

Wind Energy

in the focus



Annual Report 2004

The Plambeck share

Key share data

Number:	30,368,617 no par value registered shares
Issue:	15.12.1998 zu 8.18 Euro (restated for split)
Share split:	06.10.2000/2000 in ratio of 1:3
Capital increases 2004:	10,592,047 new shares
Scrip issue:	01.09.2003 in ratio of 20:1
Designated Sponsor:	VEM Aktienbank, Munich
Market segment:	Prime Standard since 01.01.2003
Indices:	HDax, Mid-Cap-Market-Index, CDAX Technology

WPKN: 691032 **ISIN** DE0006910326 **Reuters** PNEGn.F **Bloomberg** PNE2

Key data on the Company

euro million	2004	As – If 2003	2002	2001
Sales	59.4	77.7	209.6	188.3
Total aggregate output	95.9	92.6	263.5	206.0
EBITDA	-76.2	-2.2	22.6	21.9
EBIT	-162.1	-9.3	17.3	17.3
Result before taxes	-162.7	-8.9	22.2	20.0
Net income	-158.7	-9.0	11.1	11.1
Retained loss for the year	-35.5	-31.6	13.2	13.3
Balance sheet total	154.4	336.9	432.9	282.4
Shareholders' equity	21.4	158.8	167.8	160.0
Equity ratio	13.8 %	47.1 %	38.8 %	41.8 %
Employees	171	262	137	137

“On the basis of prudent estimates we expect new construction of approximately 1,700 Megawatts in 2005.”

Jens Peter Molly,
general director of the German Wind Power Institute

Figures about the wind energy sector

- **Electricity consumption in Germany**
2004: 599.2 billion Kilowatt hours
2003: 594.9 billion Kilowatt hours
- **Share of wind power in the total electricity generated in Germany during**
2004: 4.1 percent.
- **New installation in Germany during 2004:**
1,201 wind power turbines with a total output of 2,036.9 Megawatts.
- **The dena study forecasts for up to 2015:**
Onshore 26.2 Gigawatts
North Sea 8.4 Gigawatts
Baltic 1.4 Gigawatts



- **The declining balance reduction was fixed at two percent per annum.**
- **Feed-in payments were reduced.**

Mission statement

**The future belongs to renewable energies,
and we are now already using them economically.**

The secure supply of electricity in the future will be based on renewable energies. In particular wind energy as a technically mature technology will make a contribution towards the saving of fossil fuels resources, which have a limited availability, and simultaneously to produce large volumes of electricity at economical prices.

The already identifiable and scientifically proven climate change as well as the resulting growing number of natural disasters force us to avoid hazardous emissions. At the same time it is a question of reducing our dependency on the import of conventional raw materials from regions which are not always politically stable. Wind energy also offers in this respect enormous potential at low risk.

Plambeck Neue Energien AG is one of the worldwide most experienced projectors of wind farms. We are contributing to the continuation of the success story of renewable energies. The future belongs to these energies as well as to those who support and use them.

We are one of them.



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Imprint

Foreword of the Board of Directors

Dear Shareholders,

2004 presented us with new and major challenges, which we met with various and, in part, far-reaching measures. Substantial changes in the overall structure and in the personnel area as well as our concentration on the core business of wind power result in considerable savings and assure our future development and in particular the stronger implementation of wind farm projects.

The amendment of the Renewable Energy Law (EEG) as well as a changed market situation required us as well as all other German wind power projectors to undertake a revaluation of wind farm projects already in progress and to book substantial write-downs and amortisation. The reasons for this were above all the legal changes with regard to the payment regulations for onshore wind farms in Germany as well as their degression. This resulted in lower project margins. All this had a negative effect on the balance sheet and on the result. The uncertainty of the capital market also resulted in a substantial decline in share prices. We regret this above all, since the corrections in the balance sheet form the basis for the positive development of the Company in the future. Due to the discussions regarding the amendment of the law we also had to postpone projects, for which we had already undertaken major preliminary work. Since repayment for this work is earned only after the marketing of the projects and since the banks exercised restraint with regard to project financing, we were able to realise additional projects only later than planned. This also had a negative effect on both revenues and result. The write-down of receivables and the write-off of receivables from long-term contract completion amounted to euro 90.5 million. The amortisation of goodwill amounted to euro 83.9 million. The bookkeeping changes had an effect on the Group result. It amounted in 2004 to euro -158.8 million. The earnings per share amounted to euro -6.53. Sales amounted to euro 59.4 million. Shareholders' equity changed to euro 21.4 million.

We reacted immediately to the challenges with our newly structured Board of Directors in 2004. The implementation of wind farm projects in Germany became more profitable as a result of savings. We divested the loss-making Plambeck Neue Energien Solar Technik GmbH. We are now concentrating on the core business sector of wind energy. As before, we consider that our task is to expand sustainably the share of renewable energies and to use wind energy, which is unlimited, in an economic manner. The fact that world-famous groups like Siemens and General Electric are involving themselves increasingly as equipment manufacturers in this market, is a confirmation of our strategy and is an indication for the enormous potential for the exploitation of wind power.



Dr. Wolfgang von Geldern

Capital measures

In order to finance our entry into our own operations specific additional shareholder equity was required. We assured this rapidly during the past year through the issue of participation certificates in the amount of euro 0.9 million.

The capital market also accepted successfully our convertible loan, the volume of which amounted to euro 23.5 million.

The confidence in the inner strength of the Company and in its outlook is shown by the success of additional capital measures: in October a capital increase amounting to two million shares was fully subscribed and in November we were able to place a further 760,780 shares.

We consider that the confidence of the capital markets is based on our corporate value, which, however, was unfortunately not reflected during 2004 in the development of our share price. Nevertheless, focussing, innovation strength, good marketing, excellent acquisition of sites for projects and high product quality remain our key success factors. This was shown in various respects during 2004.

Realisation of further wind power plants

We were thus able to conclude the planning for the realisation of wind power plants in Germany with an installed output of more than 100 Megawatts during 2005. This is achievable only as a result of our many years of market presence as well as our cooperation, based on partnership and confidence, with landowners, municipalities and planners as well as our excellent acquisition of sites.

Survey of the construction site for Borkum-Riffgrund

The survey of the construction site for our offshore wind power project, Borkum-Riffgrund, indicated that the wind power equipment can be constructed as planned on the high sea. Together with our Danish project partner, ENERGI E2 A/S, we shall erect a total of 180 wind power turbines; the construction of the first turbines shall be started in 2006. The progress at Borkum-Riffgrund is an



essential success factor for the projecting of our additional planned offshore farms. As before, we consider that offshore wind energy is a growth market.

Start up of rotor blade production

SSP Technology A/S in Denmark was able at times to report full utilisation of the production capacities for rotor blades for wind power turbines. Problems arose, however, since the production for an order of 17 sets could not be delivered on schedule as a result of project postponements. Additional planned order production was also postponed. The result was a stop in production until the completed rotor blades could be sold. Due to the current situation the value of the company was amortised by an amount of euro 31,1 million to a current value of euro 5 million. SSP Technology A/S is currently holding discussions in order to develop a corporate partnership and thus to accelerate the sales of the rotor blades.

Sale of the Shares in Ventura S.A.

In May we successfully sold our 80 percent shareholding in the French wind farm project company, Ventura SA, to the stock-exchange-listed, French environmental and energy company, Theolia SA. It was agreed to keep the price of sale confidential. The value added created since the acquisition of the participation in 2001 through the investment in Ventura S.A. was realised by the divestment with an above-average return for Plambeck Neue Energien AG.

We expect to return to profitability as from 2006 due to the progress in project realisation and the comprehensive plans for wind farms during the next few years .

Over one hundred years ago Victor Hugo said: the future has many names. For the weak it is the unachievable. For the fearful it is the unknown. For the brave it is opportunity. We shall exploit our opportunities decisively for our Company and for you, our Shareholders.

Dear Shareholders, I thank you for your confidence and for your loyalty.

Yours sincerely,



Dr. Wolfgang Von Geldern
Chairman of the Board of Directors

Statutory bodies



Board of Directors

Dr. Wolfgang von Geldern

Chairman and founder

Born 04.11.1944 in Dorum
 Since 1994 Member of the Board of Directors of Plambeck ContraCon AG
 Chairman at Plambeck Neue Energien AG since 1998

Arne Lorenzen

Member of the Board of Directors

Born 12.07.1962 in Haderslev, Denmark
 In charge of Foreign Business since February 2002

Martin Billhardt

Member of the Board of Directors

Born 01.1.1962 in Offenbach
 In charge of Finance since August 2004

Supervisory Board

Norbert Plambeck

Chairman and founder

Born 11.4.1956 in Cuxhaven
 Chairman of the Board of Directors of Plambeck Holding AG, which he founded in 1979

Timm Weiß

Born 11.10.1973 in Berlin
 since 2000 full time legal consultant of Plambeck Holding AG

Dr. Peter Fischer

Born 10.07.1941 in Berlin
 State Minister (retired)

Rafael Vazquez Gonzalez

Born March 20, 1973 in Cuxhaven
 IT-businessman

Alfred Mehtens

Born December 23, 1939 in Lunestedt
 Farmer





Strategy

The core business of Plambeck Neue Energien AG is the expansion of wind energy in the interest of an environmentally friendly and secure supply of energy in the future. Our emphasis will continue to be placed on the projecting of wind farms in Germany.

Following the intense and in part unobjective political debate during 2003 and 2004 in respect of the future expansion of wind energy in Germany, the situation improved as a result of the amendment of the Law for the Priority of Renewable Energy (EEG) of July 21, 2004.

The potential of wind energy in Germany is not yet exhausted

In 2004 we constructed here in Germany wind power turbines with an installed output of 73 Megawatts. In 2005 this could amount to more than 100 Megawatts and in both 2006 and 2007 to between 140 and 160 Megawatts. These figures show why we are concentrating on wind energy. Moreover they indicate two major aspects: first of all, the potential of wind energy in Germany, in spite of existing prejudice, is by far not yet exhausted, particularly if repowering possibilities are realised, i.e. the replacement of old plant by new and more efficient equipment at the same site. Secondly it becomes clear that we have a very good position in the project planning and management of wind farms in Germany. Our many years of market experience as well as our cooperation based on partnership and confidence with landowners, municipalities and planners continue to ensure for us good positions for the negotiation of new projects. Reliability, first class references and a special quality in our approach towards our business partners are the basis for our continued success in this area. We shall continue to concentrate on good sites. Thanks to our strength with regard to site acquisition we continue to obtain additional such sites.

Our strategy also includes the promotion of large offshore wind farm projects off the German coast. In accordance with the new Renewable Energy Law the conditions for electricity from offshore wind farms improve according to the greater distance they are situated from the coast as well as on the greater the depth of the water at such sites. This compensates for the higher investment costs.

Offshore wind power is a growth market. Well-known institutes such as the German Wind Energy Institute (DEWI) in Wilhelmshaven are forecasting double-digit growth rates up to 2020. We can move forward in this sector on the basis of our experience with the Borkum-Riffgrund project. This is being developed jointly with our Danish cooperation partner, ENERGI E2 A/S. In parallel with this we are working on additional offshore projects on the North Sea and in the Baltic. The next objectives are the relative construction permits. We are thus making a contribution to the objectives of the Federal German Government to have electricity produced by offshore wind farms off the German coast with installed output of up to 25,000 Megawatts.

Double-digit growth rates per year up to 2020

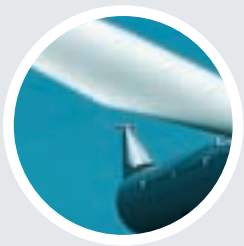
We are sure that our 100 percent subsidiary has developed rotor blades for wind power turbines, for which a large international market is open. We are currently conducting discussions with the aim of bringing this know-how and technical competence into a corporate partnership.

The concentration on wind energy required the divestment of our subsidiary, Plambeck Neue Energien Solar Technik GmbH. The purchaser is Plambeck Energiekonzept AG.

The new strategic direction was accompanied in 2004 by substantial changes in the structure as well as in the personnel area. This resulted in substantial savings.



...Wind power...



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“Our most important task remains the further expansion of wind power in the interest of an environmentally friendly and reliable supply of electricity in the future.”

Dr. Wolfgang von Geldern, CEO

Divisions

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Onshore wind power

Onshore wind power in Germany continued to be the core division of Plambeck Neue Energien AG. Experience and competence are the basis for our competitive lead.

Plambeck Neue Energien AG is successful in onshore wind power in Germany in contrast to the market trend. We are going forward into the next few years with a well-filled project pipeline: if during 2004 we installed wind power turbines here in Germany with an output of only 73 Megawatts, we are planning the realisation of more than 100 Megawatts in 2005. The potential for onshore wind power in Germany is therefore not yet fully exhausted. This is shown also by surveys undertaken by the Federal Ministry for the Environment, Protection of Nature and Reactor Safety, which is forecasting further expansion for onshore wind power during the next few years. Even if onshore wind power in Germany will not grow so strongly as in the prior years, it continues to be a very expansive type of electricity production with growth rates of two-digit or high one-digit percentages. On the basis of an average year of wind the wind power turbines, which were feeding electricity into the networks here in Germany at the end of 2004, already accounted for more than 6% of German electricity requirements. Hydroelectric power is thus surpassed as the hitherto front-runner in the field of renewable energies. The Federal Ministry for the Environment, Protection of Nature and Reactor Safety considers that the potential of onshore wind power not to be exploited by far. Growth potential therefore still remains. Furthermore, there are still good sites. Additional possibilities are offered by repowering, i.e. the construction of new and more efficient equipment at already existing wind power sites.

Projecting, financing and construction of wind farms is the core competence of Plambeck Neue Energien AG. In this respect we have achieved an outstanding position in the market. Thanks to our experience and our competence as well as to our good reputation we have a competitive lead in this extremely complex and multi-faceted business segment, which we intend to expand during the next few years.

The task of constructing an onshore wind farm to operational status is a complex and time consuming task. Five to six years often lie between the initial planning and the realisation. Planning begins with identifying appropriate sites with suitable wind conditions. The construction site must be assessed or surveyed, the access possibilities must be clarified and environmental aspects, neighbouring and construction rights have to be investigated a priori. Electricity connection possibilities and a multitude of other points must be analysed, also with regard to costs. This broad spectrum of the most varied tasks requires the effective cooperation of experts from several different specialised sectors.

Growth rates of two-digit or high one-digit percentages

Outstanding position in the market



Acquisition of new sites Should all surveys indicate that a site appears to be suitable, we start negotiations in order to either purchase or lease the relative land. In this respect an additional strength of Plambeck Neue Energien AG is required, i.e. the acquisition of new sites. Our strong position with regard to negotiations is attributable to our many years of market presence as well as our cooperation, based on confidence and partnership, with landowners, municipalities and planners. Moreover, our reliability and first class references as well as a special human quality with regard to our approach towards business partners also plays a major role in this respect.

After the acquisition of a site, the necessary studies and project development follow. These include, for example, the approval procedures, which are legally often complicated, the fixing of the project schedule and last but not least the selection of the appropriate equipment technology. We already develop the concept of the financing in parallel with the approval procedure.

The reputation of Plambeck Neue Energie AG as one of the most experienced German projectors of wind power enables us to acquire constantly new customer groups. We therefore sold, for example, in 2004 a complete wind farm to the department of works of a large German city. An international investor group acquired other wind farms. In addition, we continue to make use of the classic channel of sales of fund shares.

Commercial and technical competence We also, however, place our commercial and technical competence at the disposal of other wind farm operators as a service provider. Our technical knowledge helps the customers to avoid damages, to minimise maintenance and repair costs as well as to earn secure revenues. The commercial and legal know-how makes it easier for them to defend their claims vis-à-vis manufacturers.

Although we are continually realising new wind farms, the number of construction permits on hand remains to a large extent constant, since we are acquiring continuously new appropriate sites for our project portfolio.

Ventura S.A. in France, in which Plambeck Neue Energien AG had an 80 percent participation, sold in 2004 two wind farm projects in France with a total installed output of 20 Megawatts. From these sales and other projecting work Ventura S.A. earned revenues of euro 2.3 million.



Offshore wind power

In the growth market of offshore wind power we are concentrating on the German North Sea and the Baltic. In this respect we are relying on our experience with the Borkum-Riffgrund project, which we are developing jointly with our strongly capitalised Danish cooperation partner, ENERGI E2 A/S. This company is one of the leading energy producers in Denmark. In February 2004 we obtained the construction permit from the German Office for Shipping and Hydrographics, which was applied for in 2000. This was confirmation that with regard to the choice of the site we had taken into consideration particularly the protection of nature as well as the concerns of the military in addition to the rights of shipping; furthermore we also took into consideration the interests of fishermen as well as those of the operators of underwater cables and pipelines. In 2004 we explored the construction foundations up to the probable maximum depth of the foundation pillars, with borings and pressure controls being undertaken by a special ship.

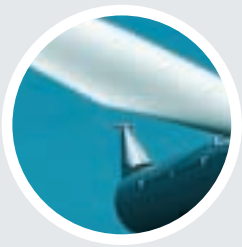
In February 2004 we obtained the construction permit

The first construction phase, the so-called pilot phase, includes 77 wind power turbines. During the following expansion phases a total of up to 180 wind power turbines will be erected in the planning area. The total installed output of the wind farm will amount to approximately 800 Megawatts. The total offshore wind farm will be able to generate approximately 3.2 billion Kilowatt hours of electricity annually. This is as much as is consumed every year by 900,000 average German households.

In parallel with this we are working on additional offshore projects in the North Sea and in the Baltic. The next objectives are the relative applications for construction permits. We are thus making a contribution to the objectives of the Federal German Government to have electricity generated by offshore wind farms off the German coasts with an output of up to 25,000 Megawatts.



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“The general conditions and the market have changed as a result of the intensive and in part unobjective debates about wind power.”

Dr. Wolfgang von Geldern, CEO





Our share

Whilst the world stock markets continued their upward trend during 2004, the shares of wind energy companies were unable to recover.

Investors could be satisfied on average during 2004 with the performance of German equities in spite of economic problems in Germany, crises in several large and medium-sized companies as well as higher unemployment figures. The German share index, DAX, closed in 2004 with an increase of 7.34 %, above all thanks to the price increases during the last few months of the year. Other leading stock markets showed similar performance: The American Dow Jones index registered an increase of 4 % and the Japanese Nikkei index and the European EuroStoxx index 7 %. On the other hand 2004 and 2003 were not satisfactory for wind energy shareholders. The uncertainty of the investors and the banks with regard to the fundamental political discussions on renewable energy continued into 2004. This had a negative effect for all companies in the wind energy sector with regard to the possibilities for realising new projects. Following the amendment of the Renewable Energy Law, which came into effect on August 1 and which also caused a deterioration of the market situation, projects already in hand had to be reassessed by Plambeck Neue Energien AG as well as by all German wind farm projectors. This led to substantial write-offs as well as amortisation and resulted in lower project margins and project write-downs.

Further information:

Investor Relations
Fon 0049-4721 / 718718
ir@plambeck.de
www.plambeck.de

In October the stock market price of the share of Plambeck Neue Energien AG declined to below 1 euro. This level was not attained again by the end of 2004. Furthermore, good news, such as the expansion of the shareholder equity basis as a result of successful capital increases as well as positive results with regard to the construction site surveys of our Borkum-Riffgrund offshore project, had hardly any effect on the share price. Only in January 2005 did the market appreciate the outlook for our Company as well as the focussing on wind energy; the share climbed again to a level in excess of 1 euro. The average daily volume in 2004 amounted to 156,110 shares traded. In 2005 we expect for the Group a marked increase in trading volumes as well as a return to profitability during 2006. We therefore also have a positive outlook for the share price in the medium and longer term.

Share chart – annual summary 2004



Capital measures

In October and November Plambeck Neue Energien AG was able to place quickly a total of approximately 2.76 million shares in the market as a result of two capital increases. These funds were allocated to the project business; they will strengthen the development of onshore wind farm projects in Germany. In February 2005 VEM Aktienbank AG in Munich issued a five-year convertible loan for Plambeck Neue Energien AG at an attractive interest rate of 6%. The subscription ratio amounted to 2:1, i.e. for every two shares held a bond could be subscribed to for a price of euro 2.50. Our shareholders as well as institutional investors selected by us ensured an excellent reception of this offer. The total volume of euro 23.5 millions was placed. Those who did not subscribe to the convertible bonds during the issue can still acquire them in the over-the-counter-market at the Frankfurt Stock Exchange. The bond will run until March 14, 2009. It can already be converted into shares for the first time following the General Meeting of Shareholders in 2005. Our Internet pages include the detailed conditions pertaining to the loan. We should be very happy to send these to you.

As from April 2004 Plambeck Neue Energien AG offered its shareholders an additional investment possibility in the form of participation certificates. This issue contributed to expanding the business model to a new core activity: Plambeck Neue Energien AG will henceforth operate wind farms for its own account in order to achieve continuous income from the revenues from electricity.

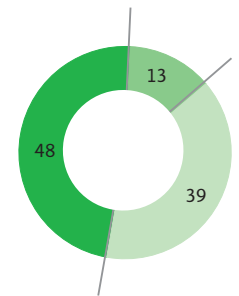
Since the end of 2004 companies are required by the Investor Protection Improvement Law (AnsVG) to keep permanently a so-called insider register. It includes persons, who due to their function have access to relevant insider information. This register must be made available to the Federal Office for Financial Services on request. In addition the companies are required to report all transactions in shares, options etc., which are undertaken by executives with essential power of decision. We have implemented all these legal requirements within the required time schedule.

This table shows the increasingly more positive assessments by analysts.

Date	Analyst	Recommendation	Price target
04.05.2005	First Berlin	Hold	n.n.
01.04.2005	M.M.Warburg (update)	Hold	0.70 Euro
01.03.2005	First Berlin (update)	Strong Buy	1.10 Euro
10.02.2005	Betafaktor	Avoid	n.n.
09.02.2005	M.M.Warburg (update)	Buy	1.40 Euro
17.12.2004	First Berlin Research	Strong Buy	1.20 Euro
17.11.2004	First Berlin (update)	Hold	n.n.
29.09.2004	Independent Research	Hold	n.n.
29.09.2004	LB Baden-Württemberg	Sell	n.n.
29.09.2004	AC Research	Sell	n.n.
29.09.2004	Betafaktor	Avoid	n.n.

Under www.plambeck.de you will find detailed information about Plambeck Neue Energien AG as well as up-to-date information on the Plambeck share. All quarterly reports and press announcements as well as additional background information on Plambeck Neue Energien AG can be accessed and downloaded.

Shareholder structure



- Former shareholders
- Small shareholders
- Banks / investment companies



Corporate Governance

The German Corporate Governance Code was created in accordance with the recommendations of the Cromme Commission in February 2002 in order to achieve improved transparency and to create confidence. Since that date the boards of directors and the supervisory boards of stock market listed companies must report once every year whether and to what extent they fulfil the proscribed recommendations.

In the first compliance declaration with regard to the Corporate Governance Code in 2002 the Board of Directors and the Supervisory Board confirmed their agreement with the proscribed recommendations without reservations. Since the first quarter of 2003 we publish the interim reports within 6 weeks of the end of the quarter and also publish on our Internet website each share transaction of the members of our statutory bodies in addition to the regulations of Section 15 of the Securities Trading Law. These publications have been made simultaneously to shareholders, investors, analysts and to the press, in order to avoid giving anyone prior knowledge. The other recommendations have also been respected.

Amendments made to the Code on May 21, 2003

The Government Commission for the German Corporate Governance Code integrated amendment proposals into the Corporate Governance Code on May 21, 2003; these became official on July 4, 2003 with their publication in the Bundesanzeiger.

The declaration of the companies with regard to compliance with the Code must be made once every year. The declaration must therefore always correspond to the Code which was valid at the time of the declaration. In December 2003 the Board of Directors and the Supervisory Board of our company based their declaration on the amended code and complied with this fully with the exception of the publication of their individual salaries. The total amount of the compensation paid to the Board of Directors and the Supervisory Board is published as well as the essential breakdown into its fixed and variable portions. As a next step this information will be published on an individual basis for the fiscal year 2005.

Declaration of the Board of Directors and the Supervisory Board with regard to the Corporate Governance Code in accordance with Article 161 of the Stock Corporation Law:

Plambeck Neue Energien AG shall comply with the proscribed recommendations of the Government Commission for the German Corporate Governance Code in its version of May 21, 2003 with the following exceptions:

4.2.4 The compensation of the members of the Board of Directors shall not be published on an individual basis.

5.4.5 The compensation of the members of the Supervisory Board shall not be published on an individual basis.

Cuxhaven, 15.03.2005

Plambeck Neue Energien AG

The Board of Directors

The Supervisory Board

In addition, the Board of Directors and the Supervisory Board fulfil the following recommendations of the Code in order to assure the best possible transparency:

The chairmanship of the Audit Committee shall not be exercised by a former member of the Board of Directors.

Requirements for changes shall be taken into consideration through the appointment of members of the Supervisory Board at different dates.

Publications shall also be made in English.

Financial statements in accordance with HGB (German Commercial Code) shall be drawn up for legal corporate purposes.

As already announced, an insider guideline has been set up to regulate the share transactions of the members of the statutory bodies as well as the employees of the Group companies.

Compliance

Compliance or insider guidelines regulate the required conduct for employees of stock market listed companies with regard to the trading of shares, securities or derivatives of their own companies.

Confirmed insider trading or even only the suspicion of irregularities in the trading of own shares by employees can result in substantial damages to the image and also to financial damages for the company and its shareholders in addition to the criminal prosecution of the individual concerned.

The objective of compliance is to prevent criminal insider trading. Simultaneously this guideline protects all employees and subsidiaries from unfounded suspicions before these can even arise. Compliance therefore promotes the credibility and the reputation of the Plambeck Neue Energien Group of companies and thus makes a contribution to the protection of workplaces.

The compliance regulations, which have been given to all employees, describe how the above-mentioned persons can trade in shares of the Company without utilising insider knowledge.

The Board of Directors and the Supervisory Board consider that these regulations are an integral part of the corporate culture and thus contribute to the confidence and security of the shareholders, customers and employees.

...Core business of wind power...

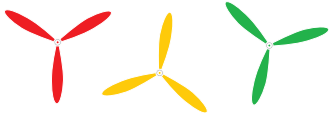


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“We are concentrating on our core business of wind power, in which we see our major prospects.”

Martin Billhardt, CFO





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Group Management Report of Plambeck Neue Energien AG for 2004

1. Market / overall economic environment

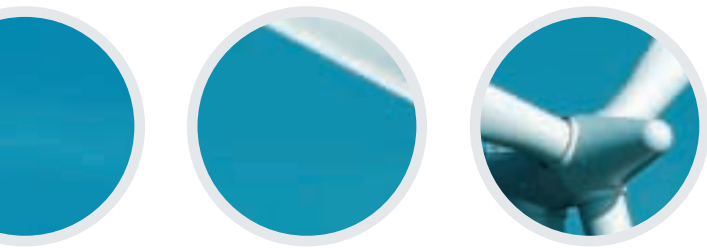
The development of wind farm projects in Germany takes place in accordance with legal regulations. These include in particular the Renewable Energy Law (EEG), which since its amendment is now called the "Act for the New Regulation of the Law for Renewable Energies in the Electricity Sector". As a result of this legal regulation wind farm projecting is on the one hand to a large extent independent of economic influences and is hardly affected by fluctuations in the general economic situation. On the other hand political discussions can have a strong influence on the feasibility of wind farm projects. This was already felt clearly with regard to the debates which took place during 2003 and also during 2004 on the amendment of the Law for the Priority of Renewable Energies.

The consequence of the lengthy and in part unobjective public debate about the future development of wind power in Germany was uncertainty and as a result thereof also a marked reticence on the part of banks and investors. This rendered the financing of wind farms extremely difficult. In the case of some wind farm projects implementation was delayed; others had to be deferred.

The political debate intensified the public discussions about wind power and was the trigger for the establishment of citizens' action groups, which were critical of wind power. The resistance against project plans resulting from this delayed various approval procedures or even led to the refusal of new priority sites for wind power. This had a negative effect on the wind farm projectors operating in Germany.

Sites, which are suitable and available for the construction of wind farms, have become scarcer.

All these factors were responsible for the fact that the wind power market in Germany developed during 2004 at substantially lower new construction rates than in the past. According to information from the Federal Association of Wind Power (BWE) and the German Wind Power Institute (DEWI) there were at the end of 2004 16,543 wind power turbines installed throughout the country with a total output of 16,628.75 Megawatts. This represents an increase in construction of approximately 13.8% versus 2003. In terms of total output installed at the end of 2004 Germany remains, however, the largest wind power market in the world, followed by Spain. In 2004 1,201 wind power turbines were newly installed in Germany with a total output of 2,036.90 Megawatts. The increase in construction has thus declined by 23 percent versus the prior year. For 2005 the German Wind Power Institute expects additional construction of approximately 1,700 Megawatts.



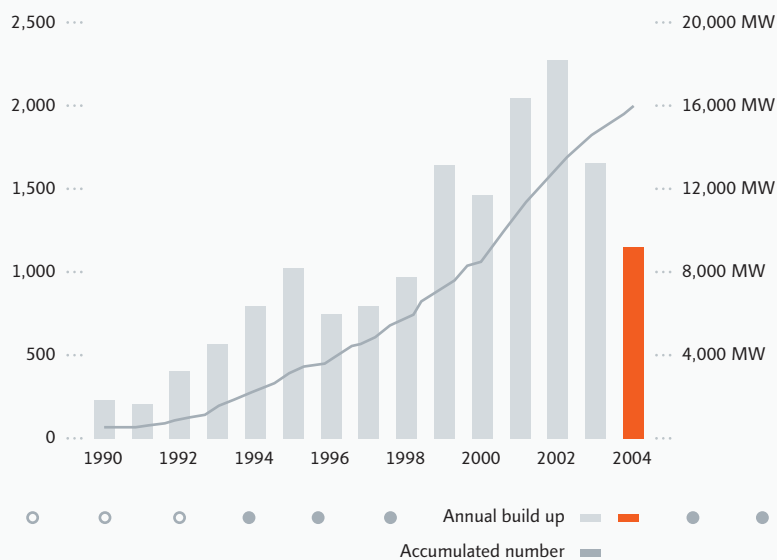
Unlike in other European countries no offshore wind farm could be realised in Germany even in 2004. Nevertheless, four additional projects were approved by the Federal German Office for Shipping and Hydrographics.

The interest of investors in wind farm and solar energy funds, which are combined in the branch as the joint segment of energy funds, declined substantially in 2004. Market research confirms a decline of approximately 24 percent in an overall positive market for fund participations. The share of energy funds in the fund market declined in total from 3.4 to 2.0 percent. Equity of euro 207 million (prior year: euro 274 million) was thus placed in wind power and solar energy funds. In addition there was a marked shift in favour of the solar energy funds.

2. Political environment

The amendment of the Law for the Priority of Renewable Energies (EEG) came into force on August 1, 2004 as the "Act for the New Regulation of the Law for Renewable Energies in the Electricity Sector". It reduces the rates for feed-in payments for new wind power projects on land, but nevertheless improves on the other hand the planning security for the companies in the various sectors of renewable energy and thus also wind power. A review of the law will take place again only at the end of 2007. The changes which came into force with amendment of the law affect only wind power turbines which are constructed after the law came into force.

Number of installed wind power turbines in Germany



The regulations for the feed-in payments for electricity from wind power turbines have developed differently as a result of the amendment to the law. The feed-in rates have deteriorated considerably for wind power turbines which are constructed at sites with weak wind conditions. There are no longer any legally guaranteed feed-in rates at sites with particularly weak wind conditions. In general, an annual regression of 2 percent applies to these payments.

The conditions for offshore wind farms on the other hand have improved. The legally defined increase in payment rates for electricity fed into the network are fixed until 2010. Offshore wind power turbines going into operation until that date will benefit from this. The deeper the water at the site of an offshore wind farm and the greater the distance from the coast, the longer the increased feed-in payment rates will be paid. This has substantially improved the overall conditions for the economic operation of offshore wind farms.

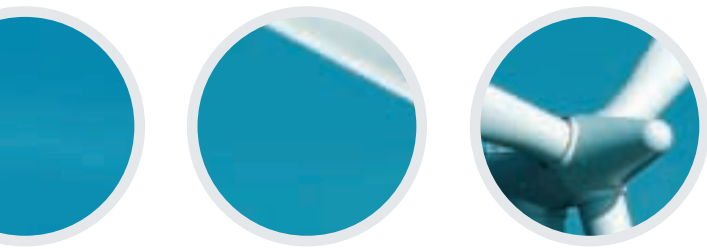
The amendment of the Renewable Energy Law is anchored in European law. The objective of the European Union is the fast expansion of the share of renewable energies for the generation of electricity. There is also corresponding legislation in France and in other European countries, which support the expansion of wind power.

3. Organisation and corporate structure

The Board of Directors and the Supervisory Board have decided that Plambeck Neue Energien AG and the Group shall concentrate on wind power. This led in 2004 to considerable changes in the Group structure and with regard to the affiliated companies.

The market for solar energy is stagnating internationally and was even in marked decline in contrast to photovoltaics in 2003. Plambeck Neue Energien Solar Technik GmbH could thus not reach breakeven with the production of solar energy equipment and absorbers even at their new site. For this reason, as well as in consideration of the concentration on our core business of wind power, we decided to divest Plambeck Neue Energien Solar Technik GmbH. The sale took place as at December 31, 2004.

We are convinced of the medium to long term prospects for SSP Technology A/S as a manufacturer of innovative rotor blades for wind power turbines. For this reason the shareholding in this company was increased in stages to 100 percent. On March 22, 2004 we decided to increase this shareholding first of all to 90% through the issue of 7,831,267 new shares with economic effect as at July 1, 2004. The remaining ten percent of the shares were acquired in December 2004 against payment of two shares of Plambeck Neue Energien AG. The founders of the company have undertaken to continue to be active for SSP Technology A/S in the longer term. SSP Technology A/S is currently holding discussions with the aim of developing a corporate partnership.



During 2004 we continued to hold 80 percent of Ventura S.A., which is active in the French wind power market. This shareholding was sold in May 2005 to the stock market listed French environmental and energy company, Théolia S.A, with headquarters in Aix-en-Provence. It was agreed that the purchase price would not be disclosed. The value added created since the acquisition of the participation in 2001 through the investment in Ventura S.A. was realised by the divestment with an above-average return for Plambeck Neue Energien AG.

Our shareholding in the joint venture company, PNE2 Riff I GmbH, continues to amount to 50 percent. The partners in this company are Plambeck Neue Energien AG and the Danish energy group, ENERGI E2 A/S. The objective of this joint venture is the realization of the "Borkum Riffgrund" offshore wind farm project. In order to work jointly also in the expansion phase of "Borkum Riffgrund", Plambeck Neue Energien sold 50 % of PNE2 Riff II GmbH to ENERGI E2 A/S. Since 2004 PNE 2 Riff II GmbH is thus operated as an additional joint venture company together with Energi E2 A/S. We consider this cooperation to be the basis for the successful development of the project. Much more than with projects on land, a multitude of aspects concerning the protection of the environment and nature must be taken into consideration in the planning of such wind farm projects on the high seas. During many years of research we create the data basis for the environmental compatibility of the offshore projects. For this purpose we also used in 2004 a chartered research ship as well as scientists from various institutes.

4. Development of the business

For the Group of Plambeck Neue Energien AG the fiscal year 2004 was characterised by exceptional negative influences and also by simultaneous growth in the operating business with the construction of wind power turbines with a nominal output of 73.6 Megawatts (prior year 59 Megawatts). The balance sheet for the year was affected by substantial write-downs of receivables and amortisation above all in project business. In particular, Plambeck Norderland GmbH (previously: Plambeck Norderland AG) and SSP Technology A/S were affected in this respect.

The first quarter of 2004 developed to a large extent in accordance with plan. Project implementation was carried out continuously. On February 25, 2004 the Federal German Office for Shipping and Hydrographics granted us the construction permit for the first phase of the "Borkum Riffgrund" offshore wind farm project. This resulted in further income in the offshore sector in the amount of euro 1.5 million.

We were also able to place successfully a convertible loan with a volume of euro 23.5 million.

The second quarter was characterised by an intense and in part unobjective political debate concerning the future of wind power in Germany, which ended in mediation proceedings between the lower and upper houses of the Federal German Parliament. This continuing public discussion rendered the finan-

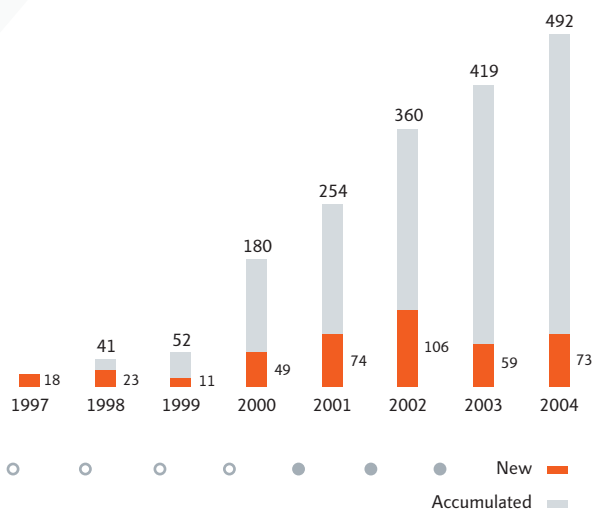
cing of new projects difficult. This led to substantial delays in the realisation of wind farm projects and also in project deferments. At the same time the market conditions for the direct sale of wind farm projects deteriorated considerably. The sales and result in the Group declined.

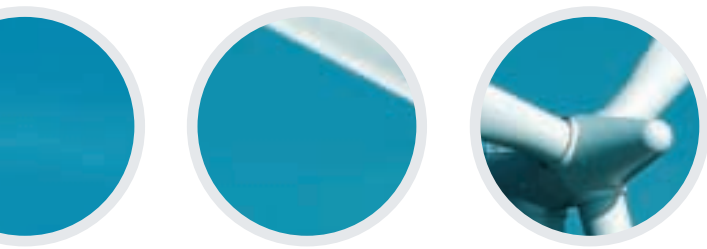
Due to the changed legal conditions in the short term the implementation of a series of onshore wind farm projects developed by us was no longer possible. This became clear following a review of the onshore wind farm projects in Germany which we had developed. It became necessary to undertake value adjustments with regard to wind farm projects, amortisation of goodwill in respect of Plambeck Norderland GmbH and SSP Technology A/S as well as write-offs of trade receivables. In total, the above-mentioned changes amounted to euro 142.0 million.

Due to the critical development of the business during the 2nd quarter 2004 payment difficulties occurred. The priority for the newly structured Board of Directors was the assurance and improvement of the liquidity during this phase. Due to successful negotiations with banks it was possible to assure the continuation of project implementation. This was the basis for the growth in the operating business during the second half year. We were thus able to construct during 2004 wind power turbines with a nominal output totalling approximately 73 Megawatts, compared with 59 during the prior year. The wind farm projects completed during 2004 included those in Bremervörde-Iselersheim, Görlitz, Carzig, Klein Süstedt, Wagenfeld-Ströhen, Willich, Waldfeucht-Bocket, Waldfeucht-Obspringen and Niemegek (12 of 13 wind power turbines).

In 2004 Plambeck Neue Energien AG placed the remaining shares the funds which had already been introduced on the market during 2003 for the Extertal-Sieglitz wind farm (placed in 2004:

Wind power turbines installed by Plambeck





euro 0.3 million). No new funds were introduced to the market during 2004, since all wind farm projects could be sold directly to large investors.

The basis of our activities is a large volume of secured onshore wind farm projects in Germany. In total, Plambeck Norderland GmbH worked on 57 wind farm projects during 2004 in the most varied stages of development with a planned total output of more than 550 Megawatts. This proved the high value of the securing of wind farm sites, which was undertaken in prior years. Construction permits for 9 wind farm projects with a nominal output of 89.6 Megawatts have been granted.

Ventura S.A., in which Plambeck Neue Energien AG had an 80 percent participation, achieved its first revenues from wind farm projecting in France. Projects with an output of 10 Megawatts each were sold to French companies. This resulted in revenues of approximately euro 2.3 million. Furthermore, Ventura S.A. was able to apply for additional construction permits for wind farms with a total nominal output of 230 Megawatts. In 2004 construction permits were issued for two wind farms, which together have an output of 32 Megawatts.

SSP Technology A/S in Denmark achieved at times full utilisation of its production capacity for rotor blades for wind power turbines. The complete production for an order could not, however, be delivered according to plan, since the wind farm, for which they were destined, could not be realised. Additional planned order production was deferred. For this reason manufacturing has been stopped until the rotor blades produced have been sold. Due to the order situation amortisation of the goodwill was effected in the amount of euro 31.1 million to a current level of euro 5 million. The patents applied for by SSP Technology were published by the international patent authorities in the relevant countries during 2004; we therefore expect the official granting of additional patent rights in 2005. One patent was already granted in 2005. The business model of SSP now foresees that SSP will particularly be active in the market as a research and development service provider for rotor blade manufacturers. The objective is to develop production processes and rotor blades for the manufacturers of wind power turbines on the basis of the technology, which is in part protected by patents. In this respect the focus will initially be placed on blades of the 40m class, and in the future this development activity should be extended to rotor blades of the 60 m class for implementation in the offshore sector.

We continued to observe the market for wind power in Poland and Portugal. Our subsidiaries established in these countries did not, however, exercise any operating activities. Since we decided against entering the market in these countries, the company in Portugal was liquidated as at November 30, 2004 and the company in Poland as at January 13, 2005.

In 2004 the manufacture of solar thermal equipment and absorbers developed at a lower level at Plambeck Neue Energien Solar Technik GmbH. In spite of the move of the company to the Group

headquarters at Cuxhaven it was not possible to reduce the continuing losses. For this reason as well as to implement the strategic concentration on our core business of wind power, Plambeck Neue Energien Solar Technik GmbH was divested at the end of 2004.

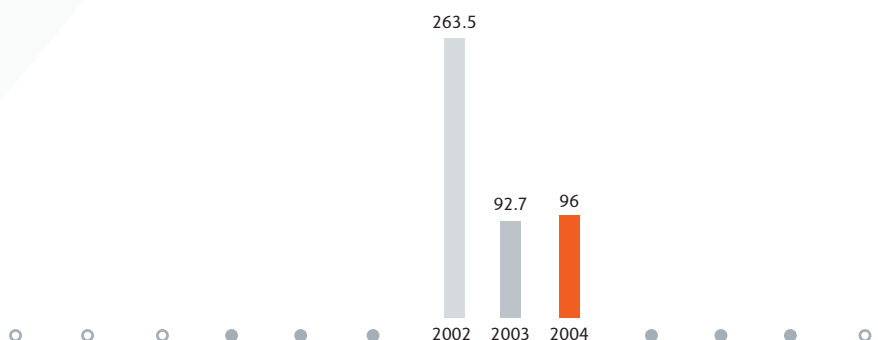
The marketing via a fund for the biomass power station in Silbitz in Thuringia, which has been linked to the network since December 2002, was completed. The fund was completely placed (placed in 2004: euro 3.5 million).

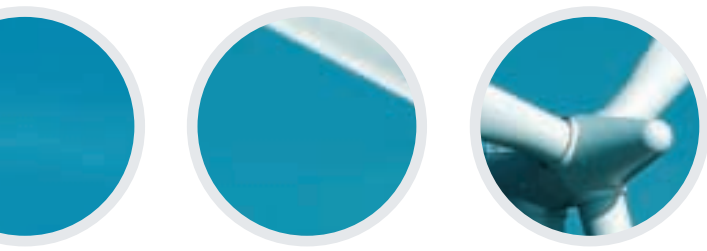
5. Sales and profitability

The comparative data of the Group for 2003 take into account the changes in the financial statements of Plambeck Norderland GmbH for the fiscal years 2002 and 2003. As a result of the retrospective adjustments the consolidated net result in 2003 was reduced by euro 6.0 million. The consolidated shareholders' equity as at December 31, 2005 was reduced by euro 25.1 million.

In 2004 Plambeck Neue Energien AG achieved in the Group a total aggregate output of euro 96.0 million (prior year euro 92.7 million), which consisted of revenues in the amount of euro 59.4 million (prior year euro 77.7 million), euro -0.1 million from inventory changes (prior year -4.2 million) and euro 36.6 million (prior year euro 19.2 million) from other operating income. The other operating income includes the release of long term provisions in the amount of euro 31.1 million, which resulted from the new valuation of wind farm projects.

Development of total aggregate output





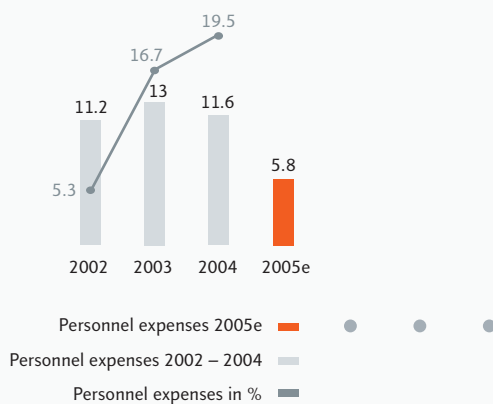
Approximately euro 34 million of the sales were achieved during the 4th quarter 2004, in particular due to the implementation of the wind farms in Willich (4 Megawatt in North Rhine Westphalia), Waldfeucht (25,2 Megawatts in North Rhine Westphalia) und Niemegek (26 Megawatts in Brandenburg).

Due to the write-downs and amortisation, which became necessary in 2004, the result from ordinary activities amounts to euro -162.7 million (prior year euro -8.9 million). The other operating income includes the write-off of long term receivables from wind farm projecting in the amount of euro 32.4 million and provisions for doubtful accounts of euro 58.1 million. Amortisation in the amount of euro 85.9 million was charged, including the goodwill of Plambeck Norderland GmbH in the amount of euro 51.2 million, SSP Technology A/S in the amount of euro 31.1 million and Plambeck Neue Energien Solar Technik GmbH in the amount of euro 1.5 million.

The retained loss amounts to euro -35.5 million (prior year: euro -31.6 million). Transfers were effected from the capital reserve in the amount of euro 128.8 million and from the other earnings reserves in the amount of euro 30.4 million. The loss carry forwards changed by euro 25.1 million due to the correction of the financial statements of 2002 and 2003 at Plambeck Norderland GmbH.

Personnel expenses in 2004 amounted to euro 11.6 million; these will, however, be reduced by up to 50 percent in 2005.

Development of personnel expenses 2002 until 2005 in € m and in %

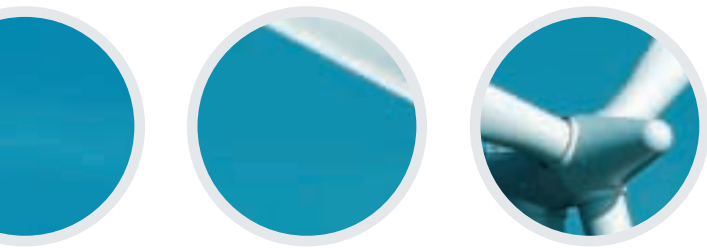


6. Balance sheet structure

€ million	2004	2003
Assets		
Fixed assets	61.6	123.2
Deferred taxes	3.8	1.1
Current assets	89.0	212.6
Liabilities		
Shareholders' equity	21.4	158.9
Provisions, including special item	40.9	99.5
Liabilities	89.5	77.3
Prepaid income	2.6	1.2
Balance sheet total	154.4	336.9

The intangible assets amounted to euro 27.7 million as at December 31, 2004. These include in particular the goodwill of Plambeck Norderland GmbH in the amount of euro 20 million and SSP Technology A/S in the amount of euro 5 million. The major part of the investments in fixed assets undertaken during the fiscal year 2004 in the amount of euro 6.3 million is attributable to investments for a transformer station (euro 1.2 million) and for the further development of the "Borkum Riffgrund" offshore project (euro 2.5 million).

The investments in intangible assets during the fiscal year 2004 were attributable primarily to the effects of the increase in the shareholding in SSP Technology A/S in the amount of euro 17.7 million, which, however, was written off to the above-mentioned amount of euro 5 million. The corporate value of SSP Technology A/S was established on the basis of the current corporate planning. This corporate planning includes future sales from services and licensing fees, which are not yet assured contractually. In this connection the management has already held discussions with interested parties at the beginning of the year and is currently in the process of implementing a longer term contractual agreement. An initial partial order has already been received. The management is convinced that they will be able to conclude the discussions within the next few weeks.



The major items on the asset side of the balance sheet are attributable to inventories in the amount of euro 15.4 million (of which work in process of euro 15.0 million), receivables and other assets in the amount of euro 64.2 million (of which receivables from long term order production of euro 28.5 million and trade receivables of euro 14.7 million).

Liquid funds amounted to euro 9.1 million as at December 31, 2004.

The consolidated shareholders' equity as at December 31, 2004 amounted to 21.4 million.

The major items on the liability side of the balance sheet are attributable to liabilities in the amount of euro 89.5 million. These are broken down primarily into the convertible loan (euro 23.6 million, of which euro 21.7 million reported as loan capital under the liabilities and euro 1.9 million as shareholders' equity in the capital reserves) liabilities to banks (euro 34.2 million) and trade liabilities (euro 21.7 million).

The provisions include a provision for litigation. This results from the conclusion of a settlement within the framework of proceedings regarding project rights, for which additional provisions in the amount of euro 5 million were set up in the third quarter 2004 at Plambeck Neue Energien AG. Following the

Balance sheet structure 2003 and 2004 in € m



settlement only euro 2 million must be used up to November 2005, insofar that these payments are effected in accordance with schedule. As at May 2005 only euro 0.6 million of this is still outstanding.

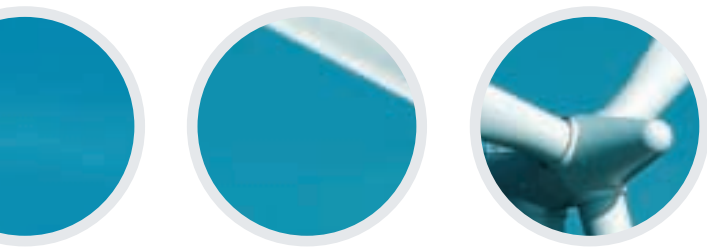
Furthermore, a provision for pending losses from sales transactions was set up (euro 2.9 million). Plambeck Neue Energien AG concluded a timber delivery contract with the biomass power station Silbitz GmbH & Co. KG, in which it undertook to deliver a ton of timber for euro 1.00 during the years 2005 to 2010. The existing timber delivery contract was replaced by a new agreement as at December 17, 2004, which was nevertheless subject to higher feed-in payments. Since TEAG Thüringer Energie AG, Erfurt, has refused the payment of higher feed-in payments, the biomass power station Silbitz GmbH & Co. KG has brought an action against TEAG Thüringer Energie AG as at April 27, 2005. Since the refusal of the power supplier was contested hitherto for formal reasons and the documentation, which was presumed to be missing, could be produced, we assume that the biomass power station will be able to obtain its demands and that the amended timber delivery contract will also thus become applicable. For this reason only a provision for pending losses from sales transactions in the amount of euro 2.9 million has been set up in these financial statements. On the basis of the existing timber delivery contract there would have been a provision in the amount of euro 5.9 million. Should, against expectations, the biomass power station Silbitz GmbH & Co. KG lose the court proceedings, this would lead to a corresponding increase of the provision and thus to a negative impact on the result of euro 3.0 million during the fiscal year 2005.

7. Financial situation / liquidity

The lengthy debates concerning the Law for the Priority of Renewable Energies (Renewable Energy Law – EEG) led to uncertainty and thus to the resulting marked reticence on the part of banks and investors with regard to renewable energy projects. The reticence on the part of the banks in respect of provision of capital for the implementation of wind farm projects resulted in bank financing for projects being obtained later than foreseen. Moreover, uncertainty on the part of individual investors resulted in delays in investment decisions.

In March 2004 the funds inflow to the Company from the convertible bond placed in March 2004 amounted to euro 23.5 million. Funds were also received by the Company from the issue of participation certificates in the amount of approximately euro 0.9 million, which are specifically appropriated to the Company's own operation of wind farms.

Plambeck Neue Energien AG and the Group have been in a tight financial situation during the last few months. The short term liquidity of the Plambeck Group was assured by the tax reimbursements effected at the end of the year from the state of Lower Saxony and the cities of Hamburg and Cuxhaven to Plambeck Norderland GmbH for the assessment periods 2002 and 2003, due to the change in the financial statements for the fiscal years 2002 and 2003, which had become necessary as a result of the revaluation of the projects. As at May 19, 2005 an agreement for the restructuring of the Plambeck



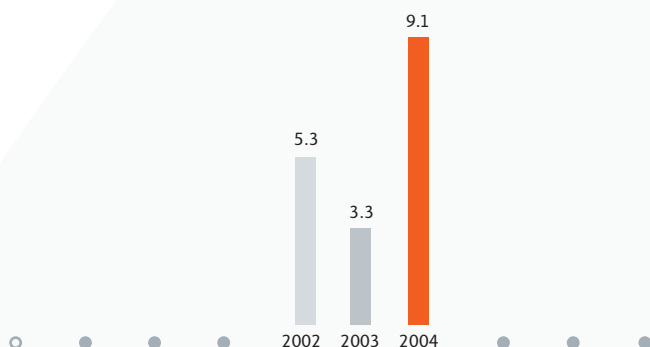
Group could be concluded with our pool of banks. In accordance with this agreement the existing banks undertake to prolong the current operating and project finance lines in the amount of EURO 18.5 million for the period of the restructuring and for a maximum period, however, until 31.12.2007. Within the context of this agreement the Hamburger Sparkasse AG, as leader of the pool, has undertaken to grant a new credit for the interim financing of shareholders' equity in the amount of Euro 4.4 million, which is assured by guarantees from five of the eight pool banks. The banks, which have not participated in the new loan, will, however, accept a delay in the contractually agreed loan repayment periods during the duration of the consortia loan. The valuation of the new loan is subject to various conditions, which are currently being worked out by us.

Within the context of the concentration on its core business Plambeck Neue Energien AG sold the shareholding which it held in the French wind farm projector, Ventura S.A. in May, 2005 to the French stock market listed environmental and energy company, Théolia S.A.

The liquidity planning of the Plambeck Group also includes additional inflow of funds from the majority shareholders as well as other financing measures.

Plambeck Neue Energien AG is working on the basis of the restructuring plan, which has been precisely defined until 2007. This includes individual targets for sales, earnings and liquidity, which have to be achieved in order not to endanger the continuation of the company. The particular attention of the Board of Management is placed on the achievement of the liquidity targets. We are nevertheless convinced that we shall be able to implement our restructuring plan successfully and in accordance with schedule.

Development of liquid funds 2002 until 2004 in € m



KPMG Corporate Restructuring has supported us during the last few months in the setting up and implementation of a reorganisation concept and will continue to assist us during the next few months. KPMG has confirmed in its report the capability of the Plambeck Group to be reorganised.

In addition, for the implementation of our projects up to 2007 we require loan capital of approximately euro 349 million, which will also have to be acquired as in the past. This is a prerequisite for the generation of the planned operating cash flows. We are of the firm conviction that we shall succeed in this task and that we can also assume a positive forecast of continuation.

8. Employees

During the fiscal year 2004 we employed in the Group on an average annual basis 254 people (171 people at the end of 2004). The employees of the affiliated companies are fully included in this number. Of these people an annual average of 72 (68 at the end of 2004) were employed at Plambeck Neue Energien AG.

In the 1st quarter 2005 the number of employees in the Group was reduced to 147 and to 64 at Plambeck Neue Energien AG.

9. Sales and marketing

The sale of wind farm projects has diversified. Apart from sales in the form of fund participations, the direct sale of individual turbines and wind farms to individual investors has also proven to be positive. During 2004 all completed wind farm projects could be sold directly to internationally active investors and energy supply companies.

10. Development and innovations

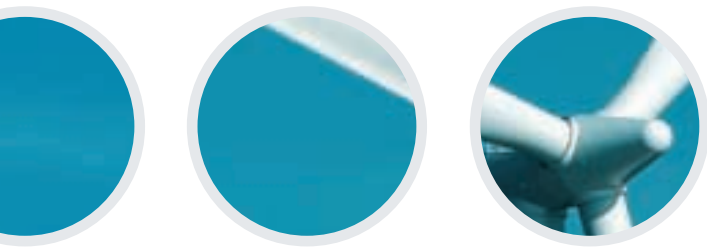
The research and development activities in the Group of Plambeck Neue Energien AG were concentrated primarily during the past fiscal year on the rotor blades for wind power turbines developed and manufactured by SSP Technology A/S.

In this connection several patent applications were submitted to the relevant patent authorities. The granting of a patent is expected in 2005. An initial patent for the concept of the rotor blade construction was already granted in 2005.

Otherwise no research and development was undertaken during 2004. Moreover, there is no own research and development department and there are thus no specific allocation of resources.

11. Risk report / risk management

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. Our risk management system is EDP supported. Risk management is a continuous process. An evaluation of the determined risks is 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 affiliated companies 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 were held concerning the further expansion of wind power. This discussion led to a marked reticence on the part of banks and investors. The result was a delay in wind farm projects. A particular risk regarding future development is thus attributable to the area of the financing and the sale of wind farm projects. In order to place the financing possibilities for projects on a broader basis, the Company has concentrated more intensively than in the past with the sales channel of "individual and large investors".

The supplier risk in the wind power equipment sector, which exists due to the dependency on a low number of wind power turbine manufacturers in the market, has declined, since the market is currently determined by the buyers.

We are constantly monitoring our activities in the offshore sector.

Outlook

The surprising announcement of anticipated new elections in the autumn of 2005 has resulted again in uncertainty with regard to the political environment. It remains to be seen whether and how a change in government could have an effect on wind power. As planned, a further report of the Federal German Government concerning the effect of the legal regulations will be submitted at the end of 2007.

The investigations of the public prosecutor, which have been introduced in respect of members of the Board of Directors and the Supervisory Board, have led to uncertainties in the capital market. We assume that these investigations will proceed without any effects on the Plambeck Group.

Project development and implementation, which is based at Plambeck Norderland GmbH has been streamlined and concentrated centrally in Cuxhaven. Additional synergy effects from these are expected during the current fiscal year.

As a result of the concentration of the operating business of wind farm projecting within the Group on Plambeck Norderland GmbH we are in the position to strengthen substantially the implementation of onshore wind farm projects in Germany with assured financing. For this year we are planning the

marketing of wind farm projects with a nominal output of more than 100 Megawatts. Furthermore, we are expecting construction permits for additional wind farm projects with nominal output of up to 130 Megawatts.

The merger of Plambeck Norderland AG into Plambeck Neue Energien AG is planned by August 2005.

Impulses for the business will result during the next few years from the increasingly important replacement of smaller and older wind power turbines by modern, more efficient and more profitable equipment. This "repowering" will start at coastal sites with strong wind conditions, since the oldest wind power turbines are situated there.

We expect positive effects from our most advanced "Borkum Riffgrund" offshore wind farm project. With the Danish energy group, ENERGI E2 A/S we have found both an experienced as well as a strong financial and strategic partner for the offshore sector. The construction permit for "Borkum Riffgrund" was granted in February 2004. We thus have the basis in order to progress with the further steps for the implementation of the wind farm project on the high seas. Apart from the "Borkum Riffgrund" project we are currently working on five large offshore wind farm projects in the North Sea and in the Baltic.

In the future we shall also direct the marketing of wind farm projects to funds as well as to large investors. These activities will be undertaken both in the domestic market as well as internationally. In this respect we shall cooperate with both domestic as well as international sales partners.

With our shareholding in SSP Technology A/S we have expanded the value added chain to equipment technology in our core business of wind power. Whoever wishes to operate successfully in this market in the future, must have available technical know-how and be able to master the overall system. Currently SSP Technology A/S is holding discussions in respect of cooperation with other companies.

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

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

Cuxhaven, May 30, 2005

Plambeck Neue Energien Aktiengesellschaft,
Board of Directors

...Financial Statements...



○ Foreword

○ Strategy

○ Divisions

○ Our Share

○ Management report

● **Consolidated
financial statements**

○ Financial
statements of AG



“As a result of the strengthening of our project realisation we expect to return to profitability during 2006.”

Martin Billhardt, CFO



Consolidated financial statements

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Consolidated income statement of Plambeck Neue Energien AG (IFRS)

for the period from January 1 to December 31, 2004

in EUR	Notes	2004	2003
1. Revenues	IV. 11./VI. 1.	59,431,111.68	77,716,622.15
2. Increase in finished goods and work in process		-74,618.10	-4,192,785.23
3. Other operating income	VI. 2.	36,606,921.33	19,161,521.25
4. Total aggregate output		95,963,414.91	92,685,358.17
5. Cost of materials	IV. 12./VI. 3.		
a) Cost of raw materials and supplies and for purchased goods		-5,347,664.53	-1,756,794.70
b) Expenses for purchased services		-49,097,996.90	-40,350,181.52
		-54,445,661.43	-42,106,976.22
6. Personnel expenses	VI. 4.		
a) Wages and salaries		-9,844,271.78	-10,883,479.93
b) Social security contributions and expenses for pensions		-1,719,751.02	-2,124,788.55
		-11,564,022.80	-13,008,268.48
7. Amortisation of intangible assets and depreciation of property, plant and equipment	VI. 5.	-85,855,428.83	-7,046,695.19
8. Other operating expenses	VI. 6.	-106,186,900.67	-39,809,096.15
9. Operating result		-162,088,598.82	-9,285,677.87
10. Other interest and similar income	VI. 7.	4,619,567.88	4,823,485.80
11. Amortisation of financial assets and short term securities		-169,190.24	0.00
12. Interest and similar expenses	VI. 8.	-5,110,523.26	-4,425,384.89
13. Result of ordinary operations	VI. 9.	-162,748,744.44	-8,887,576.96
14. Taxes on income	IV. 13./VI. 10.	3,334,481.38	-342,512.57
15. Other taxes		-54,539.65	-288,709.41
16. Result before minority interests		-159,468,802.71	-9,518,798.94
17. Minority interests	V. 7.	695,237.36	506,153.78
18. Consolidated net loss	VI. 11.	-158,773,565.35	-9,012,645.16
Weighted average of shares issued (undiluted)	VI. 12.	24,299,224	17,016,443
Earnings per share in EUR (undiluted)	VI. 12.	-6.53	-0.53

Consolidated balance sheet of Plambeck Neue Energien AG (IFRS)

as at December 31, 2004

Assets in EUR	Notes	2004	2003
A. Fixed assets	V. 1.		
I. Intangible assets	IV. 1./ V. 1.		
1. Franchises, trademarks and licences		1,433,815.16	1,419,906.85
2. Goodwill		26,307,529.47	91,919,315.25
		27,741,344.63	93,339,222.10
II. Property, plant and equipment	IV. 2./ V. 1.		
1. Land		15,773,539.50	16,150,829.79
2. Technical equipment and machinery		11,316,048.29	8,514,028.14
3. Other plant and machinery, fixtures and fittings		1,046,203.90	1,371,654.59
4. Prepayments and plant under construction		4,583,652.18	3,029,810.78
		32,719,443.87	29,066,323.30
III. Financial assets	III./ IV. 3./ V. 1.		
1. Participation in affiliated companies		325,000.00	472,281.16
2. Participations in associated companies		34,735.64	36,812.33
3. Other loans		761,114.00	264,229.00
		1,120,849.64	773,322.49
Total fixed assets		61,581,638.14	123,178,867.89
B. Deferred taxes		3,774,000.00	1,109,498.63
C. Current assets			
I. Inventories	IV. 4.		
1. Materials and supplies		328,055.00	470,768.68
2. Work in process		15,045,339.69	15,025,454.92
3. Finished goods		4,646.66	99,149.53
4. Prepayments		36,764.00	0.00
		15,414,805.35	15,595,373.13
II. Receivables and other assets	V. 2.		
1. Receivables from long term production contracts	IV.5./ V.2.	28,524,470.28	91,866,348.45
2. Trade receivables	IV.6./ V.2.	14,721,873.90	54,627,797.04
3. Receivables from associated companies		95,857.77	10,675.80
4. Other assets	V. 2.	20,874,094.76	46,930,977.41
		64,216,296.71	193,435,798.70
III. Short term securities			
Other securities	IV. 7./V. 3.	1.00	6,250.00
IV. Cash on hand and cash in banks	V. 4.	9,135,965.61	3,308,324.60
Total current assets		88,767,068.67	212,345,746.43
D. Deferred charges and prepaid expenses	V. 5.	292,563.47	271,605.63
Total assets		154,415,270.28	336,905,718.58

Liabilities in EUR	Notes	2004	2003
A. Shareholders' equity	V. 6.		
I. Subscribed capital	V. 6.	30,368,617.00	19,776,570.00
II. Capital reserve	V. 6.	26,526,675.09	144,604,238.19
III. Earnings reserves	V. 6.		
1. Legal reserve	V. 6.	5,112.92	5,112.92
2. Other earnings reserves	V. 6.	47,575.23	26,075,287.64
IV. Retained earnings/ loss	V. 6.	-35,509,650.61	-31,605,532.66
Total shareholders' equity		21,438,329.63	158,855,676.09
B. Minority interests	V. 7.	-145,339.80	-422,197.00
C. Special items for investment grants	V. 8.	1,567,790.22	1,649,168.34
D. Provisions	IV. 8.		
1. Provision for taxes	V. 9.	3,609,520.13	5,726,708.18
2. Other provisions	V. 10.	35,780,710.16	92,583,066.95
Total provisions		39,390,230.29	98,309,775.13
E. Liabilities	IV. 9.		
1. Participation certificates	V. 11.	1.00	0.00
2. Loans	V. 11.	21,738,307.47	141,080.60
3. Liabilities to banks		34,206,571.99	37,177,010.24
4. Trade liabilities	V. 12.	21,696,859.63	22,513,177.90
5. Liabilities from bills of exchange	V. 13.	0.00	4,602,045.02
6. Liabilities to associated companies		0.00	9,034.40
7. Other liabilities	V. 14.	11,889,869.10	12,821,633.51
Total liabilities		89,531,609.19	77,263,981.67
F. Deferred income	V. 15.	2,632,650.75	1,249,314.35
Total liabilities and shareholders' equity		154,415,270.28	336,905,718.58

Consolidated cash flow statement of Plambeck Neue Energien AG (IFRS)

for the fiscal year 2004

in TEUR	Notes	2004	2003
Consolidated net result	VI. 11.	-158,774	-9,013
Depreciation and amortisation/ additions to intangible assets and property, plant and equipment	VI. 5.	86,025	7,047
Non-cash effective income	V. 8	-454	-30
Increase/ decrease in provisions	V. 9./V. 10.	-58,931	-51,888
Gain/ loss from the disposal of fixed assets		-18	-19
Increase/ decrease of inventories and other assets	V. 2./V. 5	23,304	3,891
Increase/ decrease of trade receivables	V. 2.	103,151	50,374
Increase/ decrease of trade liabilities and other liabilities	V. 12./V. 14.	-2,675	4,832
Cash flow from operating activities		-8,372	5,194
Inflow of funds from disposal of fixed assets	IV. 1.	162	111
Outflow of funds for investments in property, plant and equipment	IV. 1.	-6,284	-6,559
Outflow of funds for investments in intangible assets	IV. 1.	-966	-19,366
Inflow of funds from disposal of financial assets		12	245
Outflow of funds for investments in financial assets	IV. 1.	-462	-314
Cash flow from investing activities		-7,538	-25,883
Additional inflow of funds from shareholders and minority interests	V. 6.	2,761	19,775
Outflow of funds to shareholders	V. 6./IX. 6.	0	-678
Outflow of funds for capital increase expenses		-173	0
Inflow of funds from financial loans		8,619	14,895
Inflow of funds from issue of participation certificates		901	0
Inflow of funds from issue of bonds	V. 11.	23,459	19
Outflow of funds from the repayment of bonds and loans		-13,844	-15,995
Inflow of funds from investment grants received	V. 8.	0	637
Cash flow from financing activities		21,723	18,653
Cash effective change in liquid funds (< = 3 months)		5,813	-2,036
Inflow of liquid funds from first consolidation*		15	2
Liquid funds (< = 3 months) as at 01.01.2004		3,308	5,342
Liquid funds (< = 3 months) as at 31.12.2004	V. 4.	9,136	3,308

Additional information: The value of the liquid funds as at 31.12.2004 corresponds to the balance sheet item "cash on hand, cash in banks".

* 2003: First consolidation of SSP Technology A/S

* 2004: First consolidation of Plambeck Neue Energien Windpark Fonds XL

Consolidated development of shareholders' equity of Plambeck Neue Energien AG (IFRS)

for the fiscal year 2004

in EUR	Subscribed capital	Capital reserve	Earnings reserve	Retained loss	Total
Status as at January 1, 2003	13,563,000.00	131,042,459.19	9,994,022.03	13,236,546.83	167,836,028.05
Transfer to other earnings reserves	0.00	0.00	16,764,528.53	-16,764,528.53	0.00
Share dividends	678,150.00	0.00	-678,150.00	0.00	0.00
Capital increase SP Technology in kind	5,535,420.00	13,561,779.00	0.00	0.00	19,097,199.00
Consolidated net result 2003	0.00	0.00	0.00	-9,012,645.16	-9,012,645.16
Correction of the financial statements 2002 of Plambeck Norderland GmbH	0.00	0.00	0.00	-19,064,905.80	-19,064,905.80
Status as at December 31, 2003	19,776,570.00	144,604,238.19	26,080,400.56	-31,605,532.66	158,855,676.09
Equity portion of convertible bond	0.00	1,862,047.34	0.00	0.00	1,862,047.34
Capital increase SSP Technology in kind	7,831,267.00	9,005,957.05	0.00	0.00	16,837,224.05
Capital increase in cash	2,760,780.00	0.00	0.00	0.00	2,760,780.00
Capital increase expenses	0.00	-173,054.17	0.00	0.00	-173,054.17
Deferred taxes on capital increase expenses	0.00	69,221.67	0.00	0.00	69,221.67
Consolidated net result 2004	0.00	0.00	0.00	-158,773,565.35	-158,773,565.35
Transfer to other earnings reserves	0.00	0.00	4,343,887.15	-4,343,887.15	0.00
Transfer from the capital reserve	0.00	-128,841,734.99	0.00	128,841,734.99	0.00
Transfer from other earnings reserves	0.00	0.00	-30,371,599.56	30,371,599.56	0.00
Status as at December 31, 2004	30,368,617.00	26,526,675.09	52,688.15	-35,509,650.61	21,438,329.63

Consolidated analysis of fixed assets of Plambeck Neue Energien AG (IFRS)

for the fiscal year 2004

in EUR	Acquisition and manufacturing costs						Disposals from first consolidation ²⁾
	Status as at 1.1.2004	Additions	Additions from first consolidation ¹⁾	Reclassifications	Disposals		
I. Intangible assets							
1. Franchises, trademarks and similar rights as well as licenses to such rights	1,633,865.50	173,746.69	0.00	0.00	9,598.69	29,734.33	
2. Goodwill	106,536,697.96	0.00	18,287,456.37	0.00	0.00	0.00	
	108,170,563.46	173,746.69	18,287,456.37	0.00	9,598.69	29,734.33	
II. Property, plant and equipment							
1. Land and buildings including buildings on third-party land	16,650,186.09	1,483,318.08	0.00	117,007.49	107,672.40	1,461,342.79	
2. Technical equipment and machinery	9,849,691.07	1,910,426.47	2,753,000.00	586,801.00	535,877.00	1,089,349.43	
3. Other equipment, fixtures and furnishings	3,030,455.87	459,113.23	0.00	0.00	384,537.53	325,970.65	
4. Prepayments and plant under construction	3,029,810.78	2,257,649.89	0.00	-703,808.49	0.00	0.00	
	32,560,143.81	6,110,507.67	2,753,000.00	0.00	1,028,086.93	2,876,662.87	
III. Financial assets							
1. Shares in affiliated companies	472,281.16	40,660.08	0.00	0.00	25,000.00	0.00	
2. Shares in associated companies	36,812.33	0.00	0.00	-2,000.00	76.69	0.00	
3. Other loans	264,229.00	522,572.00	0.00	2,000.00	27,687.00	0.00	
	773,322.49	563,232.08	0.00	0.00	52,763.69	0.00	
	141,504,029.76	6,847,486.44	21,040,456.37	0.00	1,090,449.31	2,906,397.20	

1) Attributable to the first consolidation of Plambeck Neue Energien Windpark Fonds XL and 49,9 % of SSP Technology A/S

2) Attributable to the first consolidation of Plambeck Neue Energien Solar Technik GmbH

	Accumulative depreciation and amortisation						Book value		
	Status as at 31.12.2004	Status as at 1.1.2004	Additions	Additions from first consolidation ¹⁾	Disposals	Disposals from first consolidation ²⁾	Status as at 31.12.2004	Status as at 31.12.2004	Status as at 31.12.2003
	1,768,279.17	213,958.65	148,638.12	0.00	9,592.69	18,540.07	334,464.01	1,433,815.16	1,419,906.85
	124,824,154.33	14,617,382.71	83,899,242.15	0.00	0.00	0.00	98,516,624.86	26,307,529.47	91,919,315.25
	126,592,433.50	14,831,341.36	84,047,880.27	0.00	9,592.69	18,540.07	98,851,088.87	27,741,344.63	93,339,222.10
	16,681,496.47	499,356.30	493,384.20	0.00	0.00	84,783.53	907,956.97	15,773,539.50	16,150,829.79
	13,474,692.11	1,335,662.93	790,840.30	691,985.00	58,845.00	600,999.41	2,158,643.82	11,316,048.29	8,514,028.14
	0.00								
	2,779,060.92	1,658,801.28	523,324.06	0.00	232,894.17	216,374.15	1,732,857.02	1,046,203.90	1,371,654.59
	0.00								
	4,583,652.18	0.00	0.00	0.00	0.00	0.00	0.00	4,583,652.18	3,029,810.78
	37,518,901.68	3,493,820.51	1,807,548.56	691,985.00	291,739.17	902,157.09	4,799,457.81	32,719,443.87	29,066,323.30
	487,941.24	0.00	162,941.24	0.00	0.00	0.00	162,941.24	325,000.00	472,281.16
	34,735.64	0.00	0.00	0.00	0.00	0.00	0.00	34,735.64	36,812.33
	761,114.00	0.00	0.00	0.00	0.00	0.00	0.00	761,114.00	264,229.00
	1,283,790.88	0.00	162,941.24	0.00	0.00	0.00	162,941.24	1,120,849.64	773,322.49
	165,395,126.06	18,325,161.87	86,018,370.07	691,985.00	301,331.86	920,697.16	103,813,487.92	61,581,638.14	123,178,867.89

Consolidated analysis of liabilities of Plambeck Neue Energien AG (IFRS)

as at December, 2004

Type of liability in EUR	Maturity			
	Up to one year	One to five years	More than five years	
1. Participation certificates	0.00	0.00	1.00	
2. Bonds	19,500.00	21,718,807.47	0.00	
3. Liabilities to banks	22,505,197.11	3,949,528.29	7,751,846.59	
4. Trade liabilities of which from shareholders	21,470,647.76 0.00	226,211.87 226,211.87	0.00 0.00	
5. Other liabilities of which from taxes: TEUR 892 (prior year:TEUR 6,009)	8,249,024.46	2,120,844.64	1,520,000.00	
of which forsocial security EUR 239.000 (prior year: EUR 277.000)				
Total amount	52,244,369.33	28,015,392.27	9,271,847.59	

			Security
	Total amount	of which amounts secured	Type of security
	1.00	0.00	None
	21,738,307.47	0.00	None
	34,206,571.99	12,491,053.58	1. Registered mortgage of EUR 10,00,000 on the property at Peter-Henlein-Str. 2-4, Cuxhaven (valued amount EUR 9,380,000).
			2. Mortgage of EUR 350,000 on the property at Alte Industriestraße 8, Cuxhaven (secured amount EUR 325,000).
			3. Assignment of the rental income from the property at Peter-Henlein-str. 2 - 4, Cuxhaven.
			4. Transfer of security of the Kötzlin transformer station (secured amount EUR 1,118,000).
			5. Transfer of security of the Laubeschbach wind farm (secured amount EUR 1,668,000).
			6. Assignment of all existing and future trade receivables (as well as claims from insurance in respect of advances on goods) of Plambeck Neue Energien AG, Plambeck Norderland GmbH and Plambeck Neue Energien Betriebs- und Beteiligungs GmbH.
			7. Assignment of the corporation and trade tax claims for 2002 and 2003 of Plambeck Norderland GmbH.
			8. Pledge of the shares in Plambeck Norderland GmbH and in SSP Technology A / S.
			9. Assignment of the potential divestment funds from the sale of the shares of PNE2 Riff I GmbH.
	21,696,859.63	0.00	1. Assignment of stocks in the amount of EUR 3,225,000 to a factoring company
	226,211.87	0.00	
	11,889,869.10	2,501,174.69	1. Transfer of the security of Heinrichsfelde transformer station (secured amount EUR 1,046,000).
			2. Assignment of the legal ownership of the Kletze transformer station (secured amount) EUR 1,455,000).
	89,531,609.19	14,992,228.27	

Consolidated segment reporting of Plambeck Neue Energien AG

for the fiscal year 2004

in TEUR	Projecting of onshore wind power turbines		Projecting of offshore wind power turbines		Production of rotor blades		
	2004	2003	2004	2003	2004	2003	
Revenues	65,117	76,491	4,576	6,099	3,251	860	
Change in inventories	-1,726	-2,804	1,290	-1,440	526	55	
Other operating income	35,904	15,382	10	3,980	0	0	
Total aggregate output	99,295	89,069	5,876	8,639	3,777	915	
Depreciation and amortisation	52,599	5,529	5	5	31,503	1,149	
Operating result	-39,341	-6,812	1,636	7,197	-33,621	-2,286	
Financial result	-683	864	-89	0	-567	-159	
Investments	2,468	47,713	3,231	1,289	778	1,884	
Segment assets	289,786	387,626	7,259	2,433	12,185	24,487	
Segment debts ¹⁾	221,192	230,401	4,031	351	9,915	6,648	
Segment shareholders' equity	68,594	157,225	3,228	2,082	2,270	17,839	

Segment companies

PNE AG
PN GmbH
PNE Betriebs- und
Beteiligungs GmbH
PNE Netzprojekt GmbH
Ventura S.A.

PNE AG offshore sector
PNE2 Riff I
PNE2 Riff II

SSP Technology A/S

¹⁾ Minority interests and the special item for investment grants are included in the segment debts

	Production of solar collectors		Electricity generation		Consolidation		Plambeck Neue Energien AG Group	
	2004	2003	2004	2003	2004	2003	2004	2003
	928	1,786	535	536	-14,976	-8,055	59,431	77,717
	-121	-1	0	0	-44	-3	-75	-4,193
	384	266	10	200	299	-666	36,607	19,162
	1,191	2,051	545	736	-14,721	-8,724	95,963	92,686
	1,746	360	2	4	0	0	85,855	7,047
	-3,203	-2,105	28	14	-87,588	-5,294	-162,089	-9,286
	-231	-295	9	-12	901	0	-660	398
	1,498	186	966	1	-2,094	-24,833	6,847	26,240
	35	3,429	3,239	711	-158,089	-81,780	154,415	336,906
	6,609	6,472	2,035	508	-110,805	-66,330	132,977	178,050
	-6,574	-3,043	1,204	203	-47,284	-15,450	21,438	158,856

PNE S.T. GmbH
Nova Solar GmbH

PNE Biomasse AG
PNE WP Fonds Laubuseschbach
PNE Biomasse GmbH
NL Grundstücks GmbH
1. Norderland Verwaltungs GmbH

Allocation of the consolidated financial statements of Plambeck Neue Energien AG for

for the fiscal year 2004

in TEUR	Continuing operations		Discontinued operations		Plambeck Neue Energien AG	
	2004	2003	2004	2003	2004	2003
Consolidated income statement						
Revenues	52,918	75,057	6,513	2,660	59,431	77,717
Change in inventory	-796	-5,992	722	1,799	-74	-4,193
Other operating income	36,130	18,813	477	349	36,607	19,162
Total aggregate output	88,252	87,878	7,712	4,808	95,964	92,686
Cost of materials	50,114	39,762	4,332	2,345	54,446	42,107
Personnel expenses	7,186	9,592	4,378	3,416	11,564	13,008
Amortisation of goodwill	51,250	4,212	32,649	1,307	83,899	5,519
Depreciation and amortisation	1,169	1,044	787	484	1,956	1,528
Other operating expenses	103,831	37,147	2,356	2,662	106,187	39,809
Operating result	-125,298	-3,879	-36,790	-5,406	-162,088	-9,285
Financial result	432	415	-1,092	-17	-660	398
Result before taxes	-124,866	-3,464	-37,882	-5,423	-162,748	-8,887
Taxes on income	-3,945	350	611	-7	-3,334	343
Other taxes	50	288	5	1	55	289
Minority interests	0	0	695	506	695	506
Net result	-120,971	-4,102	-37,803	-4,911	-158,774	-9,013

in TEUR	Continuing operations		Discontinued operations		Plambeck Neue Energien AG	
	2004	2003	2004	2003	2004	2003
Consolidated balance sheet						
Assets	135,362	304,455	19,053	32,451	154,415	336,906
Debts	110,323	160,626	22,654	17,424	132,977	178,050
Shareholders' equity	25,039	143,829	-3,601	15,027	21,438	158,856
	135,362	304,455	19,053	32,451	154,415	336,906
Consolidated cash flow statement						
Cash flow from ordinary operations	-9,059	5,453	687	-259	-8,372	5,194
Cash flow from investing activities	-5,163	-23,643	-2,375	-2,240	-7,538	-25,883
Cash flow from financing activities	19,103	17,010	2,620	1,643	21,723	18,653
Change in liquid funds	4,881	-1,180	932	-856	5,813	-2,036

Notes to the consolidated financial statements of Plambeck Neue Energien AG, Cuxhaven

for the fiscal year 2004

I. The Company

Plambeck Neue Energien Aktiengesellschaft (hereinafter also referred to as "Plambeck Neue Energien AG" or "the Company") has its registered offices in Cuxhaven. The Company is entered under the number HRB 1740 in the Commercial Register of the District Court of Cuxhaven. The fiscal year is the calendar year.

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

During the year under report a shareholding of 49.9% was acquired in SSP Technology A/S, Broby/Denmark and the participation was thus increased to 100 percent. Furthermore, a shareholding of 84.7% was acquired in Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG, Cuxhaven (Laubuseschbach wind farm). This participation was increased to 100 percent in January 2005.

II. Changes in the prior year financial statements

In the prior year deferred taxes stated as assets were reported in part under other assets (EUR 324,000) and in part they were netted off against deferred taxes stated as liabilities, which were reported under provisions for taxes (EUR 785,000). The deferred taxes stated as assets are reported in a separate item in these financial statements both for the current as well as for the prior year (see Section V.2.).

The financial statements of Plambeck Norderland GmbH as at December 31, 2002 and December 31, 2003 were changed by the management of Plambeck Norderland GmbH in December 2004. The consolidated shareholders' equity was therefore also adjusted. The consolidated shareholders' equity as at December 31, 2003 was thus reduced by EUR 25.1 million and the consolidated net result by EUR 6.0 million.

On the one hand receivables from long term production contracts as well as the related provisions were reported in the prior year for individual wind farm projects. On the other hand prepayments made to manufacturers of wind power equipment (EUR 6,618,000) as well as advance payments received from wind farm operating companies (EUR 21,592,000) were also reported. The prepayments made were netted off against the provisions for long term production contracts both in the current as well as in the prior year. The advance payments received were netted off against the receivables for long term production contracts.

III. Discontinuation of operating units

Plambeck Neue Energien AG divested its shareholding in Plambeck Neue Energien Solar Technik GmbH with economic effect as at December 31, 2004. With this sale the Company separates itself from the segment of “production of solar collectors”.

In May 2005 the participation held by Plambeck Neue Energien AG in the French wind power farm projector, Ventura S.A. was sold to the French company, Théolia S.A.

The liquidation of Plambeck Portugal Novas Energias, Lda., Lisbon, Portugal, which was non-operating, was effected on November 30, 2004 and that of Plambeck New Energy Sp.z.o.o., Stettin, Poland, which was also non-operating, was effected on January 13, 2005.

In accordance with the regulations of IFRS 5 a distinction must be made in the consolidated financial statements between “continuing operations” and “discontinued operations”. A representation of this division is an integral part of these Notes.

IV. General accounting principles

1. Going Concern

Accounting is conducted on a going concern basis. Risks, which could possibly endanger the existence of the Company, are listed in the Group management report of the Company.

2. Consolidated financial statements

The consolidated financial statements of Plambeck Neue Energien AG and its subsidiaries are drawn up in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). New standards published by the IASB are applied from the time that they come into force. IFRS 3 (corporate mergers) and IFRS 5 (fixed assets to be sold and discontinued operations) constitute an exception to this. These two standards were applied for the first time in the fiscal year 2004.

Accounting at all the companies of the Group is carried out initially in accordance with national statutory regulations as well as the generally accepted supplementary accounting principles. The financial statements (HB I), which are drawn up in accordance with the corresponding applicable regulations are converted into financial statements, which are in conformity with IFRS (HB II).

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

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

V. Principles of consolidation

1. Scope of consolidation

The consolidated financial statements include all the companies over which the Group parent company exerts control on the basis of **full consolidation**. 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, 2004 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	100.0 %	-111	31.12.1998
2) Plambeck Norderland GmbH, Cuxhaven	100.0 %	-44,946	01.12.2000
3) Plambeck Neue Energien Biomasse AG, Cuxhaven	100.0 %	203	23.04.2002
4) Plambeck Neue Energien Solar Technik GmbH, Cuxhaven ¹⁾	100.0 %	-519	01.04.2001 ²⁾
5) Plambeck Neue Energien Netzprojekt GmbH, Cuxhaven	100.0 %	-334	01.01.2002
6) Nova Solar GmbH, Cuxhaven	100.0 %	16	01.09.2002
7) Erste Norderland Verwaltungs GmbH, Cuxhaven ²⁾	100.0 %	20	01.12.2000 ¹⁾
8) Plambeck Neue Energien Biomasse Betriebsgesellschaft mbH, Cuxhaven ²⁾	100.0 %	36	01.12.2000 ¹⁾
9) Norderland Grundstücks GmbH, Cuxhaven ²⁾	100.0 %	-21	01.12.2000 ¹⁾
10) SSP Technology A/S, Broby, Dänemark	100.0 %	-2,732	01.07.2003
11) Ventura S.A., Montpellier, Frankreich	80.0 %	-1,050	01.01.2002
12) Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG, Cuxhaven	84.7 %	423	29.12.2004

1) Final consolidation as at December 31, 2004

2) Indirect shareholding via Plambeck Norderland GmbH

The following three companies were not included in the scope of consolidation due to their overall lack of material significance for the consolidated 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 value of the shareholding amounted as at December 31, 2004 to EUR 250,000 (prior year: EUR 313,000). For the fiscal year as at December 31, 2004 Plambeck Portugal Novas Energias reported sales of EUR 0 (prior year: EUR 0) and a net loss of EUR 14,000 (prior year: EUR 6,000) as well as shareholders' equity of EUR 280,000 (prior year: EUR 294,000). The liquidation of this company took place on November 30, 2004.

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

In a contract dated November 30, 2000 the Company took a shareholding of 50% (capital contribution of EUR 51,000) in Plambeck New Energy Sp.z.o.o., Poland. In May 2002 Plambeck Neue Energien AG acquired an additional 50% of the company. The value of the shareholding amounted as at December 31, 2004 to EUR 50,000 (prior year: EUR 150,000). 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, 2004 Plambeck New Energy Sp.z.o.o. reported sales of EUR 0 (prior year EUR 0) a net loss of EUR 11,000 (prior year EUR 1,000) and shareholders' equity of EUR 69,000 (prior year EUR 80,000). The liquidation of this company took place on January 13, 2005.

NEI Neue Energien Investitions GmbH, Cuxhaven

NEI Neue Energien Investitions GmbH, Hamburg was established in 2003 by Plambeck Norderland GmbH (capital contribution EUR 25,000). The object of the company is the 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, 2004 NEI Neue Energien Investitions GmbH reported sales of EUR 0 (prior year: EUR 0), a net loss of EUR 2,000 (prior year: EUR 0) and shareholders' equity of EUR 23,000 (prior year: EUR 25,000).

In the consolidated financial statements all companies are included on the basis of the Group's shareholding, if they are managed jointly by Plambeck Neue Energien AG and one or several other companies, provided that at least one of the shareholding companies does not form part of the scope of consolidation.

Name	Shareholding	Shareholders' equity TEUR	Date of first consolidation
PNE2 Riff I GmbH, Cuxhaven	50.0%	3,703	24.07.2003
PNE2 Riff II GmbH, Cuxhaven	50.0%	14	25.06.2004

With a share transfer agreement dated June 25, 2004 Plambeck Neue Energien AG sold 50% of its shares in PNE2 Riff II GmbH, Cuxhaven, to Energi E2 A/S. Due to the expected increase in the business activity, this company has been included since this date in the consolidated statements on the basis of the Group's shareholding; in the prior year they were not included in the consolidated statements due to their lack of material significance.

2. Mergers and divestment of companies

SSP Technology A/S, Broby, Denmark

Following a resolution on March 22, 2004 Plambeck Neue Energien AG acquired with economic effect as at July 1, 2004 an additional 39.9 % of the total capital of the Danish company, SSP Technology A/S, Denmark by means of a transfer of 7,831,267 shares from the authorized capital. On the basis of a share transfer agreement of December 14, 2004 the remaining 10 % was acquired against the transfer of two shares of Plambeck Neue Energien AG.

Goodwill in the amount of EUR 17,745,000 resulted from the difference between the acquisition cost of the shares and the participation in the shareholder's equity as at July 1, 2004.

The object of the company is the development and manufacture of rotor blades for wind power turbines. For the fiscal year as at December 31, 2004 SSP Technology A/S reported sales of EUR 3,251,000 (prior year: EUR 861,000), a net loss of EUR 2,201,000 (prior year: EUR 1,098) and a negative shareholders' equity of EUR 2,732,000 (prior year: EUR 529,000).

Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG, Cuxhaven

The Board of Directors and the Supervisory Board of Plambeck Neue Energien AG resolved on December 21, 2004 to acquire 84.7 % of the shares of Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG. The subscription of the shares took place of December 29, 2004. This company is therefore included on the basis of full consolidation in the consolidated financial statements as from December 29, 2004.

Goodwill in the amount of EUR 542,000 resulted from the difference between the acquisition cost of the shares and the shareholding in the shareholder's equity as at July 1, 2004.

The object of the company is the generation of electricity through the operation of the Laubuseschbach wind farm. For the fiscal year as at December 31, 2004 Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG reported sales of EUR 227,000, a net loss of EUR 212,000 and shareholders' equity of EUR 423,000. The company was included in the scope of consolidation in the consolidated financial statements as from December 31. The share of the net loss for the year thus amounts to EUR 0 in the consolidated financial statements.

This participation was increased to 100% in January, 2005.

Plambeck Neue Energien Solar Technik GmbH, Cuxhaven

With effect as at December 31, 2004 Plambeck Neue Energien Solar Technik GmbH was sold to Plambeck Energiekonzept AG, a 100 % subsidiary of Plambeck Holding AG. With this sale the Company is no longer part of the segment of "manufacture of solar collectors".

At the date of the sale Plambeck Neue Energien Solar Technik GmbH reported a loss in the amount of EUR 519,000, which is not covered by shareholders' equity as well as debts in the amount of

EUR 3,161,000. The purchase price amounted to EUR 0. From the point of view of the Group the result from the divestment amounted to EUR 519,000 (see Sections VIII.2. and XI.3.).

3. Consolidation methods

The basis for the consolidated 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, 2004 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 valued shareholder capital of the subsidiary at the date of acquisition. For the distribution of the resulting differential amounts arising from this, assets and liabilities, where attributable, are included at their fair market value. The balance of the remaining differential amounts is shown as goodwill. Since the coming into force of IFRS 3 goodwill from the capital consolidation is no longer amortised according to a schedule over its expected economic life. Insofar as it may be required, amortisation may be charged in accordance with IAS 36 ("impairment only approaches").

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.

VI. Accounting and valuation principles

1. Intangible assets

Franchises, trademarks and licences 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, unscheduled amortisation is charged; this is reversed should the reasons for this have no permanent validity. Unscheduled value corrections (reductions and increases) were not necessary during the year under report.

Due to the preliminary application of IFRS 3 goodwill resulting from the capital consolidation is no longer amortised according to a schedule over the expected economic life. Insofar as it may be necessary, extraordinary amortisation is charged in accordance with IAS 36 ("impairment only approaches").

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 IAS 16.41. Unscheduled depreciation in accordance with IAS 36 was not necessary.

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

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 IAS 16.46 did not have to be taken into consideration when assessing the level of depreciation.

Assets, which are rented or leased and in respect of which both the economic risk as well as the economic use is attributable to the relative consolidated company (finance lease), are capitalised in accordance with IAS 17 and reduced by scheduled or unscheduled depreciation over the expected economic life of the leased items. The payment obligation is entered as a liability in the amount corresponding to the lower amount of the fair value of the item involved and the discounted cash value of all future leasing payments.

3. Financial assets

The financial assets are included at acquisition cost, if necessary reduced by unscheduled amortisation to a lower depreciated fair market value. Non-interest bearing loans or loans with a lower rate of interest are stated at their discounted cash value.

A valuation of the financial assets at their fair market value and the statement of non-realised profits and losses not having any effect on the income statement in a separate item of shareholders' equity were not taken into consideration, since their fair market value corresponds primarily to the nominal value.

4. Deferred taxes

Deferred taxes are stated in accordance with the liability method as stipulated by IAS 12 on temporary differences between the tax balance sheet and the consolidated financial statements. No deferred taxes are shown for the amortisation of goodwill from the capital consolidation, which is not tax-deductible.

Deferred tax claims and deferred tax obligations are calculated on the basis of the laws and regulations valid as per the balance sheet date. The deferred taxes in respect of valuation corrections were established at specific tax rates for the corresponding countries for the individual Group companies.

An asset item for tax-effective loss carry forwards is capitalised in the event that it is probable that taxable income in the future may be available, which can be set off against them.

5. Inventories

Inventories are included at acquisition or manufacturing cost under consideration of the lowest of cost or value principle. The manufacturing costs include individual material costs, manufacturing overhead costs as well as appropriate portions of the administration expenses. Financing costs are not capitalised, since the direct cost allocation relationship is not fulfilled as required in accordance with IAS 23.

Advance payments made are shown without sales tax.

6. Accounting for long term production contracts

Stage of completion accounting is carried out in accordance with the provisions of IAS 11 in the case of long-term production contracts for the construction of wind farms. 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 stated 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 subcontractors is taken into consideration for the determination of the degree of completion.

An expected overall loss from a production contract is stated immediately as an expense in accordance with IAS 11.36.

7. 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 effected only to a small extent.

Trade receivables with a maturity of more than one year are subject to interest at market conditions.

8. Financial instruments

In accordance with IAS 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.

There are no derivative financial instruments. 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. For details please refer to the explanations given for the respective balance sheet items.

9. Provisions

Provisions are set up for all external obligations insofar as it is probable that they may be claimed and where the level of the provisions can be estimated in a reliable manner. In addition, provisions for pending losses for so-called onerous contracts are set up in accordance with the regulations of IAS 37.66 et seq.

With regard to the valuation of the provisions, the most probable value must be stated, and, in the event of a range of different values, the expected value. 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.

10. Liabilities

Liabilities are included in principle at their repayment amount.

Liabilities with a maturity of more than one year are subject to interest at market conditions.

Contingent liabilities are not included in the balance sheet. A list of the contingent liabilities as at the balance sheet date is presented in Section XI.1.

For details please refer to the analysis of liabilities which is an integral part of the Notes to the consolidated financial statements.

11. Income statement

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

12. Revenues

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.

13. Cost of materials

These are the costs for goods purchased as well as costs for external services. With regard to the contract costs stated in accordance with the progress of the work, please refer to Section VI.5.

14. 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 in respect of temporary differences between the tax balance sheet and the consolidated financial statements as at December 31, 2004.

The combined tax rate of Plambeck Neue Energien AG for trade tax, corporation tax and the solidarity surcharge amounted to 40.0 % in the assessment period 2004. The deferred taxes on the valuation adjustments are calculated at specific rates for the relative country for the individual Group companies.

15. Foreign currency conversion

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 consolidated 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 exchange rate differences arising with no effect on the income statement are stated in a separate item under shareholders' equity.

VII. 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. With regard to the restriction on the disposal of items of fixed assets please refer to the analysis of liabilities.

The **intangible assets** of EUR 26,307,000 (prior year EUR 91,919,000) are mainly in respect of goodwill from the first consolidation of the subsidiary companies included in the consolidated financial statements. The following table shows the composition and development of this amount:

in EUR	Book value 01.01.2004	Additions 2004	Amortisation 2004	Book value 31.12.2004
Plambeck Norderland GmbH	71,250	0	51,250	20,000
SSP Technology A.S.	18,368	17,745	31,113	5,000
PNE Solar Technik GmbH	1,536	0	1,536	0
Ventura S. A.	765	0	0	765
PNE Windpark Fonds XL	0	542	0	542
	91,919	18,287	83,899	26,307

The amortisation on goodwill is attributable to the unscheduled amortisation in accordance with IAS 36 to a lower applicable value.

Technical equipment and machinery include two transformer stations acquired on the basis of financial leasing which are capitalised at their relative acquisition cost in the amount of EUR 2,829,000. The corresponding payment obligations are stated as liabilities at their discounted cash value in the amount of all future leasing instalments (EUR 2,501,000). The minimum leasing commitment from the leasing instalments amounts to EUR 3,574,000. Of this EUR 315,000 is due within the next year, EUR 1,260,000 within a period of one to two years and EUR 1,999,000 after five years.

Apart from participations of the Company the **financial assets** also include those shares in companies, which are not included within the full consolidation in the consolidated financial statements due to their lack of material significance:

in TEUR	31.12.2004	31.12.2003
Shares in affiliated companies		
Plambeck Portugal Novas Energias, Lda., Portugal	250	313
Plambeck New Energy Sp.z.o.o., Poland	50	110
NEI Neue Energien Investitions GmbH, Cuxhaven	25	25
	325	448
Shares in associated companies	35	61
	360	509

The additions to the **other loans** stated under financial assets are attributable to a loan granted in the amount of EUR 800,000, which bears interest of only 1 %. This loan has therefore been discounted over the term of its maturity at market conditions and is stated at its discounted cash value.

2. Deferred taxes stated as assets

Deferred taxes stated as assets were set up for the following HB II and consolidation entries:

in TEUR	31.12.2004	31.12.2003
Tax-effective loss carry	30,509	1,423
Valuation	-27,709	-868
	2,800	555
Inter-company	650	230
Debt	324	324
	3,774	1,109

Deferred taxes on loss carry forwards are only set up in the amount at which actual tax savings will occur during the next two years in accordance with the planning of the Company. In total, deferred taxes in the amount of EUR 29,132,000 have been written off.

3. 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	31.12.2004	31.12.2003
Loan receivables	13,436	35,170
Receivables from the tax authorities	6,099	11,233
Guarantees and deposits	573	1
Receivables from employees	5	2
Other	761	525
	20,874	46,931

The other assets amounting to EUR 13,413,000 (prior year: EUR 29,362,000) have a residual maturity of more than a year.

4. Short term security investments

This item includes essentially 6,250 shares in Plambeck Energiekonzept AG, Cuxhaven. In accordance with the regulations of IAS 39 these shares were amortised to a notional value of EUR 1.00. This represents a share of 0.16% in the company.

5. 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.

6. Deferred charges and prepaid expenses

This position is composed of the following:

in TEUR	31.12.2004	31.12.2003
Payment for the use of a grid connection	113	119
Other	180	153
	293	272

7. Shareholders' equity

Share capital

As at January 1, 2004 the share capital of the Company amounted to EUR 19,776,570. During the period under report the share capital of the Company increased from 19,776,570 to 30,368,617 shares through the issue of 2,760,780 no par value registered shares against cash with the exclusion of the subscription rights of the shareholders as well as the capital increase of SSP Technology A/S in kind amounting to 7,831,267 shares. The share capital of the Company thus amounts at the balance sheet date to EUR 30,368,617.00 divided into 30,368,617 no par value registered shares with a notional share in the share capital of EUR 1.00 per share.

Authorised capital

On November 4, 2003 the extraordinary general meeting of shareholders created a new authorised capital in the amount of up to EUR 9,850,000.00 by cancelling the existing authorised capital to the extent to which it had not been used.

During the period under report 7,831,267 no par value registered shares with a notional share in the share capital of EUR 1.00 per share were used from this authorised capital for the capital increase in kind of SSP Technology A/S.

On May 14, 2004 the 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 to increase the share capital of the Company with the approval of the Supervisory Board up to May 13, 2009 through the issue of new no par value registered shares at one occasions or on several occasions against contributions in kind or in cash up to a total amount of EUR 13,800,000.00. The shareholders shall be granted subscription rights. The Board of Directors was furthermore authorised to exclude the subscription rights of the shareholders in certain cases with the approval of the Supervisory Board. 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 in 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 an 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. The Supervisory Board is authorised 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 May 13, 2009 following the expiry of the authorisation period.

Following partial use during the period under report the authorised capital now amounts to EUR 11,039,220.00.

Conditional capital I

The conditional capital I has expired.

Conditional capital II

The general meeting of shareholders of June 15, 2001 resolved an additional conditional increase in the share capital of the Company by up to EUR 300,000:

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 EUR 300,000, divided into 300,000 convertible bonds with a nominal 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 may be converted for the first time following the ordinary general meeting of shareholders for the fiscal year 2003. In this respect the bond creditor shall receive for his convertible bond with a nominal value of EUR 0.95238 one no par value share with a notional share in the share capital of EUR 1.00.

Since the coming into effect of the capital increase from corporate fund resolved by the general meeting of shareholders on May 23, 2003 the remaining conditional capital II amounts to EUR 315,000.00.

As at December 31, 2004 convertible bonds in the nominal value of EUR 39,000.00, corresponding to conversion rights of up to 40,950 shares, were issued to members of the Board of Directors and key executives. Of these conversion rights up to 26,250 shares are attributable to Dr. Wolfgang von Geldern (Chairman of the Board of Directors).

Conditional capital III

The extraordinary general meeting of shareholders held on November 4, 2003 resolved to increase the share capital conditionally by up to EUR 9,400,000, 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 or 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. With a resolution of the Board of Directors of February 11, 2004, which obtained the approval of the Supervisory Board on February 12, 2004, the Company issued bonds with conversion rights for up to 9,400,000 no par value registered shares of the Company from the conditional capital III. The conversion rights may be exercised of the first time following the ordinary general meeting of shareholders for 2005.

Capital reserve

The capital reserve has developed as follows:

in TEUR	2004	2003
Status as at 1.1	144,604	131,042
Premium for SSP Technology A/S	9,006	13,562
Equity portion of the convertible bond	1,862	0
Capital increase costs	-103	0
Transfers from the capital reserve	-128,842	0
Status as at 31.12	26,527	144,604

Earnings reserves

The profit reserves have developed as follows:

in TEUR	2004	2003
Status as at 1.1	26,080	9,994
Transfer to other earnings reserves	4,344	16,764
Distributions	0	-678
Transfer from other earnings reserves	-30,371	0
Status as at 31.12	53	26,080

Retained loss

The retained loss developed as follows:

in TEUR	2004	2003
Status as at 1.1	-31,606	13,237
Consolidated net result	-158,774	-9,013
Transfer to other earnings reserves	-4,344	-16,765
Correction of the financial statements 2002 of Plambeck Norderland GmbH	0	-19,065
Transfer from the capital reserve	128,842	0
Transfer from other earnings reserves	30,372	0
Status as at 31.12	-35,510	-31,606

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

8. Minority interests

The minority interests are attributable to Ventura S.A. with 20,0% and Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG with 15,3%. Since January 2005 no other shareholder has any

participation in Plambeck Neue Energien AG Windpark Fonds XL GmbH & Co. KG. Since December 31, 2004 no other shareholder has any participation in SSP Technology A/S.

in TEUR	Ventura S.A.	SSP Technology A/S	PNE Fonds XL	Total
Status as at 1.1.2003	56	0	0	56
Additions from first consolidation 2003	0	28	0	28
Reductions 2003	0	0	0	0
Shares in net result 2003	-215	-292	0	-506
Status as at 31.12.2003	-158	-264	0	-422
Shares in net result 2004	-52	-643	0	-695
Additions from first consolidation 2004	0	0	65	65
Reductions 2004	0	907	0	907
Status as at 31.12.2004	-210	0	65	-145

9. Special item for investment grants

Since the beginning of 2000 the Company has received investment grants in the total amount of EUR 1,746,000 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 release of the investment grants are based on the useful life of the underlying assets. During the year under report a total amount of EUR 81,000 (prior year EUR 29,000) was released.

10. Provision for taxes

The provision for taxes is structured as follows:

in TEUR	31.12.2004	31.12.2003
Provision for deferred taxes		
Long term production contracts	2,016	2,706
Debt consolidation	992	923
Inter-company results	360	0
	3,368	3,629
Provision for current taxes	242	2,098
	3,610	5,727

11. Other provisions

The other provisions have developed as follows:

in TEUR	31.12.2003	Use	Release	Additions	31.12.2004
Contract costs within the scope of of stage of completion accounting	83,370	25,012	31,086	0	27,272
Pending losses from timber delivery contract	0	0	0	2,898	2,898
Expected settlement costs	0	0	0	1,600	1,600
Outstanding invoices	5,084	4,733	3	723	1,071
Delay penalties	1,042	0	669	420	793
Court costs	841	596	35	285	495
Bonuses	689	67	217	67	472
Annual leave	223	223	0	179	179
Fees for Supervisory Board	31	31	0	30	30
Other	1,303	971	261	900	971
	92,583	31,633	32,271	7,102	35,781

The provision for pending losses is attributable to a timber delivery contract with a biomass power station. The sales price agreed in the contract is substantially lower than the current market price. A pending loss provision has been set up in the amount of the expected loss (2005 to 2010) in accordance with IAS 37.66 et seq.

The provision for expected settlement costs is attributable to a settlement with a supplier of project rights. Following the payment of the instalments agreed on in the settlement the supplier will renounce a part of his claims.

12. Participation certificates

Through a resolution of the extraordinary general meeting of shareholders of November 4, 2003 the Board of Directors is authorised, subject to the approval of the Supervisory Board, to issue participation certificates on one or several occasions up to September 30, 2008. The maturity of the participation certificates may amount to up to 20 years. The total amount of the participation certificates issued may not exceed EUR 100,000,000.00. The participation certificates issued on the basis of this authorisation may not include any conversion or option rights in respect of shares of Plambeck Neue Energien AG. The participation certificates shall be issued exclusively in euro. The shareholders shall be granted the legal subscription rights. The participation certificates can also be offered to a third party, in particular to a bank or a bank consortium, with the obligation that they offer these to the shareholders for subscription. The Board of Directors is, however, authorised, subject to the approval of the Supervisory Board, to exclude the subscription rights of the shareholders in the case of fractional amounts.

The Board of Directors has partially used this authorisation and issued participation certificates on March 18, 2004 with the approval of the Supervisory Board of March 24, 2004. During the period under report a total of 8,995 participation certificates was issued with a nominal value of EUR 100.00 each.

The participation certificates have the following major features: The participation certificates issued are bearer instruments and are divided into participation certificates with a nominal value of EUR 100.00 each, which all have equal rights. The holders of the participation certificates shall receive a distribution for each fiscal year within the term of the certificates, which shall have priority over the profit share of the shareholders of the issuer; this shall be fixed as follows: a) Distribution amount of 7 % of the nominal value of the participation certificates and b) a profit-related return of up to 3 % of the nominal value of the participation certificates. As a result of the profit-related return the distribution can increase to up to 10 % of the nominal value of the participation certificates, independent of the amount of the result earned by the issuer. The basis for the calculation of the profit-related return is the net income in accordance with Article 275, Paragraph 2, No. 20 of the German Commercial Code (HGB) plus taxes on income (Article 275, Paragraph 2, No. 18 of the German Commercial Code) as reported in the annual financial statements of Plambeck Neue Energien AG drawn up in accordance with the regulations of the German Commercial Code for the corresponding past fiscal year.

The holders of the participation certificates shall not have a claim to a distribution insofar as the net result earned by the issuer during the past fiscal year, increased by profit carry forwards and reduced by loss carry forwards and additions to the legal reserves, is not sufficient for such distribution. Should this not be sufficient, such loss amounts shall increase the distribution in the following year or, if appropriate, in subsequent following years, insofar as the net result of the following year or the following years, corrected as per Sentence 1, should be sufficient. The obligation for subsequent payment shall exist only during the term of the participation certificates. The participation certificates shall have rights to distributions as from April 1, 2004.

The term of the participation certificates shall end on December 31, 2014. Subject to the conditions with regard to the participation in losses, the participation certificates shall be repaid at nominal value at the end of their term or following the coming into effect of their withdrawal.

If a loss for the year is reported or the share capital of the issuer is reduced in order to cover losses, the repayment claim of each holder of participation certificates shall be reduced by his corresponding share in the loss for the year, which is calculated on the basis of the relationship of his repayment claim to the shareholders' equity (including participation certificates). The claims from the participation certificates shall be junior to the claims of all other creditors of the issuer, who are not themselves junior in ranking.

In accordance with the regulations of IAS 32 the participation certificates shall be stated as loan capital. The participation of the participation certificates in the loss for the year shall be stated under “other interest and similar income”.

13. Debenture loans

The debenture loans have developed as follows:

in TEUR	31.12.2004	31.12.2003
Convertible bond 1998		
Status as at January 1	71	71
Issued	0	0
Withdrawn	10	0
Converted	0	0
Status as at December 31	61	71
Convertible bond 2001		
Status as at January 1	70	51
Issued	21	22
Withdrawn	52	3
Converted	0	0
Status as at December 31	39	70
Convertible bond 2004		
Status as at January 1	0	0
Issued	21,638	0
Withdrawn	0	0
Converted	0	0
Status as at December 31	21,638	0
Total	21,738	141

Convertible bond 1998 (employee programme)

The holders 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 holders 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 EUR 61,000.

Convertible bond 2001 (employee programme)

Following the resolution of the ordinary general meeting of shareholders held on June 15, 2001 convertible bonds in a total amount of EUR 300,000 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 2004 a total of EUR 21,000 was issued from the convertible bond of 2001 and bonds were retired for the total amount of EUR 52,000. Thereafter, the issued convertible bonds of 2001 amounted to EUR 39,000.

Convertible bond 2004

On the basis of the authorisation resolution of the extraordinary general meeting of shareholders of November 4, 2003 the Company issued as a result of the resolution of the Board of Directors of February 11, 2004 with the approval of the Supervisory Board of February 12, 2004 9,400,000 bearer convertible bonds with equal rights and with a notional nominal value of EUR 2.5 each in a notional total amount of EUR 23,500,000.00. These bonds shall be documented by a permanent bearer global certificate for their whole term. The term of the convertible bonds commences on March 15, 2004 and shall end on March 14, 2009. The convertible bonds shall bear interest on the basis of their nominal value at a rate of 6 % p.a. during their whole term insofar as they are not repaid earlier or that the conversion right has been effectively exercised. Each bond creditor has in accordance with the conditions of the bond the irrevocable right to convert his convertible bonds within the exercise period into no par value registered voting shares of Plambeck Neue Energien AG. The conditional capital III (see above

under Point 3) shall guarantee the conversion rights. The conversion right can be exercised within certain exercise periods, which are fixed after the ordinary general meeting of shareholders. Furthermore there is an exercise period at the end of the term. In the event of an effective exercise of the conversion right, the conversion price shall amount to EUR 2.50. The conditions of the bond also include regulations concerning the adjustment of the conversion price in the case of capital increases as well as dilution protection clauses.

In accordance with IAS 32.18 et seq. The convertible bond was divided into its equity and liability portions. In accordance with IAS 32.28 the equity portion was calculated as a residual value, whilst first of all the book value of the liability was calculated at its discounted value. A market rate of 8 % was applied in this respect as in the case of comparable instruments.

14. Trade liabilities

Trade liabilities consist exclusively of those towards companies outside the Group. There exist in part ownership rights to the items supplied, as is normal in the branch.

15. Other liabilities

The other liabilities are composed as follows:

in TEUR	31.12.2004	31.12.2003
Loan liabilities	5,406	3,574
Liabilities to leasing companies	2,501	2,591
Debtor credits	1,382	23
Interest and taxes from convertible bonds	1,126	0
Liabilities for taxes	892	6,009
Social security liabilities	239	277
Wages and salaries	26	26
Other	318	322
	11,890	12,822

The loan liabilities in the amount of EUR 3,991,000 are attributable to Energi E2 A/S, Copenhagen, Denmark, and in the amount of EUR 1,335,000 to Plambeck Holding AG, Cuxhaven.

16. Deferred income

The deferred income stated on the liability side of the balance sheet in the amount of EUR 2,632,000 is attributable primarily to advance payments received from wind farm operating companies for the use of a transformer station. The amount is being released effectively over the term of the utility contract (20 to 25 years).

VIII. 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 generation sector including service of wind power turbines, manufacture of wind power turbine rotor blades, commissions from the sale of shareholders' equity for wind farm projects and management fees.

The revenues from long-term contract completion for the fiscal year 2004 are based on 2 projects.

in TEUR	2004	2003
Revenues before HB II reconciliation	91,942	113,952
Revenues from stage of completion accounting	17,907	29,741
Reverse effect from stage of completion accounting	-50,418	-65,976
Share of revenues in stage of completion accounting	-32,511	-36,235
	59,431	77,717

Against this share of the revenues from stage of completion accounting there are non-invoiced contract costs in the amount of EUR -30,783,000 (prior year EUR -35,074,000) so that there results a negative realised stage of completion profit in the amount of EUR -1,728,000 (prior year EUR -1,161,000).

2. Other operating income

The other operating income is composed as follows:

in TEUR	2004	2003
Release of provisions	32,271	17,481
Write off of liabilities and credits	2,103	312
Income from rentals	568	374
Gain from divestment of PNE S.T. GmbH	519	0
Other	1,146	995
	36,607	19,162

The release of provisions from long term contract production is attributable to several wind farm projects, which in the prior year were valued in accordance with IAS 11, and which had to be written off for purposes of project realisation due to deferments.

3. Cost of purchased materials

Of the cost for materials in the amount of EUR 54,446,000 (prior year EUR 42,107,000) an amount of EUR 49,192,000 (prior year EUR 40,957,000) 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 (see Section VI.6.).

4. Personnel expenses

Personnel expenses are composed as follows:

in TEUR	2004	2003
Wages and salaries	9,750	10,849
Social security contributions	1,699	1,857
Other personnel expenses	115	302
Annual average number of employees	11,564	13,008
Annual average number of employees	254	253
Personnel expense per employee	46	51

5. Depreciation and amortisation

The composition of depreciation and amortisation can be seen in the development of the fixed assets shown in the corresponding analysis, which is an integral part of these Notes to the Consolidated Financial Statements.

This item includes the unscheduled amortisation of goodwill amounting to EUR 83,899,000 (see Section VII.1.).

6. Other operating expenses

The other operating expenses are composed as follows:

in TEUR	2004	2003
Non-cash effective charges		
Write off of individual receivables and losses on receivables, credits for prior years	58,071	11,293
Write off of receivables from long term production contracts	32,401	18,350
Transfer to provision for pending losses	2,998	0
Capital procurement expenses	1,743	0
Other non-cash effective expenses	1,049	356
	96,262	29,643
Other expenses		
Legal and consultancy expenses	2,118	2,391
Rental and leasing expense	2,064	1,899
Advertising and marketing expenses	470	640
EDP expenses	402	556
Vehicle expenses	387	417
Other expenses	4,484	4,263
	106,187	39,809

Receivables from wind farm operating companies were written off to a large extent (losses on receivables and credits) or were written down individually, since a large number of the originally projected wind farms could not be realised in the planning period 2005 to 2007.

The write off of receivables from long term contract production is attributable to several wind farm projects, which were valued in the prior year in accordance with IAS 11 and which had to be written off due to the deferments of the project realisation.

7. Other interest and similar income

The other interest and similar income was composed as follows:

in TEUR	2004	2003
Interest from wind farm operating companies	3,601	4,162
Loss participation of the participation certificate capital	901	0
Interest from biomass operating companies	11	172
Interest from loans	9	335
Other	98	154
	4,620	4,823

8. Amortisation of financial assets and short term securities

The amortization of financial assets and short term securities is composed as follows:

in TEUR	2004	2003
Plambeck New Energy Sp.z.o.o.	100	0
Plambeck Portugal-Novas Energias, Lda.	63	0
Plambeck Energikonzept AG	6	0
	169	0

9. Interest and similar expenses

Interest and similar expenses are composed as follows:

	2004	2003
Interest on loans	1,545	1,230
Interest on overdrafts	1,735	2,090
Interest expense on convertible bonds	824	0
Interest expense for deferred supplier credits	369	0
Delay penalties	411	831
Discount expenses	13	147
Other	214	127
	5,111	4,425

10. Taxes on income

The expense for taxes on income is composed as follows:

in TEUR	2004	2003
Current taxes	515	357
Deferred taxes		
from capitalised loss carry forwards	-2,245	-555
from inter-company profits	-60	-230
from debt consolidation	-854	1,283
from stage of completion accounting	-690	-512
	-3,849	-14
	-3,334	343

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

in TEUR	2004	2003
Consolidated result before taxes on income	-162,803	-9,176
Tax rate	40.0 %	40.0 %
Income tax expense – calculated	-65,121	-3,670
Permanent differences		
Goodwill	33,560	2,208
Non tax deductible interest on permanent debt	301	263
Other non tax deductible expenses	19	62
Taxes relating to other periods	51	501
Other differences	147	111
Write off of tax effective loss carry forwards	27,709	868
Reported tax expense	-3,334	343

Due to the planned sale of the foreign companies as a whole or the sale of majority participations in these companies (see Section III.), the Company will only be active in Germany; for this reason an (unchanged) average tax rate of 40.0 % is applied.

11. Earnings per share

Undiluted earnings per share

The average number of shares during 2004 amounted to 24,299,224 registered shares.

In 2004 a capital increase in the amount of EUR 7,831,267.00 was effected in connection with the contribution in kind of 39.9 % of the shares in SSP Technology A/S. Then issue of the shares was assumed to be the date on which Plambeck Neue Energien AG gained the control of the shares (July 1, 2004).

Moreover, two additional capital increases against contribution in cash were undertaken on October 6 and November 2, 2004 in the amount of EUR 2,000,000.00 and EUR 760,780,00 respectively.

The "undiluted earnings per share" thus amounted to EUR -6.53 per share.

	2004	2003
Consolidated net result (EUR 000)	-158,774	-9,013
Weighted average of shares issued	24,299,224	17,016,443
Earnings per share (EUR)	-6.53	-0.53

Diluted earnings per share

The disclosure of a "diluted earnings per share" is not required, since the exercise of the convertible bonds is not to be expected in view of the current stock market price of the Plambeck shares.

12. Disclosure of share in the total amounts of joint venture companies

With regard to the joint venture companies, PNE2 Riff I GmbH and PNE2 Riff II GmbH the following amounts are attributable to Plambeck Neue Energien AG:

in TEUR	2004	2003
Fixed assets	5,520	2,289
Current assets ¹⁾	370	58
Short term debts	4,031	409
Expenses	148	3
Net result	-148	-3

¹⁾ of which liquid funds: EUR 343,000 (prior year: EUR 12,000)

IX. Cash flow statement

1. Liquid assets

The liquid assets as at January 1, 2004 and December 31, 2004 correspond in each case to the following item shown in the balance sheet: "Cheques, cash on hand, cash in banks, etc."

2. Explanation of the individual cash flows

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

in TEUR	2004	2003
Interest income	2,011	1,920
Interest expense	3,744	2,803
Tax payments and reimbursements	-6,662	9,670

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

During the fiscal year expenditure was made for investments in consolidated units in the amount of EUR 901,000. These were essentially attributable to the acquisition of 84.7 % of the shares in Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG (see Section V.2).

During the fiscal year 2004 shares of the Company with a value of EUR 16,837,000 were used for the 49.9 % participation in SSP Technology A/S.

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

Within the scope of the first consolidation of Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG amounts were added to the following items of the cash flow statement, which did not result in any payments.

	in TEUR
Intangible assets and property, plant and equipment	2,604
Liquid funds	15
Trade receivables	97
Inventories and other assets	169
Other provisions	11
Liabilities to banks	1,668
Trade liabilities and other liabilities	240

X. Segment reporting

The internal organisation and management structure as well as the internal reporting to the Board of Directors and the Supervisory Board form the basis for the determination of the primary segment reporting format of Plambeck Neue Energien AG. As a result, a categorisation is made into the five sectors of projecting of inshore and offshore wind power turbines, production of rotor blades and solar collectors as well as generation of electricity.

A (secondary) segmentation by region will not be presented, since the requirements in accordance with IAS 14.69 are not fulfilled.

The business relationships between the companies of the Plambeck Group are based in principle on prices, which are also agreed with third parties.

For further details we refer in this respect to the segment reporting as an integral part of these Notes to the Consolidated Financial Statements.

XI. Other information

1. Contingent liabilities and other financial obligations

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

in TEUR	31.12.2004	31.12.2003
Silbitz biomass power station	16,065	16,065
Various wind power projects	14,476	9,953
Other	1,929	317
	32,470	26,335

Other financial obligations exist from rental leasing contracts in the amount of EUR 1,532,000 (prior year: EUR 1,947,000) as well as rental expenses for office buildings amounting to EUR 789,000 per annum (prior year EUR 1,139,000). Moreover, there are obligations from order commitments for wind power turbines in the amount of EUR 18,859,000 (prior year: EUR 98,125,000).

The rental and leasing obligations as well as the order commitments are fully due within one year.

2. Announcements in accordance with Article 21 Securities Trading Law (WpHG)

On May 15, 2004 the Company published the following announcement in the Börsen-Zeitung:

“DIEPAG Verwaltungs GmbH submitted to us the following announcement on May 6, 2004: In accordance with Article 21, Paragraph 1 of the Securities Trading Law we hereby inform you that since April 29, 2004 we control 17.3 % of the voting rights of Plambeck Neue Energien AG.”

On June 5, 2004 the Company published the following complementary information in the Börsen-Zeitung:

“DIEPAG Verwaltungs GmbH has informed us in accordance with Article 21, Paragraph 1 of the Security Trading Law that its share of voting rights exceeded the thresholds of 5 % and 10 % and now amounts to 17.3 %.”

3. Relationships to affiliated companies and persons

Through his participations in Plambeck Holding AG, Cuxhaven, and DIEPAG Verwaltungs GmbH, Bremerhaven the Chairman of the Supervisory Board, Mr. Norbert Plambeck can exercise a significant influence on Plambeck Neue Energien AG within the meaning of IAS 24.9.

The major business transactions between Plambeck Neue Energien AG and Mr. Norbert Plambeck are presented as follows:

- DIEPAG Verwaltungs GmbH and Plambeck Holding AG transferred their holdings in the share capital of SSP Technology A/S, Broby, Denmark in the amount of 24.3 % and 10.6 % respectively to Plambeck Neue Energien AG by means of a capital increase in kind with economic effect as at July 1, 2004. As compensation DIEPAG Verwaltungs GmbH and Plambeck Holding AG received 7,831,267 shares from the authorised capital of Plambeck Neue Energien AG.
- Plambeck Holding AG provided services during the fiscal year to companies of the Plambeck Group in the amount of EUR 1,080,000. These were attributable primarily to consulting services in the areas of EDP, personnel and internal audit. An amount of EUR 277,000 was not yet settled as at the balance sheet date. The underlying prices correspond to those which would have been charged by external service providers.

- With effect as at December 31, 2004 Plambeck Neue Energien Solar Technik GmbH was sold to Plambeck Energiekonzept AG. Plambeck Energiekonzept AG is controlled by its majority shareholder, Mr. Norman Plambeck, the son of Mr. Norbert Plambeck.

At the date of the sale Plambeck Neue Energien Solar Technik GmbH reported a loss of EUR 519,000, which was not covered by shareholders' equity. The purchase price amounted to EUR 1.

Prior to the sale die Plambeck Neue Energien AG renounced receivables vis-à-vis Plambeck Neue Energien Solar Technik in the amount of EUR 6,195,000. Furthermore, Plambeck Neue Energien AG undertook to assume interest, repayments and expenses in the amount of EUR 457,000 which will be incurred by Plambeck Neue Energien Solar Technik GmbH during the fiscal year 2005. In addition, guarantees in the amount of EUR 1,621,000 are outstanding.

The remuneration and ownership of shares in the Company by the members of the Supervisory Board and the Board of Directors are presented in Section XI.4.

4. Details of the Supervisory Board and management

Supervisory Board

- Mr. Norbert Plambeck, Cuxhaven, businessman (Chairman)
- Mr. Dr. Peter Fischer, Cuxhaven, Former member of the Parliament of Lower Saxony
- Mr. Timm Weiß, Cuxhaven, lawyer
- Mr. Alfred Mehrtens, Cuxhaven, farmer (since May 14, 2004)
- Mr. Rafael Vasquez Gonzales, Cuxhaven, businessman (since May 14, 2004)
- Mr. Martin Billhardt, Cuxhaven, businessman (until July 31, 2004)
- Mr. Dieter Gehrke, Hüllhorst, tax consultant (until April 21, 2004)

Mr. 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
- PrivAG Aktiengesellschaft für Privatisierungsprojekte, Bonn

Mr. Martin Billhardt 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 Neue Energien Biomasse AG, Cuxhaven
- SSP Technology A/S, Broby / Denmark
- Portum AG, Frankfurt am Main
- BHE Beteiligungs-Aktiengesellschaft, Frankfurt am Main
- Softline AG, Offenburg (until March 2004)
- Energy Capital AG, Zug / Switzerland (until December 2004)

Dr. Peter Fischer 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):

Studio Hamburg Atelier GmbH, Hamburg
NDR Media GmbH, Hamburg

The compensation paid to the Supervisory Board during the fiscal year 2004 amounted to EUR 59,000.

Of the members of the Supervisory Board Mr. Alfred Mehrstens held 315 shares of the Company as at December 31, 2004.

Board of Directors

Dr. Wolfgang von Geldern, Nordholz (Chairman)
Mr. Gerd Kück, Cuxhaven (Finance) (until June 1, 2004)
Mr. Arne Lorenzen, Cuxhaven (International)
Mr. Martin Billhardt, Cuxhaven (since August 1, 2004)

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 Neue Energien Biomasse AG, Cuxhaven

Mr. Martin Billhardt 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 Neue Energien Biomasse AG, Cuxhaven
SSP Technology A/S, Broby / Dänemark
Portum AG, Frankfurt am Main
BHE Beteiligungs-Aktiengesellschaft, Frankfurt am Main
Softline AG, Offenburg (until March 2004)
Energy Capital AG, Zug / Switzerland (until December 2004)

Mr. Arne Lorenzen 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 Neue Energien Biomasse AG, Cuxhaven
SSP Technology A/S, Broby / Dänemark
Ventura S.A., Montpellier / France
PNE2 Riff I GmbH, Cuxhaven
PNE2 Riff II GmbH, Cuxhaven

The members of the Board of Directors received for their activity during the fiscal year 2004 total remuneration in the amount of EUR 517,000. No variable remuneration was earned in the fiscal year 2004.

Of the members of the Board of Directors of the Company Dr. Wolfgang von Geldern held 15,750 shares of the Company as at December 31, 2004.

As at the balance sheet date the Board of Directors held 42,000 conversion rights for convertible bonds (prior year: 61,950).

5. Corporate Governance Codex

The Board of Directors and the Supervisory Board of Plambeck Neue Energien AG made the following declaration on December 21, 2004 with regard to the Corporate Governance Code in accordance with Article 161 of the Stock Corporation Law: "Plambeck Neue Energien AG shall comply with the prescribed recommendations of the Government Commission for the German Corporate Governance Code in its version of May 21, 2003 with the following exceptions:

4.2.4 The compensation of the members of the Board of Directors shall not be published on an individual basis;

5.4.5 The compensation of the members of the Supervisory Board shall not be published on an individual basis".

This declaration is published on the home page of Plambeck Neue Energien AG under [www.plambeck.de / investor Relations / Corporate Governance Code](http://www.plambeck.de/investor%20Relations/Corporate%20Governance%20Code).

Contrary to the rules of the Corporate Governance Code the report on the first half year together with the report on the second quarter 2004 was only published on September 29, 2004.

6. Information on employees

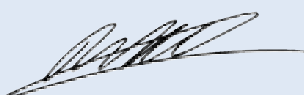
The average number of employees in the Group amounted to a total of 254 during the fiscal year (prior year 253 employees). The number of employees amounted to 171 as at the December 31, 2004.

Cuxhaven, May 30, 2005

Plambeck Neue Energien Aktiengesellschaft



Dr. Wolfgang von Geldern
Chairman of the Board of Directors



Martin Billhardt
Member of the board
of Directors – Finance



Arne Lorenzen
Member of the board
of Directors – International

Independent auditors' report

We have audited the consolidated financial statements, comprising balance sheet, income statement, statement of changes in shareholders' equity, statement of cash flows, and notes, as prepared by Plambeck Neue Energien AG, Cuxhaven, for the financial year from January 1, 2004, to December 31, 2004. The preparation and the content of the consolidated financial statements are the responsibility of the Company's Management Board. Our responsibility is to express an opinion whether the consolidated financial statements are in accordance with the International Financial Reporting Standards (IFRS), based on our audit.

We conducted our audit of the consolidated financial statements in accordance with German audit regulations and the generally accepted standards for the audit of financial statements promulgated by the German Institut der Wirtschaftsprüfer (IDW) and under additional consideration of International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. The evidence supporting the amounts and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows for the financial year of the Group in accordance with IFRS.

Our audit, which also extends to the Group management report prepared by the Management Board for the financial year from January 1, 2004, to December 31, 2004, has not led to any reservations. In our opinion, the group management report provides a suitable understanding of the Group's position and suitably presents the risks of future development. We also confirm that the consolidated financial statements and the Group management report for the financial year from January 1, 2004, to December 31, 2004, fulfill the requirements that exempt the Company from preparing consolidated financial statements and a Group management report in accordance with German law.

Without affecting the unqualified audit opinion provided as part of this report, we draw attention to the company's critical financial situation outlined in the Group management report. The section entitled "Financial situation/liquidity" specifies that the defined goals in the restructuring plan regarding sales, income and liquidity position have to be met in order to continue business activities. Furthermore the planned cash inflows from the majority shareholder and other financing measures have essential importance.

Munich, May 30, 2005

Dr. Ebner, Dr. Stolz und Partner GmbH

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Dr. Wolfgang Russ
Wirtschaftsprüfer

Martina Schaaf
Wirtschaftsprüferin

Report of the Supervisory Board



Norbert Plambeck

Dear Shareholders,

2004 was an extremely difficult year for the whole sector. Continuing political uncertainties and changes in the law together with a marked reserve on the part of the banks had a negative effect on all companies in this area. At Plambeck Neue Energien AG this was also reflected by high amortisation and write downs, which are explained in the annual report.

Close and successful cooperation between the boards of the Company is indispensable, particularly at difficult times. During 2004 the Supervisory Board of Plambeck Neue Energien AG met in total for four ordinary and one extraordinary meetings. Furthermore, seven resolutions were adopted on the basis of an ad hoc minute. The Personnel Committee met twice. The Audit Committee met three times.

At these meetings as well as in other individual discussions the Board of Directors provided the members of the Supervisory Board with detailed information about the current development of the business and the assets, earnings and financial situation of the Company as well as of the planned business policy and the additional fundamental corporate planning matters especially with regard to financial, investment and personnel planning, and discussed these complex topics in detail with the Supervisory Board. The Supervisory Board assures that it has continuously monitored the Board of Directors on the basis of the Board's reports as well as the joint meetings held. The Audit Committee contributed to the strengthening of the cooperation and combined efforts with the Board of Directors.

The Supervisory Board has examined in detail and resolved all measures requiring its consent under the legal regulations and in accordance with the articles of association.

A major emphasis of the topics discussed was on the new strategic direction of the core business as well as the necessary reassessment of the projects and capital values following the changes in the law. This constituted in effect the assurance of the future development of the Company.

The situation regarding decisions with regard to the German Corporate Governance Code remained unchanged in 2004. At the first meeting of the Supervisory Board during the fiscal year of 2005 the

Supervisory Board resolved, however, to accept the Code also in respect of the recommendation that in future the basic information on the remuneration paid to the members of the Board of Directors be published on the Internet home page of the Company.

The Board of Directors has prepared the annual financial statements of Plambeck Neue Energien AG and the Group financial statements as well as the management reports on the situation at Plambeck Neue Energien AG and at the Group for the relevant period. The auditors appointed by the general meeting of shareholders held on May 14, 2004, Dr. Ebner, Dr. Stolz und Partner GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Munich Office, have audited these together with the accounting and have issued their unqualified auditors' opinion.

The annual financial statements for Plambeck Neue Energien AG and for the Group as well as the Group management report and the audit report of the auditors were made available to all members of the Supervisory Board. The documents have been examined by the members of the Supervisory Board and discussed in detail at the balance sheet meeting of March 11, 2005 together with the representatives of the auditors. There were no objections. The Supervisory Board agreed with the result of the audit on May 30, 2005. The financial statements of Plambeck Neue Energien AG as well as the consolidated financial statements for the Plambeck Neue Energien AG Group were approved. The financial statements are thus adopted.

The Supervisory Board placed the commission for the audit for the fiscal year 2004 on May 14, 2004. In accordance with the recommendations of the German Corporate Governance Code the Supervisory Board obtained, prior to placing this commission, a declaration of the auditors as to which professional, financial or other relationships might exist between the auditors and the Company, which might indicate doubts regarding their independence. The declaration also includes the scope of other consulting services, which were provided for the Company during the past fiscal year. According to the declaration submitted to the Supervisory Board by the auditors there are no doubts regarding their independence.

The member of the Supervisory Board, Martin Billhardt, resigned from the Board in July 2004. Since August 2004 Martin Billhardt is the member of the Board of Directors responsible for finance at Plambeck Neue Energien AG. Since this date the Supervisory Board consists of five members. At the ordinary general meeting of shareholders on May 13, 2005 the membership of this Board will be restored to six in accordance with the articles of association.

The Supervisory Board wishes to thank the members of the Board of Directors as well as all employees for their particular commitment and for their valuable work during the fiscal year 2004.

Cuxhaven, Mai 2005



Norbert Plambeck

Chairman of the Supervisory Board



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○ Divisions

○ Our Share

○ Management report

○ Consolidated financial statements

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Income statement of Plambeck Neue Energien AG (HGB)

for the period from January 1 to December 31, 2004

in EUR	Notes	2004	2003
1. Revenues	IV. 1.	23,120,876.58	57,340,665.36
2. Increase in works in process		251,612.52	-2,609,801.66
3. Other operating income		1,659,154.92	1,140,339.14
4. Total income		25,031,644.02	55,871,202.84
5. Cost of purchased materials			
a) Costs of RHB- und purchased materials		-1,419,783.65	-45,961.51
b) Costs of purchased services		-11,447,814.69	-40,499,830.86
		-12,867,598.34	-40,545,792.37
6. Personnel expenses			
a) Wages and salaries		-3,025,999.78	-4,640,420.85
b) Social security contributions and expenses for pensions		-498,100.48	-792,210.77
		-3,524,100.26	-5,432,631.62
7. Depreciation and amortisation	IV. 2.	-698,390.78	-737,257.85
8. Other operating expenses		-86,910,017.52	-13,232,557.83
9. Operating income		-78,968,462.88	-4,077,036.83
10. Income from participations		0.00	4,730,209.96
11. Other operating expenses		7,194,116.89	6,711,177.86
12. Amortisation of financial assets and short term securities		-68,356,463.25	0.00
13. Interest and similar expenses		-3,614,529.31	-2,810,012.05
14. Profit from ordinary operations		-143,745,338.55	4,554,338.94
15. Extraordinary income	IV. 3.	0.00	0.00
16. Extraordinary expenses	IV. 3.	-21,548,459.97	0.00
17. Extraordinary result		-21,548,459.97	0.00
18. Taxes on income		71,326.50	39,209.11
19. Other taxes		-18,554.95	-249,660.90
20. Net loss (prior year net income)		-165,241,026.97	4,343,887.15
21. Transfer from the participation certificate capital		900,974.00	0.00
22. Transfer from the capital reserve		128,841,734.99	0.00
23. Transfer from other earnings reserves		30,371,599.56	0.00
24. Net loss for the year (prior year: net income for the year)		-5,126,718.42	4,343,887.15
Earnings per share in EUR (undiluted)		-6.80 €	0.26 €
Average number of shares in circulation (undiluted)		24,299,224	17,016,443

Balance sheet of Plambeck Neue Energien AG (HGB)

as at December 31, 2004

Assets in EUR	Notes	2004	2003
A. Fixed assets	III. 1.		
I. Intangible assets	II. 1.		
Franchises, trademarks, licences and other similar rights as well as licences for such rights and values		66,581.75	48,389.80
II. Property, plant and equipment	II. 2.		
1. Land		15,735,238.78	16,112,529.07
2. Technical equipment and machinery		109,591.47	103,481.87
3. Other plant and machinery, fixtures and fittings		668,155.11	683,236.01
4. Prepayments		9,350.00	9,350.00
		16,522,335.36	16,908,596.95
III. Financial assets	II. 3.		
1. Participations in affiliated companies		28,711,152.96	78,496,246.65
2. Participations		2,041,263.59	2,028,763.59
3. Other loans		462,000.00	0.00
		31,214,416.55	80,525,010.24
Total fixed assets		47,803,333.66	97,481,996.99
B. Current assets			
I. Inventories	II. 4./III. 2.		
1. Work in process		1,351,289.53	1,099,677.01
2. Goods		4,646.66	4,930.27
3. Prepayments		0.00	2,252,485.93
		1,355,936.19	3,357,093.21
II. Receivables and other assets	II. 5.		
1. Trade receivables	III. 3.	1,252,860.65	25,423,636.95
2. Receivable from associated companies	III. 4.	24,750,675.13	61,977,383.52
3. Other assets	III. 5.	15,862,234.38	37,828,800.22
		41,865,770.16	125,229,820.69
III. Securities			
Other securities		1.00	6,250.00
IV. Cash on hand and cash in banks		1,995,497.28	3,133,997.50
Total current assets		45,217,204.63	131,727,161.40
C. Deferred charges and prepaid expenses		120,961.50	149,581.63
Total assets		93,141,499.79	229,358,740.02

Liabilities in EUR	Notes	2004	2003
A. Shareholders' equity	III. 6.		
1. Subscribed capital		30,368,617.00	19,776,570.00
2. Capital reserves		0.00	117,408,085.17
3. Earnings reserves			
Other reserves		0.00	26,027,712.41
4. Retained earnings		-5,126,718.42	4,343,887.15
5. Certificate capital		1.00	0.00
Total shareholders' equity		25,241,899.58	167,556,254.73
B. Special items for investment grants	III. 7.	1,567,790.22	1,649,168.34
C. Provisions	II. 6.		
1. Provisions for taxes		15,841.00	245,841.00
2. Other provisions	III. 8.	6,949,826.86	5,534,986.16
		6,965,667.86	5,780,827.16
D. Liabilities	II. 7.		
1. Loans	III. 9.	23,600,354.81	141,080.60
2. Liabilities to banks		29,237,944.71	34,295,397.05
3. Prepayments received		0.00	5,442,076.89
4. Trade liabilities	III. 10.	1,604,570.19	5,171,808.26
5. Liabilities from bills of exchange received and from the issue of own bills of exchange	III. 11.	0.00	4,602,045.02
6. Liabilities to associated companies	III. 12.	652,981.73	3,597,911.70
7. Other liabilities	III. 13.	4,102,979.69	1,062,920.27
Total liabilities		59,198,831.13	54,313,239.79
E. Deferred income		167,311.00	59,250.00
Total liabilities and shareholders' equity		93,141,499.79	229,358,740.02

Cash flow statement of Plambeck Neue Energien AG (HGB)

for the period from January 1 to December 31, 2004

in TEUR	Notes	2004	2003
Net result before extraordinary items		-143,798	4,344
Depreciation and amortisation/ additions to assets	IV. 2.	69,049	737
Increase/ decrease in provisions	II. 6.	1,185	445
Other non-cash effective income and expenses		41	-28
Gain/ loss from the disposal of fixed assets	III. 1.	1,359	-16
Increase/ decrease of inventories and other assets		39,681	1,729
Increase/ decrease of trade receivables	III. 3.	24,171	-1,394
Increase/ decrease of trade liabilities and other liabilities	III. 10.	-13,414	-522
Cash flow from operating activities		-21,726	5,295
Inflow of funds from disposal of fixed assets	II. 2.	15	43
Outflow of funds for investments in property, plant and equipment	II. 2.	-392	-1,429
Outflow of funds for investments in intangible assets	II. 1.	0	-2
Inflow of funds from disposal of financial assets	II. 3.	263	2,002
Outflow of funds for investments in financial assets	II. 3.	-1,363	-4,304
Cash flow from investing activities		-1,477	-3,690
Inflow of funds from additions to shareholders' equity	III. 6.	2,761	678
Outflow of funds to shareholders and minority interests	0	-678	
Inflow of funds from the issue of participation certificates		901	0
Inflow of funds from issue of bonds	III. 9.	23,521	22
Outflow of funds from the repayment of bonds	III. 9.	-62	-3
Inflow of funds from financial loans		8,484	12,000
Outflow of funds from the repayment of loans	III. 9.	-13,541	-15,566
Inflow of funds from investment grants received	III. 7.	0	635
Cash flow from financing activities		22,064	-2,912
Cash effective change in liquid funds (< = 3 months)		-1,139	-1,307
Liquid funds (< = 3 months) as at 01.01.2004		3,134	4,441
Liquid funds (< = 3 months) as at 31.12.2004		1,995	3,134

Additional information: The value of the liquid funds as at 31.12.2004 corresponds to the balance sheet item "cash on hand, cash in banks".

Development of shareholders' equity of Plambeck Neue Energien AG (HGB)

for the fiscal year 2004

	Subscribed capital	Capital reserve	Earnings reserves	Participation certificate capital	Balance sheet profit/loss	Total
Status as at January 1, 2003	13,563,000.00	103,846,306.17	9,941,333.88	0.00	16,764,528.53	144,115,168.58
Transfer to other earnings reserves	0.00	0.00	16,764,528.53	0.00	-16,764,528.53	0.00
Share dividends	678,150.00	0.00	-678,150.00	0.00	0.00	0.00
Capital increase SSP Technology in kind	5,535,420.00	13,561,779.00	0.00	0.00	0.00	19,097,199.00
Net result 2003	0.00	0.00	0.00	0.00	4,343,887.15	4,343,887.15
Status as at December 31, 2003	19,776,570.00	117,408,085.17	26,027,712.41	0.00	4,343,887.15	167,556,254.73
Transfer to other earnings reserves	0.00	0.00	4,343,887.15	0.00	-4,343,887.15	0.00
Capital increase in cash	2,760,780.00	0.00	0.00	0.00	0.00	2,760,780.00
Capital increase SSP Technology in kind	7,831,267.00	11,433,649.82	0.00	0.00	0.00	19,264,916.82
Issue of participation certificate capital (nominal)	0.00	0.00	0.00	899,500.00	0.00	899,500.00
Premium for participation certificate capital	0.00	0.00	0.00	1,475.00	0.00	1,475.00
Net result 2004	0.00	0.00	0.00		-165,241,026.97	-165,241,026.97
Transfer from the participation certificate capital	0.00	0.00	0.00	-900,974.00	900,974.00	0.00
Transfer from other earnings reserves	0.00	0.00	-30,371,599.56	0.00	30,371,599.56	0.00
Transfer from the capital reserve	0.00	-128,841,734.99	0.00	0.00	128,841,734.99	0.00
Status as at December 31, 2004	30,368,617.00	0.00	0.00	1.00	-5,126,718.42	25,241,899.58

Analysis of fixed assets of Plambeck Neue Energien AG (HGB)

for the fiscal year 2004

in EUR	Aquisition and manufacturing costs					Status as at 31.12.2004
	Status as at 1.1.2004	Additions	Corrections acc. to BP	Reclassifications	Disposals	
I. Intangible assets						
1. Franchises, trademarks and similar rights as well as licenses to such rights	157,203.86	454.36	22,904.45	0.00	0.00	180,562.67
II. Property, plant and equipment						
1. Land	16,756,264.02	138,982.78	0.00	0.00	107,672.40	16,787,574.40
2. Technical equipment and machinery	119,391.10	12,736.00	0.00	0.00	0.00	132,127.10
3. Other equipment, fixtures and furnishings	1,485,313.02	239,797.65	1,410.46	0.00	20,817.73	1,705,703.40
4. Prepayment and plant under construction	9,350.00	0.00	0.00	0.00	0.00	9,350.00
	18,370,318.14	391,516.43	1,410.46	0.00	128,490.13	18,634,754.90
III. Financial assets						
1. Shares in affiliated companies	78,496,246.65	20,150,103.57	59,554.74	-12,500.00	1,632,037.75	97,061,367.21
2. Participations	2,028,763.59	0.00	0.00	12,500.00	0.00	2,041,263.59
3. Other loans	0.00	462,000.00	0.00	0.00	0.00	462,000.00
	80,525,010.24	20,612,103.57	59,554.74	0.00	1,632,037.75	99,564,630.80
	99,052,532.24	21,004,074.36	83,869.65	0.00	1,760,527.88	118,379,948.37

	Accumulative depreciation and amortisation				Book value	
	Status as at 1.1.2004	Additions	Corrections acc. to BP	Disposals	Status as at 31.12.2004	Status as at 31.12.2003
	108,814.06	24,471.34	-19,304.48	0.00	113,980.92	48,389.80
	643,734.95	408,600.67	0.00	0.00	1,052,335.62	16,112,529.07
	15,909.23	6,626.40	0.00	0.00	22,535.63	103,481.87
	802,077.01	258,692.37	-6,607.49	16,613.60	1,037,548.29	683,236.01
	0.00	0.00	0.00	0.00	0.00	9,350.00
	1,461,721.19	673,919.44	-6,607.49	16,613.60	2,112,419.54	16,908,596.95
	0.00	68,350,214.25	0.00	0.00	68,350,214.25	78,496,246.65
	0.00	0.00	0.00	0.00	0.00	2,028,763.59
	0.00	0.00	0.00	0.00	0.00	462,000.00
	0.00	68,350,214.25	0.00	0.00	68,350,214.25	80,525,010.24
	1,570,535.25	69,048,605.03	-25,911.97	16,613.60	70,576,614.71	97,481,996.99

Analysis of liabilities of Plambeck Neue Energien AG (HGB)

as at December, 2004

Type of liabilities	Maturity			
	Up to one year EUR	One to five years EUR	More than five years EUR	
1. Loans	19,500.00	23,580,854.81	0.00	
2. Liabilities to banks	20,158,160.31	2,938,595.14	6,141,189.26	
3. Trade liabilities	1,378,358.32	226,211.87	0.00	
4. Liabilities to associated companies	652,981.73	0.00	0.00	
5. Other liabilities	2,768,135.05	1,334,844.64	0.00	
of which from taxes: EUR 108.742,33 (prior year TEUR 655)				
of which forsocial security EUR 61.585,11 (prior year TEUR 83)				
Total amount	24,977,135.41	28,080,506.46	6,141,189.26	

		Security
	Total EUR	Type of security
	23,600,354.81	None
	29,237,944.71	1. Registered mortgage of EUR 10.007.000 on the property at Peter-Henlein-Str. 2-4, Cuxhaven. As at 31.12.2004 TEUR 9.380 have been drawn on.
		2. Registered mortgage of TEUR 350 on the property at Alte Industriestraße 8, Cuxhaven. As at 31.12.2004 TEUR 325 have been drawn on.
		3. Assignment of the rental income from the property at Peter-Henlein-Str. 2 - 4, Cuxhaven.
		4. Assignment of all existing and future trade receivables
	1,604,570.19	None
	652,981.73	None
	4,102,979.69	None
	59,198,831.13	

Glossary

Biomass

Organic materials, such as wood, flotsam or biogas. Special processes are used to produce energy from biomass.

EEG

Renewable Energy Act. An act of parliament passed in April, 2000, which defines renewable energies as the basis for safe and environmentally friendly energy supply for the future.

Geothermal energy

Thermal energy stored beneath the surface of the earth.

IPO

Initial Public Offering. US term for the floatation of a company's shares.

Megawatt

One Megawatt equals 1 million watts.

NNE AG

Abbreviation for Norderland Nature Energy AG.

Offshore

At a distance from the coast or shore, in the sea.

Onshore

On the shore or on land.

Photovoltaik

Energy technology, which is based on the principle of the solar cell. Energy for electricity production is gained from sunlight.

PNE AG

Abbreviation for Plambeck Neue Energien AG. It refers to the plc and not to the Group.

Solar thermal energy

Technique for utilising the sun's energy to produce heat.

Wind expectancy

A term to describe the wind strength of a region.

- ○ ○ **Financial calendar for 2005**

May 31, 2005	Publication Three Months' Statement
July 2005	Annual General Meeting in Cuxhaven
August 04, 2005	Publication Six Months' Statement; Analyst Conference Frankfurt
November 15, 2005	Publication Nine Months' Statement

- ○ ○ **Imprint**

Responsible

Plambeck Neue Energien AG

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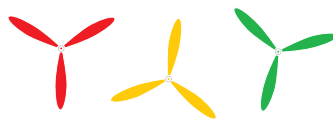
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Concept and design

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