Plambeck
Neue Energien

Primary Copy

Ready to go

With a strong headwind we improve our performance

Financial statements 2003

The future belongs to renewable energies – nationally and internationally.

Their usage offers good perspectives. Plambeck Neue Energien AG focusses on this growth industry. In all our divisions we have made notable progress in 2003.

Management report

Group management report of Plambeck Neue Energien AG,
Cuxhaven, for fiscal year 2003

Market

The development of wind farm projects remains our core business. In the way that it is operated within the Plambeck Neue Energien AG Group it is a business which is to a large extent independent of economic influences. Fluctuations in the general economic situation cannot affect this. Nevertheless, during the course of 2003 there was a strong indirect influence on the sector due to political discussions. The debate concerning the major elements of an amendment to the Renewable Energy Law (EEG) led to uncertainty and thus to considerable reserve on the part of banks and investors with regard to renewable energy projects.

Difficulties arose for the financing of wind farm projects in Germany throughout the sector. Implementation was delayed in the case of some projects. The result was a decline in the new construction of wind farm projects in Germany. During 2003 1,703 wind power turbines with a total output of 2,644.53 Megawatts were newly constructed in Germany. New construction therefore declined by 18.4 % in contrast with 2002.

The manufacturers of wind power turbines were in particular affected by this development. The deterioration of the market and the competitive situation led to tougher competitive pressure on the manufacturers and was one of the reasons for a first wave of corporate mergers.

Nevertheless, the total sales of all companies in Germany which are involved in the use of renewable energies are again estimated in total at around euro 7 billion per annum. The number of workplaces in the renewable energy sector remained constant at around 135,000 according the Federal German Ministry for the Environment. The share of renewable energies in the German electricity supply has increased to 13 % (prior year 12 %). Wind power covered in 2003 approximately 6 percent of the German electricity consumption.

The interest of investors in wind farm funds during 2003 was in general considerably lower than in the prior year. Market surveys confirm a noticeable reserve on the part of the investors. Equity of euro 331 million (prior year: euro 440 million) was placed via energy funds (wind power, solar, biomass and photovoltaic funds). Plambeck Neue Energien AG placed equity of euro 23 million (prior year: euro 30 million) and improved its position among the initiators of energy funds to number 4.

The major area for the further expansion of renewable energies remained the expansion of the use of wind power in spite of all the doubts. Further increases in the construction of onshore wind farms in Germany are also expected during the coming years; this activity will be marked by a concentration on the best and strongest companies with regard to the wind farm projectors and the manufacturers of wind power turbines.

Development of the business

In the Plambeck Neue Energien AG Group the fiscal year 2003 was marked by consolidation and refocusing. The development was affected externally by the political debate concerning the future support for renewable energies which lasted almost throughout the year. The result of this debate, which was triggered by the amendment to the Renewable Energy Law (EEG), was a marked reserve on the part of banks and investors with regard to wind farm financing. Satisfactory developments took place on the other hand in the offshore sector with regard to the establishment of a joint venture with the Danish power group ENERGI E2 A/S for the realisation of the "Borkum-Riffgrund" offshore wind farm project as well as in France, where Ventura S.A obtained the first two construction approvals at the end of the year.

The reluctance of banks and investors with regard to wind farm projects resulted in several projects, which had been planned for realisation during 2003, having to be postponed until 2004. We do not expect any similar problems during 2004, since the fundamental political debate in respect of the expansion of wind power has been mainly concluded.

The outlook for the realisation of our first offshore wind farm, "Borkum Riffgrund", which is the most advanced with regard to the approval process, has improved substantially. In this connection we have found a strategic partner in the Danish power generation group ENERGI E2 A/S, which will provide the newly established joint venture with both extensive know-how from the realisation of several offshore wind farms as well as considerable financial strength. The financing of the "Borkum-Riffgrund" project is thus assured. We can use the expertise from this cooperation for the implementation of additional offshore wind farm projects.

The development in the "biomass" division is less positive. Due to the changed situation on the market for old wood, which is intended as the fuel for the biomass power stations, as well as to the non-assured economic efficiency of further projects, we have, however, decided not to implement additional biomass projects at the current time. The biomass heating plant at Silbitz in Thüringen, which was linked to the network in December 2002, is being operated successfully. The marketing of the Silbitz plant through a fund had a very positive start in December 2003.

Technology and the quality of rotor blades are a decisive factor for the economic efficiency of wind power installations and thus also for the economic success of wind farm projects. The improved efficiency of the rotor blades increases the energy yield, the economic efficiency as well as the capability of marketing the projects. In order to use innovative developments for the Company in this sector, we acquired in May 2003 a majority share of 50.1 percent in the Danish company, SSP Technology A/S. During the past few years this company has developed rotor blades of a completely new design thanks to a high measure of competence and commitment. The blades combine higher wind yield efficiency as well as high technical quality and exceptionally long durability. The serial production of these blades started during the autumn of 2003. The first sets of blades could be assembled and put into operation already in November/ December at the Bremervörde-Iselersheim wind farm.

Plambeck Service is responsible for other tasks, i.e. the technical management of wind farms with more than 300 wind power turbines. The safety concept has been extended. The emphasis of the activities of Plambeck Services is laid on prevention, so that major damage and disruption to wind power turbines are avoided at the outset.

The major emphasis of our project activities abroad remained in France. In France the general legal framework for the long term expansion of wind power has been secured. Ventura S.A. intensified its efforts with regard to project development. Plambeck Neue Energien AG has an 80 % participation in this company. Several approval applications were submitted for construction projects in the particularly windy regions in the North and South of France. The two first construction approvals were issued in December 2003.

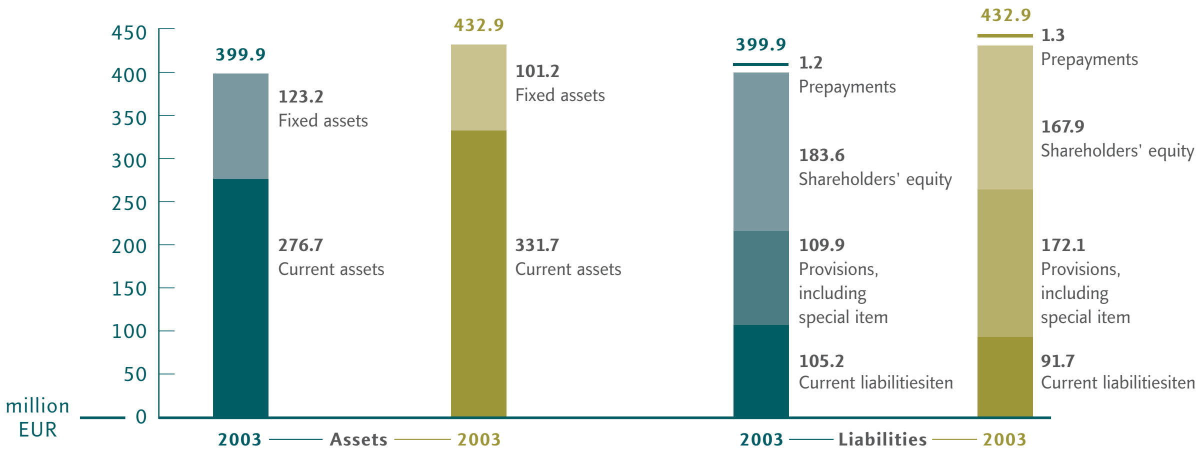
In Poland we continued to observe the market. Investments will, however, only be made when the general legal framework conforms with EU norms and is formalised in such a way that wind farms can also be operated profitably in Poland in the long term. We do not yet know when this will occur.

The 100 percent subsidiary, Plambeck Neue Energien Solar Technik GmbH, moved its headquarters and its production facilities at the end of the year from Altlussheim to the headquarters of the parent company in Cuxhaven. The production can be expanded further at the new site under improved general conditions.

The marked reservations of banks and investors with regard to wind farm financing resulted in a reduction of the Group's sales during the fiscal year 2003 to EUR 83.1 million (prior year: EUR 209.5 million). The total aggregate output declined to EUR 96.6 million (prior year: EUR 263.5 million). The total aggregate output was earned primarily from the projecting and sale of wind farm projects as well as from the revenue from wind farm projects currently in the implementation phase. The Norderland Group contributed sales of EUR 47 million (prior year: EUR 147 million) to the Group.

The operating result amounted to EUR -5.2 million (prior year: EUR 17.2 million). The result was negatively impacted on the one hand by the losses of Plambeck Neue Energien Solar Technik GmbH (EUR -2.2 million) as well as by the start-up losses of Ventura S.A. (EUR -1.1 million) and SSP Technology A/S (EUR -0.6 million). On the other hand losses on receivables and allocations for specific write-offs were reported in the amount of EUR 11.3 million (prior year: EUR 3.6 million). Due to the positive financial result the result from ordinary activities amounted to TEUR 25 (prior year: EUR 22.2 million).

The asset and capital structure of the Group is summarised as follows:



The acquisition of Norderland Nature Energy AG in 2000 is reflected in the consolidated financial statements by goodwill in the amount of EUR 71.2 million. Additional goodwill in the amount of EUR 19.3 million was created as a result of the participation in SSP Technology A/S. During the year under report the goodwill in respect of these participations was amortised in the amount of EUR 5.5 million. With the change in the accounting standards amortisation of goodwill is no longer necessary in this form. According to the draft of the “ED 3 – Business Combinations” of the IASB a comment must be made regarding the treatment of goodwill. Moreover, the straight-line method of amortising of goodwill is eliminated and replaced by the “impairment test” in accordance with IAS 36. These regulations should be adopted shortly and shall be obligatory for consolidated financial statements as from 01.01.2004.

The current assets of the Plambeck Group include primarily trade receivables as well as loan receivables from wind farm operating companies. The repayment of the trade receivables and the loan receivables is effected only after the coming on stream of the relative wind farms and thus depends on the quality and the successful implementation of the projects.

The marked reservations of banks and investors with regard to wind farm financing, which has already been described, had an effect on our financial position during the year under report. In view of the lower inflow of funds from the fund sector the liquidity situation was partly tight until the first months of the new fiscal year. The liquidity position improved following the successful placement of the convertible bond in March, 2004.

Group management report of Plambeck Neue Energien AG,

Cuxhaven, for fiscal year 2003

Summary of major participations:

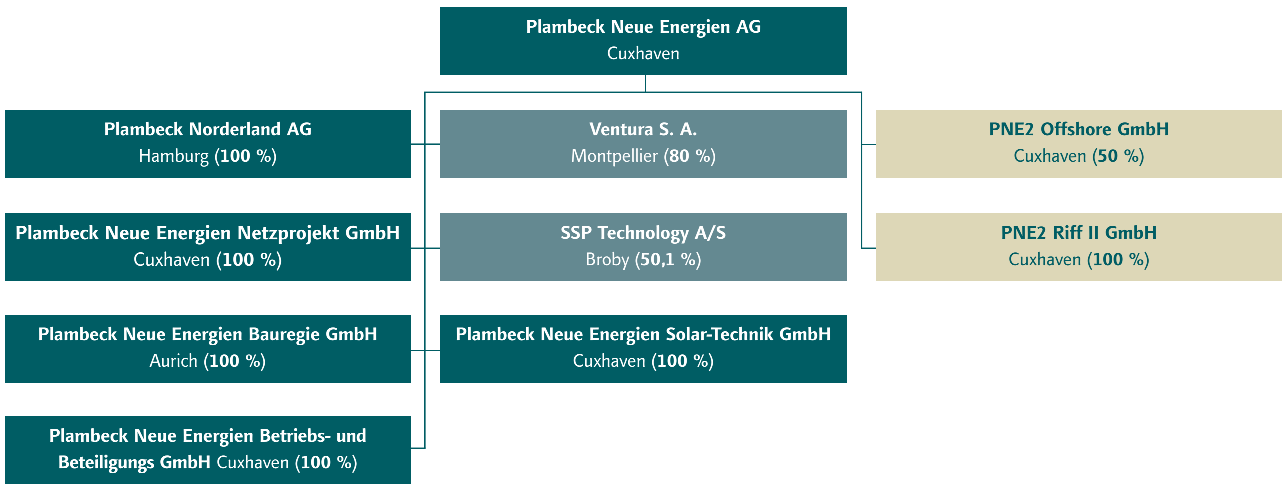
Company	Shareholding
1. Plambeck Neue Energien Betriebs- und Beteiligungs GmbH	100.00 %
2. Plambeck Norderland AG	100.00 %
3. Plambeck Neue Energien Bauregie GmbH	100.00 %
4. Plambeck Neue Energien Biomasse AG	100.00 %
5. Plambeck Neue Energien Solar-Technik GmbH	100.00 %
6. Plambeck Neue Energien Netzprojekt GmbH	100.00 %
7. Plambeck New Energy Sp.z o.o., Poland	100.00 %
8. Nova Solar GmbH	100.00 %
9. Plambeck Portugal-Novas Energias, Lda.	100.00 %
10. PNE2 Riff II GmbH	100.00 %
11. Ventura S.A., France	80.00 %
12. SSP Technology A/S, Denmark	50.10 %
13. PNE 2 Offshore GmbH	50.00 %
14. Windpark Altenbruch GmbH	50.00 %

Our objectives of expanding further the generation of power from economically usable renewable energies as well as internationalisation is reflected in the newly commenced cooperation in 2003 with the Danish companies, SSP Technology A/S and ENERGI E2 A/S.

In May we acquired 50.1 % of the shares of SSP Technology A/S in Denmark, a manufacturer of newly developed rotor blades for wind power turbines. The participation in this company took place through the issue of 5,535,420 shares from the authorised capital against contribution in kind.

The joint venture PNE 2 Offshore has been established for the realisation of the “Borkum-Riffgrund” offshore wind farm project. Plambeck Neue Energien AG and the Danish power group ENERGI E2 both have a 50 % participation in this company. The purpose of this joint venture is the realisation of the first construction phase of the “Borkum-Riffgrund” offshore wind farm project.

Plambeck Neue Energien Solar Technik GmbH was moved at the end of the year to the headquarters of the parent company in Cuxhaven. Production can be continued on a less costly basis and may also be expanded at the new site.



Investments

Of the investments made by Plambeck Neue Energien AG during the fiscal year 2003 amounting to EUR 26.2 million the largest portion was attributable to the extension of the corporate headquarters in Cuxhaven, in which additional 100 office workplaces were created. Furthermore, expansion of the operating and office equipment was necessary (particularly in the case of SSP Technology A/S). The extension to the headquarters was opened at the end of August 2003 and put into operation. As a result various Group departments can be combined quickly at the headquarters of our Company. As a result of the continuous development of our staff the Group has invested TEUR 318 in all parts of the Company for operating and office equipment as well as for EDP equipment.

With regard to investments in intangible assets during the fiscal year 2003 these are mainly attributable to the addition of goodwill in the amount of EUR 19.3 million resulting from the acquisition of the majority participation in SSP Technology A/S.

Employees

On an average annual basis we employed 253 people in the Group (at the end of 2003 there were 262 employees). The employees of the participation companies are included fully in these figures. Of those an annual average of 98 (93 at year end) were employed by Plambeck Neue Energien AG.

Procurement

With regard to our emphasis on our core business of wind farm projecting two factors in relation to "procurement" are of decisive importance for economic success: the securing of suitable sites at the locations of planned projects as well as the sufficient availability of wind power turbines. In the solar energy division the supply to Plambeck Neue Energien Solar Technik GmbH of the necessary raw materials for the manufacture of solar collectors and absorbers is of major importance.

In the past we secured the supply of wind power turbines through general framework agreements with several well-known manufacturers. In the changed market of wind power equipment manufacturers, which in 2003 was marked by the first mergers and acquisitions of companies in this field, we decided to make a firm order for a large number of wind power turbines in order to minimise even further the delivery risks for the wind farm projects planned in Germany up to 2006. At the end of the year we therefore issued to all well-known manufacturers an international tender offer for the delivery of turbines with an output of 400 MW. This was the first time that a tender offer for such a volume had been issued in the German wind power sector.

These turbines are earmarked exclusively for onshore wind farm projects in Germany. The additional requirements of equipment for projects in France and in the offshore sector are not included in this volume.

Sales and marketing

Sales to end customers consist of the sale of the projects as well as in the marketing of the solar collectors and absorbers which are manufactured by Plambeck Neue Energien Solar Technik GmbH. SSP Technology A/S also undertake direct business with end customers through the sale of its rotor blades.

In this respect the sales of wind farm projects have diversified. Apart from sales in the form of fund participations, direct sales of individual wind power turbines and wind farms to individual investors has also proved to be attractive. At the end of the year we succeeded in selling three wind farm projects to an international group of investors. In this respect a strategic cooperation was developed with a Scandinavian sales partner.

Plambeck Neue Energien Solar Technik GmbH can rely on many years of customer contacts both domestically and abroad as well as on well-proven sales structures. The new focussing of the Company in the market is showing initial successes.

Developments and innovations

The research and development activities in the Plambeck Neue Energien AG Group were concentrated during the past fiscal year primarily on the rotor blades for wind power turbines which are developed and manufactured by SSP Technology A/S. The objective of these research and development activities is above all to develop other types of rotor blades for serial production apart from those already developed and being produced. This concerns in particular the development of larger and more performant rotor blades than are currently available on the market. Due to their qualities, these rotor blades should be designed above all for integration into large offshore wind power equipment.

At Plambeck Neue Energien Solar Technik GmbH the development of a laser welding process for the manufacture of space absorbers has been mainly completed. The market introduction will take place in 2004.

Environmental protection

It is part of our corporate philosophy to make an increased contribution to the protection of the climate and the environment. Our aim is to replace existing fossil energy fuels with the practically infinitely renewable energies which are available. We are thus assuring the future of a decentralised power supply system and simultaneously make a contribution to the reduction of harmful pollution.

The construction of offshore wind farm projects is an important step in the achievement of this target. During the planning of such wind farms on the high seas many more different aspects concerning the protection of the environment and nature must be taken into consideration than in the case of projects on land. During many years of research we have created the database for the environmental friendliness of offshore projects. For this propose we deployed a chartered research ship as well as scientists from different institutes during 2003.

With the constant continuing expansion of the utilisation of wind power in Germany we are making an increasing contribution to the reduction of emissions, which are harmful to the climate, as well as towards the achievement of the targets stated in the Kyoto climate protection protocol.

During the expansion of the corporate headquarters in Cuxhaven great emphasis was placed on energy saving technology; in this respect a contribution was also made for safeguarding resources and the environment.

Communications

During the course of the fiscal year 2003 our relations with the public were marked to a very large extent by our reaction to the discussions which were often held with inappropriate arguments concerning the significance and the use of the further expansion of wind power. Again and again false statements published in the media regarding wind power had to be corrected.

Furthermore, we were able to include ample presentations of the Company in our communications with interested journalists of newspapers, magazines, professional journals, news agencies and electronic media such as radio and TV.

Group management report of Plambeck Neue Energien AG,

Cuxhaven, for fiscal year 2003

We have presented the company and its development to the outside world through numerous press announcements, press conferences and background discussions with journalists, agencies and other interested persons. Advertising campaigns, particularly in professional journals, helped to strengthen the acquisition of locations, to support the sale of Plambeck funds and to make the wind farm service better known. We declined, however, to engage in pure image advertising. Due to the increasingly internationally based activities of the Company we have issued announcements to the important media in several languages (German, English and French).

Internal communications were continued intensively, in order to ensure that information was issued at the same time to our employees at the various locations. Due to the growing number of locations both in Germany and abroad this will become increasingly important.

Risk report

As a result of its business Plambeck Neue Energien AG is exposed to risks which are inseparable from our entrepreneurial activities. Through our risk management system we are endeavouring to minimise the risks associated with our business activity and to invest only if a corresponding value added can be created for the Company while maintaining a manageable risk.

This risk management system has proven itself. We are able to recognise and avoid risks at an early stage, which could have a damaging effect on our Company. Risk management has become an indispensable integral part of our business processes as well as of our decisions. This is also true of the subsidiaries.

The risk management system is computer assisted. Risk management is a continuous process. An evaluation of the determined risks is then made, based on the analysis of the core processes.

A risk report is submitted regularly to the Board of Directors and to the Supervisory Board. The foreign participations have been integrated even more closely into the risk management and the reporting system.

The past year has shown, however, that even unforeseen external risks can have an effect on the Company. This occurred with the fundamental political discussions which took place in 2003 in connection with the amendment to the Renewable Energy Law (EEG) regarding the continuous expansion of wind power. These discussions resulted in a marked reserve on the part of banks and investors. The result was a delay in wind farm projects.

In the future such types of risk are no longer expected in this form, since the cost of electricity generation from wind power is declining continuously, whilst the cost of conventional electricity generation is rising.

It is therefore foreseeable that within a few years wind power may be less expensive than traditional electricity generation. There can then be no longer any economic doubts about the significance of this type of electricity production.

The Renewable Energy Law (EEG) is assured both politically as well as legally at a German and European level. The amendment, which aims to improve the expansion of renewable energies and to take into consideration certain adjustments to reflect technical development, is currently in its final phase. What is already certain is than the Renewable Energy Law will also guarantee in the future the sale of such electricity produced at fixed prices during defined time periods.

Due to the directive of the European Union similar general legal frameworks as in Germany are being created in several countries. It is expected that this legal minimisation of risk will also benefit the potential candidates for EU membership.

We were able to minimise further the supplier risk in the wind power turbine sector, which exists due to the dependency on a low number of wind power turbine manufacturers in the market. As a result of the conclusion of general framework contracts with important equipment manufacturers as well as a tender offer introduced in 2003 for the firm order of wind power turbines with an output of about 400 MW for delivery during the years up to 2006, we have achieved a sustainable lower level of risk. As a result we do not expect any disruptions to our projects due to delayed delivery of equipment in the foreseeable future.

We are constantly evaluating our activities in the offshore sector. Our joint venture with the Danish power supplier ENERGI E2 A/S for the “Borkum Riffgrund” project proves that offshore projects can be realised successfully.

In order to assure liquidity the Group has available credit lines at several banks in the total amount of EUR 31.9 million. EUR 26.2 million of these were being used by Plambeck Neue Energien AG as at December 31, 2003. Within the context some of these credit lines expires on 31.03.2004. For this reason the usual discussions are currently being held with different banks regarding the granting of credit lines, and we assume that we shall have available in the future such credit lines within the same framework as before. Due to the increasing project volume as from the second quarter 2004 we have included in our liquidity planning a corresponding increase in the project credit lines, which we are presently negotiating with various banks.

Group management report of Plambeck Neue Energien AG,

Cuxhaven, for fiscal year 2003

Outlook

Renewable energies will in the future make an increasing contribution to assuring the supply of electricity and heat. The reserves of conventional fossil and atomic energy fuels are limited. The future therefore belongs to renewable energies. Currently this is in particular true for the use of wind power for generating electricity. Plambeck Neue Energien AG has based its core business on this sector, i.e., the projecting of wind farms. The decentralised production of renewable energy from smaller plants will increasingly replace the large centralised power stations which burn fossil fuels. Plambeck Neue Energien AG is working intensively to implement this change. There continue to be significant prospects in our core business both nationally and internationally, since the use of wind power offers substantial growth opportunities. As a result of our intensive acquisition efforts we have secured access to the wind farm locations of tomorrow. These sites will now be realised gradually. In spite of the constant implementation of wind farm projects we have so many assured sites in Germany that several years will be necessary for the processing of these projects. To these we can add a complete series of projects for offshore wind farms in the North Sea and in the Baltic as well as wind farm projects abroad and in particular in France. Substantial progress was achieved in all these areas during 2003.

During the first half of 2004 we expect that the legislators will make the final resolution in respect of the amendment to the Renewable Energy Law (EEG). Already during the past year we adapted ourselves with regard to the expected deterioration resulting from the change in the law in respect of unfavourable sites, which are mainly at inland locations, as well as to the foreseeable improvements in the payment regulations for offshore wind farms. The project development and implementation departments at Plambeck Norderland AG have been streamlined and combined centrally in Cuxhaven. We expect noticeable synergy effects from this during the fiscal year 2004.

As a result of the finalisation of the integration of Plambeck Norderland AG into the Group as well as the concentration of the wind farm projecting operations in this subsidiary we are in the position to strengthen significantly the implementation of onshore wind farm projects in Germany with assured financing. We have undertaken the tender offer for the delivery of wind power turbines with an output of approximately 400 MW in view of this background.

These turbines are intended for projects from our large assured backlog of onshore wind farm locations in Germany, which should be realised during the coming 2 to 3 years. In this respect we are benefiting from the intensive acquisition of sites during the past years. We have thus created the basis for further future growth in our core onshore business in Germany. Additional impetus will come during the next few years from the increasingly important replacement of smaller and older wind power turbines with modern, more efficient and more profitable equipment. This “repowering” process shall begin at coastal sites with strong wind conditions, since currently most of the oldest wind power turbines are located there.

The realisation of the first two wind farm projects can begin in France since we have the corresponding construction approvals since December, 2003. These projects are located in the very windy North of the country not far from the coast of the English Channel. Applications have already been made by Ventura S.A. for construction approvals furthering respect of additional wind farm projects, which are located both in the North as well as in the South of France. We therefore expect a rapid entry into the French wind power market. During the coming years the French government plans a strong expansion of renewable energies. Wind power will represent a major emphasis of this policy. We thus expect that France will show the strongest growth in wind power among the member states of the European Union. The acquisition of additional wind farm locations will be pursued actively by our 80 % subsidiary, Ventura S.A.

Additional positive effects will result from our most advanced “Borkum Riffgrund” offshore wind farm project. We have found both an experienced and financially strong strategic partner for the offshore sector in the Danish power group, ENERGI E2 A/S. The financing of the first construction phase is thus assured. The construction approval for “Borkum Riffgrund” was issued in February 2004. We now therefore have the necessary security in order to proceed with the further cost-intensive steps for the implementation of this wind farm project on the high seas. The realisation phase has thus commenced.

Due to our own capital sales system for fund projects and their further expansion as well as our additional experiences with private placements, i.e. the direct sale of wind power turbines and complete wind farms to individual investors, we can guarantee the financing and the sale of our projects close to the time of construction.

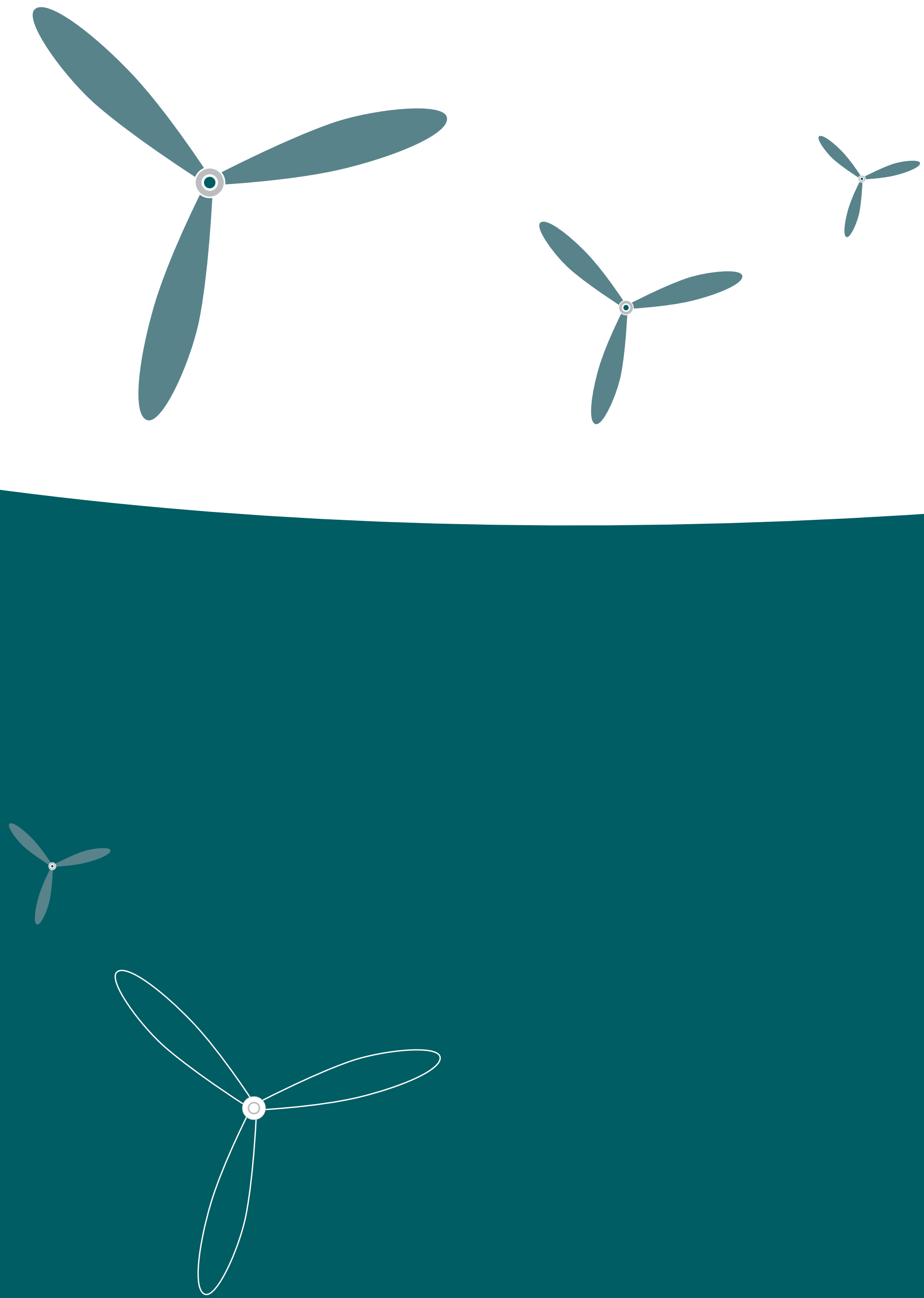
As a result of the successful restructuring in the Group and in particular also the establishment of the joint venture in the offshore sector with ENERGI E2 A/S, we have reacted to the changes in the market and are in a good position to achieve growth again in 2004.

We are expanding the value added chain in our core business of wind power to include equipment technology for the first time with our majority participation in SSP Technology A/S. If one is to operate successfully in this market in the future one must have technical know-how and be able to control the whole system. Moreover, the possibilities are improving for entering specifically the growing international markets of wind power.

Significant changes following the conclusion of the year under report are mentioned in this management report.

We have set the course for a positive development of the business.

Cuxhaven, March 16, 2004
Board of Directors, Plambeck Neue Energien Aktiengesellschaft.



Financial statements

Consolidated balance sheet of Plambeck Neue Energien AG (IAS)

Assets in EURO	Notes	2003	2002
A. Fixed assets	V. 1.		
I. Intangible assets	IV. 1./V. 1.		
1. Franchise and trademarks		1,419,906.85	207,564.98
2. Goodwill	V. 1.	91,919,315.25	78,103,144.53
		93,339,222.10	**78,310,709.51**
II. Property, plant and equipment	IV. 2./V. 2.		
1. Land		16,150,829.79	8,535,361.46
2. Technical equipment, plant and machinery		8,514,028.14	5,062,298.20
3. Other equipment, fixtures, fittings and equipment		1,371,654.59	1,612,083.99
4. Advance payments made and plant and machinery under construction		3,029,810.78	7,026,033.43
		29,066,323.30	**22,235,777.08**
III. Financial assets	III/IV. 3./V. 1.		
1. Shares in associated companies		472,281.16	410,376.27
2. Shares in companies in which the firm has a participating interest		36,812.33	272,660.80
3. Other lendings		264,229.00	21,343.00
		773,322.49	**704,380.07**
Total fixed assets		**123,178,867.89**	**101,250,866.66**
B. Current assets			
I. Inventories	IV. 4.		
1. Raw materials and supplies		470,768.68	397,625.87
2. Work and products in progress		7,720,208.75	13,355,836.70
3. Finished goods and products		99,149.53	121,185.04
4. Advance payments made		6,617,694.06	21,424,039.99
		14,907,821.02	**35,298,687.60**
II. Accounts receivable and other assets	V. 2.		
1. Accounts receivable from long-term oder completion	IV. 5./V. 2.	113,457,885.68	167,238,237.80
2. Accounts receivable from trading	IV. 6./V. 2.	102,425,063.37	88,750,916.34
3. Accounts receivable from companies in whom the firm has a participating interest		10,675.80	4,194.97
4. Other short-term assets	V.2.	42,372,448.15	34,871,336.74
		258,266,073.00	290,864,685.85
III. Short-term security investments			
Other securities	IV. 7./V. 3.	6,250.00	9,588.00
IV. Liquid assets (cheques, cash on hand, etc.)	V. 4.	3,308,324.60	5,342,332.56
Total assets		**276,488,468.62**	**331,515,294.01**
C. Deferred charges and prepaid expenses	V. 5.	**271,605.63**	**174,901.29**
Total assets		**399,938,942.14**	**432,941,061.96**

Consolidated balance sheet of Plambeck Neue Energien AG (IAS)

Liabilities in EURO	Notes	2003	2002
A. Shareholder's equity	V. 6.		
I. Capital subscribed	V. 6.	19,776,570.00	13,563,000.00
II. Capital surplus	V. 6.	144,604,238.19	131,042,459.19
III. Earnings reserves	V. 6.		
1. Legal reserve	V. 6.	5,112.92	5,112.92
2. Other earnings reserves	V. 6.	26,075,287.64	9,988,909.11
IV. Retained earnings/retained loss	V. 6.	-6,480,015.89	13,236,546.83
Total net equity	V. 6.	**183,981,192.86**	**167,836,028.05**
B. Shares of other partners	V. 7.	**-422,197.00**	**56,339.63**
C. Special items for investment grants	V. 8.	1,649,168.34	1,042,621.89
D. Provisions and accrued liabilities	IV. 8.		
1. Accrued taxes	V. 9.	6,599,799.55	20,524,334.54
2. Other provisions and accrued liabilities	V. 10.	101,686,854.58	150,509,508.39
Total privisions and accrued liabilities		**108,286,654.13**	**171,033,842.93**
E. Liabilities	IV. 9.		
1. Debenture loans	V. 11.	141,080.60	122,080.60
2. Short-term debt and current portion of long-term debts		37,177,010.24	40,532,017.36
3. Advance payments received on account of orders	V. 12.	21,591,537.23	19,075,182.38
4. Trade accounts payable	V. 12.	22,513,177.90	24,470,290.36
5. Notes payable	V. 13.	4,602,045.02	1,298,272.00
6. Accounts due to companies in whom the firm has a participating interest		9,034.40	20,053.46
7. Other liabilities	V. 14.	19,160,924.07	6,197,044.35
Total liabilities		**105,194,809.46**	**91,714,940.51**
E. Deferred charges	V. 15.	**1,249,314.35**	**1,257,288.95**
Total liabilities and shareholder's equity		**399,938,942.14**	**432,941,061.96**

Consolidated income statement for Plambeck Neue Energien AG (IAS)

in EURO	Notes	2003	2002
1. Revenues	IV. 11./VI. 1.	83.060.421.10	209.546.709.19
2. Increase in inventories of work in progress		-5.657.663.46	9.083.464.74
3. Production for own fixed assets capitalized		0.00	19.012.69
4. Other operating income	VI. 2.	19.161.521.25	44.824.941.40
5. Total income		**96.564.278.89**	**263.474.128.02**
6. Cost of purchased materials	IV. 12./VI. 3.		
a) Costs of RHB- and purchased materials		-1.756.794.70	-2.322.167.08
b) Costs of purchased services		-40.155.668.12	-170.854.413.06
		-41.912.462.82	**-173.176.580.14**
7. Personnel expenses	VI. 4.		
a) Wages and salaries		--10.883.479.93	-9.326.587.78
b) Social securitiy contribution		-2.124.788.55	-1.881.413.96
		-13.008.268.48	**-11.208.001.74**
8. Depreciation and amortization	VI. 5.	-7.046.695.19	-5.330.755.06
9. Other operating expenses	VI. 6.	-39.809.096.15	-56.465.058.67
10. Operating income		**-5.212.243.75**	**17.293.732.41**
11. Other interest and similar income	VI. 7.	8.891.354.74	6.920.322.89
12. Interest an similar expenses	VI. 8.	-3.653.756.28	-1.972.453.51
13. Profit form ordinary operations	VI. 9.	**25.354.71**	**22.241.601.79**
14. Income taxes	IV. 13./VI. 10.	-3.194.833.27	-11.138.397.69
15. Other taxes		-288.709.41	-13.448.94
16. Net income		**-3.458.187.97**	**11.089.755.16**
17. Share of results, monority companies		506.153.78	43.038.00
18. Consolidated net income/- net loss	VI. 11.	**-2.952.034.19**	**11.132.793.16**
Average shares in circulation	VI. 12.	17.016.443	13.511.564
Net income per share (diluted) (in EUR)	VI. 12.	-0.17	0.82

Consolidated cash flow statement for Plambeck Neue Energien AG (IAS)

in EURO	Notes	2003	2002
Consolidated net income/- net loss	VI. 11.	-2,952	11,133
Depreations/ appreciations on plant and equipment	VI. 5.	7,047	5,331
Payment-ineffective yields	V. 8.	-30	-34
Increase/ Decrease in accruals, provisions and reserves	V. 9./V. 10.	-62,747	45,990
Profit/ loss from the retirement of fixed assets		-19	-21
Increase/ Decrease of inventories and other assets	V. 2./V. 5.	12,618	-29,687
Increase/ Decrease accounts receivable from trading	V. 2.	40,106	23
Increase/ Decrease in trade accounts payable and other liabilities	V. 12./V. 14.	11,171	-34,479
Net cash from on-going operating activities		**5,194**	**-1,744**
Deposits received for the retirement of tangible fixed asset	IV. 1.	111	44
Payments made for investments in tangible fixed assets	IV. 1.	-6,559	-19,010
Additions to the tangible assets within the scope of the consolidation* at the net book values	IV. 1.	-19,366	-1,662
Additions to the intangible assets within the scope of the first consolidation* at net book values		245	0
Payments made for investments in financial assets	IV. 1.	-314	-623
Cashflow aus der Investitionstätigkeit		**-25,883**	**-21,251**
Deposits received from minority shareholders and companies	V. 6.	19,775	515
Payments made to owners	V. 6./IX. 6.	-678	-3,375
Deposits received from borrowing		14,895	26,011
Deposits received from bonds	V. 11.	19	33
Payments made for the repayment of bonds and loans		-15,995	0
Deposits received from investment grants received	V. 8.	637	702
Net cash from financing activities		**18,653**	**23,886**
Net cash increase/ decrease in cash & cash equivalents (< = 3 months)		-2,036	891
ncrease in cash and cash equivalents from the first consolidation*		2	599
Cash & cash equivalents (< = 3 months) as per 01.01.2002		**5,342**	**3,852**
Cash & cash equivalents (< = 3 months) as per 31.12.2002	V. 4.	**3,308**	**5,342**

Supplementary information: The value of cash and cash equivalents as per 31 December 2003 corresponds to the balance sheet item “Cheques, cash on hand, etc.”

*) In 2003 it was the first consolitation of SSP Technology A/S.

*) In 2002 it was the first consolidation of 50 % of Plambeck Neue Energien Solar Technik GmbH.

Analysis of Plambeck Neue Energien AG´s consolidated assets (IAS)

in EURO	Procurement costs					
	Status as per 01.01.2003	Additions	Additions from the first consolidation- of companies*	Transfers	Disposals	Status as per 31.12.2003
I. Intangible assets						
1. Franchises and licences, computing	329,906.58	30,537.43	1,273,423.00	0.00	1.51	1,633,865.50
2. Goodwil	87,200,894.62	19,335,803.34	0.00	0.00	0.00	106,536,697.96
	87,530,801.20	**19,366,340.77**	**1,273,423.00**	**0.00**	**1.51**	**108,170,563.46**
II. Property, plan and equipment						
1. Land	8,622,688.83	1,359,615.67	0.00	6,667,881.59	0.00	16,650,186.09
2. Technical equipment, plant and machinery	5,881,334.57	1,990,381.18	318,253.03	1,666,644.83	6,922.54	9,849,691.07
3. Other equipment, fixtures, fittings and equipment	2,782,656.26	318,228.61	99,202.97	0.00	169,631.97	3,030,455.87
4. Advanced payments and plants inbuilding	7,026,033.43	2,891,069.77	1,447,234.00	-8,334,526.42	0.00	3,029,810.78
	24,312,713.09	**6,559,295.23**	**1,864,690.00**	**0.00**	**176,554.51**	**32,560,143.81**
III. Financial assets						
1. Shares in associated companies	410,376.27	61,904.89	0.00	0.00	0.00	472,281.16
2. Shares in undertakings	272,660.80	2,000.00	0.00	0.00	237,848.47	36,812.33
3. Other lendings	21,343.00	250,000.00	0.00	0.00	7,114.00	264,229.00
	704,380.07	**313,904.89**	**0.00**	**0.00**	**244,962.47**	**773,322.49**
	112,547,894.36	**26,239,540.89**	**3,138,113.00**	**0.00**	**421,518.49**	**141,504,029.76**

*) It was the first consolitation of SSP Technology A/S.

	Depreciations					Net book values	
	Status as per 01.01.2003	Additions	Additions from the first consolidation of companie	Disposals	Status as per 31.12.2003	Status as per 31.12.2003	Status as per 31.12.2002
	122,341.60	91,617 .05	0.00	0.00	213,958.65	1,419,906.85	207,564.98
	9,097,750.09	5,519,632.62	0.00	0.00	14,617,382.71	91,919,315.25	78,103,144.53
	9,220,091.69	**5,611,249.67**	**0.00**	**0.00**	**14,831,341.36**	**93,339,222.10**	**78,310,709.51**
	87,327.37	412,028.93	0.00	0.00	499,356.30	16,150,829.79	8,535,361.56
	819,036.37	473,374.86	56,148.03	12,896.33	1,335,662.93	8,514,028.14	5,062,298.20
	1,170,572.27	550,041.73	9,518.97	71,331.69	1,658,801.28	1,371,654.59	1,612,083.99
	0.00	0.00	0.00	0.00	0.00	3,029,810.78	7,026,033.43
	2,076,936.01	**1,435,445.52**	**65,667.00**	**84,228.02**	**3,493,820.51**	**29,066,323.30**	**22,235,777.18**
	0.00	0.00	0.00	0.00	0.00	472,281.16	410,376.27
	0.00	0.00	0.00	0.00	0.00	36,812.33	272,660.80
	0.00	0.00	0.00	0.00	0.00	264,229.00	21,343.00
	0.00	**0.00**	**0.00**	**0.00**	**0.00**	**773,322.49**	**704,380.07**
	11,297,027.70	**7,046,695.19**	**65,667.00**	**84,228.02**	**18,325,161.87**	**123,178,867.89**	**101,250,866.76**

Analysis of Plambeck Neue Energien Group`s liabilities (IAS)

Types of liabilities	Contracted maturity		
	up to one year	one to five years	more than five years
1. Bonds	48,000.00	93,080.60	0.00
2. Amounts due to banks	27,499,119.81	2,379,399.00	7,298,491.43
3. Advance payments received for orders	21,591,537.23	0.00	0.00
4. Trade accounts payable	22,513,177.90	0.00	0.00
5. Liabilities from bills of exchange drawn or accepted	4,602,045.02	0.00	0.00
6. Amounts due to other Group companies	9,034.40	0.00	0.00
7. Other liabilities	16,715,924.07	650,000.00	1,795,000.00
of which for taxes TEUR 12,348 (prev. TEUR 4,983)			
of which for social insurance contributions TEUR 277 (prev. TEUR 364)			
Total amount	**92,978,838.43**	**3,122,479.60**	**9,093,491.43**

Total amount amounts	of which secured	Type of Collateral
141,080.60	0.00	none
37,177,010.24	9,978,925.45	1. registered land charge of TEUR 10.007 of building Peter-Henlein-Str. 2-4, Cuxhaven
		2. assignment of rental of object “Peter-Henlein” Str. 2-4, Cuxhaven
		3. registered land charge of TEUR 350 of object Alte Industriestrasse 8, Cuxhaven
21,591,537.23	0.00	none
22,513,177.90	0.00	none
4,602,045.02	0.00	none
9,034.40	0.00	none
19,160,924.07	0.00	none
105,194,809.46	**9,978,925.45**	

Consolidated net equity analysis (IAS)

in EURO	Capital subscribed	Capital-surplus	Earning reserves	Retained earnings	Total
Status as per 1 January 2002	**13,500,000.00**	**130,590,076.98**	**2,654,481.44**	**12,818,294.26**	**159,562,852.68**
Consolidated net income 2002	0.00	0.00	0.00	11,132,793.16	11,132,793.16
Earnings appropriated to the legal reserves	0.00	0.00	7,339,540.59	-7,339,540.59	0.00
Dividend payment	0.00	0.00	0.00	-3,375,000.00	-3,375,000.00
Capital increase	63,000.00	452,382.21	0.00	0.00	515,382.21
Status as per 31 December 2002	**13,563,000.00**	**131,042,459.19**	**9,994,022.03**	**13,236,546.83**	**167,836,028.05**
Dividend payment	678,150.00	0.00	-678,150.00	0.00	0.00
Capital increase SSP Technology A/S	5,535,420.00	13,561,779.00	0.00	0.00	19,097,199.00
Earning appropriated to other earned	0.00	0.00	16,764,528.53	-16,764,528.53	0.00
Consolidated net income 2003	0.00	0.00	0.00	-2,952,034.19	-2,952,034.19
Status as per 31 December 2003	**19,776,570.00**	**144,604,238.19**	**26,080,400.56**	**-6,480,015.89**	**183,981,192.86**

Notes to the Group financial statements of Plambeck Neue Energien AG,
Cuxhaven, for the fiscal year from January 1 to December 31, 2003

I. The Company

Plambeck Neue Energien Aktiengesellschaft (hereinafter also referred to as "Plambeck Neue Energien AG" or "the Company") has its registered office in Cuxhaven. The fiscal year is the calendar year.

The business activities of the Company consisted in the year under report primarily of the projecting, construction and the operation of wind farms, transformer stations for the production of electricity, the service of wind power turbines, the procurement of equity participations for wind farm operating companies, the manufacture of wind power turbine rotors as well as the production and the sale of solar thermal components.

During the year under report PNE 2 Offshore GmbH, Hamburg and PNE 2 Riff II GmbH, Cuxhaven were established as new companies. An interest of 50.1 % in SSP Technology A/S, Denmark was acquired during the fiscal year 2003.

II. General accounting principles

1. Going concern

Die Bilanzierung erfolgt unter der Annahme der Unternehmensfortführung. Risiken, die den Bestand des Unternehmens gefährden könnten, sind derzeit nicht erkennbar.

2. Group financial statements

The Group financial statements of Plambeck Neue Energien AG and its subsidiaries are drawn up and published in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). New standards discharged by the IASB are used starting from the time of their entry into force.

Accounting at all the companies of the Group is carried out initially in accordance with statutory regulations applicable in Germany as well as the generally accepted supplementary accounting principles. These German accounting principles are different in important aspects from the principles of the IFRS.) Those according to the valid in each case regulations provided financial statements (HB 1) are led up to IFRS - conformal financial statements (HB 2).

These Group financial statements are presented in euro (EUR) unless otherwise stated.

Notes to the Group financial statements of Plambeck Neue Energien AG

The Group financial statements correspond to the requirements of Article 292a HGB (German Commercial Code - discharging Group financial statements). The differences from the accounting, valuation and consolidation methods of Group financial statements in accordance with paragraphs 290 ff. HGB are shown in the explanations to the individual items of the financial statements.

III. Principles of consolidation

1. Scope of consolidation

The Group financial statements include all the companies on the basis of full consolidation over which the Group parent company exerts control. Exercise of control is assumed as soon as the parent company holds 50 % of the voting rights of the subsidiary or can determine the financing and business policy of a subsidiary or can appoint a majority of the Supervisory Board or Administration Council of a subsidiary.

In accordance with the above the scope of consolidation as at December 31, 2003 includes the following companies in addition to Plambeck Neue Energien AG:

Name	Shareholding	Shareholders' equity TEUR	Date of first consolidation
1. Plambeck Neue Energien Betriebs- und Beteiligungs GmbH, Cuxhaven	100.00 %	172	31.12.1998
2. Plambeck Norderland AG, Hamburg	100.00 %	3,954	01.12.2000
3. Plambeck Neue Energien Bauregie GmbH, Aurich	100.00 %	197	23.02.2002
4. Plambeck Neue Energien Biomasse AG, Cuxhaven	100.00 %	169	23.04.2002
5. Plambeck Neue Energien Solar Technik GmbH, Cuxhaven	100.00 %	- 4,616	01.04.2001
6. Plambeck Neue Energien Netzprojekt GmbH, Cuxhaven	100.00 %	771	01.01.2002
7. Nova Solar GmbH, Cuxhaven	100.00 %	24	01.09.2002
8. Norderland Verwaltungs GmbH, Hamburg	100.00 %	21	01.12.2000 [1)]
9. Norderland Forschungs- und Entwicklungs GmbH, Hamburg	100.00 %	28	01.12.2000 [1)]
10. Norderland Grundstücks GmbH, Hamburg	100.00 %	- 17	01.12.2000 [1)]
11. Ventura S.A., Montpellier, France	80.00 %	- 791	01.01.2002
12. SSP Technology A/S, Broby, Denmark	50.10 %	- 531	01.07.2003

[1)] Indirect participation via Plambeck Norderland AG

The following companies were not included in the scope of consolidation due to their overall lack of material significance for the Group financial statements:

Plambeck Portugal Novas Energias, Lda., Lisbon, Portugal

On December 28, 2002 Plambeck Neue Energien AG established “Plambeck Portugal Novas Energias, Lda.” in Portugal. The object of the company is the development, planning, manufacture and sale of products for the energy and ecological sector. The company is included as at 31.12.2003 at a participation value of TEUR 313 in the financial investments. For the fiscal year as at December 31, 2003 Plambeck Portugal Novas Energias reported sales of EUR 0 (prior year: EUR 0) and a net loss of TEUR 6 (prior year: EUR 0) as well as shareholders' equity of TEUR 294 (prior year: TEUR 300).

Plambeck New Energy Sp.z o.o., Stettin, Poland

In a contract dated November 30, 2000 the Company took a participation of 50 % (capital contribution of TEUR 51) in Plambeck New Energy Sp.z o.o., Poland. In May 2002 Plambeck Neue Energien AG acquired an additional 50 % of the company. The company is included as at 31.12.2003 in the financial assets with a participation value of TEUR 110.

The object of the company is the development, planning, manufacture and sale of products for the energy and ecological sector. For the fiscal year as at December 31, 2003 Plambeck New Energy Sp.z o.o. reported sales of EUR 0 (prior year EUR 0) a net income of TEUR 1 (prior year TEUR 1) and equity capital of TEUR 80 (prior year TEUR 79).

PNE 2 Riff II GmbH, Cuxhaven

PNE 2 Riff II GmbH was established in 2003 by Plambeck Neue Energien AG (capital contribution TEUR 25) and started operations on October 14, 2003.

The object of the company is the search for and projecting of locations in the offshore sector for the construction of wind power turbines as well as the construction, operation and sales of wind power equipment. For the fiscal year as at December 31, 2003 PNE 2 Riff GmbH reported sales of EUR 0, a net loss of TEUR 6 and shareholders' equity of TEUR 19.

NEI Neue Energien Investitions GmbH, Hamburg

NEI Neue Energien Investitions GmbH was established in 2003 by Plambeck Neue Energien AG (capital contribution TEUR 25) and started operations on December 12, 2003.

The object of the company is planning and consulting with regard to the preparation and implementation of equity procurement above all for companies from the renewable energy sector, insofar as no specific approval is required for such projects. For the fiscal year as at December 31, 2003 NEI Neue Energien Investitions GmbH reported sales of EUR 0, a net result of EUR 0 and shareholders' equity of TEUR 25.

In the consolidated financial statements all companies, which are jointly managed by several companies, are included on the basis of the Group's shareholding in the event that at least one shareholding company does not belong to the scope of consolidation.

As at December 31, 2003 the following company was included in the Group financial statements of Plambeck Neue Energien AG on the basis of the Group's shareholding:

Name	Shareholding	Shareholders' equity TEUR	Date of first consolidation
13. PNE 2 Offshore GmbH	50.00 %	3,993	24.07.2003

2. Mergers / establishment of companies

SSP Technology A/S, Denmark

During 2003 Plambeck Neue Energien AG acquired 50.1 % of the total capital of SSP Technology A/S, Denmark through the transfer of 5,535,420 shares from authorised capital.

The object of the company is the manufacture of rotor blades for wind power turbines. For the fiscal year as at December 31, 2003 SSP Technology A/S reported sales of TEUR 861, a net loss of TEUR 1,098 and a negative shareholders' equity of TEUR 529. The company has been included in the scope of consolidation in the financial statements since July 1. The pro-rata share of the net loss in the consolidated financial statements amounts to TEUR 584; of this the corresponding minority shareholding amounts to TEUR 292.

PNE 2 Riff II GmbH, Cuxhaven

PNE 2 Riff II GmbH was established in 2003 by Plambeck Neue Energien AG (capital contribution TEUR 25) and started operations on October 14, 2003.

The object of the company is the search for and projecting of locations in the offshore sector for the construction of wind power turbines as well as the construction, operation and sales of wind power equipment. For the fiscal year as at December 31, 2003 PNE 2 Riff GmbH reported sales of EUR 0, a net loss of TEUR 6 and shareholders' equity of TEUR 19.

PNE 2 Offshore GmbH, Cuxhaven

PNE 2 Offshore GmbH, Cuxhaven was established in 2003 by Plambeck Neue Energien AG (capital contribution TEUR 25) and started operations on October 14, 2003. In December 2003 50 % of the company's shares were sold to the Danish power supply group ENERGI E2 A/S.

The object of the company is the search for and projecting of locations in the offshore sector for the construction of wind power turbines as well as for the construction, operation and sales of wind power equipment. For the fiscal year as at December 31, 2003 PNE 2 Offshore GmbH reported sales of EUR 0, a net loss of TEUR 7 and shareholders' equity of TEUR 18.

NEI Neue Energien Investitions GmbH, Hamburg

NEI Neue Energien Investitions GmbH was established in 2003 by Plambeck Neue Energien AG (capital contribution TEUR 25) and started operations on December 12, 2003.

The object of the company is planning and consulting with regard to the preparation and implementation of equity procurement above all for companies from the renewable energy sector, insofar as no specific approval is required for such projects. For the fiscal year as at December 31, 2003 NEI Neue Energien Investitions GmbH reported sales of EUR 0, a net result of EUR 0 and shareholders' equity of TEUR 25.

3. Consolidation methods

The basis for the Group financial statements are the annual financial statements of the companies incorporated in the Group, audited by the auditors, and drawn up as at December 31, 2003 in accordance with uniform accounting and valuation methods.

The capital consolidation of the subsidiaries is undertaken in accordance with the net book value method by setting off the acquisition costs against the parent company's pro rata share of the newly valuated shareholder capital of the subsidiary at the date of acquisition. For the distribution of the resulting differential amounts arising therefrom, assets and liabilities, where attributable, are included at their fair market value. The balance of the remaining differential amounts is shown as goodwill. Goodwill is amortised by the straight line method over its expected economic life.

Internal Group sales, expenses and earnings as well as receivables and liabilities between the companies to be consolidated are eliminated. In individual cases an elimination is dispensed with insofar as the business activity in the past fiscal year is attributable only to a very small period and the reciprocal expenses and earnings refer exclusively to the execution of administrative services. Cross interest income and expense are consolidated in the financial result. Interim profits, insofar as they are relevant, are eliminated. The necessary deferred taxation is established with regard to consolidation processes having an effect on the results.

IV. Accounting and valuation principles

1. Intangible assets

Intangible assets acquired are included at their cost of acquisition and ancillary acquisition costs. They are reduced by scheduled amortisation using the straight line method over their expected economic life which is usually two to four years. Where necessary, an extraordinary write-off is carried out which is reversed should the reasons therefor have no permanent validity. Unscheduled corrections to value (reductions and increases) were not necessary during the year under report.

Goodwill resulting from the capital consolidation is capitalised in accordance with IFRS 22 and amortised over the expected economic life. Insofar as it may be necessary, unscheduled amortisation is effected in accordance with IFRS 36.

The following useful lives are used for the calculation of the scheduled amortisation:

	Years
Franchises, trademarks, patents and licences	2 to 4
Goodwill	10 to 20

2. Property, plant and equipment

Property, plant and equipment are included at their acquisition or manufacturing cost in accordance with IFRS 16.14 less the scheduled depreciation in accordance with IFRS 16.41. Unscheduled depreciation in accordance with IFRS 36 was not necessary.

Property, plant and equipment are depreciated in accordance with their useful economic life:

	Years
Buildings, including buildings on third party land	20 to 50
Technical plant and machinery	5 to 10
Other plant and machinery, fixtures and fittings	3 to 10

Significant residual values in accordance with IFRS 16.46 did not have to be taken into consideration when calculating the level of depreciation

3. Financial assets

This item lists participations, which are not included in the full consolidation of the Group financial statements due to their lack of material significance.

The other investments are included at acquisition cost, if necessary reduced by unscheduled depreciation to a lower depreciated replacement cost.

4. Inventories

Inventories are included at acquisition or manufacturing cost at the lowest of cost or value. The manufacturing costs include material as well as personnel and individual manufacturing costs.

Financing costs are not capitalised, since the direct cost allocation relationship is not fulfilled as required in accordance with IFRS 23.

The advance payments made are shown without sales tax.

5. Accounting for long-term production contracts

Stage of completion accounting is carried out in accordance with the provisions of IFRS 11 in the case of long-term production contracts for the construction of wind farm projects. At the same time the net result expected from a production contract is estimated on the basis of the foreseeable contract income and costs, and income and expenses are entered according to the progress of the work at the balance sheet date. The degree of completion of the individual contracts is determined in this case on the basis of the work completed by the balance sheet date. Work carried out by sub-contractors is taken into consideration for the determination of the degree of completion.

In individual cases an expected overall loss from a production contract is recorded immediately as an expense in accordance with IFRS 11.36.

On the other hand, stage of completion accounting in accordance with the provisions of HGB are not permitted; only the manufacturing costs incurred for projects currently being implemented could be capitalised under the item for work in process.

6. Trade receivables

Trade receivables are included at nominal value. Default risks are taken into consideration by specific value adjustments for an adequate amount. General bad debt allowances are not carried out.

Trade receivables with a contract maturity of more than one year are baring at market interest rate.

7. Financial instruments

In accordance with IFRS 39 the valuation of original and derivative financial instruments are in principle no longer based on the acquisition cost but at the fair market value.

Derivative financial instruments did not exist. Apart from certain financial receivables and financial debts, whose fair market value was essentially equal to their nominal value, the only original financial instruments were securities reported under current assets. Please refer to the detailed explanations given for the respective balance sheet items.

8. Provisions

Provisions are set up for all external obligations insofar as it is probable that they may be claimed and that the level of the provisions can be estimated in a reliable manner. With regard to the valuation of the provisions, the expected value must be used as the most probable value of a range of different values whilst provisions in the HGB accounts must be valued for reasons of prudence. Contrary to the HGB accounts accruals for future expenses are not permitted in accordance with IFRS. The determination and valuation takes place insofar as possible on the basis of contractual agreements; otherwise the calculations are based on experience from the past as well as on estimates of the Board of Directors.

9. Liabilities

Liabilities are included in principle at their repayment amount.

Liabilities with a contract maturity of more than one year are baring at market intest rate.

Contingent liabilities are not shown in the balance sheet (please also refer to IX "Other information").

We refer to the detailed analysis of liabilities which is an integral part of the notes to the Group financial statements.

10. Income statement

The income statement is presented in accordance with the cost of production method.

11. Realisation of sales

Sales are recognised as income at the time of delivery or the provision of the service at the customer's premises. The realisation of sales for production contracts is explained under item 5.

12. Cost of materials

These are the costs for goods purchased and costs for external services. With regard to the contract costs in accordance with the progress of the work, please refer to item 5.

13. Taxes on income

Taxes on income are calculated on the result before taxes on the basis of the applicable tax rate. Deferred taxes are included as the temporary differences between the tax balance sheet and the Group financial statements as at December 31, 2003.

The combined tax rate of Plambeck Neue Energien AG for trading tax, corporation tax and the solidarity surcharge amounted to 40.00 % in the assessment period 2003.

The deferred taxes on the valuation adjustments in accordance with IFRS are determined at a uniform mixed Group tax rate of 40 %.

14. Foreign currency conversion

The lowest of cost or value principle or the ceiling value principle, which is valid in accordance with HGB for the valuation of receivables or liabilities in foreign currency, is replaced in accordance with IFRS by the cut-off date principle.

Transactions in foreign currency were converted at the current exchange rate on the day of the transaction. Receivables and liabilities in foreign currency are converted at the exchange rate applicable at the balance sheet date. The profits or losses resulting from the changes in the exchange rate between the date of the transaction on the one hand and the date of settlement or the balance sheet date on the other hand are recorded in the income statement with an effect on the result.

The annual financial statements of the subsidiary companies and joint venture companies included in the Group financial statements are converted into euro in accordance with the concept of the functional currency. Assets and liabilities are converted at the cut-off date exchange rate, the items in the income statement at the average annual exchange rate and items of shareholders' equity items at the historic exchange rates.

Possible results in conversion discrepancies are shown result-neutrally in a separate part of the net equity.

V. Balance sheet

1. Fixed assets

With regard to the composition and development of the individual values of the fixed assets, please refer to the analysis of fixed assets.

Regarding the limitations of the right of disposal of assets please refer to the group liabilities.

The intangible assets of TEUR 91,919 (prior year TEUR 78,103) are mainly in respect of goodwill from the first consolidation of the subsidiary companies included in the Group financial statements. The following table shows the composition and development of this amount:

(in TEUR)	Plambeck Norderland AG	PNE S.T. GmbH	SSP Technology A/S	Other companies [1]	Total
Useful economic life (in years)	**20**	**8**	**10**	**10**	
Acquisition costs					
Status as at 01.01.2003	84,238	1,980	0	983	87,201
Additions	0	0	19,335	0	19,335
Status as at 31.12.2003	**84,238**	**1,980**	**19,335**	**983**	**106,536**
Accumulated depreciation					
Status as at 01.01.2003	8,775	199	0	124	9,098
Scheduled depreciation	4,212	245	966	96	5,519
Status as at 31.12.2003	**12,987**	**444**	**966**	**220**	**14,617**
Book value 31.12.2003	**71,251**	**1,536**	**18,369**	**763**	**91,919**

[1] Nova Solar GmbH, Plambeck Neue Energien Netzprojekt GmbH, Ventura S.A. and indirect participations.

Two transformer stations which are aquired by financial leasing are balanced under technical plants and machines. The net value and the minimum leasing costs are:

(in TEUR)	Net value	Interest	Minimum leasing costs
Transformer Station Kletze	1,455	797	2,252
Transformer Station Heinrichsfelde	1,136	323	1,459
	2,654	**1,135**	**3,789**

The net value and the minimum leasing cost have the following contracted maturities:

(in TEUR)	Up to one year	One to five years	More than five years
Net value	162	650	1,842
Minimum leasing costs	308	1,232	2,249

Apart from participations of the Company the financial assets also include those shares in joint ventures which are not included in the consolidated financial statements due to their lack of significance. These are specifically:

(in TEUR)	31.12.2003	31.12.2002
Plambeck Portugal Novas Energias Lda., Portugal	313	301
Plambeck New Energy Sp. Z.o.o., Poland	110	110
PNE 2 Riff II GmbH, Cuxhaven	25	0
NEI Neue Energien Investitions GmbH, Hamburg[2]	25	0
Netzanschluss Genthin GbR, Genthin[1]	5	243
Other participations	31	29
	509	**683**

[1] Indirect 52 % participation via Plambeck Neue Energien Netzprojekt GmbH

[2] Indirect participation via Plambeck Norderland AG.

2. Receivables and other assets

Receivables from long term contract completion and trade receivables involve primarily receivables from wind farm companies in respect of the construction of wind farms.

The other assets are composed as follows:

(in TEUR)	31.12.2003	31.12.2002
Loan receivables	35,170	30,432
Receivables due from the tax authorities	6,350	2,880
Receivables from employees	2	8
Other	850	1,551
	42,372	**34,871**

The other assets amounting to TEUR 29,362 (prior year: TEUR 22,035) have a residual maturity of more than a year.

3. Short-term security investments

This item shows essentially 6,250 shares in Plambeck Energiekonzept AG, Cuxhaven. In order to define the fair market value for these shares in accordance with IFRS 39 the value of the enterprise as a whole was estimated on the basis of the earnings situation of this company. Since our estimates did not result in any significant difference from the acquisition cost of TEUR 6 no change in value was made.

4. Liquid assets

The development of the liquid assets, which represent cash and cash equivalents in accordance with IFRS 7, is shown in the cash flow statement . The liquid assets consist of cash in banks and cash on hand.

5. Deferred charges and pre-paid expenses

This item is composed of the following:

(in TEUR)	31.12.2003	31.12.2002
Payment for the use of a grid connection	119	125
Interest on notes payable	10	0
Other	153	50
	272	**175**

6. Shareholders' equity

a) Share capital

As at January 1, 2003 the share capital of the Company amounted to TEUR 13,563. During the period under report the share capital of the Company increased from 13,563,000 to 19,776,570 shares through a scrip issue of 678,150 shares and the capital increase in kind in respect of SSP Technology A/S amounting to 5,535,420 shares. The share capital of the Company thus amounts at the balance sheet date to EUR 19,776,570 divided into 19,776,570 no par value registered shares with a notional share in the share capital of EUR 1.00 per share.

b) Authorised capital

On November 4, 2003 the extraordinary general meeting of shareholders created a new authorised capital by cancelling the existing authorised capital to the extent to which it had not been used. The Board of Directors was authorised subject to the approval of the Supervisory Board to increase the share capital of the Company up to September 30, 2008 through the issue of new registered no par value shares for contributions in cash or in kind at one or several times up to a total amount of TEUR 9,850 (Authorised Capital). The extraordinary general meeting of shareholders also gave the authorisation that the subscription rights of the shareholders can be excluded under certain circumstances. As a result the Board of Directors may with the approval of the Supervisory Board:

- exclude the subscription rights of the shareholders up to an amount which does not exceed 10 % of the existing share capital at the time of the coming into effect of this authorisation and at the time of the exercise of this authorisation, in order to issue new shares against contribution in cash for an amount which is not significantly lower than the stock market price of the shares of the same type already listed on the stock market. The shares, which are acquired on the basis of the authorisation of the general meeting of shareholders in accordance with Article 71 Paragraph 1 Sentence 8 of the German Stock Corporation Law and which are sold under the exclusion of the subscription rights in accordance with Article 186 Paragraph 3 Sentence 4 of the German Stock Corporation Act shall be taken into consideration with regard to this 10 % limit. Furthermore, this limitation is also applicable to shares which were or are issued to serve convertible or option loans insofar as the bonds were issued with the exclusion of the subscription rights in application of Article 186 Paragraph 3 Sentence 4 of the German Stock Corporation Law;

- exclude the subscription rights of the shareholders for the purpose of acquiring property, plant and equipment, in particular through the acquisition of companies or participations in companies or through the acquisition of other economic assets, if the acquisition or the participation is in the best interest of the company and will be effected through the issue of shares;

- exclude the subscription rights of the shareholders insofar as it is necessary to grant a subscription right for new shares to the holders of convertible and/or option loans which have been issued by the Company or its subsidiaries, to the extent that they would have these rights following their exercise of the conversion or option right.

Insofar as the Board of Directors does not make any use of the above-mentioned authorisations, the subscription rights of the shareholders can only be excluded for the rounding off of fractional amounts.

The Board of Directors was also authorised subject to the authorisation of the Supervisory Board to determine the further details of the capital increase and its execution as well as to amend the articles of association in accordance with the implementation of the capital increase in the event that the authorised capital is not fully used by September 2008 following the expiry of the authorisation period.

c) Conditional capital (I)

Based on the resolution of the general meeting of shareholders of November 25, 1998 and amended by the resolution of the general meeting of shareholders of May 26, 2000 and the resolution of the Supervisory Board of May 17, 2001, the share capital of the Company is increased conditionally by up to TEUR 150.

The Board of Directors is authorised to issue with the approval of the Supervisory Board up to November 25, 2003 bearer convertible bonds in a total nominal amount of EUR 127,822.97. The convertible bonds have a term up to January 1, 2006 and shall bear interest at 4 % per annum. The convertible bonds cannot be converted until after the ordinary general meeting of shareholders of 2002 for up to a maximum of one half of the issued par values and the remaining 50 % after the ordinary general meeting of shareholders of 2004. The conversion rate for convertible bonds with a par value of EUR 0.81157 is one no par value share with a notional share in the share capital of EUR 1.00; furthermore, on exercising their conversion rights, the new owners of the convertible bonds must pay a premium of EUR 6.97954 per new share.

As at December 31, 2003 convertible bonds in the nominal value of EUR 71,580.86 were issued with conversion rights of up to 77,175 shares to members of the Board of Directors and key executives. In this respect conversion rights for up to 15,750 shares were attributable to Dr. Wolfgang von Gelden (Chairman of the Board of Directors), up to 9,450 shares to Mr. Hartmut Flügel (Technical Director until August 28, 2003) and up to 9,450 shares to Mr. Gerd Kück (Financial Director).

Since the capital increase decided by the shareholders meeting on May, 23rd, 2003 becomes effective, the conditional capital (I) is EUR 91,350.

d) Conditional capital (II)

The general meeting of shareholders of June 15, 2001 resolved the further conditional increase in the share capital of the Company by up to TEUR 300:

The Board of Directors was authorised with the approval of the Supervisory Board to issue bearer convertible bonds up to June 14, 2006 in a total nominal amount of TEUR 300, divided into 300,000 convertible bonds with a par value of EUR 1.00 each. The convertible bonds have a term of two years and shall bear interest at 4 % per annum.

The convertible bonds cannot be converted until after the ordinary general meeting of shareholders of 2004. The conversion rate for convertible bonds with a par value of EUR 0.95238 is one no par value share with a notional share in the share capital of EUR 1.00.

Since the capital increase decided by the shareholders meeting of May, 23rd, 2003, becomes effective, the conditional capital (II) is EUR 315,000.

As at December 31, 2003 convertible bonds in the nominal value of EUR 69,500, corresponding to conversion rights of up to 67,725 shares, were issued to members of the Board of Directors and key executives. Of these conversion rights up to 21,000 shares are attributable to Dr. Wolfgang von Geldern (Chairman of the Board of Directors), up to 7,875 shares to Mr. Hartmut Flügel (Technical Director until August 28, 2003), up to 7,875 shares to Mr. Gerd Kück (Financial Director) and up to 7,875 shares to Mr. Arne Lorenzen (Director of International Business).

e) Conditional capital III

The extraordinary general meeting of shareholders held on November 4, 2003 resolved to increase the share capital conditionally by up to TEUR 9,400, divided into 9,400,000 registered no par value shares each with a notional interest in the share capital of EUR 1.00 (conditional capital III). The conditional capital increase will only be implemented insofar as the holders of option of conversion rights make use by September 30, 2008 of such rights from option or convertible bonds which are issued or guaranteed by the Company or by a one hundred percent direct or indirect subsidiary of the Company on the basis of the authorisation resolved by the general meeting of shareholders held on November 4, 2003. The new shares shall be entitled to profit sharing as from the beginning of the fiscal year in which they are issued following the exercise of the conversion or option rights.

f) Capital surplus

During the year 200 an amount of EUR 13,561,779.00 was transferred to the capital surplus. This amount represents the share premium paid in excess of the issue amount within the framework of the capital increase in kind of SSP Technology A/S from the authorised capital.

g) Retained earnings

In accordance with the resolution of the General Meeting of Shareholders of May 23,, 2003 an amount of EUR 16,764,528.53 was transferred to the "other earnings reserves". By issuing of 678,150 bonus shares the "other earnings reserves" decreased by EUR 678,150.

h) Earnings for the year

On the basis of the earnings of the prior year (EUR 13,236,546.83) the development of retained earnings for the year as at December 31, 2003 was as follows:

	in EUR
Status as at December 31, 2002	13,236,546.83
Transfer to the other earnings reserves in accordance with the resolution of the general meeting of shareholders of May 23, 2003	-16,764,528.53
Consolidated net result 2003	-2,952,034.19
Status as at December 31, 2003	**-6,480,015.89**

With regard to the composition and development of the items of shareholders' equity, please refer to the schedule of shareholders' equity.

7. Minority interests

The minority interests result from the consolidation of Ventura S.A. and the first consolidation of SSP Technology A/S. Plambeck Neue Energien AG has a participation of 80 % in the share capital of Ventura S.A. and 50.1 % in the capital of SSP Technology A/S; the other shareholders have a 20 % participation in Ventura S.A. and 49.9 % in SSP Technology A/S. This item is composed as follows:

(in TEUR)	Ventura	SSP	Total
Share in share capital	56	27	84
Share in net loss	- 215	- 291	- 506
	- 159	**- 264**	**- 422**

8. Special items for investment grants

Since the beginning of 2000 investment grants in the total amount of TEUR 1,746 have been granted for the extension of an office building, which was rented by the Company, the expansion of the building as well as for fixtures and fittings. The office building was purchased by Plambeck Neue Energien AG in 2002.

The release of the investment grants are based on the average useful life of the underlying assets of 12.25 years. During the year under report a total amount of TEUR 29 was released.

In total, an amount of TEUR 1,649 is reported under the item “special items for investment grants”.

9. Provisions for taxes

The provisions for taxes are structured as follows:

(in TEUR)	31.12.2003	31.12.2002
Corporation tax and solidarity surcharge	1,022	9,351
Trade tax	1,592	7,403
Other taxes	230	0
Current income taxes	**2,844**	**16,754**
Deferred income taxes from elimination of intermediate results	70	0
Deferred income taxes from consolidation of debt	928	200
Deferred income taxes from percentage of completion	2,758	3,570
Deferred income taxes	**3,756**	**3,770**
	6.600	**20.524**

The deferred income taxes are attributable primarily to stage of completion accounting for long-term contract completion.

10. Other provisions

The other provisions are composed as follows:

(in TEUR)	31.12.2003	31.12.2002
Contract costs within the scope of stage of completion accounting	89,988	138,790
Outstanding invoices and commissions for wind farm projects	8,612	9,592
Court costs	841	201
Bonuses	689	631
Annual leave	223	445
Fees for the Supervisory Board	31	68
Other	1,303	783
	101,687	**150,510**

11. Debenture loans

These include convertible loans (debentures) issued to the Company's employees based on the provisions of the resolution of the general meetings of shareholders held on November 28, 1998 and June 15, 2001:

(in TEUR)	31.12.2003	31.12.2002
Convertible bond 1998:		
Status as at January 1	71	89
Issued	0	36
Withdrawn	0	0
Converted	0	54
Status as at December 31	**71**	**71**
Convertible bond 2001:		
Status as at January 1	51	0
Issued	22	51
Withdrawn	3	0
Converted	0	0
Status as at December 31	**70**	**51**
	141	**122**

Convertible bond 1998

The bearers of the convertible bonds acquire the irrevocable right to convert 50 % of the convertible bonds held by them into new no par value shares in the Company during a period of 2 weeks commencing with the third banking day in Frankfurt am Main following the ordinary general meeting of shareholders of 2002. The conversion rights only exist, however, if the average closing price of the shares traded during the 10 trading days prior to the conversion deadline is 150 % of the issue price of the shares.

Furthermore the bearers of the convertible bonds receive the irrevocable right to convert the remaining

50 % of the convertible bonds held by them into new no par value shares of the Company during a period of 2 weeks commencing with the third banking day in Frankfurt am Main following the ordinary general meeting of shareholders of 2004. However, the conversion rights exist only if the average closing price of the shares traded during the 10 trading days prior to the conversion deadline amounts to 200 % of the issue price of the shares.

The convertible bonds issued in 1998 amount to TEUR 71.

Please also refer to the explanations given for "conditional capital" (V. No. 6.c.).

Convertible bond 2001

Following the resolution of the ordinary general meeting of shareholders held on June 15, 2001 convertible bonds in a total amount of TEUR 300 with an annual interest of 4 % can be issued by the Board of Directors with the consent of the Supervisory Board once or several times up to June 14, 2006. The convertible bonds are divided into 300,000 units with a nominal value of EUR 1.00 each and with a term of two years. The issue price of the new shares shall be in each case at least 110 % of the average closing price of the shares of Plambeck Neue Energien AG in the Xetra market on the Frankfurt Stock Exchange during the last five trading days prior to the issue of the respective portion of the convertible bonds.

The conversion shall take place in the ratio of 1:1, so that a convertible bond with a nominal value of EUR 1.00 can be exchanged for one new no par value share. The new shares shall be entitled to profit sharing as from the beginning of the fiscal year during which the certificates are issued.

The conversion right can be exercised for the first time after two years as from March 1, 2004 within a period of two weeks commencing with the third banking day in Frankfurt am Main following the ordinary general meeting of shareholders of the fiscal year 2003 (conversion deadline).

During the fiscal year a total of TEUR 22 was issued from the convertible bond of 2001 and bonds were retired for the total amount of TEUR 3. Thereafter, the issued convertible bonds of 2001 amounted to TEUR 70.

Please also refer to the explanations given for the "conditional capital" (V. No. 6.d.).

12. Trade liabilities and advance payments received

Trade accounts payable consist exclusively of those towards companies outside the Group. The advance payments received concern advance payments for services in connection with the construction of wind farms. There exist in part ownership rights to the items supplied, as is normal in the branch.

13. Notes payable

These are notes payable relating to trade liabilities. The notes payable are connected with the construction of the two wind farm projects.

14. Other short-term liabilities

Other short-term liabilities are composed as follows:

(in TEUR)	31.12.2003	31.12.2002
Liabilities for taxes	12,348	4,983
Loan liabilities	3,574	0
Liabilities to leasing companies	2,591	0
Commissions	322	630
Social security liabilities	277	364
Wages and salaries	26	40
Other	23	180
	19,161	**6,197**

15. Deferred charges

The deferred charges in the amount of TEUR 1,249 are attributable to an advance payment made by a wind farm operating company for the use of a transformer station. The amount will be released to the income statement over a period of 20 years.

VI. Income statement

1. Revenues

Revenues are broken down according to the product and service areas within the Group. During the period under report revenues were earned in principle only from the electricity production department including service of wind power turbines, manufacture of wind power turbine rotors, commissions for the sale of shareholders' equity, participations in wind farm projects and management fees.

The revenues from long-term contract completion for the fiscal year 2003 are based on 6 projects.

(in TEUR)	2003	2002
Total revenues	83,060	209,547
Revenues from stage of completion accounting	29,741	131,305
Release from prior years	- 65,976	-58,950
Share of revenues from stage of completion accounting	**- 36,235**	**72,355**

Against these shares of the revenues there are uninvoiced contract costs in the amount of TEUR -35,074 (prior year TEUR 70,222) so that there results a realised stage of negative completion profit in the amount of TEUR -1,161 (prior year TEUR 2,133).

2. Other operating income

The other operating income in the amount of TEUR 19,162 (prior year TEUR 44,825) is composed as follows:

(in TEUR)	2003	2002
Release of provisions from long term production contracts	17,481	19,418
Release of provisions and elimination of liabilities from retroactively processed purchase contracts	312	24,037
Rental income	374	234
Other	995	1,136
	19,162	**44,825**

The release of provisions from long-term contract production refers to two wind farm projects which were evaluated in 2002 in accordance with IFRS 11 and of which one project could not be realised because of a changing in turbine configurations and one had to be postponed for an undetermined period of time.

3. Cost of purchased materials

Of the cost for materials in the amount of TEUR 41,912 (prior year TEUR 173,177) TEUR 40,957 (prior year TEUR 170,854) was attributable to the cost of purchased materials in connection with the construction of wind farms for our customers. Moreover we refer to the explanations concerning the accounting for long-term production contracts (IV. No. 5).

4. Personnel expenses

This item concerns mainly salaries, voluntary social charges, allocations to vacation pay accruals, profit sharing as well as social security contributions.

(in TEUR)	2003	2002
Salaries	10,849	9,131
Employer's contribution social insurance	1,857	1,619
Other personnel expenses	302	458
	13,008	**11,208**
Average number of employees during the year	253	234

5. Depreciation and amortisation

The composition of the depreciation and amortisation results from the development of the fixed assets shown in the corresponding analysis, which is an integral part of these notes to the Group financial statements.

This item includes the amortisation of goodwill amounting to TEUR 5,519 (prior year: TEUR 4,473).

6. Other operating expenses

The other operating expenses declined during the year under report to TEUR 39,809 (prior year: TEUR 56,465). They are attributable to the amount of TEUR 13,233 (prior year: TEUR 9,297) to other operating expenses within Plambeck Neue Energien AG. The amount shown in the Group financial statements are composed as follows:

(in TEUR)	2003	2002
Release of receivables from long-term production contracts	18,350	20,135
Elimination of receivables from retroactively processed purchase contracts	10,071	24,010
Individual value adjustments on receivables	1,222	2,955
Administration expenses	5,656	4,757
Selling expenses	1,042	1,846
Operating costs	3,257	2,059
Other	211	703
	39,809	**56,465**

The release of receivables from long-term production contracts is attributable to two wind farm projects which were valued in 2002 in accordance with IFRS 11 and of which one project could not be realised within the calendar year and had to be postponed for an undetermined period of time, as well as a second project which could not be realised because of a changing in turbine configurations.

The elimination of receivables essentially concern the writing off of receivables from planning and project engineering of the wind parks Blaubeuren (TEUR 2,064) and Hoetzelsroda (TEUR 1,526). The projects could not be realized due to temporal shifts of the project realization and the economic aspects resulting from this. The receivables from project engineering for biomass power station Menteroda (TEUR 4,136) was written off because the biomass activities were stopped in the company.

7. Other interest and similar income

This includes exclusively interest income from cash in banks and from contractual interest for trade receivables.

(in TEUR)	2003	2002
Interest received from wind farm operating companies	8,230	5,273
Interest from timber burning operating companies	172	812
Interest on loans	335	698
Other	154	137
	8,891	**6,920**

8. Interest and similar expenses

The interest expenses result from the use of credit lines and guarantees.

(in TEUR)	2003	2002
Overdraft interest paid	2,090	1,314
Interest on loans and credits	1,230	422
Discount expenses	147	112
Other	187	124
	3,654	**1,972**

9. Profit from ordinary operations

The profit from ordinary operations of TEUR 25 (prior year TEUR 22,242) includes TEUR 2,299 (prior year: TEUR 1,012) from Plambeck Neue Energien AG.

10. Taxes on income

The expenses for taxes on income are composed as follows:

(in TEUR)	2003	2002
Current taxes	3,209	10,370
Deferred taxes		
• from consolidation of debt	70	0
• from stage of completion accounting	728	200
• from percentage of completion	-812	568
	3,195	**11,138**

The following table shows the reconciliation between the calculated tax expense to that reported in the Group income statement:

(in TEUR)	2003	2002
Group earnings before taxes on income	- 263	22,228
Tax rate	40.00 %	40.00 %
Income tax expenditure - calculated	-105	8,891
Permanent differences		
Amortisation of goodwill	2,208	1,789
Write-off of deferred taxes reported as assets	868	552
Taxes from other periods	- 212	0
Non-deductible expenses	62	109
Addition of interest on permanent debt (trade tax)	263	190
Other differences (primarily tax rate differences)	111	- 393
Reported tax expense according to income statement	**3,195**	**11,138**

11. Net income and retained earnings

The net income of the Group declined to a net loss of TEUR 2,952 (prior year: net income of TEUR 11,133). Taking into consideration the appropriation of profit resolved at the general meeting of shareholders held on May 23, 2003 the Group reports a retained loss for the year of TEUR 6,480 (prior year: retained earnings of TEUR 13,237).

12. Net income per share

a) Basic net income per share

The average number of shares during 2003 amounted to 17,016,443 registered shares. In the year 2003 a capital increase took place at a value of EUR 678,150.00 via dividend payment in the form of bonus shares. According to the regulation in the IFRS 33,43 the entrance of the shares was already subordinated on 31 December 2002. Besides this a non-cash capital increase took place at a value of EUR 5.535.420,00 in connection with the take over of 50,1 % of the shares of SSP Technology A/S. The expenditure of the shares was subordinated on the day, on which the Plambeck Neue Energien AG takes control of the SSP Technology A/S (July 1st 2003).

The basic net income per share therefore amount to EUR – 0,17.

	2003	2002
Group net income (in EUR)	-2,952,034.19	11,132,793
Weighted average of the shares issued	17,016,443	13,511,564
Net income per share (in EUR)	- 0.17	0.82

b) Diluted net income per share

It is not necessary for the Company to show details of the "diluted net income per share" since the exercising of the convertible bonds is linked to certain conditions (change in quoted price), the fulfilment of which cannot be valued at the present time (see also V. No. 11 "Loans").

13. Indication of the proportionate total amounts of joint ventures.

With the joint venture PNE2 Offshore GmbH the following amounts been void to the Plambeck Neue Energien AG:

(in TEUR)	2003	2002
Fixed Assets	2,289	0
Current assets	58	0
Short-term debts	409	0
Expenditures	3	0
Net income	-3	0

VII. Cash flow statement

1. Liquid assets

The liquid assets as at January 1, 2003 and December 31, 2003 correspond in each case to the item shown in the balance sheet “Cheques, cash on hand, cash in banks, etc.”.

2. Explanations of the individual cash flows

The cash flows for the operating business activities shown in the cash flow statement include the following amounts for interest and tax payments:

(in TEUR)	2003	2002
Interest received	1,920	2,437
Interest paid	2,803	1,791
Tax payments	9,670	345

3. Payments within the scope of corporate mergers and establishment of companies

During the fiscal year 2003 payments were made for the establishment of new companies in the amount of TEUR 75. The amount is composed of the payment for the establishment of PNE 2 Offshore GmbH (TEUR 25), PNE 2 Riff II GmbH (TEUR 25) and NEI Neue Energien Investitions GmbH TEUR 25).

During the fiscal year 5,535,420 shares of the Company with a value of TEUR 19,097 were used for the 50.1 % participation in SSP Technology A/S.

4. Transition between amounts in the cash flow statement and the balance sheet.

In the context of the first consolidation of SSP Technology A/S the following positions amounts to the cash flow statement without this led to disbursements:

(in TEUR)		
Intangible Assets and non-cash investments		3,072
Cash		2
Inventories and other assets		172
Trade accounts payable and other liabilities		3,381

VIII. Segment reporting

The Company has dispensed with segment reporting in accordance with IFRS 14 for the fiscal year 2003 since, apart from the sector of electricity generated by onshore wind power, Plambeck Neue Energien AG including its Group companies was only active in other business segments during this period (offshore wind power, biomass, solar energy), where the sales and profit contributions in each case and also cumulatively did not exceed 10 % of the Group sales or the Group result.

Segment reporting on a regional basis was also not undertaken in the year under report since the Group companies carried out their activities almost exclusively in Germany.

IX. Other information

1. Contingent liabilities

a) Other financial obligations

Contingent liabilities exist at the balance sheet date in connection with the granting of guarantees for:

(in TEUR)	2003	2002
Silbitz biomass power station	16,065	16,065
Various wind power projects	9,953	3,143
Others	317	3,261
	26,335	**22,469**

Other financial obligations are from leasing contracts with leasing instalments in the amount of TEUR 1,947 (prior year: TEUR 257) as well as rental expenses for office buildings amounting to TEUR 1,139 per annum (prior year TEUR 476). Concerning the other financial obligations from financing leasing please refer to number V.1 in this appendix. Moreover, there are obligations from order commitments for wind power turbines in the amount of TEUR 98,125 (prior year: TEUR 168,551) as well as from placement guarantees for two wind farm projects already in operation and a biomass project in the amount of TEUR 4,854.

2. Relationships to affiliated companies and persons

The members of the Board of Directors received total remuneration for their activity during the fiscal year 2003 in the amount of TEUR 823. The total remuneration of the Board of Directors was composed of a fixed amount of TEUR 441 and a variable amount of TEUR 382.

The members of the Supervisory Board of Plambeck Neue Energien AG were paid emoluments totalling TEUR 103.

Shares in the Company were held as follows by the members of the boards of the Company as at December 31, 2003:

Board of Directors	Number of share
Herr Dr. Wolfgang von Geldern	15,750
Herr Gerd Kück	9,828
	25,578

No shares were held by the Supervisory Board as at December 31, 2003.

At the balance sheet date the Board of Directors held 61,950 conversion rights for convertible bonds (prior year: 66,000).

No accounts receivable or liabilities exist vis-à-vis members of the Board of Directors and the Supervisory Board or vis-à-vis other major shareholders.

Transactions with affiliated persons or companies are undertaken exclusively on terms conforming to market conditions.

Between the Plambeck Norderland AG and the Plambeck Kommunalprojekt AG, a subsidiary of the Plambeck Holding AG, a contract for services was signed on 14 May 2003. The Plambeck Norderland AG obligates to furnish various development services for the Plambeck Kommunalprojekt AG. The turnover from this contract for services amounted to TEUR 1,928 for the Plambeck Norderland AG in 2003. On December, 31st, 2003 the receivables of Plambeck Norderland AG against the Plambeck Kommunalprojekt AG amount to a value of TEUR 2,236.

The Plambeck Neue Energien AG furnished 2003 services for Plambeck Neue Energien AG AG with a total volume of TEUR 289 in the financial year. On December, 31st, 2003 the Plambeck Neue Energien AG proved liabilities against the Plambeck Neue Energien AG at a value of TEUR 276.

3. Details of the Supervisory Board and Management

Supervisory Board: **Norbert Plambeck, Cuxhaven, businessman (Chairman)**
Martin Billhardt, Bremerhaven, businessman (Vice Chairman)
Johann Eisenhauer, Westerholt, businessman (until September 29, 2003)
Dr. Peter Fischer, Cuxhaven, Ex-Minister of Lower Saxony
Dieter Gehrke, Hüllhorst, tax consultant
Timm Weiß, Cuxhaven, lawyer

Norbert Plambeck is also a member of the Supervisory Board or a member of another controlling body of the following companies within the meaning of

Article 125, Paragraph 1, Sentence 3 of the German Stock Corporation Law (AktG):
- Plambeck Energiekonzept AG, Cuxhaven
- Flughafen-Betriebsgesellschaft Cuxhaven/Nordholz mbH, Nordholz
- Stadtsparkasse Cuxhaven, Cuxhaven (member of the Administrative Council)
- PrivAG Aktiengesellschaft für Privatisierungsprojekte, Bonn
- Plambeck Norderland AG, Hamburg (since September 1, 2003)

Martin Billhardt is also a member of the Supervisory Board or member of another controlling body of the following companies within the meaning of Article 125, Paragraph 1, Sentence 3 of the German Stock Corporation Law:
- ASR Auto-Stern von Rußland AG, Moscow (until December 31, 2003)
- Bremische Hannoversche Eisenbahn AG, Frankfurt am Main
- Portum AG, Frankfurt am Main
- Softline AG, Offenburg
- SSW Fähr- und Spezialschiffbau GmbH i. I., Bremerhaven
(Vice Chairman of the Advisory Committee until February 2003)
- Plambeck Norderland AG, Hamburg (until September 1, 2003)
- Plambeck Neue Energien Biomasse AG, Cuxhaven (until September 12, 2003)

Dr. Peter Fischer is also a member of the Supervisory Board or member of another controlling body of the following companies within the meaning of Article 125, Paragraph 1, Sentence 3 of the German Stock Corporation Law:
- Studio Hamburg Atelier GmbH, Hamburg
- NDR Media GmbH, Hamburg

Board of Directors: **Dr. Wolfgang von Geldern, Nordholz (Chairman)**
Dipl.-Ing. Hartmut Flügel, Cuxhaven (until August 28, 2003))
Gerd Kück, Cuxhaven
Arne Lorenzen, Cuxhaven (since February 1, 2002)

Dr. Wolfgang von Geldern is a member of the Supervisory Board or member of another controlling body of the following companies within the meaning of Article 125, Paragraph 1, Sentence 3 of the German Stock Corporation Law:
- Plambeck Norderland AG, Hamburg
- Plambeck Neue Energien Biomasse AG, Cuxhaven
- PNE2 Offshore GmbH, Cuxhaven

Gerd Kück is also a member of the Supervisory Board or member of another controlling body of the following company within the meaning of Article 125, Paragraph 1, Sentence 3 of the German Stock Corporation Law:
- Plambeck Norderland AG, Hamburg

Arne Lorenzen is also a member of the Supervisory Board or member of another controlling body of the following company within the meaning of Article 125, Paragraph 1, Sentence 3 of the German Stock Corporation Law:
- Plambeck Neue Energien Biomasse AG, Cuxhaven
- Ventura S.A., Montpellier, France
- SSP Technology A/S, Broby, Denmark
- PNE2 Offshore GmbH, Cuxhaven

4. Announcements in accordance with Article 21 Securities Trading Law (WpHG)
On September 25, 2003 the Company published the following announcement in the Financial Times:

Plambeck Holding AG, Cuxhaven has informed us in accordance with Article 21 Paragraph 1 of the Securities Trading Law that its shareholding in Plambeck Neue Energien AG exceed the benchmark of 25 % on September 11, 2003 and now amounts to 40,27 %.

On November 11, 2003 the Company published the following announcement in the Financial Times:

Mr. Norbert Plambeck, Cuxhaven, has informed us in accordance with Article 21 Paragraph 1 of the Securities Trading Law that his shareholding in Plambeck Neue Energien AG continues to be in excess of 25 % and now amounts to 46.49 %. These voting rights, of which 40.27 % were allocable to him beforehand in accordance with Article 22 Paragraph 1 of the Securities Trading Law, are now fully allocable to him since October 28 in accordance with Article 22, Paragraph 1, Sentence 1 of the Securities Trading Law.

5. Corporate Governance Codex

Declaration by the Board of Directors and the Supervisory Board on the Corporate Governance Codex pursuant to § 161 German Shares Act:

Plambeck Neue Energien AG will fulfil the “nominal” reommendations of the German Coporate Governance Codex Commission with the following limitations:

4.2.3 The salient points of the compensation system will not be published on the companies website.

4.2.4 Compensation of the members of the Management Board will not be published individualized.

5.4.5 Compensation of the members of the Supervisory Board will not be published individualized.

You can find this declaration at **www.plambeck.de.**

6. Employees

The average number of employees in the Group amounted to a total of 253 during the fiscal year (prior year 234 employees). The number of employees increased during 2003 mainly as a result of the participation of Plambeck Neue Energien AG in SSP Technology A/S.

7. Proposed appropriation of profit

The Board of Directors proposes to transfer the full amount of the retained earnings for the year of Plambeck Neue Energien AG amounting to EUR 4,343,887.15 to the other earnings reserves.

Cuxhaven, March 16, 2003
Plambeck Neue Energien Aktiengesellschaft

Wolfgang Gelden

Dr. Wolfgang von Geldern
Chairman of the Board of Directors

Gerd Kück
Member of the Board of Directors,
Financial Director

Arne Lorenzen
Member of the Board of Directors,
International Business

Auditors' Report

We have audited the Group financial statements of Plambeck Neue Energien AG, Cuxhaven, consisting of balance sheet, income statement, analysis of changes in shareholders' equity, statement of cash flows and notes to the Group financial statements for the fiscal year from January 1 to December 31, 2003. The preparation and contents of the Group financial statements are the responsibility of the Board of Directors of the Company. It is our duty to submit an opinion on the basis of the audit undertaken by us whether the Group financial statements correspond to International Financial Reporting Standards (IFRS).

We have conducted our audit of the Group financial statements in accordance with German Auditing Regulations and by observing the German generally accepted principles of auditing standards issued by the Institut der Wirtschaftsprüfer (IDW). Accordingly the audit must be planned and conducted so that it can be confirmed with a significant degree of certainty that the Group financial statements are free of errors and irregularities. Within the framework of the audit the details for the valuations and details in the Group financial statements are evaluated on the basis of random checks. The audit includes the evaluation of the accounting principles used and the significant judgments made by the Board of Directors as well as the appraisal of the overall presentation of the Group financial statements. We are of the opinion that our audit provides a sufficiently reasonable basis for our assessment.

It is our belief that the Group financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group as well as the cash flow of the fiscal year in accordance with IFRS.

Our audit, which also includes the Group Management Report drawn up by the Board of Directors for the fiscal year from January 1 to December 31, 2003 did not lead to any objections. In our opinion the Group Management Report in total gives a fair view of the situation of the Group and presents the risks for the future development sufficiently. Moreover we confirm that the Group financial statements and the Group Management Report for the fiscal year from January 1 to December 31, 2003 fulfil in accordance with German Law the requirements for a freedom of the Company from drawing up a Group financial statements and a Group management report. The audit of the required consistency of the Group accounting for the liberation from the Commercial Code obligation for the Group accounting with the 7th EC Guideline was undertaken by us on the basis of the Guideline in accordance with DRS 1 of the Deutsche Rechnungslegungs Standards Committee.

Munich, March 17, 2004

Dr. Ebner, Dr. Stolz und Partner GmbH
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Dr. Wolfgang Russ Auditor	Martina Schaaf Auditor

Financial calendar 2004-03-26

March, 29th	• Publishing of the annual report Press conference in Hamburg
May, 14th	• Publishing of frist quarter report Annual shareholders meeting in Cuxhaven
August, 16th	• Puplishing of the half-year report • Analysts conference in Frankfurt
November, 15th	• Publishing of the third quarter report

Imprint

• Responsible

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