



**GREENTECH ENERGY SYSTEMS A/S**

Greentech Energy Systems A/S  
Marielundvej 48, 1  
DK – 2730 Herlev  
Tel: + 45 33 36 42 02  
Fax: + 45 33 36 42 01  
[www.greentech.dk](http://www.greentech.dk)

**COMPANY ANNOUNCEMENT NO. 21/2008**

## **Greentech Energy Systems A/S**

**INTERIM REPORT FOR THE PERIOD 1 JANUARY – 30 JUNE 2008**

Copenhagen, 29 August 2008

## Highlights for the first half of 2008

- Revenue for the period was TDKK 44,068 against TDKK 18,503 in the year-earlier period. The increase was attributable primarily to an increase in installed capacity.
- The pre-tax profit for the period was TDKK 11,232 against a loss of TDKK 8,145 in the year-earlier period.
- The Company has received a number of offers for funding the Monte Grighine project. One of these offers has been selected with a view to finalising negotiations for intermediate funding of approximately EUR 75.0m.
- Construction of the Monte Grighine and Minerva Messina projects continue according to plan.
- Construction of the Cagliari II project has been postponed for four months, allowing for the turbines for this project and the Cagliari III project to be installed in an ongoing process.
- The Company retains its pre-tax profit forecast of TDKK 12,000-15,000 for the full year.

*Information:*

*Managing Director: Kaj Larsen*  
*Phone: +45 33 36 42 02*

### Board of Directors

Erik Damgaard  
Chairman

Jens Kjelde Mors  
Deputy Chairman

Carsten Risvig Pedersen

Jørgen Bendsen Poulsen

Peter Høstgaard-Jensen

## Interim report for the period 1 January – 30 June

### Financial highlights of the Group

<b>TDKK</b>	1/4 - 30/6 2008	1/4 - 30/6 2007	1/1 - 30/6 2008	1/1 - 30/6 2007	Full year 2007
Revenue	17,485	7,561	44,068	18,503	51,261
Operating profit	763	-3,808	9,971	-2,037	3,445
Net financials	-1,067	-4,891	1,261	-6,108	-8,197
<b>Profit/loss for the period</b>	<b>1,338</b>	<b>-8,750</b>	<b>8,535</b>	<b>-8,277</b>	<b>-90</b>
Non-current assets			2,409,531	1,256,597	1,450,742
Current assets			421,767	85,934	764,520
<b>Total assets</b>			<b>2,831,298</b>	<b>1,342,531</b>	<b>2,215,262</b>
Share capital			240,701	155,370	230,331
<b>Equity</b>			<b>2,035,086</b>	<b>795,983</b>	<b>1,918,100</b>
Non-current liabilities			574,703	314,841	192,677
Current liabilities			221,509	231,707	104,485
Cash flows from operating activities	119,736	-37,528	112,809	-32,608	-105,962
Cash flows from investing activities	-457,179	-257,773	-834,902	-330,533	-624,253
Of which investment in property, plant and equipment	-453,281	-257,773	-517,735	-330,533	-554,779
Cash flows from financing activities	376,865	173,914	358,331	373,820	1,389,867
<b>Total cash flows</b>	<b>39,422</b>	<b>-121,387</b>	<b>-363,762</b>	<b>10,679</b>	<b>659,652</b>
Gross margin	27.3 %	36.4 %	46.0 %	51.9 %	44.9 %
Profit margin	4.4 %	Negative	22.6 %	Negative	6.7 %
Equity ratio			71.9 %	59.3 %	86.5 %
Return on equity			0.43 %	Negative	0.0 %
Earnings per share, (EPS Basic), DKK	0.03	-0.32	0.18	-0.30	-0.01
Net asset value per share			42.27	25.62	41.62
Price/net asset value			1.88	3.44	2.36
Market price, end of period			79.50	88.00	98.33
<b>Average number of employees</b>			<b>23</b>	<b>14</b>	<b>12</b>
<b>Key figures relating to operations</b>					
Output in kWh (million)	21.8	n.a.	61.4	n.a.	80.6
Capacity, year-end (MW), net	68.3	47.3	68.3	47.3	68.3

The key ratios are calculated in accordance with "Recommendations & Financial Ratios, 2005", issued by the Danish Society of Financial Analysts.

## REVENUE AND FINANCIAL PERFORMANCE IN THE FIRST HALF OF 2008

It should be noted that the interim financial statements that provide the foundation for this interim report are unaudited but otherwise prepared according to the accounting policies of the Greentech Group.

### Financial performance

Revenue for the period amounted to TDKK 44,068 against TDKK 18,503 in the year-earlier period. The substantial improvement was attributable primarily to greater output capacity than in the same period of last year. Net capacity was thus 68.3 MW throughout the first half of 2008, whereas capacity was between 17.1 and 47.3 MW during the same period of last year.

Of total revenue, TDKK 7,527 was generated in Denmark, TDKK 21,454 in Italy, TDKK 1,435 in Poland and TDKK 13,652 in Germany. As expected, Italy represents an ever-increasing proportion of consolidated revenue.

Revenue for each quarter and combined for the first half of 2008 breaks down by individual country as follows:

	Q1	Q2	H1
Denmark	21%	11%	17%
Italy	37%	66%	49%
Poland	3%	4%	3%
Germany	39%	19%	31%

The first six months of 2008 were characterised by good wind conditions in Northern Europe in the first quarter but a disappointing second quarter, whereas wind conditions in Italy were as expected throughout the period.

Production costs, which also include depreciation of wind farms in operation, rose to TDKK 23,799. The increase inherently reflects rising depreciation as a greater number of wind turbines are commissioned. Production costs break down into operating expenses of TDKK 9,605 and depreciation of TDKK 14,194.

Administrative expenses for the first half of 2008 amounted to TDKK 10,298, which is lower than in the year-earlier period. During the past 12 months, the Group has seen a significant increase in the level of activity, the recruitment of new employees, an increase in transaction volumes, among other things. The reason why this growth is not reflected in administrative expenses is that the Group, in accordance with IFRS, has capitalised the in-house costs of developing the Company's projects, including construction thereof.

Financial items amounted to a net income of TDKK 356 in the period against a loss of TDKK 5,918 in the same period of last year. The deviation compared with last year was partly due to a significant capital increase towards the end of 2007, but also an increase of the Company's project funding and related interest expenses, especially in the second quarter of 2008.

3/28

The pre-tax profit for the period was TDKK 11,232 against a loss of TDKK 8,145 in the same period of 2007. This satisfactory performance was better than expected for the half-year. The profit generated in the second quarter was consistent with the expectations expressed in the interim report for the first quarter of 2008.

## Equity and capital structure

Equity increased from TDKK 1,918,100 at the end of 2007 to TDKK 2,035,086 at 30 June 2008. In the first six months of 2008, Greentech increased its share capital in connection with the acquisition of a fully-developed Italian wind turbine project, and the Company used part of its portfolio of treasury shares as partial payment for an option to acquire development projects in Italy.

In the second quarter of 2008, the Company's project funding agreements concerning the Italian projects Energia Verde and Minerva Messina were brought to an operational stage, which is a key part of the Company's business concept. As a result, non-current liabilities at 30 June 2008 amounted to TDKK 574,703, against TDKK 314,841 at 30 June 2007. Non-current liabilities were composed as follows as at 30 June 2008:

TDKK	30.06.08	30.06.07
Financing of Italian turbines	391,010	45,000
Financing of German turbines	144,868	117,874
Financing of Danish turbines	26,201	34,644
Financing of Polish turbines	6,923	0
Other non-current liabilities	5,701	117,323
Total	574,703	314,841

At the end of the first half of 2008, Greentech had a solvency ratio of 71.9%.

## Cash flows

Greentech's cash flows in the first half of 2008 were to a great extent affected by a consistently comprehensive investment programme and the build-up of capacity in Italy. Cash flows for investing activities amounted to TDKK -834,902. Cash flows were also influenced by the conclusion of project funding agreements, as a result of which cash flows from financing activities amounted to TDKK 358,331. Cash flows from operating activities amounted to TDKK 112,809, influenced primarily by the accrual of payments for construction work performed. For the first half of 2008, Greentech had a net cash outflow of TDKK 363,762.

## GREENTECH'S ACTIVITIES

Greentech develops, builds and operates wind farms in selected markets. The Company has Italy and Poland as its focus areas.

Greentech is currently at a stage at which wind farms under construction and wind farms in operation represent an increasing proportion of its activities. Accordingly, the Company is well on track to fulfilling its goal of becoming a producer and seller of power. Developing new projects is a natural precondition for meeting this goal, and Greentech therefore retains its strategy of consistently having at least 600-700 MW under development.

A description of activities at 30 June 2008 is set out below:

### WIND FARMS IN OPERATION

#### Denmark

The Company's Danish wind turbines at Milbak, Oppedstrup, Hannesborg and Frørup have a combined capacity of 15.45 MW. During the period, the turbines generated a total output of 14,581,010 kWh.

Location	Make of turbine	No. of turbines	Gross capacity	Commissioned	Output at 30 June 2008
Milbak	NEG Micon	5	750 kW	22.08.01	3,859,490 kWh
Oppedstrup	NEG Micon	10	750 kW	22.08.01	7,491,966 kWh
Hannesborg	Nordex	2	800 kW	15.02.01	1,526,789 kWh
Frørup	Nordex	2	1.3 MW	15.12.00	1,702,765 kWh
Denmark		19	15.45MW		14,581,010 kWh

In the first half of 2008, the Company achieved an average price for selling power of Eurocent 6.9/kWh, corresponding to DKK 0.515/kWh. Most of the Danish turbines have now reached 12,000 full load hours, which means that the power is no longer settled at DKK 0.6/kWh. Power from these turbines is now settled at DKK 0.43/kWh. The Company is currently considering whether it should abandon the subsidised scheme and sell the power in the open market, where it for the time being would obtain higher tariffs.

#### Poland

The wholly-owned company Eolica Połczyno Sp. z o.o. owns the Połczyno farm, which was commissioned in August 2006 as Greentech's first power-generating facility outside Denmark. The company has made an agreement with the utility company Energa in Gdansk for the supply of electricity and sale of green certificates at market prices.

Output during the period was 1,685,036 kWh, which is more or less in line with expectations.

Location	Make of turbine	No. of turbines	Gross capacity	Commissioned	Output at 30 June 2008
Polczyno	Enercon	2	1.6 MW	20.08.06	1,685,036 kWh

In the first half of 2008, the Company achieved average selling prices of Eurocent 3.91/kWh for power and Eurocent 6.78/kWh for green certificates, which translates into a combined average price of DKK 0.79/kWh.

## Germany

Greentech's activities in Germany consist of the ownership of three wind farms located in Gehlenberg, Wormlage and Tiefental. Greentech owns 50% of the total capacity at the two latter wind farms.

Greentech's share of the total output during the period was 27,964,303 kWh.

Location	Make of turbine	No. of turbines	Gross capacity	Commissioned	Output at 30 June 2008	Ownership
Gehlenberg	Enercon	13	23.4 MW	2000/2001	19,591,652 kWh	100%
Wormlage	Vestas	5	3.75 MW	31.12.2005	4,998,811 kWh	50%
Tiefental	Vestas	4	3.00 MW	31.12.2005	3,373,840 kWh	50%
Germany		22	30.15 MW		27,964,303 kWh	

The Company achieved an average price of Eurocent 8.93/kWh, corresponding to DKK 0.665/kWh.

## Italy

### Energia Verde

This 21 MW wind farm was taken over from the supplier at the end of October 2007. Until 1 March 2008, the wind farm was subject to certain production restrictions due to factors such as an extended inspection of the rotor blades, which influenced total output from the wind farm during the period.

Since 1 March 2008, the wind turbines have functioned to Greentech's full satisfaction, generating power in accordance with expectations. Accordingly, in a normal wind year and at the current tariffs, the wind farm will be able to contribute annual revenue of TDKK 55,000-60,000.

Output during the period amounted to 17,190,478 kWh.

Location	Make of turbine	No. of turbines	Gross capacity	Commissioned	Output at 30 June 2008	Ownership
Energia Verde	Nordex	14	21.0 MW	18.10.2007	17,190,478 kWh	100%

Energia Verde achieved an average price of Eurocent 9.3/kWh for power sold, corresponding to DKK 0.69/kWh. To this should be added an amount for the green certificates, which cannot be calculated until they are sold at the beginning of 2009. In revenue for the first half of 2008, green certificates have been recognised at an estimated price of Eurocent 9.0/kWh corresponding to DKK 0.67/kWh.

## **WIND FARMS UNDER CONSTRUCTION**

### Monte Grighine – 98.9 MW

Construction of this project is well underway and proceeding largely according to plan. Wind turbines are being installed at the site, and according to the timetable this process will continue until the end of November 2008, when all turbines are expected to be installed. The grid connection is expected to be completed so that the wind farm will be fully operational around 31 December 2008.

As outlined in company announcement no. 20 dated 5 August 2008, the Region of Sardinia has appealed a ruling made by the TAR court in Cagliari in May 2007. As a result of this appeal, the Company has not been able to draw on the project funding scheduled for this project.

As Greentech believes that the appeal does not involve any major risk, the Company has resolved to continue the construction work so that it may be completed pursuant to the proposed timetable. As a result, the project requires temporary funding until the appeals case has been decided. This period will probably not exceed 12 months, after which time Greentech expects to once again be able to draw on the originally scheduled project funding.

Greentech has received a number of offers in respect of this temporary funding. One of these offers has been selected with a view to finalising negotiations for intermediate funding of approximately EUR 75.0m. These negotiations are expected to be completed in September 2008.

### Minerva Messina – 48.3 MW

Construction of this project is proceeding according to the overall plans.

Since the publication of the most recent quarterly report, the issuance of the required driving permits in Sicily has been delayed due to administrative procedures. This has caused a delay in the delivery of turbines to the site so that the turbines are expected to arrive at the site now instead of in June 2008 as previously announced.

Concreting for 16 of the 21 bases for wind turbines has been completed so far. All external roads have been completed and approved by the authorities. 10% of the internal roads still need to be completed.



Installation of the turbines will commence on 1 September 2008. Two different technical solutions are being considered in respect of grid connection. However, the grid connection is still expected to be in place by the end of the year.

### Cagliari II – 24 MW

All contracts for this project are now in place as a contract has been signed with Terna for the delivery of electrical installations for the project.

As mentioned later in this announcement, we expect to receive a building permit for the Cagliari III project within a relatively short time period. Installing turbines in the Cagliari II and III projects in an ongoing process will involve quite substantial savings. Due to a long lead time for the transformer station from Terna, a decision was made in consultation with the turbine supplier to postpone the shipment of turbines to the Cagliari II project from September 2008 until January 2009. This means that this wind farm will not become operational until in the second quarter of 2009 instead of around the turn of the year as previously announced.

Concreting for 6 out of 16 bases for wind turbines has been completed at the site, and all internal roads are completed.

## **PROJECTS UNDER DEVELOPMENT**

### **Political climate in Italy**

The Italian wind power market is currently witnessing a trend in which legislation is passed at both national and regional level to ensure a more uniform and structured expansion of the use of wind power. An integral part of this legislation includes detailed regional plans to determine the extent of wind power and the location of these facilities within each region.

Experience from the meetings which Greentech regularly holds with the individual regions suggests that, going forward, the authorities will to a greater extent give priority to applications from companies with previous experience from constructing and operating wind farms. Other things being equal, this will be to Greentech's advantage.

At the national level, plans are underway to introduce uniform rules for the AU procedure (Autorizzazione Unica), which should facilitate the future work involved in this process.

In terms of development, Greentech currently has activities in the following regions:

- Sardinia
- Calabria
- Puglia
- Campania
- Basilicata

The Sardinia region has so far completed its legislation on the location of wind farms. As previously announced, it is possible to build new wind farms if they are located at an industrial site or have received all permits before November 2004.

In June 2008, the Calabria region introduced a moratorium scheme, under which the processing of all projects in which construction had not commenced was postponed for 120 days. During this period, Calabria's authorities intend to introduce new procedures for the approval of wind power projects while also creating an overall goal for the region's expansion of the use of renewable energy.

The Puglia region recently introduced legislation under which each municipality must prepare so-called PRIE plans, identifying areas in which wind farms can be installed in the local area and specifying the number of turbines that can be erected. These PRIE plans must subsequently be approved by the region before a permission can be granted for the individual projects. Puglia will probably also become the first region in Italy to implement an EU directive from 2001, according to which municipalities that have still not prepared PRIE plans will be requested, in addition to a PRIE plan, to draw up so-called strategic environmental assessments "(VAS)". Once these assessments have been prepared and published, it is assumed that the required environmental permission for a project may benefit from this overall environmental assessment.

The Campania region still has not introduced any special guidelines for wind farms. However, it is obvious that the region is currently investigating the steps taken in other regions, and the region is therefore expected to introduce special measures for wind farms within the foreseeable future.

The Basilicata region has asked an external firm of consultants to draw up a new energy plan for the region. Until this plan has been published, no existing or new applications for wind power projects will be processed.

In Greentech's opinion, the above-mentioned regional steps will create more clarity about the procedures and the goals which each region intends to pursue. However, Greentech must acknowledge that the implementation of these measures will cause delays in the processing of the individual projects. Accordingly, the review of our development portfolio below takes these expected delays into consideration.

## Project portfolio

Location	No. of turbines	Gross capacity	Status	Ownership
Cagliari III	9	13.5 MW	Permissions expected in 2008	100%
Bonorva	35	80.5 MW	Permissions expected in 2008	90%
San Vito	25	57.5 MW	Permissions expected in 2008	80%
Brindisi	35	80.5 MW	Permissions expected in 2009	75%
Candela	40	100.0 MW	Permissions expected in 2010	75%
Montemilione	17	34.0 MW	Permissions expected in 2010	75%
Guardia dei Lombardi	19	47.5 MW	Permissions expected in 2010	75%
Due Serri	7	21.0 MW	Permissions expected in 2010	100%
Campo d'Oro	7	21.0 MW	Permissions expected in 2009	100%
Monte Grighine II	26	60.0 MW	Permissions expected in 2010	100%
Carbonia	10	23.3 MW	Permissions expected in 2010	100%
Calitri	26	59.8 MW	Permissions expected in 2010	100%
Lamezia Europa	11	27.5 MW	Permissions expected in 2010	100%
Crotonne	41	102.5 MW	Permissions expected in 2010	100%
Francavilla Fontana	46	115.0 MW	Permissions expected in 2010	100%
Portfolio under development		843.6 MW		
Projects under screening		382.5 MW		85-100%

In the following, we provide a status update on the projects for which we expect to obtain the necessary permissions in 2008, 2009 and the first quarter of 2010.

### Cagliari III – 13.5 MW

This project recently obtained the necessary permission from the local planning authorities, CASIC.

Subsequently, it will be possible to contact the municipality involved and request the necessary building permit.

As previously planned, this project is therefore expected to be constructed immediately after the Cagliari II project. A contract for turbine shipments has already been agreed, and the transformer to be acquired for the Cagliari II project provides sufficient capacity to serve the Cagliari III project as well. As such, the construction process will be relatively simple and is expected to be completed simultaneously with the Cagliari II project.

### Bonorva – 80.5 MW

It has now been determined that the first phase of this project can be completed with 35 turbines of 2.3 MW each for a total of 80.5 MW.

All the necessary permissions for the project have been obtained. In connection with the notarial certificate for all related land leases, a problem has arisen in respect of the site

owner who owns the land on which the transformer station is to be placed. Negotiations are pending with this landowner. If these negotiations do not result in a positive outcome, the land will have to be expropriated. Greentech still expect this project to be ready for construction work at the end of 2008.

#### San Vito – 57.5 MW

As this project is located in Calabria, it is comprised by the previously mentioned moratorium. Before the moratorium was introduced, the project had obtained all the necessary permissions, including the final Autorizzazione Unica. As this permit had not been published, however, the project was subject to the 120-day postponement.

Following the introduction of the moratorium, Greentech has contacted the region, which has confirmed in writing that they do not expect any problems in terms of publishing the granted Autorizzazione Unica, once the moratorium ends.

Hence, Greentech believes that this project will have all the necessary permits at the end of 2008.

#### Brindisi and Campo D'Oro – 101.5 MW

These two projects are located in the municipality of Brindisi, Puglia. The municipality has approved the PRIE plan, which is expected to be approved by the region later this year. The two projects are located in the part of the municipality where construction of wind farms is permitted.

Once the PRIE plan has been approved by the region, efforts to obtain approval of these projects can continue. The projects must be given environmental approval before the final Autorizzazione Unica can be granted.

According to the timetables presented by the municipality, these projects should obtain all necessary permits by the fourth quarter of 2009.

#### Candela and Due Serri – 121 MW

These two projects are located in the municipality of Candela, Puglia. The municipality has still not adopted a PRIE plan, as it is processing applications for a number of wind farms, whose location within the municipality must be co-ordinated before the authorities can draw up and adopt a PRIE plan. This work is expected to be finalised towards the end of 2008.

Based on this timetable, Greentech expects to obtain the necessary permits for these two projects in the first quarter of 2010.

## Poland

### Project portfolio:

Location	No. of turbines	Gross capacity	Status	Ownership
Ustka	16	40.0 MW	Permissions expected in 2009	100%
Parnowo	5	12.5 MW	Permissions expected in 2009	100%
Puck	13	34.0 MW	Permissions expected in 2009	100%
Wojciechowo	14	28.0 MW	Permissions expected in 2009	50%
Porzecze	23	46.0 MW	Permissions expected in 2010	100%
Osieki	5	12.5 MW	Permissions expected in 2010	100%
Smolecin	30	75.0 MW	Permissions expected in 2010	100%
Offshore	33	99.0 MW	Permissions expected in 2010	100%

In the following, we provide a status update on the projects for which we expect all permissions to be obtained in 2009.

#### Ustka – 40 MW

This project is now at the stage where an application for a building permit was filed in August 2008.

Energa, the Polish power company, has announced that the project can be connected to a new transformer station scheduled to be built in 2010. Until that time, however, Energa is prepared to connect the project to the existing transformer facility. Hence, Greentech expects that this project will have all the necessary permits not later than in the first quarter of 2009.

The intention is to install 16 Nordex N100 turbines in this project. Based on on-site wind measurements performed, we expect annual output from these turbines of around 100,000,000 kWh.

#### Parnowo – 12.5 MW

This project is also at an advanced stage of the development process. We expect to apply for a building permit at the beginning of October 2008, which should allow for a building permit to be issued by the end of the year.

Energa has processed this project together with the Ustka project, so the grid connection is expected to proceed according to the same timetable as that for the Ustka project.

Initially, five Nordex N100 turbines will be connected. As it is possible to install another five of these turbines at the site, the project is expected to be extended by an additional 12.5 MW. All necessary permits for the first phase of the project are expected to be in place in the first quarter of 2009.

12/28

### Wojciechowo – 28 MW

The building permit for the wind turbine facility and the necessary roads has taken effect. Contractual negotiations are underway with the selected turbine supplier.

Certain problems have arisen in respect of a site owner on the cable route. It will probably be necessary to expropriate the land, which would delay the completion of the project. Hence, Greentech expects that this project will not be ready for construction until in the first quarter of 2009.

### Offshore – 99 MW

As there is still strong local opposition to this project, the municipality of Krokowa has still not processed our application for a cable permission, and the county continues to delay the issuance of our environmental permission.

Consequently, Greentech intends to contact the ministries that have issued the permission to the offshore part of the project, requesting that they intervene in the matter.

### Puck – 34 MW

The Puck project was previously referred to as Krokowa onshore, consisting of a number of small projects in the municipalities of Krokowa and Puck. However, as the municipality of Krokowa does not wish to have wind turbines installed in their area, Greentech have resolved to focus on the municipality of Puck, which is positively inclined towards wind power. The municipality has made additional sites available to Greentech, allowing Greentech to complete a combined project of 34 MW.

## **Norway**

In May 2008, in close collaboration with our local partner, Greentech completed the impact calculation for the Kollsnes project in accordance with the provisions of the Norwegian Planning and Building Act and pursuant to the detailed guidelines issued by the responsible authority, the Norwegian Water Resources and Energy Directorate (NVE). In addition to a technical and visual description of the planned wind turbine project, the impact calculation also contains a description and assessment of the consequences for the local flora, fauna, cultural and business environments and impact on the local community as well as minutes of meetings held with site owners, municipalities and civic groups.

The finalised impact calculation and a formal application for a building permit for the project were filed with the NVE in June. Experience suggests that the NVE will spend 3-5 months processing the application and holding the required two public hearings before issuing a building permit. The NVE has provided positive feedback in respect of the project.

In accordance with the conclusions of the impact calculation, Greentech decided to reduce the capacity for the project from 38 MW to 30 MW consisting of 10 turbine locations each with a hub height of 90 metres.

On receipt of the building permit from the NVE, Greentech will make its final decision as to the choice of turbine supplier, construction planning and other factors.

### **Project funding**

As mentioned earlier in this announcement, the project funding for the Energia Verde and Minerva Messina projects were brought to an operational stage during the period.

Project funding for the Cagliari II project is currently being negotiated with the same bank that financed the Energia Verde project. The timetable should allow for the funding agreement to be signed in September 2008.

The negotiations concerning a EUR 700.0m financing scheme for Italian projects will also continue when the summer holidays are over in Italy at the end of August. Negotiations for this financing scheme are expected to be finalised during the next three months.

Greentech has experienced renewed interest in project funding for Polish projects in step with an increase in overall tariffs in Poland. This interest is displayed by international banks with a local presence in Poland. In the foreseeable future, one of these banks will be appointed to provide financing for the Ustka and Parnowo projects.

### **Events occurring after 30 June 2008**

No events have occurred after 30 June 2008 that would affect the Company's results of operations and balance sheet.

### **Board of Directors**

Carsten Pedersen has notified the Company that he wishes to resign from the Board of Directors in connection with the publication of the half-year report. Carsten Pedersen joined Greentech's Board of Directors in 2000 and has thus taken part in the process of building the Company. In view of the key position that Greentech has built as a Nordex customer, Carsten Pedersen finds that it would no longer be consistent with the principles of corporate governance to continue as a director of Greentech.

The four other board members will continue as members of Greentech's Board of Directors until the annual general meeting in 2009, when Greentech will consider whether to expand the board.

## **Outlook for the current year**

The Company retains its pre-tax profit forecast of TDKK 12,000-15,000 for the full year.

The forecast is based on a third quarter which is traditionally quite weak due to wind conditions in Northern Europe. It is difficult to estimate the output in Italy as the Company has not previously operated at full capacity in a third quarter.

A strong output is usually expected in Northern Europe in the fourth quarter. Output in Italy is expected to be slightly lower in the fourth quarter, as wind conditions are traditionally weaker during the winter months.



## **Forward looking statements**

This interim report contains forward-looking statements reflecting management's current perception of future trends and financial performance. Statements relating to 2008 and the years ahead are naturally subject to uncertainty, and Greentech's realised results may therefore differ from the projections. Factors that may cause such variance include, but are not limited to, changes in macro-economic and political conditions - particularly in Greentech's principal markets, changes to the supplier situation and approval procedures, volatility in power prices, regulatory changes, possibilities of obtaining and terms and conditions for project funding, etc.

This interim report does not constitute an invitation to buy or trade shares in Greentech Energy Systems A/S.

## **OTHER MATTERS**

### **Company announcements**

- 1/2008 Share transactions
- 2/2008 The new Italian Budget Law
- 3/2008 Announcement of significant position
- 4/2008 Wind turbine contracts for projects in 2009 and 2010
- 5/2008 Financial structure for building program 2008-2009
- 6/2008 Announcement of financial results at 31 December 2007
- 7/2008 CFO Joins the Executive Board
- 8/2008 Board of Directors' Report
- 9/2008 Minutes of the Annual General Meeting
- 10/2008 Greentech issues a warrant programme
- 11/2008 Issuing of new shares – Cagliari II
- 12/2008 Litigation settled in favour of Greentech
- 13/2008 Minerva Messina financing agreement is operational
- 14/2008 Article on conflicts of interest
- 15/2008 Announcement of significant position
- 16/2008 Interim report Q1 2008
- 17/2008 Announcement of significant position
- 18/2008 Share transactions
- 19/2008 Energia Verde financing agreement is operational
- 20/2008 Appeals case concerning the Monte Grighine project

### **Financial calendar**

Interim report, Q3 28 November 2008

## Interim report for the period 1 January – 30 June

### Income statement

<b>TDKK</b>	1/4- 30/6 2008	1/4- 30/6 2007	1/1 - 30/6 2008	1/1 - 30/6 2007	Full year 2007
Revenue	17,485	7,561	44,068	18,503	51,261
Production costs	<u>-12,717</u>	<u>-4,812</u>	<u>-23,799</u>	<u>-8,896</u>	<u>-28,224</u>
<b>Gross profit</b>	<b>4,768</b>	<b>2,749</b>	<b>20,269</b>	<b>9,607</b>	<b>23,037</b>
Administrative expenses	<u>-4,005</u>	<u>-6,557</u>	<u>-10,298</u>	<u>-11,644</u>	<u>-19,592</u>
<b>Operating profit/loss</b>	<b>763</b>	<b>-3,808</b>	<b>9,971</b>	<b>-2,037</b>	<b>3,445</b>
Income from investments in associates	-47	-866	905	-190	1,160
Financial income	2,405	2,350	6,879	4,142	14,738
Financial expenses	<u>-3,425</u>	<u>-6,375</u>	<u>-6,523</u>	<u>-10,060</u>	<u>-24,095</u>
<b>Profit/loss before tax</b>	<b>-304</b>	<b>-8,699</b>	<b>11,232</b>	<b>-8,145</b>	<b>-4,752</b>
Tax on the profit/loss for the period	<u>1,642</u>	<u>-51</u>	<u>-2,697</u>	<u>-132</u>	<u>4,662</u>
<b>Profit/loss for the period</b>	<b><u>1,338</u></b>	<b><u>-8,750</u></b>	<b><u>8,535</u></b>	<b><u>-8,277</u></b>	<b><u>-90</u></b>
Proposed distribution of profit/loss:					
Profit in subsidiaries attributable to minority shareholders	<u>-18</u>	<u>0</u>	<u>-33</u>	<u>0</u>	<u>37</u>
Profit/loss for the period attributable to the Greentech Group	<b><u>1,356</u></b>	<b><u>-8,750</u></b>	<b><u>8,568</u></b>	<b><u>-8,277</u></b>	<b><u>-127</u></b>
<b>EARNINGS PER SHARE</b>					
Earnings per share (EPS) (actual and diluted)	<u>0.03</u>	<u>-0.32</u>	<u>0.18</u>	<u>-0.30</u>	<u>-0.01</u>

# Interim report for the period 1 January – 30 June

## Balance sheet

### Assets

<b>TDKK</b>	<u>30/06 2008</u>	<u>30/06 2007</u>	<u>31/12 2007</u>
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Wind turbines	456,062	225,922	444,612
Wind turbines under construction	1,537,746	908,383	937,337
Equipment	<u>3,325</u>	<u>1,095</u>	<u>1,650</u>
<b>Property, plant and equipment</b>	<b><u>1,997,133</u></b>	<b><u>1,135,400</u></b>	<b><u>1,383,599</u></b>
<b>Other non-current assets</b>			
Investments in associates	22,726	22,516	21,822
Deposits	3,285	711	2,502
Prepayments	317,986	0	3,097
Loans to land owners	1,489	0	0
Deposits on accounts held as collateral	60,029	96,781	33,038
Deferred tax asset	<u>6,883</u>	<u>1,189</u>	<u>6,684</u>
<b>Other non-current assets</b>	<b><u>412,398</u></b>	<b><u>121,197</u></b>	<b><u>67,143</u></b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>2,409,531</u></b>	<b><u>1,256,597</u></b>	<b><u>1,450,742</u></b>
<b>Current assets</b>			
Green certificates	18,058	0	8,109
Trade receivables	11,282	8,591	11,053
Other receivables	54,257	19,226	44,296
Income tax receivable	1,397	1,264	1,340
Prepayments	5,493	2,239	4,680
Cash at bank and in hand	<u>331,280</u>	<u>54,614</u>	<u>695,042</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>421,767</u></b>	<b><u>85,934</u></b>	<b><u>764,520</u></b>
<b>TOTAL ASSETS</b>	<b><u>2,831,298</u></b>	<b><u>1,342,531</u></b>	<b><u>2,215,262</u></b>

## Interim report for the period 1 January – 30 June

### Balance sheet

#### Liabilities and equity

<b>TDKK</b>	<u>30/06 2008</u>	<u>30/06 2007</u>	<u>31/12 2007</u>
Share capital	240,701	155,370	230,331
Exchange adjustment reserve	114	18	32
Share premium account	1,863,868	703,336	1,811,750
Retained earnings	-70,511	-63,734	-124,960
<b>Greentech's share of equity</b>	<b><u>2,034,172</u></b>	<b><u>794,990</u></b>	<b><u>1,917,153</u></b>
Minority interests	914	993	947
<b>TOTAL EQUITY</b>	<b><u>2,035,086</u></b>	<b><u>795,983</u></b>	<b><u>1,918,100</u></b>
Provision for deferred tax	2,046	0	48
Other provisions	3,655	0	3,655
Credit institutions	569,002	239,981	188,974
Loan creditors	0	36,000	0
Convertible debt instruments	0	38,860	0
<b>Total non-current liabilities</b>	<b><u>574,703</u></b>	<b><u>314,841</u></b>	<b><u>192,677</u></b>
<b>Current liabilities</b>			
Current portion of non-current liabilities	40,308	137,624	35,014
Trade payables	136,684	59,153	12,507
Accrued purchase price	18,394	18,394	30,985
Other payables	26,123	16,536	25,979
<b>Current liabilities</b>	<b><u>221,509</u></b>	<b><u>231,707</u></b>	<b><u>104,485</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>796,212</u></b>	<b><u>546,548</u></b>	<b><u>297,162</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>2,831,298</u></b>	<b><u>1,342,531</u></b>	<b><u>2,215,262</u></b>

## Interim report for the period 1 January – 30 June

### Statement of changes in equity

<b>TDKK</b>	Share capital	Exchange adjustment reserve	Share premium account	Retained earnings	Total	Minority interests	Total
<b>Equity at 1 January 2007</b>	<b>99,871</b>	<b>-78</b>	<b>200,136</b>	<b>-55,457</b>	<b>244,472</b>	<b>15</b>	<b>244,487</b>
Exchange adjustment of foreign enterprises	0	96	0	0	96	0	96
Profit/loss for the period	0	0	0	-8,277	-8,277	0	-8,277
<b>Total income</b>	<b>0</b>	<b>96</b>	<b>0</b>	<b>-8,277</b>	<b>-8,181</b>	<b>0</b>	<b>-8,181</b>
Cash capital increase	33,365	0	316,635	0	350,000	0	350,000
Non-cash capital increase	22,134	0	211,869	0	234,003	978	234,981
Expenses in connection with capital increase	0	0	-25,304	0	-25,304	0	-25,304
<b>Total changes in equity</b>	<b>55,499</b>	<b>0</b>	<b>503,200</b>	<b>0</b>	<b>558,699</b>	<b>978</b>	<b>559,677</b>
<b>Equity at 30 June 2007</b>	<b>155,370</b>	<b>18</b>	<b>703,336</b>	<b>-63,734</b>	<b>794,990</b>	<b>993</b>	<b>795,983</b>
<b>Equity at 1 January 2008</b>	<b>230,331</b>	<b>32</b>	<b>1,811,750</b>	<b>-124,960</b>	<b>1,917,153</b>	<b>947</b>	<b>1,918,100</b>
Profit/loss for the period	0	0	0	8,568	8,568	-33	8,535
Share based remuneration	0	0	0	371	371	0	371
Exchange adjustment of foreign enterprises	0	82	0	0	82	0	82
<b>Total income</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>8,939</b>	<b>9,021</b>	<b>-33</b>	<b>8,988</b>
Cash capital increase	10,370	0	52,118	0	62,488	0	62,488
Treasury shares used as partial payment for exercising an option in wind turbine projects	0	0	0	50,477	50,477	0	50,477
Acquisition of treasury shares	0	0	0	-4,967	-4,967	0	-4,967
<b>Total changes in equity 2008</b>	<b>10,370</b>	<b>0</b>	<b>52,118</b>	<b>45,510</b>	<b>107,998</b>	<b>0</b>	<b>107,998</b>
<b>Equity at 30 June 2008</b>	<b>240,701</b>	<b>114</b>	<b>1,863,868</b>	<b>-70,511</b>	<b>2,034,172</b>	<b>914</b>	<b>2,35,086</b>

## Interim report for the period 1 January – 30 June

### Cash flow statement

TDKK	Q2 2008	Q2 2007	Year to date 30/6 2008	Year to date 30/6 2007
<b>Operating profit/loss</b>	<b>763</b>	<b>-3,494</b>	<b>9,971</b>	<b>-1,723</b>
Depreciation and impairment losses on property, plant and equipment	7,348	2,810	14,477	5,602
Change in working capital	<u>112,702</u>	<u>-34,073</u>	<u>88,062</u>	<u>-31,824</u>
Cash flows from operations before interest	120,813	-34,757	112,510	-27,945
Interest received	2,405	5,855	6,879	7,647
Interest paid	<u>-3,425</u>	<u>-8,626</u>	<u>-6,523</u>	<u>-12,310</u>
Cash flow from ordinary activities	119,793	-37,528	112,866	-32,608
Tax paid	<u>-57</u>	<u>0</u>	<u>-57</u>	<u>0</u>
<b>Cash flows from operating activities</b>	<b><u>119,736</u></b>	<b><u>-37,528</u></b>	<b><u>112,809</u></b>	<b><u>-32,608</u></b>
Purchase of property, plant and equipment	-453,281	-257,773	-517,735	-330,533
Sale of property, plant and equipment	57	0	2,689	0
Prepayments for property, plant and equipment	-3,955	0	-314,889	0
Acquisition of treasury shares	<u>0</u>	<u>0</u>	<u>-4,967</u>	<u>0</u>
<b>Cash flows from investing activities</b>	<b><u>-457,179</u></b>	<b><u>-257,773</u></b>	<b><u>-834,902</u></b>	<b><u>-330,533</u></b>
Change in accounts held as collateral	-28,037	63,372	-26,991	-71,877
Increase of share capital	0	-15,909	0	324,696
Change in loan creditors	0	-7,514	0	-8,147
Change in convertible loan	0	51,189	0	52,841
Change in payables to credit institutions	<u>404,902</u>	<u>82,776</u>	<u>385,322</u>	<u>76,307</u>
<b>Cash flows from financing activities</b>	<b><u>376,865</u></b>	<b><u>173,914</u></b>	<b><u>358,331</u></b>	<b><u>373,820</u></b>
<b>Cash flows for the period</b>	<b>39,422</b>	<b>-121,387</b>	<b>-363,762</b>	<b>10,679</b>
Cash and cash equivalents, 1 January	291,858	176,001	695,042	35,390
Additions in connection with acquisitions	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,545</u>
<b>Cash and cash equivalents, 30 June</b>	<b><u>331,280</u></b>	<b><u>54,614</u></b>	<b><u>331,280</u></b>	<b><u>54,614</u></b>

The cash flow statement cannot be derived using only the published financial data.

## **NOTES**

### **1. General information about Greentech**

Greentech Energy Systems A/S (“Greentech” or the “Company”) is a power company which produces and sells electricity based on wind power from wind farms developed and installed by the Company.

Greentech focuses on carefully selected EU countries with favourable wind conditions, a large need for wind power expansion and a de-facto political commitment to promoting wind power through factors such as attractive tariffs.

The Company currently focuses on Italy and Poland; Italy because tariffs on electricity generated by wind power are the most attractive in Europe, whilst the country is also keen on becoming more self-sufficient in terms of energy. Consequently a substantial expansion of renewable energy capacity is called for. Poland because the country has a very modest renewable energy sector and because Poland has committed itself to pursuing the overall objectives of the EU. Thus, there is a need for substantial investments in renewable energy. Tariffs on power from wind turbines are presently at a level that makes for profitable investments in Poland, but prices are expected to rise, hence making wind turbine investments even more attractive

Greentech also has wind farms in operation in the mature wind turbines markets in Denmark and Germany and development activities in Norway, where wind power is still being developed.

### **2. Accounting policies**

#### **Basis of preparation**

The interim report comprises summary consolidated financial statements of Greentech Energy Systems A/S.

#### **Accounting policies**

The interim report has been prepared in accordance with the International Financial Reporting Standard IAS 34 on interim reports and additional Danish disclosure requirements for the financial statements of listed companies.

The accounting policies are consistent with those applied to the annual report for 2007, prepared in accordance with the International Financial Reporting Standards (IFRS). For a full description of accounting policies, see pp. 35-42 of the annual report for 2007.



## **New IAS/IFRSs**

Effective from 1 January 2008, Greentech has adopted IFRIC 11 "Group and treasury share transactions." The change has no effect on the profit for the period or on equity.

## **New accounting standards**

The IASB has approved the following new financial reporting standards and interpretations, taking effect for financial years beginning on or after 1 January 2008 and which are deemed to be relevant to Greentech:

IFRS 8 on segment information and related changes to IAS 34 (taking effect at 1 January 2009) under which segment information should be based on internal management reporting. Furthermore, the IASB has adopted amendments to IAS 1 on the presentation of statements of changes in equity etc. in the annual report and changes to IAS 23 to the effect that borrowing costs are to be included in the cost of certain tangible assets. The changes to IAS 1 and IAS 23 have yet to be adopted by the EU. IFRS 8 will be examined in detail to determine which disclosures are required. The change to IAS 23 will not have any effect as Greentech already recognises borrowing costs in the cost of its assets.

## **Critical choices and judgment in the accounting policies and critical accounting estimates**

Management' choices and judgments in the accounting policies in respect of acquired rights, development projects and whether these represent a business or merely the acquisition of individual assets are critical. Management's accounting estimates of useful lives and residual values of tangible assets and impairment tests are also critical. For a description of these, see p. 49 of the annual report for 2007.

## **3. Wind turbines and wind turbines under construction**

The Company's property, plant and equipment and any movements at 30 June 2008 are specified as follows:

<b>TDKK</b>	<u>Wind turbines</u>	<u>Wind turbines under construction</u>	<u>Equipment</u>
Cost at 1 January 2008	499,092	938,772	2,373
Exchange adjustment	0	0	0
Additions	25,644	603,098	1,958
Disposals	<u>0</u>	<u>-2,689</u>	<u>0</u>
Cost at 30 June 2008	<u>524,736</u>	<u>1,539,181</u>	<u>4,331</u>
Depreciation/impairment at 1 January 2008	54,480	1,435	723
Disposals	0	0	0
Depreciation	<u>14,194</u>	<u>0</u>	<u>283</u>
Depreciation/impairment at 30 June 2008	<u>68,674</u>	<u>1,435</u>	<u>1,006</u>
<b>Carrying amount at 30 June 2008</b>	<b><u>456,062</u></b>	<b><u>1,537,746</u></b>	<b><u>3,325</u></b>
Depreciated over	20 years	N/A	3-5 years

#### 4. Equity and loans

In the first quarter of 2008, Greentech Energy Systems A/S acquired 54,400 treasury shares for a total of TDKK 4,967. No additional treasury shares were acquired in the second quarter. In April 2008, the Company used 541,848 treasury shares as partial payment for exercising an option to acquire Italian project companies with wind turbine projects totalling 129 MW.

The portfolio of treasury shares subsequently amounts to 257,952 shares, corresponding to 0.54% of the share capital. The shares were acquired for a total of TDKK 24,030 and represented a market value of TDKK 20,507 at 30 June 2008. The Company's portfolio of treasury shares is held for the purpose of acquiring project companies.

As disclosed in company announcement no. 11, the Company has issued 2,074,000 new shares. The new shares were used as payment for acquiring all rights for the 24 MW wind turbine project Cagliari II. See the relevant company announcement for additional information.

#### 5. Share-based payment

In the second quarter of 2008, Greentech Energy Systems A/S exercised the authority to set up a share option programme for the Company's management and employees on the following terms and conditions:

Allocation time	<u>No. of shares</u>	<u>Time of exercise</u>	<u>Fair value per option</u>
April 2008	200,000	2010-2011	22.28

The fair value at the allocation time is calculated on the following preconditions:

Average share price (DKK)	80.10
Exercise price (DKK)	80.10
Expected volatility	39 %
Expected duration	2.5 years
Expected dividend per share	0 %
Risk-free interest rate (based on Danish government bonds)	3.9 %

See Company announcement no. 10/2008 for additional information.

## 6. Contingent liabilities

For a description of contingent liabilities, see pp. 65-67 of the annual report for 2007. In the first quarter of 2008, Greentech Energy Systems A/S signed an agreement with a turbine supplier for supplying a total of 135 turbines at a value of TEUR 353,750. At 30 June 2008, a prepayment of TEUR 36,833 had been made.

## 7. Related parties

In February 2008 (Company announcement no. 4/2008), Greentech signed three contracts for the shipment of 135 turbines with Nordex GmbH totalling TEUR 353,750. Greentech's board member Carsten Pedersen is a member of the group management of Nordex GmbH. The agreements were made on an arm's length basis after comparing turbine types from several manufacturers.

In March 2008, Greentech resolved to buy four of the 18 Italian development projects for which the Company acquired an option on 15 November 2007 (Company announcement no. 33/2007). On 6 March, Erik Damgaard, Chairman of the Company's Board of Directors, stepped in as a shareholder of one of the selling companies. It should be noted that the agreements – including conditions and prices – were concluded in November 2007 and that the transaction was otherwise concluded on an arm's length basis. For additional information, see Company announcement no. 14/2008 dated 22 May 2008.

## 8. Events after the balance sheet date

See the comments in the interim report.

## **STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD**

The Board of Directors and Executive Board have considered and approved the interim report of Greentech Energy Systems A/S for the period 1 January – 30 June 2008. The interim report is presented in accordance with the International Accounting Standard IAS 34 on interim reports and additional Danish disclosure requirements. The accounting policies applied in the interim report are unchanged from those applied in the Group's annual report for 2007.

We consider the accounting policies to be appropriate, the accounting estimates reasonable and the overall presentation of the interim report to adequately cover the most important risks and uncertainty factors. Accordingly, we believe that the interim report gives a true and fair view of the Group's assets and liabilities, financial position, results of operations, activities and cash flows for the period.

The interim report is has not been audited or reviewed by the auditors.

Copenhagen, 29 August 2008

### **Executive Board:**

Kaj Larsen  
Managing Director

Martin Kristensen  
Member of the  
Executive Board

Mark Fromholt  
Member of the  
Executive Board

### **Board of Directors:**

Erik Damgaard  
Chairman

Jens Kjelde Mors  
Deputy Chairman

Carsten Risvig Pedersen

Jørgen Bendsen Poulsen

Peter Høstgaard-Jensen