



Stock Exchange Announcement no. 22/06.

Greentech Energy Systems A/S  
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*Copenhagen, 28 November 2006*

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

### **Interim report for the period 1 January – 30 September 2006**

- Revenue for the period amounted to DKK 8,938k against DKK 11,460k in the year-earlier period.
- Greentech reported a loss of DKK 10,011k for the period against a budgeted loss of DKK 7,654k.
- Construction of the Energia Verde project in Sardinia is progressing satisfactorily.
- Agreement signed on acquisition of the wind power activities of Vindenergi Invest A/S.
- Start-up of development projects in mainland Italy.
- Greentech retains its full-year forecast of a loss of DKK 9,000k.

*Information:*

*Management: Kaj Larsen  
Phone: 33 36 42 02*

Board of Directors

Ejvind Sandal  
Chairman

Jens Kjelde Mors  
Vice Chairman

Carsten Risvig Pedersen

Jørgen Bendsen Poulsen

Erik Damgaard

Peter Høstgaard-Jensen

## Statement by the Board of Directors and the Management

The Board of Directors and Management have today considered and adopted the interim report of Greentech Energy Systems A/S for the third quarter of 2006.

The interim report of Greentech Energy Systems A/S is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, including supplementary Danish disclosure requirements.

We consider the accounting policies to be appropriate, the accounting estimates reasonable and the overall presentation of the interim report to be appropriate. 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 at 30 September 2006.

In accordance with the international standards on auditing or international standards on review of financial statements, the interim report for the third quarter has not been audited or reviewed.

Copenhagen, 28 November 2006

### Management:

Kaj Larsen  
Managing Director

Martin Kristensen  
Director

### Board of Directors:

Ejvind Sandal  
Chairman

Jens Kjelde Mors  
Vice Chairman

Carsten Risvig Pedersen

Jørgen Bendsen Poulsen

Erik Damgaard

Peter Høstgaard-Jensen

## Management's review

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

#### Financial highlights of the Group

DKK'000	1/7 - 30/9 2006	1/7 - 30/9 2005	1/1 - 30/9 2006	1/1 - 30/9 2005	Full year
Revenue	2,301	2,711	8,938	11,460	15,875
Operating profit/loss	-1,565	-1,372	-4,853	15	-7,292
Net financials	-1,659	-1,074	-5,159	-5,159	-5,015
<b>Net profit/loss for the period</b>	<b>-3,224</b>	<b>-2,446</b>	<b>-10,012</b>	<b>-3,672</b>	<b>-16,040</b>
Non-current assets			357,683	166,593	165,484
Current assets			18,056	14,636	35,541
<b>Total assets</b>			<b>375,739</b>	<b>181,229</b>	<b>201,025</b>
Share capital			99,871	75,433	75,739
<b>Equity</b>			<b>247,540</b>	<b>80,855</b>	<b>70,316</b>
Non-current liabilities			111,647	82,089	106,763
Current liabilities			16,552	18,285	23,946
Cash flows from operating activities			-17,086	449	2,026
Net cash flows from investing activities			-76,396	-1,936	-2,305
Of which investment in property, plant and equipment			-76,353	-1,579	-6,257
Cash flows from financing activities			71,137	2,986	25,062
<b>Total cash flows</b>			<b>5,602</b>	<b>4,663</b>	<b>24,783</b>
Gross margin	3.7%	21.2%	24.4%	43.3%	45.4%
Profit margin	-68.0%	-50.6%	-54.3%	0.1%	-45.9%
Equity ratio			65.9%	44.6%	35.0%
Return on equity			-6.1%	-4.9%	-20.7%
Earnings per share (EPS Basic)			-0.66	-0.30	-1.06
Net asset value per share			16.37	6.52	4.65
Market-to-book value			3.63	6.14	15.18
Market price, end			59.5	40	70.59
<b>Average number of employees</b>			<b>10</b>	<b>8</b>	<b>8</b>

The key ratios are calculated in accordance with "Recommendations & Financial Ratios, 2005", issued by the Danish Society of Financial Analysts. See "Accounting policies" in the annual report for definitions and concepts.

## Group companies

The Group consists of the parent company Greentech Energy Systems A/S (Greentech) and the following subsidiaries:

- GES Development A/S (100%)
- GES Wind Development I A/S (100%)
- Energia Verde Srl. (100%)
- Colli di Montebove Eolica Srl. (80%)
- Wiatropol International Sp. z o.o. (100%)
- Eolica Połczyno Sp. z o. o. (100%)
- Eolica Wojciechowo Sp. z o.o. (50%)

There is no activity in the Danish subsidiaries except for GES Wind Development I A/S, together with the parent company Greentech being the co-owner of 15 wind turbine guilds, each owning a Danish wind turbine. The remaining four Danish turbines are owned directly by Greentech.

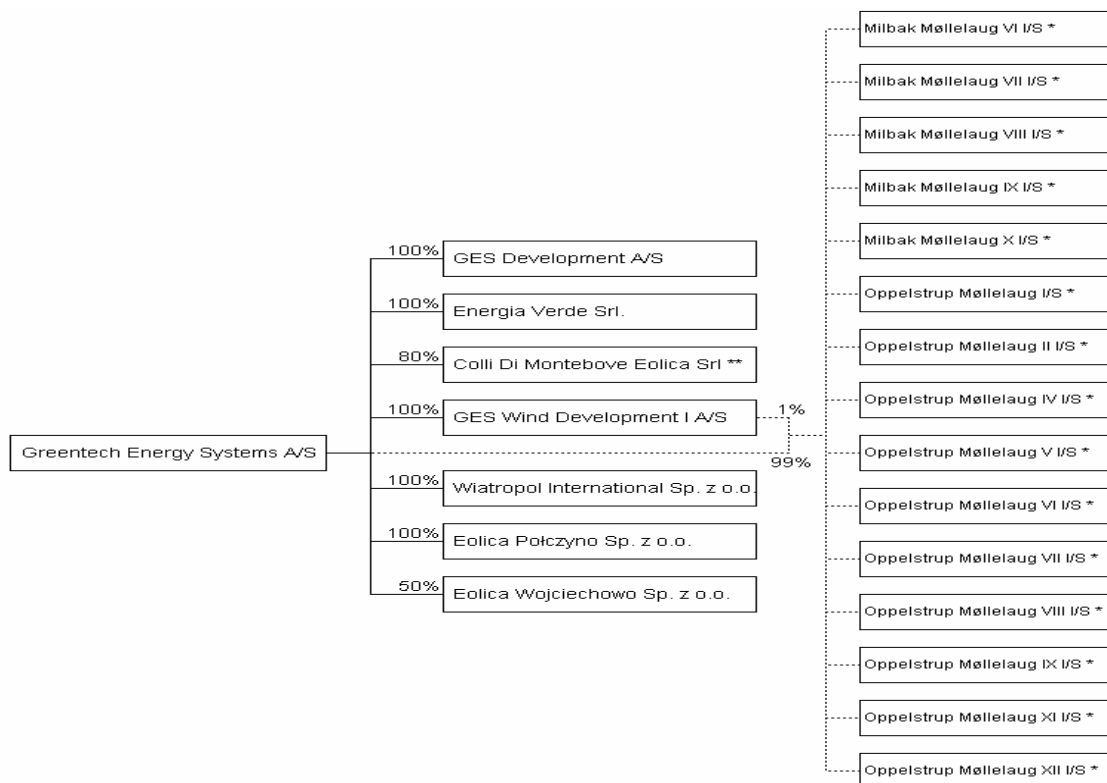
Energia Verde Srl. is a company located in Cagliari, Italy. The company is currently erecting a 21 MW wind turbine project.

Colli di Montebove Eolica Srl. is a newly incorporated company which is to develop and own a 32 MW wind turbine project. Greentech owns 80% of this company. When the development of the project is complete, Greentech holds an option to acquire the remaining 20% of the shares at a fixed price of EUR 34k per MW, equivalent to a total of EUR 1,088k.

Wiatropol International Sp. z o.o. is the Group's Polish subsidiary, which develops most of the Polish projects.

Eolica Wojciechowo Sp. z o.o. is a Polish company, which owns the rights to a 28 MW project. The company is owned 50% by Greentech Energy Systems A/S and 50% by the Polish party – Elektrownie Szczytowo-Pompowe S.A. and Elektrownia Wodna Żarnowiec S.A.

Eolica Połczyno Sp. z.o.o. is a Polish company, which owns two operating wind turbines with a total capacity of 1.6 MW.



\* 15 of the company's Danish wind turbines are located in these companies.

\*\* Greentech has an option to acquire the remaining 20% of this company when the project is fully developed.

## Revenue and financial performance in the period 1 January – 30 September 2006

Revenue for the period amounted to DKK 8,938k against DKK 11,460k in the year-earlier period. During the period under review, wind conditions in Denmark were very poor and substantially below a year of normal wind conditions. As a result, revenue for the period was DKK 3,226k below budget.

Costs for the period were in line with the budget.

The previously mentioned legal action against Intertec in bankruptcy was settled during the period, allowing the company to reverse DKK 975k of the provision made.

Greentech reported a loss of DKK 10,011k for the period against a budgeted loss of DKK 7,654k. The budget overrun of DKK 2,357k was primarily due to the poor wind conditions.

Non-current liabilities at 30 September 2006 were DKK 111,647k against DKK 82,089k at the same time last year. The increase in non-current liabilities reflects the transactions made in 2005 when the company raised two convertible loans totalling DKK 40,000k.

Equity at 30 September 2006 stood at DKK 247,540k against DKK 80,855k at 30 September 2005.

## **Corporate affairs**

During the third quarter of 2006, the company spent substantial resources on the due diligence process concerning Vindenergi Invest A/S. As described later in this announcement, the company succeeded in resolving the matter so that a decision on the acquisition of the wind power activities of Vindenergi Invest A/S was made at a board meeting held ahead of the extraordinary general meeting on 8 November 2006.

After the end of the reporting period, the company strengthened its organisation further by recruiting Jane Hjort Nielsen as its chief financial officer.

## **Danish activities**

The company's Danish wind turbine portfolio generated 3,788,549 kWh in Q3 2006 as compared with 4,669,579 kWh in 2005.

Output in the first nine months of 2006 was 14,850,029 kWh against 19,249,773 kWh in the same period of last year.

The wind turbines have not suffered any major disruptions during the period under review, and the lower output during the period is exclusively due to weather conditions.

## **International activities**

### **Italy**

#### **The Energia Verde project**

Construction of this project is progressing satisfactorily.

However, the turnkey supplier has had certain problems in sourcing turbine towers within the agreed time schedule, causing a delay in delivery of the project. The company currently expects that the project will become operational in April 2007.

#### **The Monte Grighine project**

Construction of this project continues. The company expects that concreting of the first bases for wind turbines will begin in Q4 2006.

Negotiations are underway with a wind turbine supplier, which are also expected to be completed in Q4 2006. If the contract is signed according to these negotiations, turbines may be supplied for this project in H1 2008.

Negotiations are also underway with an Italian bank about project financing. The bank has previously financed projects in Sardinia and is therefore familiar with the local laws and regulations.

#### **Cagliari II and III**

These projects are still blocked by local legislation in Sardinia.

As described in our interim report dated 29 August 2006, a new energy plan has been presented for Sardinia which was adopted by the government before the Italian summer holidays, but consideration by the Italian parliament is still pending. Our local collaboration partners believe that final adoption of the energy plan will pave the way for the issuance of building permits for these projects. A close dialogue is maintained with the municipalities involved, which have announced that they are prepared to issue the building permit when the regulatory framework is in place.

**Colli di Montebove**

The development of this 32 MW project at Casoli in the Abruzzo region has now been initiated in collaboration with the local developer CL-P. The expected development period for this project is 14 months.

**Poland****Eolica Polczyno Sp. z o.o.**

This project has now been approved by all relevant authorities as a completed project, and power is therefore now being supplied to the Polish grid.

The company has negotiated a new power sales agreement with Energa, Gdansk, which secures settlement at DKK 0.6/kWh in this project. This price applies until 31 December 2007, when the contract will be renegotiated.

**Wiatropol International Sp. z o.o.**

Development of the project portfolio in this company is progressing according to the timetable.

An application has been filed for a cable route for the offshore project. We have held very constructive meetings with the temporary mayor of Krokowa and municipality staff. The municipality is in favour of the project.

However, local elections are due to be held in Krokowa in November and December 2006, which will result in the election of a new mayor. As a result, the final approval of the cable route and the other onshore installations awaits the outcome of this election.

**Eolica Wojciechowo Sp. z o.o.**

As announced in our interim report dated 29 August 2006, Eolica Wojciechowo Sp. z o.o. has now completed three tender rounds in respect of the wind turbine shipment, all of which have been stopped due to complaints from the same Polish company.

We have appealed the latest decision to the Polish courts, which sustained our complaint. The latest tender process can therefore be resumed.

**Events occurring after 30 September 2006**

In November 2006, we managed to reach a final solution to the acquisition of the wind power activities of Vindenergi Invest A/S. This transaction is described in detail in announcement no. 20/2006 to the Copenhagen Stock Exchange dated 8 November 2006.

We expect the above-mentioned transaction to be finalised on 31 December 2006, at which time Greentech will take over the shares of Vindenergi Invest 1 A/S. Concurrently with the acquisition of these shares, the new offering will be carried out, providing Greentech with DKK 350m of fresh capital. A prospectus for both these transactions must be prepared and approved by the relevant authorities before we can issue new shares in Greentech.

The acquisition of the shares of Vindenergi Invest 1 A/S will provide Greentech with a new presence in Germany and Norway and strengthen its existing position in Italy.

The German activities consist of approximately 30 MW, distributed on three existing wind farms in Wormlage, Tiefenthal and Gehlenberg.

The Wormlage and Tiefenthal wind farms were initiated in 2005/2006 and consist of a total of 9 NEG Micon 1.5 MW wind turbines, with a total capacity of 13.5 MW, of which Vindenergi Invest A/S owns 50%.

The Gehlenberg wind farm was put in operation in 2001, consisting of 13 Enercon E66 1.8 MW wind turbines, for a total capacity of 23.4 MW.

The Norwegian project is located at Kollnes, north of Bergen.

The development of this project has been underway for about 12 months, and we expect an additional development period of 18 months.

The Norwegian wind energy market is generally witnessing strong growth, and due to the existing energy crisis in Norway, the government is expected to introduce more favourable conditions for power generated by wind turbines. Combined with generally very favourable wind conditions on the west coast of Norway, new settlement systems for wind power could make Norway a very attractive market for Greentech.

Our Italian activities consist partly of a 42 MW project located in Sicily, for which all the necessary permits have been obtained. Although Greentech has still not acquired the activities of Vindenergi Invest 1 A/S, the company is deeply involved in negotiations for deliveries to the Messina project. The project will be completed in two independent delivery contracts, one of which covers a wind turbine delivery with appurtenant facilities, while the other concerns all electric and construction deliveries.

It is expected that the wind turbine supplier will be German-based REpower, which will supply a 2.0 MW turbine. REpower has operations in Italy and has previously supplied wind turbines for this market.

In Italy, we also own 75% of a 310 MW development portfolio. These projects are located in the regions of Campania, Basilicata and Puglia in southern Italy.

The development of these projects is scheduled for planning and initiation within the foreseeable future.

## **Outlook for the full year**

The forecast for 2006 is based on a full year of revenue from Danish wind turbines and revenue from the Polish turbines for the second half of 2006. In addition, the forecast is based on rising costs during the financial year due to a higher level of activity and an increase of our organisation.

Even though income from the Danish wind turbine portfolio has so far been below budgeted figures, the company retains its forecast of a loss of approximately DKK 9,000k.

In 2007, Greentech will generate revenue from the Danish wind turbine portfolio, the two turbines in Poland, the acquired wind turbine portfolio in Germany and, from the second quarter, from the Energia Verde project in Sardinia. Assuming normal wind and operating conditions and based on the present settlement prices, this combined portfolio of wind turbines is expected to generate a profit in Greentech of approximately DKK 20,000k-25,000k.



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

### Income statement

DKK'000	1/7 - 30/9 2006	1/7 - 30/9 2005	1/1 - 30/9 2006	1/1 - 30/9 2005
Revenue	2,301	2,711	8,938	11,460
Production costs	<u>-2,217</u>	<u>-2,135</u>	<u>-6,755</u>	<u>-6,495</u>
<b>Gross profit/loss</b>	<b>84</b>	<b>576</b>	<b>2,183</b>	<b>4,965</b>
Administrative expenses	-2,624	-1,912	-8,011	-6,138
Other operating income	<u>975</u>	<u>-36</u>	<u>975</u>	<u>1,188</u>
<b>Operating profit/loss</b>	<b>-1,565</b>	<b>-1,372</b>	<b>-4,853</b>	<b>15</b>
Financial income	326	81	960	202
Financial expenses	<u>-1,985</u>	<u>-1,155</u>	<u>-6,119</u>	<u>-3,683</u>
<b>Profit/loss before tax</b>	<b>-3,224</b>	<b>-2,446</b>	<b>-10,012</b>	<b>-3,466</b>
Tax on the profit/loss for the period	0	0	0	-206
<b>Profit/loss for the period</b>	<b><u>-3,224</u></b>	<b><u>-2,446</u></b>	<b><u>-10,012</u></b>	<b><u>-3,672</u></b>

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

### Balance sheet

#### Assets

DKK'000	<u>30/09 2006</u>	<u>30/09 2005</u>	<u>31/12 2005</u>
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Rights	<u>119,864</u>	<u>21,734</u>	<u>19,289</u>
<b>Intangible assets</b>	<b><u>119,864</u></b>	<b><u>21,734</u></b>	<b><u>19,289</u></b>
<b>Property, plant and equipment</b>			
Wind turbines	107,759	103,209	101,574
Wind turbines under construction	60,296	31,265	37,716
Prepayments for wind turbines under construction	42,157	0	0
Leasehold improvements	306	0	0
Equipment	<u>307</u>	<u>194</u>	<u>163</u>
<b>Property, plant and equipment</b>	<b><u>210,825</u></b>	<b><u>134,668</u></b>	<b><u>139,453</u></b>
<b>Other non-current assets</b>			
Investments in associates	42	42	42
Loans to associates	1,023	1,023	1,023
Deposits	184	141	141
Deposit on account held as collateral	24,637	4,309	4,396
Deferred tax	<u>1,108</u>	<u>4,676</u>	<u>1,140</u>
<b>Other non-current assets</b>	<b><u>26,994</u></b>	<b><u>10,191</u></b>	<b><u>6,742</u></b>
<b>Total non-current assets</b>	<b><u>357,683</u></b>	<b><u>166,593</u></b>	<b><u>165,484</u></b>
<b>Current assets</b>			
Trade receivables	1,493	1,314	2,339
Other receivables	8,475	3,578	4,465
Prepayments	2,486	1,081	790
Securities	0	4,000	0
Cash at bank and in hand	<u>5,602</u>	<u>4,663</u>	<u>27,947</u>
<b>Total current assets</b>	<b><u>18,056</u></b>	<b><u>14,636</u></b>	<b><u>35,541</u></b>
<b>Total assets</b>	<b><u>375,739</u></b>	<b><u>181,229</u></b>	<b><u>201,025</u></b>

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

### Balance sheet

#### Liabilities and equity

DKK'000	30/09 2006	30/09 2005	31/12 2005
Share capital	99,871	75,433	75,739
Exchange adjustment reserve	-58	-21	-32
Retained earnings	147,727	5,443	-5,391
<b>Total equity</b>	<b>247,540</b>	<b>80,855</b>	<b>70,316</b>
<b>Non-current liabilities</b>			
Credit institutions	50,101	57,050	53,830
Loan creditors	3,623	4,535	3,521
Accrued purchase price, Wiatropol	9,749	10,584	9,749
Convertible debt instruments	48,174	9,920	39,663
<b>Non-current liabilities</b>	<b>111,647</b>	<b>82,089</b>	<b>106,763</b>
<b>Current liabilities</b>			
Credit institutions	10,600	10,600	10,600
Bank loans	0	4,051	0
Trade payables	4,713	2,345	1,509
Provisions	0	0	7,850
Other payables	1,239	1,289	3,987
<b>Current liabilities</b>	<b>16,552</b>	<b>18,285</b>	<b>23,946</b>
<b>Total liabilities</b>	<b>128,199</b>	<b>100,374</b>	<b>130,709</b>
<b>Total liabilities and equity</b>	<b>375,739</b>	<b>181,229</b>	<b>201,025</b>

# Interim report for the period 1 January – 30 September

## Statement of changes in equity

<b>DKK'000</b>	Share capital	Exchange adjustmen t reserve	Retained earnings	Total equity
Equity at 1 January 2005	<u>75,433</u>	<u>-29</u>	<u>9,115</u>	<u>84,519</u>
Exchange adjustment of foreign enterprises	<u>          </u>	<u>8</u>	<u>          </u>	<u>8</u>
Net gains recognised directly in equity	<u>          </u>	<u>8</u>	<u>          </u>	<u>8</u>
Profit/loss for the period	<u>          </u>	<u>          </u>	<u>-3,672</u>	<u>-3,672</u>
Total recognised income and expense for the year	<u>0</u>	<u>8</u>	<u>-3,672</u>	<u>-3,664</u>
Total equity movements	<u>0</u>	<u>8</u>	<u>-3,672</u>	<u>-3,664</u>
<b>Equity at 30 September 2005</b>	<b><u>75,433</u></b>	<b><u>-21</u></b>	<b><u>5,443</u></b>	<b><u>80,855</u></b>
Exchange adjustment of foreign enterprises	<u>          </u>	<u>-11</u>	<u>          </u>	<u>-11</u>
Net gains recognised directly in equity	<u>          </u>	<u>-11</u>	<u>0</u>	<u>-11</u>
Profit/loss for the period	<u>          </u>	<u>          </u>	<u>-12,368</u>	<u>-12,368</u>
Total recognised income and expense for the year	<u>0</u>	<u>-11</u>	<u>-12,368</u>	<u>-12,379</u>
Capital increase	<u>306</u>	<u>          </u>	<u>1,593</u>	<u>1,899</u>
Expenses in connection with capital increase	<u>          </u>	<u>          </u>	<u>-59</u>	<u>-59</u>
Total equity movements	<u>306</u>	<u>-11</u>	<u>-10,834</u>	<u>-10,539</u>
<b>Equity at 31 December 2005</b>	<b><u>75,739</u></b>	<b><u>-32</u></b>	<b><u>-5,391</u></b>	<b><u>70,316</u></b>
Exchange adjustment of foreign enterprises	<u>          </u>	<u>-26</u>	<u>          </u>	<u>-26</u>
Net gains recognised directly in equity	<u>          </u>	<u>-26</u>	<u>          </u>	<u>-26</u>
Profit/loss for the period	<u>          </u>	<u>          </u>	<u>-10,012</u>	<u>-10,012</u>
Total recognised income and expense for the year	<u>0</u>	<u>-26</u>	<u>-10,012</u>	<u>-10,038</u>
Cash capital increase	<u>6,706</u>	<u>          </u>	<u>83,294</u>	<u>90,000</u>
Capital increase through non-cash contribution	<u>17,426</u>	<u>          </u>	<u>83,150</u>	<u>100,576</u>
Expenses in connection with capital increase	<u>          </u>	<u>          </u>	<u>-3,314</u>	<u>-3,314</u>
Total equity movements	<u>24,132</u>	<u>-26</u>	<u>163,130</u>	<u>187,262</u>
<b>Equity at 30 September 2006</b>	<b><u>99,871</u></b>	<b><u>-58</u></b>	<b><u>147,727</u></b>	<b><u>247,540</u></b>

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

### Cash flow statement

DKK'000	30/9 2006	30/9 2005
<b>Operating profit/loss</b>	<b>-4,853</b>	<b>15</b>
Depreciation and impairment losses on property, plant and equipment	4,981	5,001
Change in working capital	-12,055	-1,086
Cash flows from operations before interest	-11,927	3,930
Interest received	960	202
Interest paid	-6,119	-3,683
Cash flows from ordinary activities	-17,086	449
Tax paid	0	0
<b>Cash flows from operating activities</b>	<b>-17,086</b>	<b>449</b>
Purchase of other non-current assets	-43	-357
Purchase of property, plant and equipment	-25,775	-1,579
Prepayments for property, plant and equipment	-50,578	0
<b>Cash flows from investing activities</b>	<b>-76,396</b>	<b>-1,936</b>
Change in account held as collateral	-20,241	0
Cash increase of share capital	90,000	0
Issue costs in connection with capital increase	-3,314	0
Issue of convertible debt instruments	8,421	9,920
Change in bank loans	0	-5
Change in payables to credit institutions	-3,729	-6,929
<b>Cash flows from financing activities</b>	<b>71,137</b>	<b>2,986</b>
<b>Cash flows for the period</b>	<b>-22,345</b>	<b>1,499</b>
Cash and cash equivalents, 1 January	27,947	3,164
<b>Cash and cash equivalents, 30 September</b>	<b>5,602</b>	<b>4,663</b>