

EnergieKontor

Half-yearly report 1/2000



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Executive bodies

Supervisory Board:
 Markus Jochum (Chairman)
 Senator a. D. Jörg Kuhbier
 Dr. Hans-Joachim Huss
 Board of Directors:
 Dr. Bodo Wilkens (Chairman)
 Günter Lammers



Preface



Dr. Bodo Wilkens

This report comprises the first half-year of the regular financial year of Energiekontor AG (01.01.2000 to 30.06.2000). At the same time it is the first interim report since going public in May. Despite a comparably difficult stock market environment, the capital market reacted positively to the new Energiekontor AG issue. One reason for this could have been the promising company turnover and result development since being founded in 1990: Energiekontor made a profit from the very start and has been able to increase it continuously over the years. Furthermore, the passing of the Renewable Energies Act (EEG) on 1st April 2000 ensured economic feed prices for electricity from regenerative sources and made investments in the wind power sector calculable again. The Energiekontor AG listing on the stock exchange has thus contributed to positioning regenerative energies on the capital market as a developing industry. As of 30.06.2000, the price rise of the Energiekontor share amounted to 62.5 % compared to the issue price. This signifies a market capitalisation at that time of 176.8 MEuro (MDM 345.8). The Board of Directors, employees and Supervisory Board of Energiekontor AG will continue to work at the success of the company and maintain the adopted growth course »hard against the wind«.

Finally, on behalf of the Board of Directors and staff, I would like to extend a vote of thanks to everyone who has put their trust in the Group and us and has supported us in going public.

Dr. Bodo Wilkens
 Chairman of the Board of Directors

Status report

Notes to the interim financial statement

The Report includes a consolidated Group interim financial statement for the period from 01.01.2000 to 30.06.2000 that was established according to the accounting principles and standards of valuation of the »International Accounting Standards Committee« (IASC). These IASC standards were already applied to the annual financial statement of the EnergieKontor Group as of 31.12.1999. The accounting principles and standards of valuation applied there were maintained unchanged for the half-yearly financial statement as of 30.06.2000. For the interim financial statement in particular the notes of the International Accounting Standards (IAS) 34 (»Interim Financial Reporting«) were taken into account. As figures from the previous year, the corresponding data from the annual financial statement as of 31.12.1999 were used in the Group balance sheet as of 30.06.2000.

For the profit and loss account of the Group and for the flow of funds analysis, a comparison of the values of the period under review with the values of the previous year is not possible because a Group accounting for less than a year according to the IASC principles for all companies of the Group to be included in the consolidated Group was introduced only at the end of the 1999 business year.

Events during the period from 30.06.2000 until the date of establishing the half-yearly report that have an essential influence on the property, financial and profit situation of the Group have not occurred.

The Group applied the exemption rule of Article 292 a German Commercial Code.

In the consolidated entity of the Group, the following enterprises, which are 100 % subsidiaries of the EnergieKontor AG, are included in addition to the EnergieKontor AG:

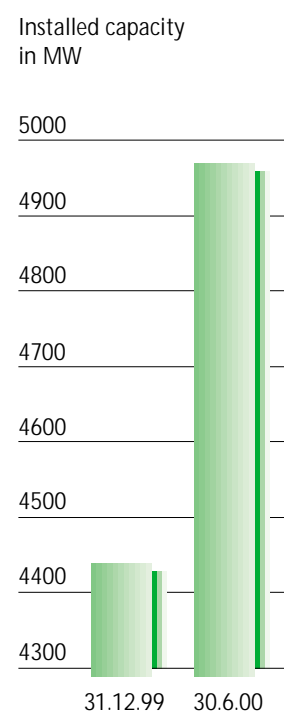
- EnergieKontor Portugal Marao GmbH (*)
- EnergieKontor Griechenland Zarax GmbH (*)
- EnergieKontor Portugal Trandeiras GmbH
- WPS Windkraft GmbH
- EnergieKontor-EK-GmbH
- EnergieKontor Windkraft GmbH
- EnergieKontor-EK-West GmbH
- EnergieKontor Umwelt GmbH
- EnergieKontor Infrastruktur- und Anlagen GmbH
- EnergieKontor-VB-GmbH
- EnergieKontor WSB GmbH

(*) These companies have been newly incorporated in the course of the period under review.

Market development

There are continued signs of growth on the German wind energy market. In the first half-year 2000, almost 500 new wind power plants with a total capacity of nearly 530 megawatts connected to the power system in Germany for the first time. This meant that on the 30th June 2000, a total of 8,730 wind power stations were turning their rotors in the wind all over Germany. The total capacity installed amounted at this time to around 4,970 megawatts. According to statements from the Bundesverband WindEnergie (BWE) (German Association of Wind Energy) in co-operation with the Deutsche Windenergie Institut (Dewi) (German Wind Energy Institute), this corresponds to an increase of almost twelve percent over the end of last year.

With capacity like this, about nine billion kilowatt-hours of clean energy can be produced in a normal wind year, which is about two percent of the power requirement in Germany. According to BWE estimates, we can expect an increase to over 9,000 wind power plants by the end of 2000 with a total capacity of approx. 6,000 megawatts. Newly created power capacity from wind power in 2000 alone would then clearly exceed the

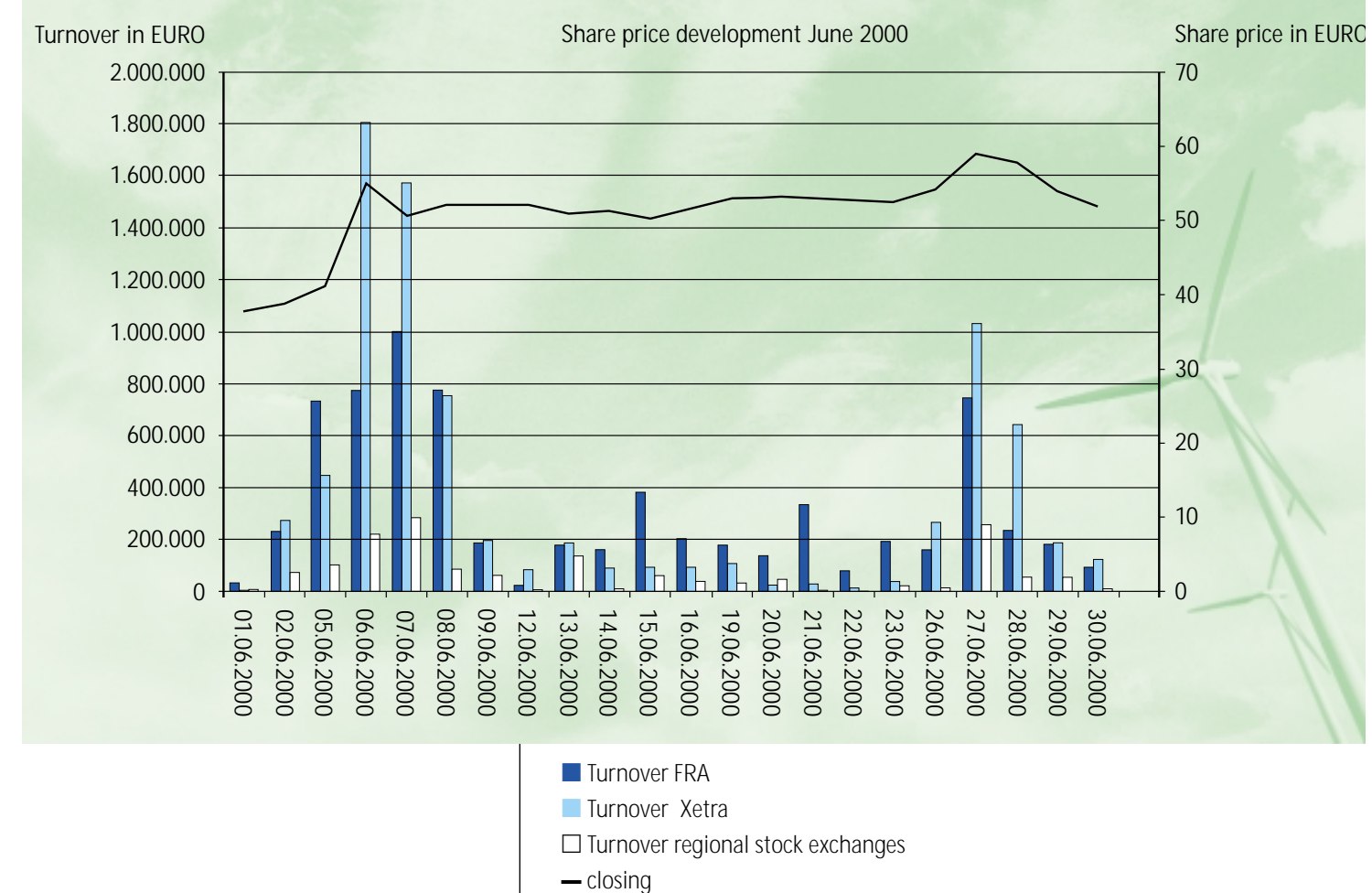


capacity of a large nuclear power station. The proportion of wind power would then already lie at over two percent. The coming into effect of the Renewable Energies Act (EEG) on 1st April 2000 increased the compensation for wind power by ten percent and 17.8 Pfennigs per kilowatt-hour are presently being paid out for new systems. That is 1.7 Pfennigs more than before. (continued on page 4)

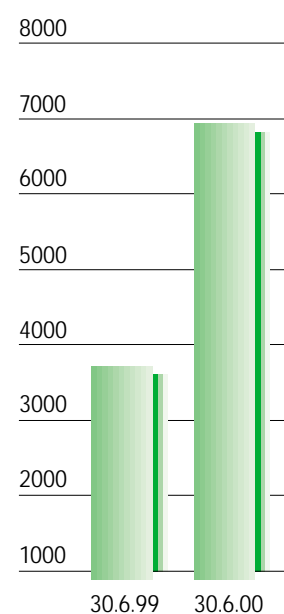
Group figures

as of 30.06.2000 according to the IAS

| | |
|--|----------------|
| Sales proceeds in TDM | 38,255 |
| Half-year result in TDM | 5,721 |
| Consolidated surplus according to DVFA/SG in TDM | 5,721 |
| Result per share according to DVFA/SG in DM | 1.68 |
| Shareholders' equity in TDM | 52,798 |
| Shareholders' equity quota in % | 68.64 |
| Number of individual share certificates (1 EURO) | 3,400,000 |
| Issue price in EURO | 32.00 |
| Initial quoting on the Neuer Markt in EURO (closing) | 43.50 |
| Closing price on 30.06.2000 in EURO | 52.00 |
| First day of trading on the Neuer Markt in Frankfurt | 25 th May 2000 |



Sales of EnergieKontor funds shares in TDM



In addition, the German Government is planning to double the share of regenerative energies from five to at least ten percent by 2010. Wind energy will play a leading role in this. But wind energy is developing into a growth market in other European countries as well. This includes for example Greece, Portugal, Great Britain and Spain. With its windy coasts and mountain ranges, Spain intends to become one of the world's leading wind energy producers. At the end of 1998 the total capacity of wind power stations installed in Spain was 900 megawatts. By 2003, 5,600 megawatts will be reached, i.e. more than six times the 1998 figures. The EnergieKontor Group has been represented by subsidiary companies for quite some time in the aforementioned countries. Wind farms in Greece and Portugal are close to realisation; agreements for the acquisition of projects which are already in the planning-process in Great Britain and Spain were signed in the second quarter of this year. The positive development of the industry also continues in the development of innovative technologies. This includes the setting up of offshore wind farms off the coast in the sea. In Denmark and the Netherlands there are already wind farms in the water. Denmark intends to cover half its power needs through offshore stations in just 30 years. The potential for this kind of power production is huge. According to an EU study, twice the power needs of the EU could be covered by offshore wind power. In Germany alone, it is estimated that around half of the German power consumption could be covered by wind power stations in the sea. EnergieKontor AG is also active in this market segment. In the period under review, two projects off the German North Sea coast and six others in Great Britain were in the pre-planning process. The EEC is also sponsoring offshore wind power with a contribution of 17.8 Pfennigs per kilowatt-hour for a period of nine years. The condition is that corresponding stations are working by 2006 at the latest. On 30th June 2000, already three other companies were quoted with EnergieKontor AG on the Neuer

Markt at the Frankfurt Stock Exchange. This substantiates the strong upwards trend of the industry.

Business trend

The first six months of the business year 2000 was, in spite of some insecurities regarding the legal situation, essentially characterized by a continuously positive business development. EnergieKontor continued to push the technical and economic planning as well as the erection of wind power plants. The changes of Article 2b German Income Tax Law neither had any



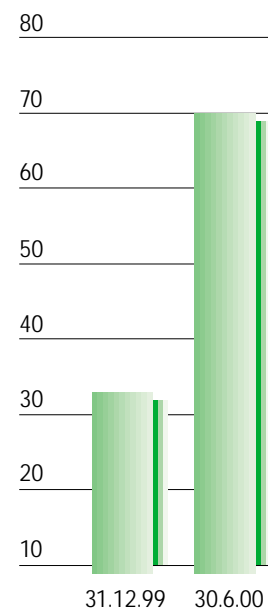
negative influence on the sale of our projects (see in this respect the comments under »Sales« further below). In the period under review, EnergieKontor erected a total of eleven wind power plants in Germany, the funds shares of which had been sold already during the previous year. It was possible to secure financing for three wind farms, construction work for three wind farms was started during the period under review. The start of the procedure for the planning and building permission was achieved for six additional wind farms. The offshore activities on the home market were developed as planned. Currently, two projects before the German North Sea coast are in the stage of preliminary planning. With regard to the foreign activities, reference is made to the segment reporting under »Notes to important items« in this report. During the first six months 2000 the sales revenues amounted to TDM 38,255. This amount includes the proceeds from project developments and erection of wind farms as well as the sale of the windfarm funds shares. The technical and commercial management (service) contributed to this turnover result with proceeds amounting

to TDM 816. The result of the ordinary business activity amounted to TDM 11,381. A direct comparison with the period of the previous year is not possible because at that time an interim reporting system was not made. On account of the particular characteristics of the project business, it is not reasonable to carry out an extrapolation of this result with relation to the second six months. In the interim financial statement, partial profits amounting to TDM 110 were taken into account pursuant to IAS 11 (»percentage-of-completion method«).

Sales

EnergieKontor AG has its own direct distribution company, EnergieKontor-EK-GmbH. This company operates the whole marketing and distribution of the wind farm funds shares to private investors. It also prepares the economic and tax concepts together with the planning companies. Furthermore, a portion of the fund shares is sold through brokers. In the first half-year 2000 we were able to acquire equity capital amounting to TDM 6,925 for the financing of our wind farms. This corresponds to an increase of 86.4 % over the same period last year (1st half-year 1999: TDM 3,716). EnergieKontor's many years of experience, the profitability of our projects and the competent counselling of our sales representatives have convinced investors. This is also confirmed by the large quota of re-investors, which is as high as 50 %. In the period under review, a total of three wind farm funds were set up. These concern the »Beckum II« and »Blatzheim« wind farms in North Rhine-Westphalia and the »Sievern Bullmers Berg« project near the North Sea. These three projects together make up a total of eight wind

Employees



power plants with a total nominal capacity of 10.6 megawatts. In order to realise the planned growth of the next few years, we will probably employ more sales representatives this year. Moreover, we are presently working on additional sales concepts, with banks and insurance companies as potential partners.

Service

The operation of the wind farms we have set up takes place through individual project companies (limited partnerships). It includes in particular the production of electricity from wind energy and the contractually regulated feed into the power systems of the respective energy supply companies. The project companies also enter into a service agreement with EnergieKontor Windkraft GmbH on the management and administration of the wind farm.

The service is divided up into two partial areas: technical and commercial management. The technical management incorporates the software-supported remote control of the wind farms around the clock, 365 days a year. EnergieKontor staff also control the wind-turbines on-site. In addition to the wind farm performance documentation, any occurring disturbances can be investigated in this manner and where necessary removed by contracting firms. Technical management also includes the negotiation and conclusion of service agreements with the plant manufacturers and the permanent updating of insurance contracts for the wind farms.

The commercial management comprises primarily the managerial control and regulation of the wind farm. An important element is also to look after the partners and to organise the wind farm KG company meetings.

EnergieKontor Windkraft GmbH takes care of the management of EnergieKontor wind farms. This is also planned for all future projects within the framework of the contractual outline. There is currently no management of non-Group wind farm companies.

The costs from the technical and commercial management for the operating companies amount to around four percent of the annual proceeds of the wind farm from the power feed. With this income, EnergieKontor can already cover a good part of the annual fixed costs.

Employees

As of 30.06.2000, EnergieKontor AG employed a total of 70 people. Of those, 45 were full-time employees, including both Management Board members Dr. Bodo Wilkens and Günter Lammers. This corresponds to an increase of 36.4 % over the number at the end of 1999 (33 employees at 31.12.1999). This increase reflects the expansion of staff necessary to achieve the business plan and also includes the appointment of a business manager. The staff structure is made up of engineers, economists and administrative specialists with a principally commercial training. We also employ two apprentices. By employing a total of 23 temporary staff (loaned employees, qualified interns and student helpers), we are able to cover any further needs during peak periods (19 temporary staff as of 31.12.1999). We therefore register an increase of 21 % in this employee group over the end of last year. Moreover, we employ freelance staff members for the exploration and acquisition of locations.

Abbreviated group balance sheet

as of 30.06.2000 according to the IAS

| | 30.06.2000 | 31.12.1999 |
|--------------------------------------|---------------|---------------|
| | TDM | TDM |
| Assets | | |
| Fixed assets | 3,464 | 2,451 |
| Accounts receivable and other assets | 23,746 | 42,550 |
| Other assets | 16 | 7 |
| Liquid means | 49,700 | 8,506 |
| Balance sum | 76,926 | 53,514 |
| Liabilities | | |
| Equity capital | 52,798 | 5,133 |
| Accrued liabilities | 8,102 | 13,320 |
| Liabilities | 15,753 | 34,722 |
| Other liabilities | 273 | 339 |
| Balance sum | 76,926 | 53,514 |

Group profit and loss account

from 01.01.2000 to 30.06.2000 according to the IAS

| | TDM | |
|---|----------------|--|
| Sales revenues | 38,255 | |
| Other operating revenues | 571 | |
| Total performance | 38,826 | |
| Raw materials and consumables | -22,437 | |
| Personnel expenditures | -3,281 | |
| Depreciation | -46 | |
| Other operating expenditures | -1,955 | |
| Operating expenses | -27,719 | |
| Operating result | 11,107 | |
| Income from participations | 23 | |
| Expenditures from participations | -35 | |
| Participation result | -11 | |
| Other interest and similar proceeds | 468 | |
| Interest and similar expenditures | -182 | |
| Interest result | 286 | |
| Result of the ordinary business activity | 11,381 | |
| Tax from income and from profit | -5,660 | |
| Group profit for the year | 5,721 | |

Group capital alteration calculation

from 01.01.2000 to 30.06.2000 according to the IAS

| | Signed capital TDM | Capital reserves TDM | Profit reserves TDM | Profit carried forward TDM | Group profit TDM | Sum TDM | Number of shares (in thousands) |
|----------------------------------|-----------------------|-------------------------|------------------------|-------------------------------|---------------------|---------------|------------------------------------|
| Status as of 01.01.2000 | 293 | - | 29 | 4,811 | - | 5,133 | 150 |
| Capital increase from own means | 4,987 | - | - | - 4,987(*) | - | - | 2,550 |
| Capital increase from IPO | 1,369 | - | - | - | - | 1,369 | 700 |
| Premium IPO | - | 42,442 | - | - | - | 42,442 | - |
| Costs of issue (net encumbrance) | - | - 1,867 | - | - | - | - 1,867 | - |
| Group profit for the year | - | - | - | - | 5,721 | 5,721 | - |
| Status as of 30.06.2000 | 6,649 | 40,575 | 29 | - 176 | 5,721 | 52,798 | 3,400 |

In the course of the period under review a total of 3,250,000 new shares was issued.
Advance dividends were not distributed.

(*) The profit carried forward of the Energiekontor AG amounted at the time of legal conversion to TDM 5,304.

Consolidated statement of cash flow

from 01.01.2000 to 30.06.200 according to the IAS

| | TDM |
|--|---------------|
| Group annual surplus as of 30.06.2000 | 5,721 |
| Depreciation | 46 |
| Change in reserves and provisions | -5,218 |
| Change in stock of inventory net (reduced by down payments received) | -2,589 |
| Change in accounts receivable and other assets | 18,804 |
| Change in other assets | -15 |
| Change in liabilities | -11,552 |
| Change in other liabilities | -65 |
| Inflow of financial means from business activity | 5,131 |
| Payments for investments of the fixed assets | -1,052 |
| Outflow of financial means from investment activity | -1,052 |
| Capital increases net (after costs for IPO) | 41,943 |
| Change in long-term borrowed resources | - |
| Change in short-term borrowed resources | -4,828 |
| Inflow of financial means from financing activity | 37,114 |
| Cash changes in financial resources (<= 3 months) | 41,194 |
| Financing means (<= 3 months) as of 01.01.2000 | 8,506 |
| Financing means (<= 3 months) as of 30.06.2000 | 49,700 |

Notes to important items

Abbreviated balance sheet

The decrease in accounts receivable and other assets as against 31.12.1999 is explained by the fact that it is usual in this line of industry to sell the majority of the projects in the course of the last quarter of each year, which results in a considerable increase of accounts receivable by the end of the year in comparison with any dates during the year. As of 30.06.2000 this balance item is composed of accounts receivable amounting to TDM 20,499 as well as other assets amounting to TDM 3,248. The liquid means include essentially the capital inflow achieved from the IPO in May. Details of the composition and the change in the equity capital are shown in the capital alteration calculation above. The decrease in reserves and liabilities in the period under review also results from the fact already mentioned of the rate of completion of wind farms which is higher at the end of the year and usual in this line of industry.

From this follows that at the end of the period under review fewer supplier invoices were outstanding. The reserves are subdivided as follows: provisions for taxation amounting to TDM 3,262 and provisions for supplier invoices amounting to TDM 4,840.

Profit and loss account

The sales revenues achieved during the period under review amounting to TDM 38,255 are composed of proceeds from project work, the erection and the sale of wind park projects amounting to TDM 37,439 as well as service performances amounting to TDM 816. The other operating revenues of TDM 571 are composed of revenues from the dissolution of reserves and provisions and items of deferred income amounting to TDM 492 as well as various additional operating revenues amounting to TDM 79. The extraordinary expenses for going public at the stock exchange in the course of the period under review were netted with the after tax amount of TDM 1,867 with the capital reserve (compare capital alteration calculation on page 8).

Reports by segment

The performance range of the Group comprises the project development, the erection and the sale of wind farm projects as well as supplementary service performances in connection with the management of wind farm operating companies. A segmentation is not necessary since the activities of the Energiekontor Group are exclusively concerned with this line of industry. Within this segment, the sales revenues and the half-yearly result are as follows:

| | Project development, erection, sales /TDM | Service/TDM | Total/TDM |
|---|---|-------------|-----------|
| Sales revenues | 37,439 | 816 | 38,255 |
| Result of the ordinary business activity | 10,914 | 467 | 11,381 |

In foreign countries our initial wind farms are about to be realized: the construction of the first project in Greece is planned to be started in the course of this year, the preparations for the start of construction of the wind farm in Trandearas, Portugal, are also under way. In Great Britain and in Spain the agreements for taking over already planned sites have been signed, concrete project activities are, however, to be expected on both markets only in 2001. In Great Britain we were in a position to have six offshore sites registered with the Crown Estate. Currently, we refrain from a geographic segment reporting. The foreign activities initiated by the German parent company comprised besides technical planning work, measuring examinations and the handling of permission procedures also the incorporation of the foreign subsidiaries, establishing and maintenance of contacts with the local authorities as well as the exploration and acquisition of foreign sites. We were in a position to adjust to the intercultural differences in the commercial life and establish contact with the respective authorities thanks to the selection of qualified employees and consultants at the places in question so that we can be represented in our foreign markets as a »local« supplier.



EnergieKontor

*Thank you for
your confidence*