77 | 77 |
| | 23,379 | 23,379 | 7,652 | 7,652 |

13. Contingent liabilities

a) Group

Bank performance bonds of companies in the Energiekontor Group, with and without fixed periods of validity, totalling Euro 17,949 thousand (2000: Euro 5,096 thousand), were in existence on 31st December 2001.

b) AG

Bank performance bonds of Energiekontor AG, with and without fixed periods of validity, totalling Euro 20,423 thousand were in existence on 31st December 2001, of which Euro 2,474 thousand were accounted for by bonds in favour of companies within the Group.

Mutual obligations exist between the following companies in the Energiekontor Group for the provision of collateral for outside companies and the utilisation of a universal credit line: Energiekontor Windkraft GmbH, Energiekontor-EK-GmbH, Energiekontor AG, Energiekontor Umwelt GmbH, Energiekontor-WSB-GmbH, Energiekontor Infrastruktur und Anlage GmbH, and Ocean Wind AG.

14. Other financial obligations

Other financial obligations consist of short-term tenancy agreements on business premises in Bremen and Bremerhaven and other branches in Germany and other countries. The annual rents total about Euro 338 thousand. There are also leasing contracts in force on vehicles, office furniture, and computer equipment totalling Euro 45 thousand annually.

In a total of six cases Energiekontor Umwelt GmbH and Energiekontor Windkraft GmbH have made optional commitments to buy back wind farms at the nominal value after the expiration of the economic life. The options come to life if the majority of the shareholders of the relevant wind farms vote in favour of the options. The buy back value is appr. 30 per cent of the original total investment sum and according to management represents no risk. No concrete obligation existed by balance sheet date. Energiekontor AG has given undertakings to the operators of the windfarm »Beerfelde« to cover losses up to a maximum of Euro 466,095 in the event that the relevant electric utility of the operating company charges for network losses over a certain section of the grid. No claim had been raised on this basis up to the closing dates of the accounts.

VI. Explanations on the P&L of the Group and the AG

14. Sales revenue

a) Group

| | 2001 EUR'000 | 2000 EUR'000 |
|--|-----------------|-----------------|
| Sales of wind-power plants | 94,446 | 62,043 |
| Other revenue from operational management, planning work, etc. | 6,827 | 8,534 |
| | 101,273 | 70,577 |

The Group's sales were mostly generated within Germany in 2001.



Sales revenue from the sale of wind-power plants or parts thereof (under fixed-price contracts) are recorded as profitable income on the basis of the »percentage of completion« method. The income from projects still in hand on the closing date for the accounts are calculated on the basis of the most recent project cost calculations, which include all costs incurred or planned up to that date.

For projects that have not yet been handed over on the closing date, sales, costs, and profits as of that date are shown as follows:

| | 2001 EUR'000 | 2000 EUR'000 |
|---|-----------------|-----------------|
| IAS sales revenue from production of orders | 39,194 | 9,462 |
| Costs of order | -36,063 | -8,913 |
| IAS partial realisation of profits | 3,131 | 549 |

The Group has received instalment payments on projects that have not yet been handed over totalling Euro 2,841 thousand (2000: Euro 1,407 thousand)

b) AG

Sales are mainly generated within Germany. All goods and services supplied up to the closing date are shown in the sales revenue figures. These mainly involve intra-Group revenues for the administrative work and the provision of personnel totalling Euro 6,936 thousand (2000: Euro 4,978 thousand). Energiekontor AG earned fees for planning work totalling Euro 1,138 thousand (2000: Euro 2,005 thousand).

15. Other operating income

a) Group

The Group figure for »Other operating income« includes Euro 403 thousand from the liquidation of project-related provisions from previous years and other normal income totalling Euro 179 thousand.

b) AG

The »Other operating income« is made up of the provision of cars for Euro 16 thousand and the liquidation of provisions of Euro 11 thousand.

16. Interest income

a) Group

| | 2001 EUR'000 | 2000 EUR'000 |
|----------------------------------|-----------------|-----------------|
| Interest and similar income | 1,700 | 878 |
| Interest and similar expenditure | -671 | -220 |
| | 1,029 | 659 |



b) AG

| | 2001 EUR'000 | 2000 EUR'000 |
|---------------------------------------|-----------------|-----------------|
| Interest and similar income | 2,247 | 768 |
| - of which, from affiliated companies | 617 | 52 |
| Interest and similar expenditure | -581 | -93 |
| - of which, to affiliated companies | -20 | -11 |
| | 1,666 | 674 |

17. Tax expenses in the Group

| | 2001 EUR'000 | 2000 EUR'000 |
|--|-----------------|-----------------|
| Current taxes | 3,437 | 5,388 |
| Latent taxes | 470 | 132 |
| Total tax expenses in the Group | 3,907 | 5,520 |

Tax rate reconciliation

The effective tax rate in Germany, consisting of Corporation Tax, the Solidarity Surcharge, and Trade Profit Tax comes to 38.88 percent in the case of this company.

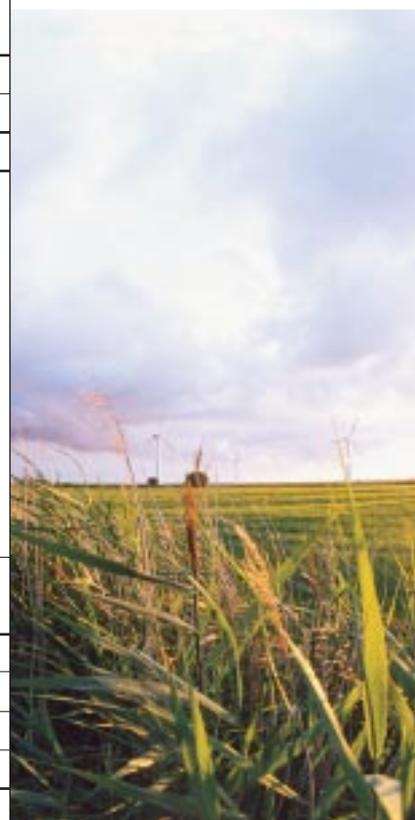
The transition from the tax expenses to the effective tax rate in Germany based on the pre-tax profit of Euro 10,026 thousand, can be presented as follows:

| | 2001 EUR'000 |
|--|-----------------|
| Tax expense based on German tax rates | 3,898 |
| plus deviating tax rates in other countries | 10 |
| plus taxes non-deductible operating expenses | 6 |
| minus permanent differences | -7 |
| | 3,907 |

VII. Other information

1. Employees

On average during this financial year, a total of 88 people (2000: 55 people) was employed, not counting trainees and apprentices. The number employed on 31st December 2001 was 190 salaried staff (2000: 61).





2. Members of the executive bodies and their emoluments

a) Board of Directors

The members of the Board of Directors are:

- Dr Bodo Wilkens, graduate economics engineer, chairman
- Günter Lammers, business executive.

The Company has decided to exercise the optional right granted by Article 286 paragraph 4 of the Code of Commercial Law (HGB) and dispense with a statement of the emoluments of the members of the Management Board for the execution of their duties in the parent and subsidiary companies.

b) Supervisory Board

The members of the Supervisory Board are:

- Markus Jochum, lawyer, chairman
Mr Jochum also holds positions on the supervisory boards of the following (non-listed) companies:
 - MSC Scharmer AG, Giessen (chairman)
 - Advanced Management Resources AG, Frankfurt am Main (chairman)
 - Gehrisch & Krack Filmproduktion AG, Frankfurt am Main
 - Innovative Software AG, Frankfurt am Main
 - Energiekontor Ocean Wind AG, Bremen
- Ex-Senator Jörg Kuhbier, lawyer, vice-chairman
Mr Kuhbier also holds positions on the supervisory boards of the following (non-listed) companies:
 - Energiekontor Ocean Wind AG, Bremen (chairman)
 - KODI AG, Leipzig
- Dr. Hans-Joachim Huss, graduate economics
Dr Huss also holds positions on the supervisory boards of the following (non-listed) companies:
 - Energiekontor Ocean Wind AG, Bremen (vice-chairman)
 - Regional Immobilien AG, Berlin

The members of the Advisory Board received emoluments totalling Euro 28 thousand during the year under review (2000: Euro 28 thousand).

c) Shareholdings of Board members

The members of the Supervisory and Management Boards held the following shares in the AG on 31st December 2001:

| Function | Name | No. of shares |
|--|------------|---------------|
| Chairman of the Board of Directors | Dr Wilkens | 5,031,100 |
| Director | Mr Lammers | 5,031,100 |
| Chairman of the Supervisory Board | Mr Jochum | 0 |
| Vice-Chairman of the Supervisory Board | Mr Kuhbier | 0 |
| Member of the Supervisory Board | Dr Huss | 780 |

d) Information on subsidiary companies

Energiekontor AG holds the majority, directly or indirectly, of the companies listed under »Consolidation Group I« with the exceptions of Energiekontor Umwelt GmbH & Co and Ökologische Wohnimmobilien KG. The subsidiaries are thus »affiliated« (»verbunden«) within the meaning of Article 271 paragraph 2 of the Code of Commercial law and »associated« within the meaning of IAS 24.

e) Transactions between associated companies and persons

Under IAS 24 the two directors, Dr Wilkens and Mr Lammers, are regarded as majority shareholders in the AG and the members of their families as »closely associated persons«.

No significant commercial transactions were recorded between the directors and the AG or the Group during the period under review.

The transactions between the AG and the subsidiaries in which it holds a majority of the shares consist of services such as administrative work and the provision of staff to a total value of Euro 6,936 thousand.

There were no paid transactions between the AG and the associated company in the Energiekontor Group.

The transactions between the associated companies were subject to similar terms and conditions as are usual between unrelated parties.

3. Exemption under Article 264 paragraph 3 of the Commercial Code

The subsidiary company Energiekontor Infrastruktur- und Anlagen GmbH, Bremerhaven, has made use of the provisions of Article 264 paragraph 3 of the Commercial Code (HGB) on exemption from the obligation to audit and disclose its annual report and accounts. Energiekontor AG has consented to this exemption for the 2001 financial year. The resolution has been published in accordance with Article 325 of the Code. The subsidiary company has been included in the Group accounts.

4. Proposal for the appropriation of profit

The profit for the year of Energiekontor AG amounts to Euro 6,732,840.93. The Board of Directors will put a proposal to the Annual General Meeting to the effect that part of this profit, Euro 1,721,556.10, be used to pay a dividend equivalent to Euro 0.11 per share on the dividend-entitled basic capital of Euro 15,650,510.00 which is made up of 15,650,510 unitary shares. The amount remaining after the payment of the dividend, Euro 5,011,284.83, should be transferred to the free profit reserves.

Bremen, February 2002



Dr. Bodo Wilkens



Günter Lammers



Consolidated Statement of Capital Change

from 01.01.2001 to 31.12.2001 according to the IAS

| | Subscribed capital | Capital reserve | Profit reserve forward | Group profit | Total | No. shares |
|---|-----------------------|--------------------|------------------------------|-----------------|---------------|---------------|
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | 1,000 pcs. |
| Positions as of 1 Jan 2000 | 150 | - | 15 | 2,460 | 2,625 | 150 |
| Transfer to profit reserve | - | - | 2,713 | -2,713 | - | - |
| Capital increase from company resources | 2,550 | - | -2,550 | - | - | 2,550 |
| Capital increase (emission) | 700 | - | - | - | 700 | 700 |
| Green Shoe capital increase (emission) | 100 | - | - | - | 100 | 100 |
| Premium on emission (incl. Green Shoe) | - | 24,800 | - | - | 24,800 | - |
| Emission costs (net charge) | - | -1,127 | - | - | -1,127 | - |
| Group profit for the year | - | - | - | 5,600 | 5,600 | - |
| Positions as of 1 Jan 2001 | 3,500 | 23,673 | 178 | 5,347 | 32,698 | 3,500 |
| Transfer to profit reserve | - | - | 3,173 | -3,173 | - | - |
| Capital increase (IPO) | 270 | - | - | - | 270 | 270 |
| Premium on capital increase (emission) | - | 19,170 | - | - | 19,170 | - |
| Emission costs (net charge against cash capital increase) | - | -644 | - | - | -644 | - |
| Capital increase (Acquisition of WSB KG) | 128 | 8,953 | - | - | 9,081 | 128 |
| Dividend payment | - | - | - | -1,050 | -1,050 | - |
| Capital conversion at share split | 11,694 | -11,694 | - | - | - | 11,694 |
| Capital increase ¹ | 59 | 819 | - | - | 878 | 59 |
| Group profit for the year | - | - | - | 6,138 | 6,138 | - |
| Position as of 31 Dec 2001 ² | 15,651 | 40,278 | 3,350 | 7,263 | 66,541 | 15,651 |

¹ not yet entered at Trade Registry on closing date for accounts

² including capital increase carried out but not yet entered at Trade Registry on closing date for accounts

Cash Flow Statement for the Group

from 1 January to 31 December 2001

| | 2001 EUR | 2000 EUR |
|--|----------------------|----------------------|
| Cash flow from operating activities | | |
| Profit (loss) on ordinary activities | 10,026,482.00 | 11,150,581.14 |
| Adjustments for: | | |
| Depreciation of fixed tangible assets | 527,284.83 | 113,975.57 |
| Financial income | -1,699,757.97 | -878,317.14 |
| Interest charges | 671,000.26 | 219,671.76 |
| Operating result prior to changes in net current assets | 9,525,009.12 | 10,605,911.33 |
| Changes in | | |
| Trade debtors and other assets | -39,615,725.43 | -20,004,239.01 |
| Stocks | -4,367,639.87 | -45,357.73 |
| Other assets | -272,219.57 | 108,022.30 |
| Trade creditors | 29,657,728.73 | 12,527,719.18 |
| Other short-term liabilities and provisions | 239,210.97 | 1,164,702.87 |
| Funds generated from operating activities | -4,833,636.05 | 4,356,758.94 |
| Interest paid | -671,000.26 | -219,671.76 |
| Income tax paid | -3,907,189.61 | -5,520,326.06 |
| Net funds from operating activities | -9,411,825.92 | -1,383,238.88 |
| Cash flow from investing activities | | |
| Investments in intangible fixed assets | -319,865.78 | -658,264.93 |
| Additions to intangible assets from first-time consolidation | 7,306.88 | - |
| Investments in fixed tangible assets | -1,431,277.48 | -610,548.64 |
| Additions to fixed tangible assets from first-time consolidation | 456,399.69 | - |
| Financial investments and participating interests | -5,871.24 | - |
| Additions to financial assets from first-time consolidation | 5,871.24 | - |
| Interest earned | 1,699,757.97 | 878,317.14 |
| | 412,321.28 | -390,496.43 |
| Cash flow from financing activities | | |
| Inflow from capital increases | 19,440,000.00 | 25,600,000.00 |
| Offsetting of IPO costs | -643,589.38 | -1,126,760.18 |
| Changes in short-term borrowings | 9,149,939.75 | 5,543,632.90 |
| Dividends paid | -1,050,000.00 | - |
| Profit shares attributable to minority interests | 18,478.10 | -29,818.74 |
| | 26,914,831.47 | 29,987,053.98 |
| Net increase of cash and cash equivalents | 17,915,326.83 | 28,213,318.67 |
| Cash and cash equivalents at the beginning of the period | 32,562,186.07 | 4,348,867.40 |
| Inflow of funds from first-time consolidation | 14,152.66 | - |
| Cash and cash equivalents at the end of the period | 50,491,665.56 | 32,562,186.07 |

Balance Sheet

Public Limited Company

ASSETS as of 31 Dec 2001 according to the HGB*
(explanatory notes see appendix)

| | EUR | 31 Dec 2001 EUR | 31 Dec 2000 EUR |
|---|---------------|----------------------|----------------------|
| A. Fixed assets ⁽²⁾ | | | |
| I. Property, land and equipment | | | |
| 1. Other equipment, factory and office equipment | | 600,146.23 | 0.00 |
| II. Financial assets | | | |
| 1. Shares in affiliated companies | | 9,730,351.02 | 353,697.97 |
| B. Current assets | | | |
| I. Debtors and other assets | | | |
| 1. Trade debtors ^(3b) | 1,558,074.73 | | 1,320,698.92 |
| 2. Amounts owed by affiliated companies | 22,437,515.28 | | 11,876,993.55 |
| 3. Other assets | 15,424,318.59 | 39,419,908.60 | 4,804,075.82 |
| II. Securities | | | |
| 1. Shares in affiliated companies | 261,381.98 | 261,381.98 | 0.00 |
| III. Cheques, cash in hand, central bank and postal giro balances, bank balances | | 43,628,423.91 | 26,203,030.63 |
| C. Prepaid expenses | | 0.00 | 53,222.70 |
| Total assets | | 93,640,211.74 | 44,611,719.59 |

from 1 Jan to 31 Dec 2001 according to the HGB*
(explanatory notes see appendix)

| | EUR | 31 Dec 2001 EUR | 31 Dec 2000 EUR |
|--|---------------|----------------------|----------------------|
| A. Equity | | | |
| I. Subscribed capital ⁽⁴⁾ | | 15,591,588.00 | 3,500,000.00 |
| II. Capital increase carried out, but not yet registered ⁽⁷⁾ | | 58,922.00 | 0.00 |
| II. Capital reserve ⁽⁸⁾ | | 41,237,445.11 | 24,800,000.00 |
| III. Profit reserves ⁽⁹⁾ | | | |
| 1. Statutory reserves | | 15,000.00 | 15,000.00 |
| 2. Other profit reserves | | 3,335,366.70 | 162,683.91 |
| IV. Consolidated retained earnings | | 6,732,840.93 | 4,222,682.79 |
| B. Provisions | | | |
| 1. Tax provisions | 2,051,418.71 | | 3,539,420.00 |
| 2. Other provisions ^(11b) | 1,238,285.74 | 3,289,704.45 | 715,099.53 |
| C. Creditors ^(12b) | | | |
| 1. Bank loans and overdrafts | 14,821,486.99 | | 5,822,053.61 |
| 2. Trade creditors | 317,401.99 | | 223,285.52 |
| 3. Amounts owed to affiliated companies | 7,956,465.76 | | 865,145.86 |
| 4. Other creditors | 283,989.81 | 23,379,344.55 | 741,532.40 |
| D. Deferred income | | 0.00 | 4,815.97 |
| Total liabilities and shareholders' equity | | 93,640,211.74 | 44,611,719.59 |

* German Commercial Code

Profit and Loss Account Public Limited Company

ASSETS as of 31 Dec 2001 accordance in the HGB*
(explanatory notes see appendix)

| | EUR | 31 Dec 2001 EUR | 31 Dec 2000 EUR |
|--|--------------|---------------------|----------------------|
| 1. Turnover ^(14b) | | 8,086,323.89 | 6,983,323.74 |
| 2. Other operating income ^(15b) | | 28,477.53 | 18,030.67 |
| 3. Personnel costs | | | |
| - Wages and salaries | 5,368,367.64 | | 3,943,600.99 |
| - Social security, pensions and other benefits | 615,885.79 | 5,984,253.43 | 382,306.64 |
| - of which for social security EUR 6,750.22 (previous year EUR 5,971.09) | | | |
| 4. Amortisation and depreciation | | | |
| - depreciation of tangible assets | | 20,703.38 | 0.00 |
| 5. Other operating charges | | 2,888,295.48 | 1,115,458.40 |
| 6. Income from participations and profit transfer from affiliated companies | | | |
| - Income from participations | 173,839.24 | | 143,892.02 |
| - Income from profit transfer agreements | 8,560,171.15 | 8,734,010.39 | 8,888,781.51 |
| 7. Expenses attributable to participations and profit transfer agreements with affiliated companies | | | |
| - Expenses attributable to profit transfer agreements | | 0.00 | 635,113.12 |
| 8. Other interest receivables and similar income ^(16b) | | 2,247,318.59 | 767,589.79 |
| - of which from affiliated companies EUR 617,397.95 (previous year EUR 52,195.52) | | | |
| 9. Interest payable and other similar charges ^(16b) | | 580,933.23 | 93,225.49 |
| - of which from affiliated companies EUR 19,797.55 (previous year EUR 10,991.58) | | | |
| 10. Profit on ordinary activities | | 9,621,944.88 | 10,631,913.09 |
| 11. Extraordinary charges | | 0.00 | 2,314,817.45 |
| 12. Extraordinary profit | | 0.00 | -2,314,817.45 |
| 13. Tax on profit and income | | 2,889,103.95 | 4,094,412.85 |
| 14. Profit for the year | | 6,732,840.93 | 4,222,682.79 |
| 15. Unappropriated profit brought forward | | 3,172,682.79 | 2,712,683.91 |
| 16. Transfer to profit reserves | | -3,172,682.79 | -2,712,683.91 |
| 17. Balance sheet profit | | 6,732,840.93 | 4,222,682.79 |



Auditor's Report

We have audited the annual financial statements, together with the bookkeeping system, and the consolidated financial statements, including balance sheets, statements on income, changes in equity and cash flow, notes to financial statements and consolidated financial statements as well as the status report and consolidated status report of Energiekontor AG for the business year 2001. The preparation and the contents of the annual financial statements in accordance with the German accounting standards and of the consolidated financial statements in accordance with the International Accounting Standards (IAS) as promulgated by the IASC are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, the status report and the consolidated status report, and to assess whether the status report and consolidated status report are in accordance with the International Accounting Standards (IAS) based on our audit.

We conducted our audit of the annual financial statements and the Group financial statements

in accordance with German statutory auditing provisions and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer* (IDW) in Germany. Those standards require that we plan and perform the audit such that significant misstatements in the financial statements and consolidated financial statements can be excluded with sufficient reliability. Knowledge of the business activities and the economic and legal environment of Energiekontor AG and evaluations of possible misstatements are taken into account in the determination of audit procedures. In the course of the audit the proof for valuations and statements in the financial statements and consolidated financial statements are examined primarily on a test basis. The audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements and the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

* Institute of Auditors

In our opinion, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of Energiekontor AG in accordance with principles of proper auditing.

In our opinion, the Group financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the IAS, as well as of the cash flows in the business year.

Our audit, which complied with German auditing regulations and also covered the Management Report and Group Management Report prepared by the Management Board for the company financial year from 1st January to 31st December 2001, did not give rise to any objections.

We are convinced that the combined Report prepared by the Management Board, taken in conjunction with the data in the Group accounts, give an altogether full and fair picture of the situation of Energiekontor AG and the Group and appropriately present the risks entailed in future developments. We also confirm that the Group accounts and the combined Management Report

and Group Management Report for the company financial year from 1st January to 31st December 2001 meet the criteria for exempting Energiekontor AG from the requirement to draw up a set of Group accounts and a Group management report in accordance with German law.

We carried out an examination of the conformity of the Group accounts with the 7th EU Directive for exemption from the obligation to prepare Group accounts as required under commercial law on the basis of the interpretation of the Directive shown in DRS 1, »Exempted Group accounts under Article 292a of the Code of Commercial Law«.

Freiburg, Germany dated 07 March 2002

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|-------------------------|-------------------------|
| Tabet | Winterhalter |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| [German Public Auditor] | [German Public Auditor] |



Company Calendar

2002 Company Calendar

| | |
|--------------------------------|---|
| 27 th March 2002 | 2001 Annual report |
| 29 th May 2002 | 1 st Quarterly report for 2002 |
| 12 th June 2002 | Annual General Meeting in Bremen |
| 22 nd August 2002 | Half-yearly report for 2002 |
| 21 st November 2002 | Nine-month report for 2002 |





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