Plambeck Neue Energien

Grown with the wind

Group key figures

in Mio. EUR	2006	2005	2004
Revenues	87.8	68.0	58.3
Total aggregate output	93.3	83.3	98.9
EBITDA	2.2	5.6	–50.6
EBIT	0.3	3.7	–136.6
Result of ordinary operations	–6.1	–2.6	–145.3
Consolidated net loss	–6.3	–2.7	–142.2
Retained loss	–60.8	–54.5	–59.9
Balance sheet total	125.3	119.2	130.7
Shareholders' equity	14.9	–3.5	–3.5
Equity ratio	11.9	–2.9 %	–2.7 %
Employees	137	137	254

Key share data

Number 31.12.2006	37.451.057
Issue	15. Dezember 1998
Capital Increase April 2006	2,2 Mio.
Capital Increase Dezember 2006	12,4 Mio.
Designated Sponsor/Market Maker	VEM Aktienbank
Market segment	Prime Standard
Index	HDax, Mid-Cap-Market-Index, CDAX Technology

WKN: AOJBPG **ISIN:** DE000AOJBPG2 **Reuters:** PNEGn **Bloomberg:** PNE3

Mission Statement

Wind power – the most economic of the renewable energies

The era of the "classical" energy sources is nearing its end – the future belongs to the renewable and infinitely available energies. We are concentrating on renewable energy, which already is the most economic to use, namely wind. That is the philosophy of Plambeck Neue Energien AG.

Coal, gas, oil and uranium are only available to a limited extent. In order to use them in Germany for the generation of electricity and heating they must be mainly imported. This creates depeendency. Moreover, the use of the "classical" energy sources is linked to the emission of harmful substances, which have an equally negative effect on mankind and nature as on the climate. Nuclear energy is linked to incalculable risks.

Wind on the other hand is available to us in Germany free of cost and without harmful substances. Wind power turbines can be erected in a decentralised manner. Each kilowatt hour of "wind electricity" contributes to the protection of mankind, nature and the climate as well as the reduction of the dependency on imports.

Our commitment is the extension of the now already most economic of the renewable energies, namely wind power. The core business of Plambeck Neue Energien is thus the use of wind power on land (onshore) as well as on the high seas (offshore), in order to generate ecologically correct and economically reasonable electricity.

The protection of the environment and the climate through the reduction of harmful substances has the highest priority. The requirement of renewable energies is growing worldwide, which is improving the economy of energy generation from renewable sources.

Scientists and politicians expect that by the year 2050 at least the half of all energy generation will be based on renewable energy. In this context the continued expansion of wind power is a major contribution. Plambeck Neue Energien AG will contribute towards the achievement of this objective wherever it is possible to do so economically.

Content

Foreword of the Board of Directors

Dear Shareholders,

Our operating business of wind farm projecting onshore developed very satisfactorily during 2006. We erected 50 wind power turbines with a nominal output of 100 MW and cooperated during their construction. The completion of the current projects will continue at a fast speed. The basis for this is the contract concluded in March 2006 with Babcock & Brown Wind Partners Ltd. concerning 30 wind farms with a nominal output of 300 MW, which will be constructed by us on a turnkey basis up to the beginning of 2009. In order to ensure that we have a sufficient number of wind power turbines available for our projects, we have concluded already in the spring of 2006 with Vestas contracts in respect of a total of 112 wind power turbines.

In our offshore sector an important step into the future was represented by the permit granted in August by the Federal Office for Shipping and Hydrographics (BSH) in respect of our second large offshore "Gode Wind" project in the North Sea with 80 wind power turbines of the 5 MW class. The offshore projects constitute an important pillar for our Company's development during the next few years.

We now have a very positive position with two approved offshore wind farm projects as well as the general contract with Babcock & Brown Wind Partners Ltd.

Thanks to the capital increase, which was successfully implemented in December, we were able to reduce significantly the negative impact of loans and were able to make a further contribution to the success of our restructuring programme. Due to a partial forgiveness of debts on the part of the banks this also led to significant extraordinary income.

These are all positive developments which will strengthen our company in the future.

There were, however, also less satisfactory developments in 2006. Construction permits for wind farm projects were issued by the authorities later then expected. This had clear negative effects on sales and earnings during the third quarter. Such delays are not exceptional in the projecting of wind farms and they cannot be influenced by us.

We are currently negotiating intensively with several interested parties regarding a participation in our "Gode Wind" offshore project. A successful conclusion will have a positive effect on sales and earnings during the current fiscal year.

Notice must also be taken of the fact that offshore wind farms are being constructed off the coasts of Sweden, the United Kingdom and the Netherlands, whilst the start of construction is still uncertain with regard to the commercial German offshore wind farms. This is a clear indication that the general conditions in Germany are still not satisfactory. Together with our trade association and other projectors we shall participate in a detailed study in order to determine how the general conditions for German

DR. WOLFGANG VON GELDERN
CHAIRMAN OF THE BOARD OF DIRECTORS

offshore wind farms can be further improved. The government has already made a first step insofar as it has stipulated with the infrastructure planning acceleration law (valid since December 17, 2006) that the transmission network operators are responsible for the laying of the cable connection between the offshore wind farms and the transmissions network on land. They must complete the cable connection prior to an offshore wind farm coming on stream. The costs shall be allocated to the general network extension. Further measures of the government are, however, still necessary in order to make German offshore projects more profitable.

Our Danish subsidiary SSP Technology A/S has developed positively both with regard to the development of rotor blades as well as the production of rotor blade moulds. The order situation has improved substantially. During this year we expect further important orders from international purchasers.

In the Group we achieved a breakeven operating result (EBIT) in the amount of euro 0.3 million (prior year: euro 3.7 million). Sales rose to euro 87.8 million (prior year: euro 68.0 million). The aggregate operating output in the Group increased to euro 93.3 million (prior year: euro 83.3 million).

The equity ratio in the Group increased at the end of the fiscal year 2006 to 11.9 % (prior year: –2.9 %). The Group's liquidity amounted to approximately euro 9.0 million as at December 31, 2006.

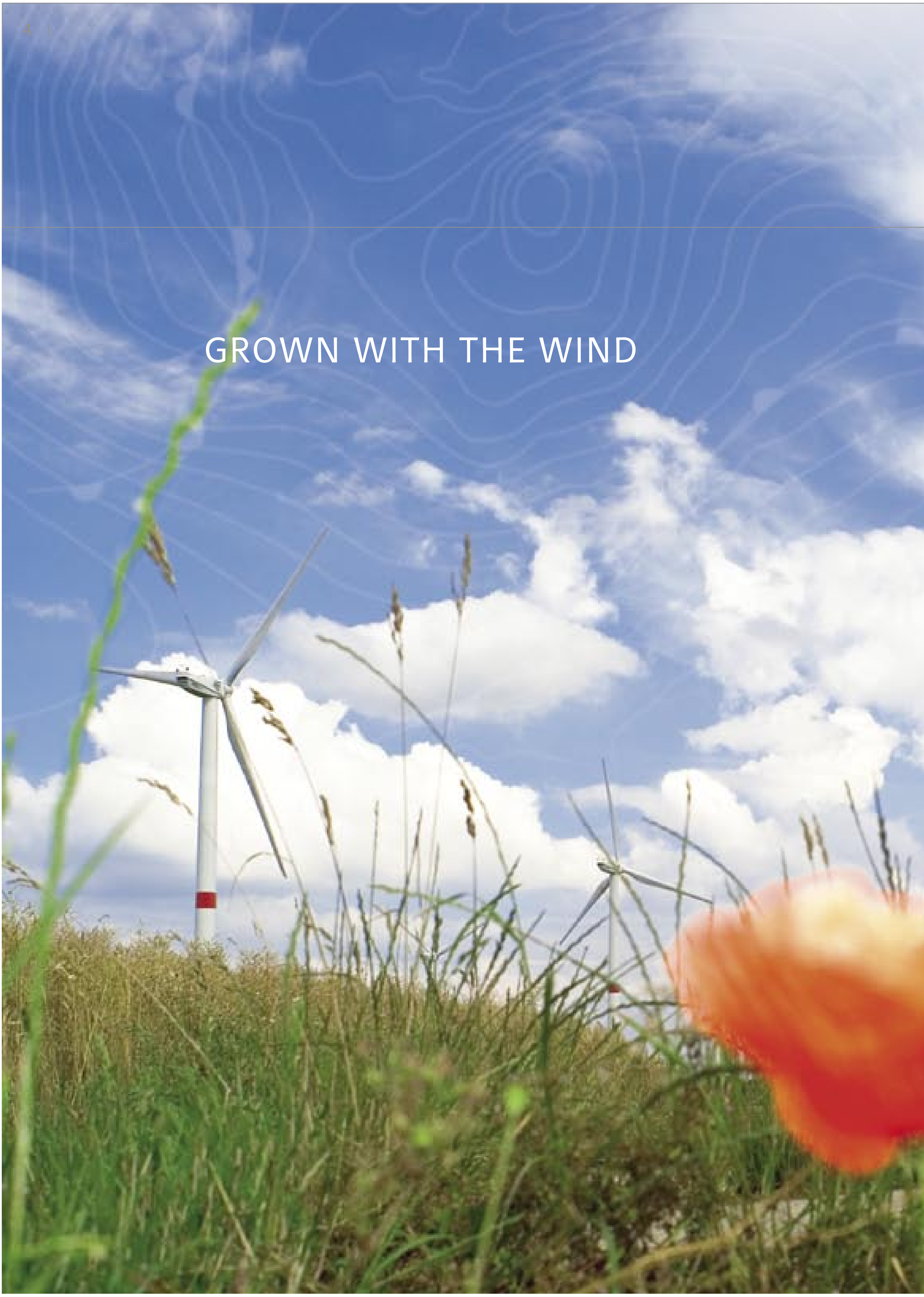
Public discussion is currently dominated by climate protection. The further fast expansion of wind power is an important contribution to assure low-cost generation of electricity in the future in an environmentally friendly, clean and resource saving manner. We shall continue to work intensively on this.

Dear Shareholders, we wish to thank you for your confidence and your loyalty.

Dr. Wolfgang von Geldern

Dr. Wolfgang von Geldern
Chairman of the Board of Directors

GROWN WITH THE WIND



Content

Grown with the wind

Plambeck Neue Energien AG has been involved since 1995 with the implementation of wind farm projects. Since then we have realised onshore in Germany 80 wind farms with 467 wind turbines and a nominal output of 628 MW. This corresponds to approximately 3 percent of the total wind power output, which was installed in Germany by the end of 2006.

The development of the Company began with “Windpark Marschland Betriebsführungsgesellschaft mbH”, which was established in 1995. In 1997 the first wind farm representing an investment of DM 43 million was constructed in Nordleda near the Company’s headquarters in Cuxhaven. The acquisition of other suitable sites and the realisation of additional wind farms started in parallel. In 1998, after changing the name to Plambeck Neue Energien AG, the Company was floated on the stock market.

As a projector of wind farms Plambeck Neue Energien AG has a direct interest in enabling through the application of innovative technologies the substantially declining costs of electricity generation from wind power as well as improved operating results in wind farms. Together with the high market perspectives for innovative rotor blades this was one of the main reasons for the participation of the Company in the Danish SSP Technology A/S in May 2003. SSP Technology develops rotor blades which are lighter, more efficient and substantially more durable than those hitherto used in the market. Since 2005 SSP Technology is engaged above all as a service company for research and development as well as for the production of rotor blade forms.

Plambeck Neue Energien AG has available a large number of secured sites for onshore wind farms in Germany. In addition to the projecting and construction of further new wind farms a considerable potential will develop during the next few years for repowering, i.e. the replacement of old turbines by new equipment.

Furthermore, the development of wind farm projects in the offshore sector, i.e. on the high seas, is also part of our core business. In this respect we have achieved already major steps during the past few years. We have obtained construction permits for two large offshore wind farm projects.

Milestones

1995	1998	2003
Foundation of Plambeck Neue Energien AG	IPO	Investment in SSP Technology





2004	2006	2006
Construction permit for offshore wind farm "Borkum Riffgrund"	Contract with Babcock & Brown Wind Partners for turnkey errection of 30 wind farms	Construction permit for offshore wind farm "Gode Wind"

We are the wind farm specialists

Planning, development and realisation of wind farms on land, i. e. “onshore”, is the core business with which Plambeck Neue Energien AG has developed since its establishment. Already since several years we have also been working successfully on wind farm projects on the high seas, i. e. “offshore”. Our group of employees and managers with many years of experience guarantee a profound knowledge in the handling of the many tasks which are related to the development of wind farm projects.

Onshore – wind power on land

Many small steps are necessary until a wind farm can be constructed. The task of a wind farm projector is to plan, implement and coordinate these steps. At the beginning of the development work for a wind farm project there is the search for the suitable site. Wind measurements and analyses serve to estimate the wind conditions at the site. Apart from the best wind conditions as possible the legal planning requirements must also be fulfilled. In his respect intensive contacts with the competent authorities and the municipal councils are necessary. Finally the use of the necessary sites must be agreed with the owners of the land.

All this must be professionally coordinated within the context of the project development, since several years can pass between the securing of the site and start of construction due to the many necessary analyses, above all in the ecological area as well as the time-consuming permit process.

In parallel with this we assure the financing of each individual project. Finally, we give the orders for the construction of the network connection, the required infrastructure and the wind power turbines; we coordinate these tasks until the complete wind farm has been constructed, the wind turbine equipment has been inspected and accepted and electricity is fed into the network. We then hand over the turnkey wind farm to the purchaser.

The acquisition of sites is the basis of our future corporate development. Plambeck Neue Energien AG thus constantly acquires sites on which wind farms can be planned.

In the planning and implementation of wind farm projects we cooperate closely with the manufacturers of wind power turbines, competent experts as well as the communities. In his respect we use the comprehensive experience from the wind farm projects which we have already realised.

Once a wind farm has been constructed and put into operation Plambeck Neue Energien AG assumes as a general rule the technical and commercial operational management on behalf of the new owner and thus remains connected with the projects on a permanent basis.

By 2008/2009 we shall construct for and deliver to the Australian Babcock & Brown Wind Partners Ltd. 30 turnkey wind farms with a nominal output of approximately 300 MW in Germany.

In 2006 we constructed in Germany 50 wind power turbines with a nominal output of 100 MW and were involved in their construction. We thus made a substantial contribution to the further expansion of wind power in Germany. In total 1,208 wind power turbines with a nominal output of 2,233 MW were constructed in Germany during the past year.

Offshore – wind parks on the high seas

Wind power turbines at sea, the so-called offshore wind farms, represent a very promising perspective for the further expansion of wind power. In particular due to the higher wind speeds more energy can be generated on land with the same class of equipment. According to a study of Greenpeace more than the half of the national electricity consumption in Germany alone could be covered by wind electricity from offshore wind farms.

Plambeck Neue Energien AG has been developing since 1999 offshore wind farms off the German coastline. Two of our projects have already been approved by the Federal Office for Shipping and Hydrographics.

Offshore wind farm “Borkum Riffgrund”

The most advanced is the “Borkum-Riffgrund” offshore project. Together with the Danish energy group DONG Energy (previously ENERGI E2 A/S) Plambeck Neue Energien AG is progressing with this project step by step. On February 25, 2004 the Federal Office for Shipping and Hydrographics issued the construction permit for the first building phase of this project with 77 wind power turbines of the multi megawatt class. The total investment of the two construction phases, which are approximately the same size, will amount to more than 1 billion euro.

The “Borkum-Riffgrund“ wind farm lies at a distance of 38 kilometres from the East Friesian island of Borkum and 34 kilometres from the island of Juist. The water depth at the site amounts to 23 to 29 meters.

In the final phase the erection of up to 180 wind power turbines of various performance classes is planned with a total wind farm output of approximately 720 MW. The construction is planned in two phases. In this respect the second construction phase will be undertaken with the knowledge gained from the previous phase. The construction start of the first phase is currently planned for 2008/2009. After completion, the “Borkum Riffgrund” wind farm will be able to supply 750,000 households with electricity.

On the basis of the current status of experience from the wind power turbines tested to date we are reckoning with rotor diameters of 90 to 120 meters and nozzle heights of 70 to 95 meters for the offshore wind power turbines of the 3 to 5 MW class. This equipment must be designed specially for application in the offshore area in particular due to the aggressive maritime environment.

In conjunction with the planning, construction and operation of the offshore wind farm a comprehensive environment protection study programme lasting several years is required, in which the effects of the wind farm are also analysed and conflict solutions are developed with regard to the maritime environment (fish, birds and sea mammals as well as nature in and on the sea bed).

Offshore wind farm "Gode Wind"

On August 28, 2006 the Federal Office for Shipping and Hydrographics approved our offshore wind farm "Gode Wind". As a result 80 wind power turbines of the 5 MW class may be erected. The permit concerns the first phase of this project, which can be extended to more than 220 wind power turbines in further steps.

The future offshore wind farm "Gode Wind" is located in the North Sea about 33 kilometres north of the island of Nordeney. The depth of the water amounts to between 28 and 33 meters in the project area. During the first phase of the large project 80 offshore wind power turbines as well as the facility's own transformer shall be constructed on an area of 36.6 square kilometres. With offshore wind power turbines of the 5 MW class the pilot phase of "Gode Wind" will achieve a nominal output of approximately 400 MW.

The construction start is planned for 2008/2009. A prompt start of construction appears to be realistic in view of the increasingly more frequent demands for a fast expansion of offshore wind power. The feed-in of the electricity generated on the high seas to the network on land will be undertaken by a cable line, which runs past Nordeney.

The site for the "Gode Wind" project has neither a negative effect for the safety of shipping nor does it endanger the maritime environment, which is a necessary prerequisite for the construction of offshore wind farms. North and south of the project area are the two traffic division areas, which are the main shipping routes in the German Bay. In the area lying between there is only very little shipping. Even when considering in total all the approved projects in this maritime area the safety of shipping will thus not be jeopardised; as a result the competent North-West Water and Shipping Office in Aurich has agreed with the approval.

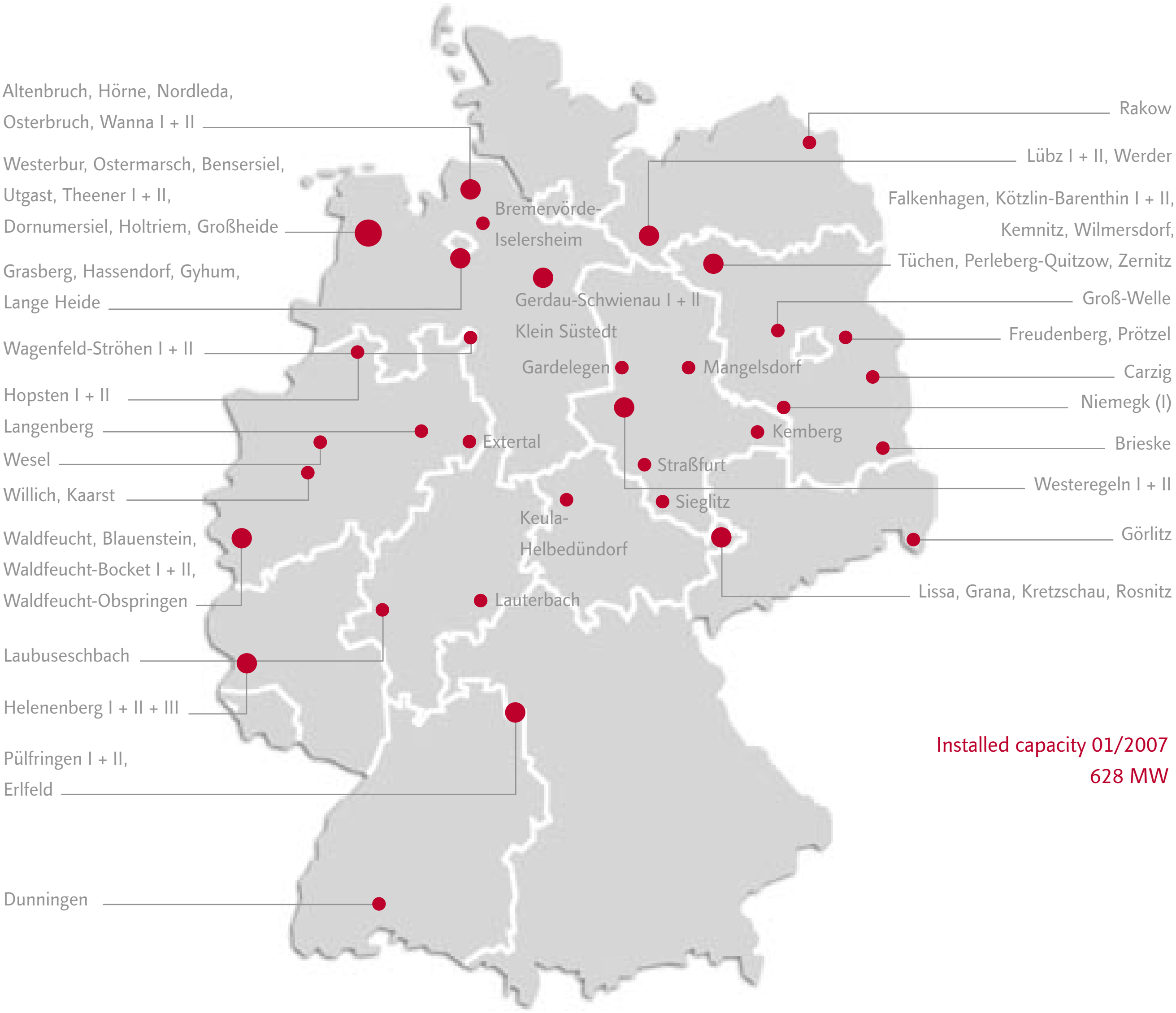
Possible ecological effects were examined over a large area in an environment compatibility study. The tests have proved that the project area, which is outside the maritime protection area, has little potential for ecological conflict with regard to nature.

Rotor blades – important components of wind power turbines

As a projector of wind farms Plambeck Neue Energien AG has a direct interest in enabling substantially improved operating results in wind farms with innovative technologies. Our Danish subsidiary SSP Technology A/S develops rotor blades for wind power turbines with a completely new type of technology.

Lighter, more efficient, more reliable and more cost-efficient – these are the key advantages of the wind power turbine blades of SSP Technology A/S. The company has available an innovative concept with which rotor blades are manufactured to be considerably lighter and more durable than was otherwise the case to date. In conjunction with an optimised aerodynamic profile the performance of wind power equipment is appreciably increased.

Wind farms



Installed capacity 01/2007
628 MW

Our share

Price development of the Plambeck share

The price of the Plambeck share rose during the course of the first six months of 2006 from its year beginning price of euro 1.13 to euro 3.18 on June 30, 2006. On May 9 and 10 the share price reached its annual high at euro 4.92. This development is attributable primarily to the positive development of the operating business in 2005 and during the first half year 2006. During the second half of May and the first half of June 2006 the stock markets worldwide were overall in decline; a development which the Plambeck share could also not avoid.

During the course of the third quarter the Plambeck share declined from euro 3.25 on July 3 to euro 2.80 on September 29 and thus lost approximately 14 % of its value. Up to October 19 the share price was able to recover to euro 3.08. The negative price development continued also during the fourth quarter of the past fiscal year. During the last three months of 2006 the Plambeck share lost 20 % in value and declined form euro 2.80 on October 2 to euro 2.24 on December 29. The price development of the Plambeck share was subject to the fluctuations of the stock markets during the third and fourth quarters. Key reasons for the price decline in the fourth quarter were the report of the third quarter of the fiscal year and the announcement of a capital increase, which in the meantime has been implemented successfully. During the first half year 2006 the share of Plambeck Neue Energien AG developed substantially better than the Prime Renewable Energy Index and remained substantially in line with the development of this index after the price declines in the third quarter.

During 2006 the Plambeck share was traded at an average daily volume of 445,898 shares.

Share Chart 2006/07 in €

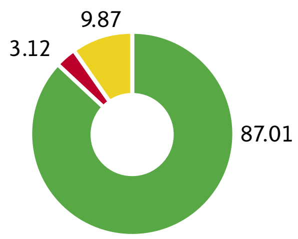
Capital measures 2006

The 2,249,526 new shares offered in April 2006 within the context of a subscription rights issue were fully placed. The shares were offered to the shareholders during the period from April 12 to 25. They were issued at the subscription price of euro 2.50 per share and are entitled to profit sharing as from January 1, 2006. The funds accruing to the Company were used for the increased pre-financing of wind farm projects.

In December 2006 the Company undertook a further capital increase. All approximately 12.4 million of the new shares offered at an issue price of euro 1.50 per share were subscribed. As a result the share capital of Plambeck Neue Energien AG increased to roughly euro 37.5 million. The shareholders of the Company subscribed to approximately 8.16 million shares (65.97 percent). The remaining approximately 4.21 million shares (34.03 percent) were taken over by institutional investors within the context of a private placement. The approximately euro 18.6 million in funds accruing to Plambeck Neue Energien AG from the capital increase were used primarily for the repayment of loans. The remaining portion will be used mainly for the operating business of wind farm projecting.

Both capital increases were undertaken by the VEM Aktienbank AG, Munich. As a result FMR Corp. (Boston/USA), a subsidiary of the Fidelity Fund, holds 9.87 percent and Credit Suisse Group (Zurich) holds 3.12 percent of the shares.

Shareholder structure in %



- Free Float
- FMR Corp. (Fidelity Investment), Boston/USA
- Credit Suisse, Zurich

Convertible loan

Within the framework of the regular conversion period following the general meeting of shareholders in 2006 subscribers of the convertible bonds issued by us in March 2004 exchanged bonds in the amount of euro 1,223,092.50 into 326,158 shares. The conversion price amounted to euro 3.75. As a result of this conversion the shareholders' equity of Plambeck Neue Energien AG increased by euro 326,158,00. The debts were reduced by euro 1,223,092.50. For the following years the interest charge will be reduced by about euro 73,000 annually.

The convertible loan still exists until up to the end of March, 2009. Bonds can in each case be converted into shares during a period of approximately 4 weeks following the annual general meeting of shareholders.

General meting of shareholders

The eneral meeting of shareholders of Plambeck Neue Energien AG was held on May 15, 2006 in Cuxhaven. Holders of 7.09 % of the share capital were present and entitled to vote.

Dr. Peter Fischer (Cuxhaven), Alfred Mehrtens (Lunestedt) and Rafael Vazquez Gonzales (Cuxhaven) were reappointed by the general meeting of shareholders to the Supervisory Board of Plambeck Neue Energien AG. Furthermore, it was also resolved to authorise the Board of Directors to acquire own shares as well as to create a new authorised capital.

Under www.pne.de you will find detailed information on Plambeck Neue Energien AG as well as current data on the Plambeck share. Furthermore, you can download from this website quarterly and annual reports, press announcements as well as additional background information.

Corporate Governance Report

The Board of Directors and the Supervisory Board of Plambeck Neue Energien AG are committed to the principle of a transparent, responsible corporate policy aimed at long term increase in value within the context of the Corporate Governance Code. The basis of corporate governance is the regulations of the German share law as well as the German Corporate Governance Code in its current form.

As a result, the tasks and competences of the Board of Directors and the Supervisory Board are strictly separated in spite of all necessary information and cooperation. The Supervisory Board of Plambeck Neue Energien AG consists of six members. (For further details please refer to page 76 of the notes to the consolidated financial statements in this annual report). The Board of Directors currently consists of two members. The report of the Supervisory Board on page 80 of this annual report gives information on the control activities of the Supervisory Board as well as its cooperation with the Board of Directors.

Principles of the emolument system

Emoluments of the Board of Directors

The emoluments of the members of the Board of Directors of Plambeck Neue Energien AG consist of fixed and variable portions. The variable portions are dependent on profitability. Moreover, in the past the Company also offered the members of the Board of Directors as well as other executives convertible loans from programmes resolved by the general meeting of shareholders. In 2006 the Chairman of the Board of Directors, Dr. Wolfgang von Geldern, converted shares from this programme. In the meantime these executive programmes have expired. You will find details on the emoluments paid during the fiscal year 2006 on page 77 of this annual report.

Emoluments of the Supervisory Board

The members of the Supervisory Board receive the reimbursement of their expenses as well as a fixed compensation. The fixed compensation amounts to EUR 8,000.00 for the Chairman, EUR 6,000.00 for the Vice-Chairman and for the other members of the Supervisory Board EUR 4,500.00 per annum. In addition each member of the Supervisory Board receives EUR 1,500.00 per meeting. In addition to these emoluments the members of the Supervisory Board receive a variable compensation in the amount of 0.1 percent of the consolidated net profit (after taxes). Moreover, the company bears the costs of personal liability insurance for the members of the Board of Directors.

Directors' dealings

As members of the boards Dr. Wolfgang von Geldern and Martin Billhardt (members of the Board of Directors) as well as Alfred Mehrtens (member of the Supervisory Board) held shares in the Company as at December 31, 2006. For further details please see page 77.

As from December 13, 2006 Plambeck Neue Energien AG has published the following announcement on its internet page:

Announcement on transactions of members of the management in accordance with Paragraph 15a of the German Securities Trading law (WpHG)

Date	Name	Position	Type and place of transaction	Volume	Price/rate	Total volume
11.12.2006	Dr. Wolfgang von Geldern	Chairman of the Board of Directors	Purchase from cap. inc./outside stock market	7,500	1.50 €	11,250.00 €
11.12.2006	Sidlaw GmbH	Entity in close relationsship with a person with management functions (Martin Billhard/Member of the Board of Directors)	Purchase from cap. inc./outside stock market	33,334	1.50 €	50,001.00 €
06.07.2006	Dr. Wolfgang von Geldern	Chairman of the Board of Directors	Purchase	248	3.20 €	793.60 €
21.06.2006	Dr. Wolfgang von Geldern	Chairman of the Board of Directors	Sale	1,500	3.22 €	4,830 €

Divergences to the German Corporate Governance Code in 2006

Plambeck Neue Energien AG did not comply with the following recommendations of the Code during the fiscal year 2006.

- A D&O insurance without excess was borne by the Company for the members of the Board of Directors and the Supervisory Board.
- The broadcasting of general meetings of shareholders via electronic media (internet) is not foreseen in the articles of association of the Company.

Declaration of compliance with the German Corporate Governance Code

In accordance with the high importance of Corporate Governance the Board of Directors and the Supervisory Board made the following unanimous resolution for the implementation of the German Corporate Governance Code on November 23, 2006 and December 7, 2006 respectively:

In accordance with Section 161 of the German Stock Corporation Law (AktG) the Board of Directors and the Supervisory Board of Plambeck Neue Energien AG declared on November 23, 2006 and December 7, 2006 respectively that they have complied with the Corporate Governance Code with the exceptions of regulations 2.3.4 and 3.8. The Board of Directors and the Supervisory Board also declare in accordance with Section 161 of the German Stock Corporation Law (AktG) that they will comply with the Corporate Governance Code with the exceptions of regulations 2.3.4 and 3.8 during the fiscal year 2007.

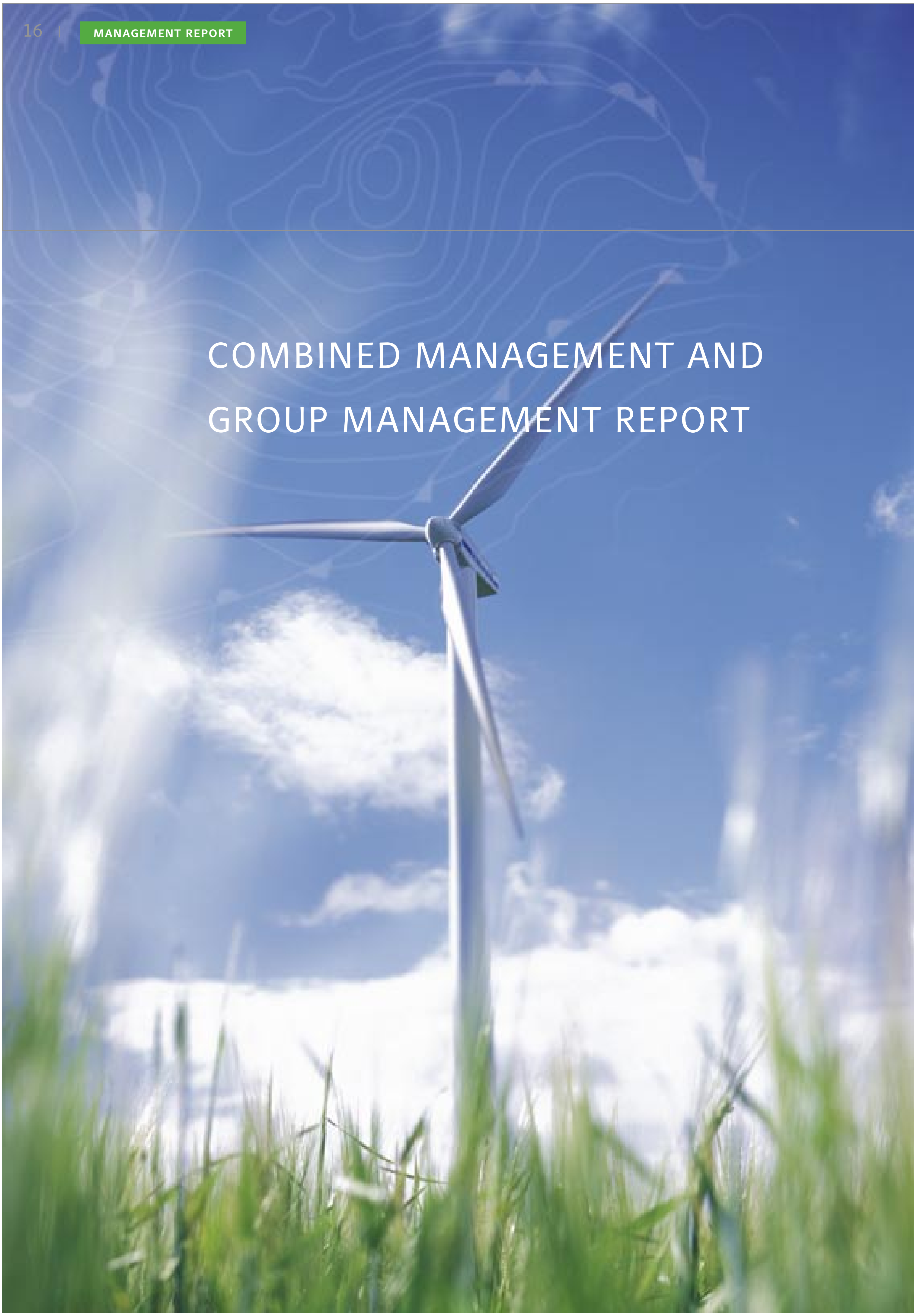
Paragraph 2.3.4 applies to the broadcasting of general meetings of shareholders in the internet. The broadcasting of general meetings of shareholders is not foreseen in the articles of association of the Company.

In Paragraph 3.8 of the German Corporate Governance Code it is recommended that an excess should be agreed with regard to the conclusion of D&O insurances. This did not occur at the conclusion of a new D&O insurance for reasons of contract structure. The insurance, which was chosen, did not provide for an excess.

Note to the Corporate Governance Code

The German Corporate Governance Code has major importance for the transparency of stock market listed companies. Nevertheless the suggestions for the Corporate Governance report must be reconsidered carefully. For this report various suggestions are made which are absolutely necessary in other parts of the annual report due to legal and accounting regulations. The suggestions for the Corporate Governance report should be reformulated in order to avoid repetitions or cross references which do not contribute to greater comprehension and clarity.

COMBINED MANAGEMENT AND GROUP MANAGEMENT REPORT



Content

Combined management and group management report

Combined management and Group management report of Plambeck Neue Energien Aktiengesellschaft, Cuxhaven for the fiscal year 2006

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 Energies Law (Erneuerbare-Energien-Gesetz (EEG), which since its amendment is now designated the "Act for the New Regulation of the Law for Renewable Energies in the Electricity Sector".

Due to the continuing expansion of wind power in Germany new sites which are suitable and available for the construction of wind farms are becoming scarcer. An early acquisition of sites is therefore of major importance. During the next few years repowering at older sites will also increasingly influence the market.

The number of newly constructed wind power turbines in 2006 increased again versus the prior year. According to information from the German Wind Power Institute (Deutsche Windenergie-Institut (DEWI)) 1,208 wind power turbines with a total output of 2,233 MW were newly constructed. As a result, 18,685 wind power turbines with a total output of 20,622 MW were installed throughout the Federal Republic of Germany at the end of 2006. This represents growth in output of approximately twelve percent versus 2005. Germany thus continues to occupy a leading position worldwide.

Unlike in other European countries no offshore wind farm could be completed in Germany during 2006. Nevertheless, additional projects were approved by the Federal German Office for Shipping and Hydographics.

The international recognition of the German wind power market is illustrated in an exemplary manner by the new bond financing of eight wind farm companies, which Plambeck Neue Energien AG developed several years ago. The operating companies were thus provided with a secured international financial basis in May 2006. The bond has been valued by Standard & Poors and Moody's with an AAA investment grade rating. The financial situation of the wind farms will be improved by the longer maturities of third party capital financing and can thus be operated more economically.

The Board of Directors of Plambeck Neue Energien AG considers that the wind power market in Germany is secured. Although we expect overall a decline in new annual construction of wind power turbines onshore in Germany during the next few years, this will, however, have less effect on the companies operating commercially in the market. At the same time we expect positive effects from the start-up of repowering and the construction of offshore projects in the North Sea and the Baltic.

2. Political environment

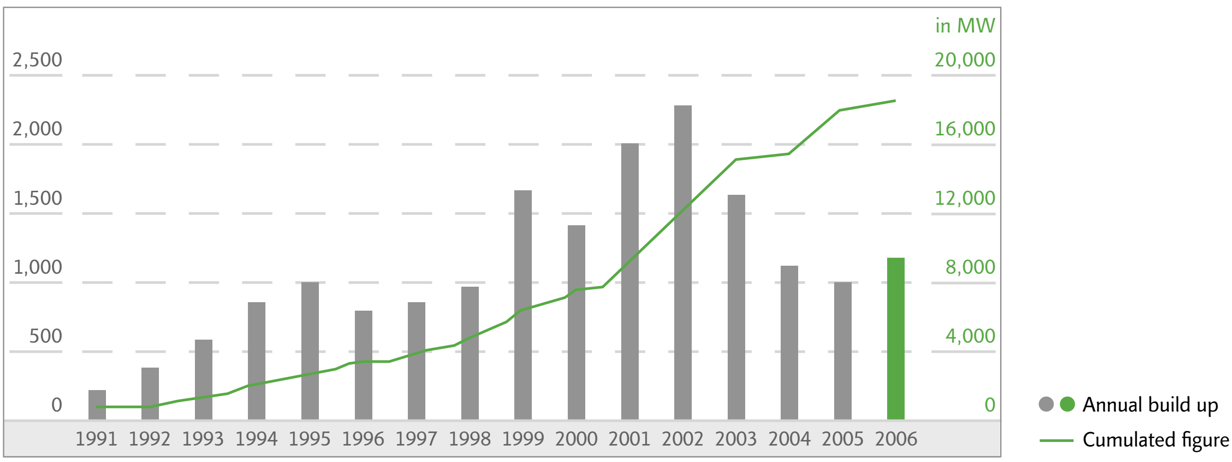
The political environment for offshore wind farm projects improved substantially as a result of the accelerated infrastructure planning law which came into force on December 17, 2006. With this, regulations of the energy economy law were changed, which are important for the connection of offshore wind farm projects off the German coast. The operators of the transmission networks are now obliged to construct the network connection between the offshore wind farms and the feed-in point to the transmission network and to complete this up to the time when the offshore wind farms come into operation. The cost of this network connection, which had to be borne hitherto by the project planners, can thus be allocated to the general network costs as with other power stations. This relieves the offshore projects from substantial costs and improves their economic situation correspondingly.

Both the Federal German Government as well as the EU Commission have emphasised on several occasions that renewable energies are a major pillar with growing importance for their strategies for the future supply of energy. In this respect a central role is played by the further expansion of wind power, which already today is particularly economical.

In 2007 the Federal German Government will present the next experience report on the Renewable Energies Law. Based on our estimates to date no proposals are expected, which would lead to a deterioration of the regulations in the wind power sector.

The Board of Directors of Plambeck Neue Energien AG considers these basic conditions as a prerequisite for ensuring the positive development of the business during the next few years.

Number of installed wind power turbines in Germany 1991 until 2006



3. Corporate structure

During the fiscal year 2006 the Group activities of Plambeck Neue Energien AG continued to be concentrated on the core business of wind power in Germany. The corporate structure has not changed during the period under report.

The shareholding of SSP Technology A/S has changed insofar as shares in the amount of 7.64 % have been subscribed by several investors within the context of a capital increase. The shareholding of Plambeck Neue Energien AG in SSP Technology A/S has amounted since then to 92.36 %.

We continue to be convinced of the medium and long term market outlook for our Danish subsidiary, SSP Technology A/S, as a developer and producer of innovative rotor blades for wind power turbines. During 2006 SSP Technology was able to conclude and implement further agreements for the development of rotor blades and moulds for their production with international manufacturers of wind power turbines.

Our shareholdings in the joint venture companies, PNE2 Riff I GmbH and PNE2 Riff II GmbH, continue to amount to 50 percent. The partners in these companies are Plambeck Neue Energien AG and the Danish energy group, DONG Energy (previously ENERGI E2 A/S) and Vattenfall Europe. The objective of these joint ventures is the completion of the "Borkum Riffgrund" I and II offshore wind farm projects in the two planned construction phases. We view this cooperation as the basis for the further successful development of the projects.

4. Development of the business

a. Plambeck Neue Energien AG

Wind power onshore

The securing of the operating business through the continuous implementation of projects as well as the improvement of liquidity was the major priority for the Board of Directors during the fiscal year 2006. Following successful negotiations with our banks it was possible already during 2005 to secure the existing project credit lines and obtain also an additional credit line. The loan charges could be reduced significantly with the main part of the funds inflow from a capital increase in December 2006. These measures have a permanent positive effect on the liquidity.

In 2006 Plambeck Neue Energien AG was able to construct a total of 50 wind power turbines with a nominal output of 100 MW or to cooperate during their construction. During 2006 the wind farm projects of Freudenberg, Brieske, Gross Welle, Prötzel, Kaarst and Kruge-Gersdorf where completely constructed. In accordance with the relative contract Plambeck Neue Energien AG cooperated in the realisation of the Freyenstein and Halenbeck wind farms, for which they had already sold the project rights previously.

Furthermore Plambeck Neue Energien AG was able to sell the rights to five smaller wind farm projects during the course of the fiscal year 2006.

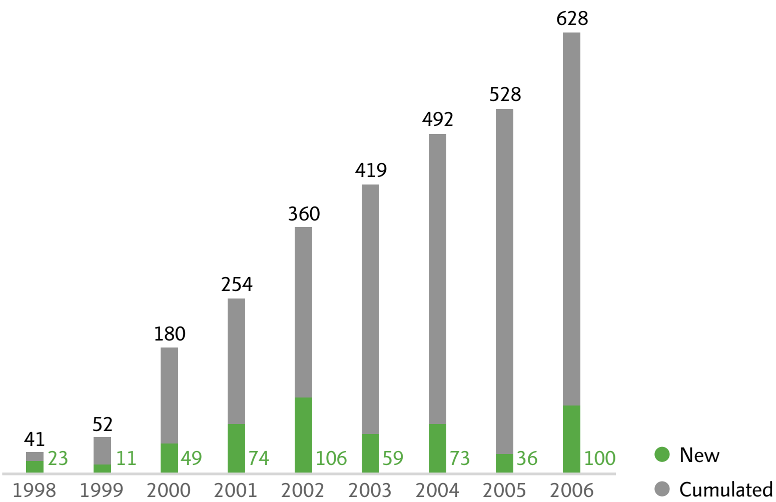
At the end of 2006 the wind farm projects of Niemegk II, Wulkow and Hiddestorf were in the process of being completed.

As at December 31, 2006 approvals in accordance with the Federal Emissions Protection Law were granted for three of our onshore wind farm projects in Germany. Positive preliminary construction permits were granted for three further projects.

In the area of wind farm project development onshore a contract concluded with Babcock & Brown Wind Partners Ltd. (Australia) concerning 30 wind farm projects with approximately 180 wind power turbines and a total nominal output of more than 300 MW in Germany onshore forms the basis of our further corporate development. These shall be constructed on a totally turnkey basis by Plambeck Neue Energien AG and shall then be taken over by Babcock & Brown Wind Partners Ltd. The Kaarst wind farm has already been completed as first of these projects. The contract has a total volume of approximately euro 400 million and assures the planning of Plambeck Neue Energien AG for wind farm projecting as well as with regard to sales, earnings and liquidity in the core business area of wind power onshore in Germany up to the year 2009.

Since the majority of future projects will be carried out within the framework of this general contract, the business relationship with Babcock & Brown Wind Partners Ltd. is of decisive importance.

MW capacity installed by Plambeck
1998 until 2006



A large part of the wind power turbines required for these projects have been secured by us through a contract concluded with Vestas Germany in April 2006. This delivery contract includes 90 wind power turbines with an output of approximately 180 MW. Since the market for wind power turbines is currently characterised by substantial worldwide demand and as a result rising equipment prices, this contract is of major importance for the further development of Plambeck Neue Energien AG.

A large assured volume of wind farm sites in Germany onshore continues to be the basis of our future activity. During the fiscal year 2006 we worked on a total of more than 40 wind farm projects in the most varied development phases with a planed nominal output of more than 400 MW, in order to obtain also for these projects all necessary permits and to achieve completion maturity. In this respect the high value of the assurance of wind farm sites undertaken intensively since several years was proven.

Wind power offshore

On August 28, 2006 Plambeck Neue Energien AG obtained from the Federal Office for Shipping and Hydrographics the permit for its second large offshore wind farm project in the North Sea, namely the ”Gode Wind” project.

This permit gave recognition to the comprehensive preliminary work which has been preformed by our employees and scientific advisors with regard to this large project during the past six years. The development of this project was started already in 2000. Our offshore team was able to submit the application for the offshore wind farm project to the Federal Office for Shipping and Hydrographics in August 2001. After the completion of the environmental compatibility study, comprehensive investigations of the site and the establishment of a safety concept the application for the permit was submitted in the middle of 2005. The Federal Office for Shipping and Hydrographics issued this permit on August 28, 2006.

In the offshore ”Gode Wind” project 80 offshore wind power turbines of the 5 MW class as well as a specific transformer plant should be constructed on an area of 36.6 square kilometres.

In view of the project size as well as the very high investment costs we also intend to implement the “Gode Wind” offshore wind farm project together with a strong and financially viable project partner. Discussions regarding a participation in this project will be conducted with various interested parties.

We plan to start construction in 2009/2010. This appears realistic due to the increasingly more frequent political demands for a fast expansion of offshore wind power.

The feed-in of the electricity generated by the offshore wind farm into the transmission network on land will take place through the cable line which is foreseen for the offshore wind farms in the western North Sea and which passes via the island of Norderney.

With “Gode Wind” Plambeck Neue Energien AG has the second offshore wind farm project which has been approved. The “Borkum Riffgrund” offshore wind farm project, which was already approved in 2004 (77 wind power turbines of the 5 MW class), is being implemented in a joint venture together with the Danish Energy Group DONG Energy (previously Energi E2 A/S) and Vattenfall Europe. The start of production is planed for 2008.

In addition the offshore team is working on four further large offshore wind farm projects off the German coasts with a total output of up to 1,100 MW.

b. Subsidiaries

Our Danish subsidiary, SSP Technology A/S, continued its cooperation with two well-known manufacturers of wind power turbines for the development of new rotor blades. SSP is responsible for the design, the development and the manufacture as well as in particular the mould construction for rotor blade production. Furthermore SSP Technology A/S carries out the set-up of the moulds and the assembly work at the production site. Thanks to the experience and knowledge from this current cooperation additional orders could be concluded in particular during the forth quarter of 2006.

For reasons of cost optimisation the operating site of SSP Technology A/S in Bröby was shut down. All business activities are now concentrated at the production site of Kirkeby. One time expenses in the amount of euro 0.5 million were incurred in this respect. These are compensated by future cost savings of euro 0.2 million per annum.

The orders on hand as at December 31, 2006 amounted to euro 3.6 million.

As at October 1, 2006 Christoph Adrian joined SSP Technology A/S as CEO and is responsible for finance, sales and cooperate strategy. Stefan Bieber (Credit Suisse) was appointed as an additional member of the Supervisory Board.

The Board of Directors is convinced that the Plambeck Neue Energien AG Group will develop positively during the next few years on the basis of the developments, which have been discussed here.

5. Sales development

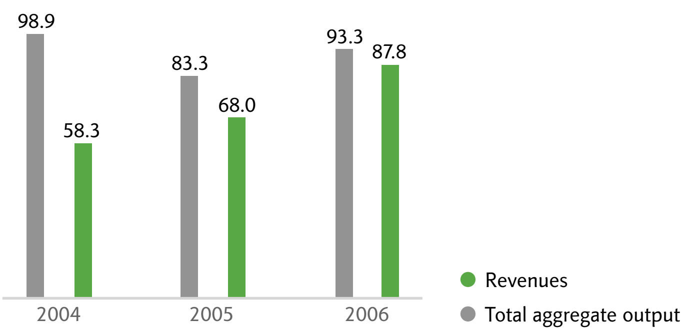
The figures shown below were prepared and presented in accordance with IFRS for the Group and in accordance with the German Commercial Code (HGB) for Plambeck Neue Energien AG as well as for its subsidiaries.

During the fiscal year 2006 total aggregate output of euro 93.3 million (prior year: euro 83.3 million) was achieved in the Group, which resulted from sales in the amount of euro 87.8 million (prior year: euro 68.0 million), minus euro 3.2 million from change in inventory levels (prior year: euro 1.2 million), and euro 8.7 million from other operating income (prior year: euro 16.5 million). The other operating income includes primarily income from the cancellation of receivables by banks (euro 7.2 million).

Plambeck Neue Energien AG registered euro 74.0 million of the total aggregate output of the Group (prior year euro 67.3 million). The total aggregate output of Plambeck Neue Energien AG consists of sales in the amount of euro 82.5million (prior year: euro 59.8 million), changes in inventory levels in the amount of minus euro 11.8 million (prior year: minus euro 3.1 million) and other operating income in the amount of euro 3.3 million (prior year: euro 10.6 million). The major portion of sales at Plambeck Neue Energien AG is attributable to the implementation of the Freudenberg, Brieske, Grosse Welle and Prötzel wind farms. The other operating income is attributable primarily to the release of value adjustments and elimination of liabilities and provisions (euro 2.5 million). The forgiveness of debts on the part of the banks included the in other operating income of the Group, is stated in the individual financial statements of Plambeck Neue Energien AG under extraordinary income.

During the fiscal year 2006 the sales included management fees and service commissions in the amount of euro 4.7 million (prior year: euro 4.4 million), payments for the use of transformer stations in the amount of euro 0.9 million (prior year: euro 0.6 million) and in the rotor blade production sector euro 3.6 million (prior year: euro 1.0 million from production of rotor blades).

Development of total aggregate output
2004 until 2006 in Euro million



6. Profitability

During 2006 the Group achieved operating profit (EBIT) of euro 0.3 million (prior year euro 3.7 million) and a result from ordinary activities (EBT) in the amount of euro minus 6.1 million (prior year euro minus 2.6 million). The result from ordinary activities was charged during 2006 in the amount of euro 0.7 million (prior year euro 2.4 million) by costs incurred within the framework of restructuring.

Apart from the restructuring costs, the other operating expenses (euro 8.4 million) include mainly expenses from the granting of credits to wind farm operating companies (euro 0.7 million) as well as rental and leasing expenses (euro 1.2 million).

Plambeck Neue Energien AG reported during the fiscal year 2006 an operating result (EBIT) in the amount of minus euro 25.1 million (prior year: euro 6.4 million) and a result from ordinary activities of euro 25.4 million (prior year: euro minus 7.6 million). The negative EBIT resulted from the allocation to individual write-downs of internal Group receivables (euro 9.4 million) as well as the amortisation of hidden reserves in inventories (euro 12.4 million), which had an effect only on the individual financial statements of Plambeck Neue Energien AG. Moreover, in comparison with the consolidated financial statements in accordance with IFRS the forgiveness of debts of the banks (euro 7.2 million) is stated as extraordinary income below the EBIT in accordance with HGB (German Commercial Code).

The net consolidated result amounted to minus euro 60.8 million (prior year: minus euro 54.5 million).

The net consolidated result of Plambeck Neue Energien AG amounted to minus euro 22.9 million (prior year: minus euro 4.7 million).

The personnel expenses in the Group amounted to euro 6.8 million in 2006 (prior year: euro 6.6 million) and to euro 4.0 million at Plambeck Neue Energien AG (prior year: euro 4.1 million).

According to the estimate of the Board of Directors an improvement in the development of sales and earnings is expected in view of the planned development of the sales and profit situation during the fiscal year 2007.

7. Balance sheet structure

a) Group

in euro million	31.12.2006	31.12.2005
Assets		
Intangible assets	25.6	26.6
Tangible fixed assets	33.2	32.7
Long term financial assets	0.7	0.7
Inventories	21.1	22.9
Trade receivables and other assets	35.5	29.1
Deferred taxes	1.4	4.2
Cash and cash equivalents	7.8	3.0
Total assets	**125.3**	**119.2**

The intangible assets amounted to euro 25.6 million as at December 31, 2006 (prior year: euro 26.6 million). These include in particular the goodwill of the onshore business in the amount of euro 20 million and SSP Technology A/S in the amount of euro 4.6 million.

As at December 31, 2006 tangible fixed assets amounted to euro 33.2 million (prior year: euro 33.7 million). These were attributable primarily to land and buildings (euro 15.1 million), owned transformer stations (euro 7.9 million) and plant under construction from the Borkum-Riffgrund project (euro 5.2 million).

The inventories include work in process of euro 19.3 million (prior year: euro 22.6 million). The “Gode Wind” offshore project is included in the work in process.

Moreover, the assets include trade receivables and other assets in the amount of euro 35.5 million (prior year: euro 29.1 million): these are attributable to receivables from long-term production contracts in the amount of euro 22.2 million (prior year: euro 16.6 million) and euro 11.0 million to trade receivables (prior year: euro 8.4 million).

As at December 31, 2006 the liquid assets amounted to euro 7.8 million (prior year: euro 3.0 million).

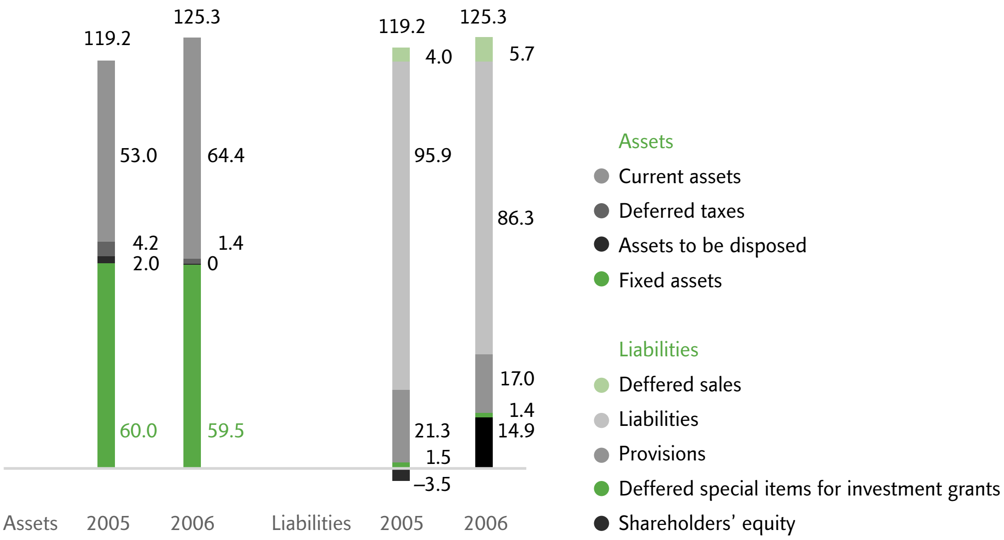
in euro million	31.12.2006	31.12.2005
Liabilities		
Shareholders' equity	14.9	–3.5
Deferred subsidies from the public authorities	1.4	1.5
Provisions	17.0	21.3
Liabilities	86.3	95.9
Deferred sales	5.7	4.0
Total liabilities and shareholders' equity	**125.3**	**119.2**

The consolidated shareholders' equity at the balance sheet date of December 31, 2006 amounted to euro 14.9 million (prior year: minus euro 3.5 million).

The positive share of equity of the minority interests resulting from the change in the shareholdings of SSP Technology A/S amounts to euro 0.2 million (as at 31.12.2005: euro 0.0 million) of the consolidated shareholders equity (see in this connection the schedule of consolidated shareholders equity).

According to IAS 27 minority interests may not be stated in the balance-sheet as a negative value but must be set of against the retained earnings and thus to the charge of the parent company. Future positive shares in the result shall thus be taken into consideration exclusively in favour of the parent company for as long as the previous charge to the consolidated retained earnings resulting from the negative minority interest is compensated.

Balance sheet structure 2005 and 2006 in Euro million



The major items on the liability side of the balance sheet are the liabilities in the amount of euro 86.3 million (prior year: euro 95.9 million). These are attributable primarily to the convertible loan 2004/2009 (euro 20.1 million, of which euro 18.5 million is reported as loan capital under the liabilities and euro 1.6 million as shareholders' equity in the capital reserve), liabilities to banks in the amount of euro 32.2 million (prior year: euro 46.8 million) and trade payables in the amount of euro 10.2 million (prior year: euro 11.4 million).

The provisions include a provision for pending losses from sales in the amount of euro 2.9 million (prior year euro 3.7 million). Plambeck Neue Energien AG has concluded a timber delivery contract with the biomass power station Silbitz GmbH & Co. KG, in which it undertook to supply timber during the period from 2005 to 2010 at a price of EUR 1.00 per ton. The previous timber delivery contract was replaced as at December 17, 2004 by a new agreement, which is nevertheless subject to higher feed-in fees. Since TEAG Thüringer Energie AG, Erfurt, has refused the payment of higher feed-in fees, the biomass power station Silbitz GmbH & Co. KG brought a legal action against TEAG Thüringer Energie AG as at April 27, 2005. The biomass power station Silbitz GmbH & Co. KG lost this case in the first and second hearings. The company has appealed. A provision for pending losses from sales transactions in the amount of euro 2.9 million is therefore included in this annual report. Should the biomass power station, Silbitz GmbH & Co. KG, win the case, this would lead to a partial release of the provision and thus to an improvement in the result in the amount of euro 1.7 million in the following years.

Plambeck Neue Energien AG has a dispute with NWE Niederschlesische WindEnergie GmbH (NEW GmbH) concerning payments from an operating contract of November 26, 2001. Since we as well as the lawyers representing us in this dispute assume that the claims of NWE Niederschlesische WindEnergie GmbH have been fulfilled by the final payments made at the beginning of 2007 in the amount of euro 82,000, only a provision for pending legal costs (euro 80,000) was set up as at December 31, 2006. To date, however, NWE GmbH has still not submitted any legal procedures. Should NWE GmbH start legal action and should it win such a case against our expectations, this could result in a potential risk of approximately euro 1.2 million for Plambeck Neue Energien AG, which would have to be paid out during the next sixteen years.

b) Plambeck Neue Energien AG

in euro million	31.12.2006	31.12.2005
Assets		
Intangible assets	0.1	0.1
Tangible fixed assets	15.5	16.1
Financial assets	8.9	8.8
Inventories	39.9	50.7
Trade receivables and other assets	24.6	29.6
Liquid assets	6.8	2.3
Total assets	**95.8**	**107.6**

The major items on the asset side of the balance sheet are the inventories in the amount of euro 39.9 million (prior year: euro 50.7 million), of which work in process of euro 26.6 million (prior year: euro 38.4 million) and trade receivables and other assets in the amount of euro 24.6 million (prior year: euro 29.6 million) of which euro 9.1 million trade receivables (prior year: euro 8.9 million) and euro 8.8 million other assets (primarily loans to wind farm operating companies) (prior year: euro 16.0 million).

The liquid assets as at December 31, 2006 amounted to euro 6.8 million (prior year: euro 2.3 million).

in euro million	31.12.2006	31.12.2005
Liabilities		
Shareholders' equity	27.3	20.1
Special item for investment grants	1.4	1.5
Provisions	7.3	7.4
Liabilities	59.7	78.4
Prepaid income	0.1	0.2
Total liabilities and shareholders' equity	**95.8**	**107.6**

The shareholders' equity of Plambeck Neue Energien AG at the balance sheet date of December 31, 2006 amounted to euro 27.3 million (prior year: euro 20.1 million).

The major items on the liability side of the balance sheet are the liabilities in the amount of euro 59.7 million (prior year: euro 78.4 million). These are attributable primarily to the convertible loan 2004/2009 in the amount of euro 20.1 million (prior year: euro 21.3 million), liabilities to banks in the amount of euro 20.0 million (prior year: euro 34.2 million) and trade payables in the amount of euro 2.7 million (prior year: euro 4.4 million).

The provisions include primarily the provision for pending losses in the amount of euro 2.9 million (see Group).

8. Financial situation/liquidity

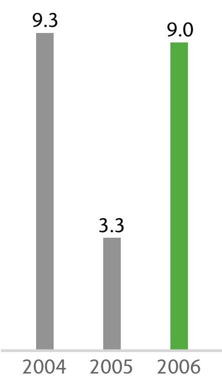
Of the investments in consolidated property plant and equipment undertaken during the fiscal year 2006 in the amount of euro 1.9 million the largest part is attributable to two investments for a transformer station (euro 1.0 million) and in the further development of the "Borkum Riffgrund" offshore project (euro 0.6 million). The financing of the transformer station was provided directly from the completion of the Prötzel wind farm project. The further development of the "Borkum Riffgrund" offshore project was financed to a large extent by the joint venture partners in PNE Riff I GmbH, the electricity generator DONG Energy and Vattenfall Europe.

The development of the group was supported in 2006 by capital measures. In April 2006 a capital increase was undertaken through contribution in kind during which 2,249,526 new shares were issued at a price of euro 2.50. A further capital increase was undertaken in December 2006 and was fully subscribed by the shareholders as well as by external investors. Within the framework of this capital increase 12,372,398 new shares were issued at the price of euro 1.50. The funds from the capital increases were used primarily for the strengthening of the operating business as well as for the repayment of loans. Income in the amount of euro 7.2 million resulted from the redemption of loans as well as a related partial forgiveness of debts on the part of the banks. Due to year-to-year postponements of liquidity inflows from the project business in the current operating costs, an additional liquidity requirement in the amount of up to euro 3.6 million could eventually have arisen in excess of the existing credit lines of the Company without the capital increase in December, 2006.

On December 31, 2006 the total number of issued shares of Plambeck Neue Energien AG thus amounted to 37,451,057.

The statement of consolidated cash flow in the notes to the consolidated financial statements gives information on the liquidity situation as well as the financial situation of the Group. As at December 31 2006 the group companies had available liquidity in the amount of euro 9.0 million (prior year: euro 3.3 million), which is pledged to a bank in the amount of euro 1.7 million.

Development of liquid funds 2004 until 2006
in Euro million



The cash flow from current operating business activities is impacted by the negative net profit as well as the non-cash effective income from the forgiveness of debts on the part of the banks. The first inflow of funds from the "Babcock & Brown contract" had a positive effect on the cash flow from current operating activities. The cash flow from financing activities is impacted primarily by the capital increases implemented during the fiscal year, the forgiveness of debts on the part o the banks as well as the redemption of financial loans.

As in the prior year Plambeck Neue Energien AG must acquire third party capital for the implementation of the projects. For the implementation of its projects up to 2009 Plambeck Neue Energien AG will probably require third party capital volume of approximately euro 339.2 million (euro 119.2 million in 2007, euro 117.3 million in 2008 and euro 102.7 million in 2009). This is the prerequisite for the generation of the planned operating funds inflow. Of the above-mentioned financing volume approximately euro 326.6 million is expected to be covered during the next three years by Babcock & Brown Ltd.; this therefore results in a relatively high planning security.

Plambeck Neue Energien AG is working on the basis of the restructuring plan defined for up to the end of 2007. This includes individual targets for sales, earnings and liquidity which must be achieved in order to assure the continuation of the company. Special attention of the Board of Directors is being paid in this respect to the achievement of the liquidity objectives. With the successful implementation of the capital increase in December 2006 the liquidity situation of the company could also be placed on a sustainable basis for the medium term. The Board of Directors is optimistic that the targets which have been set will continue to be achieved. It is decisive for the achievement of the defined sales and profit targets, however, that there will be no major time delays with regard to the projects, in particular for the large projects planned for 2007. Time delays can result inter alia due to the uncertain dates for the issuing of permits, the punctual availability of wind power turbines or the punctual availability of other necessary requirements for the construction of wind farms. We endeavour to take these complex requirements into consideration at the right time through a comprehensive project controlling system. Additional prerequisites for the achievement of the liquidity targets are the covering of the planned liquidity requirement in 2007 through the maintenance of the new credit line as well as through the receipt of the planned prepayments and assumption of the pre-financing by the acquirers of the wind farms.

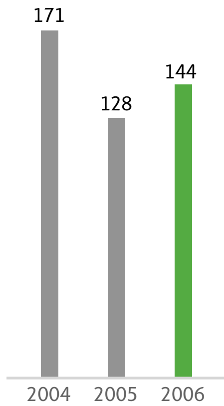
KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft has supported us during 2006 with regard to the further implementation of our restructuring concept.

9. Organisation and employees

During the general meeting of shareholders on May 17, 2006 Dr Peter Fischer, Alfred Mehrtens and Rafael Vazquez Gonzales were reappointed as representatives of the shareholders in the Supervisory Board.

During the fiscal year 2006 we had in the Group an annual average number of 137 (prior year: 137) employees. As at December 31, 2006 there were 144 employees. The employees of the subsidiaries are included in this number. Of these employees an annual average of 78 (as at December 31, 2006: 83) were employed at Plambeck Neue Energien AG.

Group number of employees
as at December 31, 2006



10. Sales and marketing

The sale of wind farm projects is continued to be based on the direct sales to individual investors. During 2006 all wind farm projects in the completion phase were sold directly to international active investors. The sale of the 30 wind farm projects mentioned therein also took place through the general contract with Babcock & Brown Wind Partners Ltd.

11. Development and innovation

The research and development activities in the Plambeck Neue Energien AG Group were concentrated during the past fiscal year primarily on the rotor blades for wind power turbines, which are developed and produced by SSP Technology A/S, as well as the moulds for their production.

Otherwise there are no other research and development activities.

12. Report of risks and opportunities

General risks

As a result of its business activities Plambeck Neue Energien AG is exposed to risks which are inseparable from our entrepreneurial activities. Through our internal risk management system we are minimising the risks associated with our business activity and 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. SSP Technology A/S was integrated even more closely into the risk management and the reporting system.

Risks from operating activities

A risk for the future development is attributable to the areas of financing and the sale of wind farm projects, as is the case with all companies which project wind farms. In order to meet this risk Plambeck Neue Energien AG has already since several years selected the sales channel of “individual and large investors”. The contract concluded with Babcock & Brown Wind Partners Ltd concerning 30 wind farm projects is in this respect a particular sales success, which will have an effect for several years.

Risks of financing exist also for our offshore wind farm projects. For the “Borkum Riffgrund” project we have already found the strong financial partner for the joint venture with DONG Energy (previously Energi E2) and Vattenfall Europe. For the “Gode Wind” project discussions are being conducted with possible investors. Our activities in the offshore area are being constantly evaluated by us.

For all the offshore wind farms projected by Plambeck Neue Energien AG in the offshore wind power sector it is of great importance to obtain a strong capital investor, since the completion of an offshore wind farm requires high investment costs.

It is also critical for the offshore projects that according to the currently valid Renewable Energies Law the increased feed-in payment will be discontinued as at January 1, 2011 and that as from January 1, 2008 the sliding scale schedules for the feed-in payments will start. Since this will reduce substantially the profitability of the offshore projects, substantial efforts must be made up to the revision of the Renewable Energies Law in order to convince the political powers that a prolongation of the regulations prevailing to date are necessary, in order not to weaken Germany as a major location. We have already received clear signals from the Federal Parliament and the Federal Government via our trade association that these periods will be prolonged.

As a result of the strong worldwide demand in relation to existing capacities there is a delivery risk in the area of wind farm turbines. During 2006 there was demand in the market above all from the USA and Asian countries and this resulted in delivery difficulties. In spite of a fast expansion of the capacities of the manufacturers of wind farm turbines delivery bottlenecks can not be excluded in the event of continuously rising international demand. Such delivery bottlenecks could lead to the delayed completion of wind farm projects. We thus place major importance on the earliest possible conclusion of supply contracts with well known manufacturers of wind power turbines and the conclusion of an agreement for punctual delivery. In this respect we have concluded corresponding agreements with Vestas.

Political risks/market risks

Incalculable risks can also affect the market from outside. These include in particular a sudden change in the general legal conditions in Germany. This is not to be feared on the basis of the coalition agreement between the CDU/CSU and the SPD as well as the political energy directives of the EU. We are expecting clear signals for the further expansion of wind power in Germany both onshore and offshore from the pending review in 2007 of the regulations of the Renewable Energies Law.

Legal risks

All recognisable risks are reviewed constantly and are taken into consideration in the corporate planning up to the end of 2009. The corporate plan was reviewed by KMPG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft with regard to its plausibility. In this respect KMPG also confirmed that the restructuring can be concluded when the objectives planned for 2007 are attained. The Board of Directors therefore considers the risks to be fairly clear and thus assumes that they will have no material influence on the development of the Company.

Tax risks

The last external audit of the corporation, wage, trade and value added taxes at the major companies of the Plambeck Group took into consideration the assessment periods up to and including December 31, 2001. Currently the external audit for the assessment periods between January 1, 2002 and December 31, 2005 is being carried out. Results, however, are not yet available.

The opportunities of the Plambeck Group lie in the large “wind power onshore” project pipeline, the start of the repowering generation in wind farms during the next few years, the very advanced development of the offshore wind power projects, the unique technology of the rotor blade development at SSP Technology A/S and the constant growth in the wind farm companies administered by Plambeck Neue Energien Betriebs- und Beteiligungsgesellschaft mbH.

In the opinion of the Board of Management further growth can be expected during the fiscal year 2007.

13. Information in accordance with the Acquisition Guideline Law

Plambeck Neue Energien AG has issued 37,451,057 registered shares with a nominal share in the share capital of euro 1.00 each. The free float amounted as at December 31, 2006 to 90.13 percent.

The Board of Directors is authorised to acquire shares with a proportionate amount in the share capital of up to 2,249,527.00 euro.

Within the framework of the convertible bond 2004/2009 Plambeck Neue Energien AG has issued bonds with convertible rights of up to 9,400,000 registered no par value shares.

The authorised capital was fully used as a result of the successfully placed capital increase in December 2006; this authorised capital should, however, be recreated by the general meeting of shareholders in 2007 within the legally permissible scope.

The legal regulations are valid for the appointment and replacement of members of the Board of Directors. A special right of resignation has been granted to the members of the Board of Directors in the event of a change of control of the company.

14. Compensation report

The compensation of the Board of Directors and the Supervisory Board amounted together to euro 841,348.40 during the fiscal year 2006.

The compensation paid to the Supervisory Board amounted to euro 74,460.26 in the fiscal year 2006. The Chairman receives euro 8.000, the Deputy Chairman euro 6.000 and the other members of the Supervisory Board euro 4.500 as fixed compensation. In addition, each member of the Supervisory Board receives euro 1.500 per meeting. Variable compensation was not paid during the year under report. In addition, the company bears the costs of personal damages liability insurance for all members of the Supervisory Board.

For their activity during the fiscal year 2006 the members of the Board of Directors received total compensation in the amount of euro 766,898.14 which was distributed as follows:

- Dr Wolfgang von Geldern: fixed compensation euro 225,155.36, variable compensation euro 100,000, other compensation euro 30,000. The total compensation thus amounted to euro 355,155.36.
- Martin Billhardt: fixed compensation euro 212,158.47, variable compensation euro 100,000, other compensation euro 99,584.31. The total compensation thus amounted to euro 411,742.78.

The other compensation concern the costs of litigation assumed by Plambeck Neue Energien AG.

15. Important events following the end of the period under report

The last investigation procedures which have been carried out by the public prosecutor since 2005 were discontinued in February 2007 following the payment of charges. As a result this does not constitute recognition of guilt. The assumption of innocence of the parties in question remains intact. The majority of the investigation procedures in this connection were already discontinued in 2006 without the payment of any charges.

Additional events with particular importance for the earnings, financial or asset situation of Plambeck Neue Energien AG did not exist following the end of the fiscal year 2006.

16. Outlook

The development, completion and marketing of onshore and offshore wind farm projects in Germany will remain the core business of Plambeck Neue Energien AG during the next few years. We consider the prospects to be positive in view of the large number of secured sites for wind parks.

In our opinion the demand for wind farm projects in Germany on the part of large investors will continue to develop positively. A key reason for this investor interest is the stable and calculable general conditions for the long-term operation of wind farms in Germany.

On this basis we are planning for 2007 a clear two-digit growth in sales as well as a continuation of this development in 2008. Furthermore, we are expecting an improvement in profitability in 2007.

During the next few years impetus will come from the ever increasing replacement of smaller and older wind power turbines by modern and more efficient and profitable equipment. This "repowering" will start at sites on the coast with good wind conditions, since the oldest wind power turbines are located there.

In the offshore sector we are expecting positive effects from our most developed „Borkum-Riffgrund" offshore wind farm project. With the Danish energy group, DONG Energy (previously Energi E2 A/S), we have an experienced as well as strong financial strategic partner in the offshore sector. We thus have the basis to be able to proceed with the further steps to implement this wind farm project on the high seas. Presently we are also working very intensively in the technical development of the second approved offshore wind farm project, "Gode Wind", in order to achieve construction maturity quickly. In parallel we are conducting discussions with potential investors for this project.

For SSP Technology A/S, as a developer and producer of rotor blades and moulds for rotor blades, we expect an increasingly stronger positioning in the world market. The reason for this is the forecasted worldwide growth of the market for wind power turbines during the next few years, which was confirmed during 2006 by a strong worldwide increase in demand. In this respect the use of particularly efficient quiet and durable rotor blades is of major importance.

We have therefore set the course for a positive development of the business during the coming years.

Cuxhaven, March 13, 2007
Plambeck Neue Energien Aktiengesellschaft, Board of Directors

Content

Consolidated financial statements

Consolidated profit and loss account

of Plambeck Neue Energien Aktiengesellschaft (IFRS)
from the period from January 1 to December 31, 2006

in EUR 000	Note	2006	2005
1. Revenues	VI.16./VIII.1.	87,836	67,985
2. Decrease in finished goods and work in process		–3,248	–1,174
3. Other operating incomee	VIII.2.	8,686	16,467
4. Total aggregate output		**93,274**	**83,278**
5. Cost of materials		–75,949	–53,326
6. Personnel expenses	VIII.3.	–6,754	–6,570
7. Amortisation of intangible assets and depreciation of property, plant and equipment	VI.3./VII.2.	–1,694	–1,870
8. Other operating expenses	VIII.4.	–8,397	–17,796
9. Impairment expense – goodwill	VI.3./VII.1.	–227	0
10. Operating result		**253**	**3,716**
11. Other interest and simlilar income		322	719
12. Amortisation of financial assets and short term securities	VIII.5.	0	–515
13. Expenses from assumption of losses		–33	–176
14. Interest and similar expenses	VIII.6.	-6,632	-6,332
15. Result of odinary operations		**–6,090**	**–2,588**
16. Taxes on income	VI.6./VIII.7.	–209	–103
17. Other taxes		–24	–37
18. Consolidated net loss		**–6,323**	**–2,728**
19. Minority interests	VII.7.	19	0
20. Consolidated net loss after minorities		**–6,304**	**–2,728**
Weighted average of shares in circulation (undiluted) (in thousands)	VIII.8.	24,527	19,936
Undiluted earnings per share in EUR		–0.26	–0.14

Consolidated balance sheet

of Plambeck Neue Energien Aktiengesellschaft (IFRS)
as at December 31, 2006

ASSETS in EUR 000	Note	2006	2005
A. Long term assets			
I. Intangible assets	VI.1./VI.3/VII.1.		
1. Franchises, trademarks, licences and other similar rights as well as licences from such rights and values		581	996
2. Goodwill		25,032	25,641
		25,613	**26,637**
II. Property, plant and equipment	VI.2./VI.3./VII.2.		
1. Land and buildings including buildings on third-party land		15,121	15,450
2. Technical equipment and machinery		12,002	11,683
3. Other plant and machinery, fixtures and fittings		585	710
4. Prepayments and plant under construction		5,491	4,910
		33,199	**32,753**
III. Long term financial assets	VI.4./VII.3.		
1. Shares in associated companies		25	53
2. Participations		35	35
3. Other loans		328	578
4. Other long term loan receivables		272	0
		660	**666**
IV. Deferred tax assets	VI.5./VIII.7.	**1,393**	**4,158**
B. Assets to be disposed of	**VI.6.**	**0**	**1,973**
C. Curent assets			
I. Inventories	VI.7./VII.4.	**21,112**	**22,946**
II. Receivables and other assets	VI.8./VI.9./VII.5.		
1. Trade receivables		33,188	24,991
2. Other short term loan receivables		227	643
3. Receivables from associated companies		996	463
4. Other assets		776	656
		35,187	**26,753**
III. Tax receivables		**284**	**347**
IV. Cash and cash equivalents	VI.10.	**7,843**	**3,005**
Total assets		**125,291**	**119,238**

Differences due to truncation are possible.

LIABILITIES in EUR 000	Note	2006	2005
A. Shareholders' equity	**VII.6.**		
I. Subscribed capital		37,451	22,495
II. Capital reserve		38,079	28,462
III. Retained earnings			
1. Legal reserve		5	5
2. Other retained earnings		48	48
IV. Retained loss		–60,829	–54,490
V. Minority interests	VII.7.	183	0
		14,937	**–3,480**
B. Long term liabilities			
I. Other provisions	VI.12./VII.10.	**2,882**	**3,650**
II. Deferred subsidies from public authorities	VI.14./VII.8.	**1,440**	**1,487**
III. Long term financial liabilities	VI.13./VII.11.		
1. Participation certificate capital		0	0
2. Bonds		18,477	19,623
3. Liabilities to banks		11,550	42,545
4. Other financial liabilities		11,004	8,422
5. Liabilities from leasing contracts		1,886	2,147
		42,917	**72,737**
IV. Trade liabilities	VI.13.	**0**	**226**
V. Deferred tax liabilities	VI.5./VIII.7.	**1,387**	**3,684**
C. Current liabilities			
I. Provisions for taxes	VII.9.	**5**	**58**
II. Other provisions	VI.12./VII.10.	**14,125**	**17,548**
III. Short term financial liabilities	VI.13./VII.11.		
1. Liabilities to banks		20,608	4,277
2. Other financial liabilities		5,003	129
3. Liabilities from leasing contracts		212	211
		25,823	**4,617**
IV. Trade liabilities	VI.13.	**12,319**	**13,076**
V. Other liabilities	VI.13.–VI.14./VII.12.		
1. Deferred revenues		5,696	3,958
2. Deferred liabilities		891	949
2. Other liabilities		2,108	141
		8,695	**5,047**
VI. Tax liabilities		**761**	**587**
Total liabilities		**125,291**	**119,238**

Differences due to truncation are possible.

Consolidated statement of cash flow

of Plambeck Neue Energien Aktiengesellschaft (IFRS)
for the fiscal year 2006

in EUR 000	Note	2006	2005
Consolidated net result		–6,323	–2,728
Amortisation and depreciation of/additions to intangible assets and property, plant and equipment		1,921	2,384
Increase/decrease in provisions	VII.9./ VII.10.	–6,434	6,596
Non-cash effective income and expenses	VIII.2.	–7,157	–2,958
Gain/loss from the disposal of fixed assets		0	–39
Decrease of inventories and other assets	VI.7.	4,153	11,927
Decrease/increase of trade receivables and stage of completion accounting	VI.8.	–6,225	–6,477
Increase/decrease of trade liabilities and other liabilities	VII.11.–12.	9,911	–19,663
Cash flow from operating activities		**–10,154**	**–10,958**
Inflow of funds from disposal of items of property, plant and equipment		195	46
Outflow of funds for investments in property, plant and equipment	VII.1.–2.	–1,920	–1,868
Inflow of funds from disposal of financial assets	VII.3.	278	0
Inflow of funds from disposal of consolidated units	VII.1./ IX.3./ IX.4.	0	3,045
Outflow of funds for investments in consolidated units	V.2./IX.3.	–25	–164
Outflow of funds from disposal of intangible assets	VII.3	0	–28
Cash flow from investing activities		**–1,472**	**1,031**
Additional inflow of funds from shareholders		24,182	2,474
Inflow of funds from minority interests		549	0
Inflow of funds from financial loans	VII.11.	7,169	4,061
Outflow of funds from the repayment of financial loans	VII.11.	–14,676	–851
Outflow of funds from the repayment of bonds	VII.11.	0	–1,581
Outflow of funds for capital increase expenses	VII.11.	–760	–192
Cash flow from financing activities		**16,464**	**3,911**
Cash effective change in liquid funds		4,838	–6,016
Change in liquid funds within the context of a merger	IX.4.	0	–235
Liquid funds at the beginning of the period		3,005	9,256
Liquid funds at the end of the period	**VI.10.**	**7,843**	**3,005**

Differences due to truncation are possible.

Consolidated schedule of changes in shareholders' equity

Plambeck Neue Energien Aktiengesellschaft (IFRS)
for the fiscal year 2006

in EUR 000	Subscribed capital	Capital reserve	Retained earnings	Deduction item for treasury shares	Consolidated balance sheet result	Minority interests*)	Total shareholders' equity
Status as at January 1, 2005	30,369	26,527	53	–533	–59,885	0	–3,469
Results included directly in shareholders' equity							
Capital increase expenses	0	–192	0	0	0	0	–192
Deferred taxes on capital increase expenses	0	77	0	0	0	0	77
Consolidated net result 2005	0	0	0	0	–2,728	0	–2,728
Transactions with shareholders							
Capital increase in cash	2,250	225	0	0	0	0	2,474
Redemption of convertible bond	0	–175	0	0	0	0	–175
Reclassifications							
Withdrawal from deduction item for treasury shares	0	0	0	533	0	0	533
Simplified capital reduction in the ratio of 3:2	–10,123	2,000	0	0	8,123	0	0
Capital reduction through withdrawal of one no par value share	0	0	0	0	0	0	0
Status as at December 31, 2005	**22,495**	**28,462**	**53**	**0**	**–54,490**	**0**	**–3,480**
Results included directly in shareholders' equity							
Capital increase expenses	0	–456	0	0	0	0	–456
Deferred taxes on capital increase expenses	0	–304	0	0	0	0	–304
Consolidated net result 2006	0	0	0	0	–6,304	-19	–6,323
Transactions with shareholders							
Capital increase in cash	14,622	9,560	0	0	–53	202	24,331
Redemption of convertible bond	334	817	0	0	0	0	1,151
Reclassifications							
Reduction of negative minority interests	0	0	0	0	18	0	18
Status as at December 31, 2006	**37,451**	**38,079**	**53**	**0**	**–60,829**	**183**	**14,937**

*) In accordance with IAS 27.35 a set-off against the shareholders' equity of the majority shareholders must be undertaken in the event of the loss allocable to the minority shareholders being in excess of the shareholders' equity allocable to them.

Differences due to truncation are possible.

Consolidated schedule of fixed assets

of Plambeck Neue Energien Aktiengesellschaft (IFRS)
for the fiscal year 2006

	Acquisition and manufacturing cost				
in EUR 000	Status as at 1.1.2006	Additions	Reclas-sifications	Disposals	Status as at 31.12.2006
I. Intangible assets					
1. Franchises, trademarks and similar rights as well as licences to such rights	1,670	2	0	0	1,672
2. Goodwill	109,540	0	0	382	109,158
	111,210	**2**	**0**	**382**	**110,830**
II. Property, plant and equipment					
1. Land and buildings including buildings on third party land	16,780	75	0	0	16,855
2. Technical equipment and machinery	14,352	763	315	70	15,360
3. Other equipment, fixtures and furnishings	2,414	50	0	78	2,386
4. Prepayments and plant under construction	4,920	1,030	–315	134	5,501
	38,466	**1,918**	**0**	**282**	**40,102**
III. Financial assets					
1. Shares in associated companies	7,348	0	0	28	7,320
2. Participations	34	0	0	0	34
3. Other loans	578	0	0	250	328
	7,960	**0**	**0**	**278**	**7,682**
	157,636	**1,920**	**0**	**942**	**158,614**

Differences due to truncation are possible.

Accumulated amortisation and depreciation				Book values	
Status as at 1.1.2006	Additions	Disposals	Status as at 31.12.2006	Status as at 31.12.2006	Status as at 31.12.2005
674	417	0	1,091	581	996
83,899	227	0	84,126	25,032	25,641
84,573	**644**	**0**	**85,217**	**25,613**	**26,637**
1,330	404	0	1,734	15,121	15,450
2,669	722	33	3,358	12,002	11,683
1,704	152	55	1,801	585	710
9	0	0	9	5,492	4,911
5,712	**1,278**	**88**	**6,902**	**33,200**	**32,754**
7,295	0	0	7,295	25	53
0	0	0	0	34	34
0	0	0	0	328	578
7,295	**0**	**0**	**7,295**	**387**	**665**
97,580	**1,922**	**88**	**99,414**	**59,200**	**60,056**

Consolidated segment reporting

of Plambeck Neue Energien Aktiengesellschaft (IFRS)
for the fiscal year 2006

in EUR 000	Projecting of onshore wind power turbines		Projecting of offshore wind power turbines		Production and development of rotor blades	
	2006	2005	2006	2005	2006	2005
Sales	82,608	68,332	1,341	682	3,602	1,001
Change in inventories	–2,020	–4,183	536	1,285	120	0
Other operating income	11,565	8,821	68	0	0	4
Total aggregate output	92,153	72,970	1,945	1,967	3,722	1,005
Depreciation and amortisation	1,005	1,013	4	0	548	553
Operating result	1,193	–4,136	11	1,908	–421	–1,099
Financial result	–548	–1,542	–239	–176	–374	–486
Investments	1,042	1,533	689	527	117	0
Segment assets	196,395	224,227	9,732	7,969	11,492	10,069
Segment debts[2]	156,198	177,960	6,692	5,163	11,362	10,988
Segment shareholders' equity	40,197	46,267	3,040	2,806	130	–919
Segment companies	PNE AG PNE Betriebs- und Beteiligungsgesellschaft mbH PNE Netzprojekt GmbH		PNE AG – Division offshore PNE2 Riff I PNE2 Riff II PNE Gode Wind I GmbH		SSP Technology A/S	

[1] During 2005 this segment includes Nova Solar GmbH and Ventura S.A. (end consolidation as at May 17, 2005). No operations were discontinued during the fiscal year 2006.
[2] The special item for investment grants are included in the segment debts.

Differences due to truncation are possible.

	Electricity generation		Discontinued operations[1)]		Consolidation		Plambeck Neue Energien AG Group	
	2006	2005	2006	2005	2006	2005	2006	2005
	769	598	0	555	–484	–3,183	87,836	67,985
	–1,206	1,270	0	454	–678	0	–3,248	–1,174
	6,448	2,944	5	3,724	–9,399	974	8,686	16,467
	6,011	4,812	5	4,733	–10,561	–2,209	93,274	83,278
	364	255	0	49	0	0	1,921	1,870
	4,198	4,219	–1	2,895	–4,726	–71	254	3,716
	–5,183	–4,015	0	–85	0	0	–6,344	–6,304
	72	0	0	0	0	0	1,920	2,060
	10,791	12,400	38	40	–103,157	–135,467	125,291	119,238
	53,740	55,620	5	8	–117,642	–127,021	110,355	122,718
	–42,949	–43,220	33	32	14,485	–8,446	14,936	–3,480
	Windpark Laubuseschbach Kommanditgesellschaften PNE Biomasse AG NL Grundstücks GmbH PNE Biomasse GmbH PNE KG-Verwaltungs GmbH		Ventura S.A. Nova Solar GmbH					

List of the companies included in the consolidated financial statements

of Plambeck Neue Energien Aktiengesellschaft
as at December 31, 2006

Company	Partici-pation in %	Annual-result in EUR 000	Equity capital in EUR 000	Date of first Con-solidation
1. Plambeck Neue Energien Betriebs- und Beteiligungsgesellschaft mbH, Cuxhaven	100.0	407	–184	31.12.1998
2. Plambeck Neue Energien Biomasse Betriebsgesellschaft mbH, Cuxhaven	100.0	5	46	01.12.2000
3. Norderland Grundstücks GmbH, Cuxhaven	100.0	–94	–118	01.12.2000
4. Plambeck Neue Energien Windpark Fonds LX GmbH & Co. KG, Cuxhaven	100.0	–197	–2,486	08.11.2001
5. Plambeck Neue Energien Windpark Fonds XXXV GmbH & Co. KG, Cuxhaven	100.0	–28	–178	19.11.2001
6. Plambeck Neue Energien Netzprojekt GmbH, Cuxhaven	100.0	565	295	01.01.2002
7. Plambeck Neue Energien Biomasse AG, Cuxhaven	100.0	–12	20	23.04.2002
8. Nova Solar GmbH, Cuxhaven	100.0	0	33	01.09.2002
9. Plambeck Neue Energien Windpark Fonds LXXVIII GmbH & Co. KG, Cuxhaven	100.0	–5	–9	20.11.2002
10. Plambeck Neue Energien Windpark Fonds XL GmbH & Co. KG, Cuxhaven	100.0	–108	13	29.12.2004
11. PNE KG-Verwaltungs GmbH, Oldenburg	100.0	–4,110	–4,086	01.01.2006
12. Plambeck Neue Energien Gode Wind I GmbH, Cuxhaven	100.0	–3	22	06.12.2006
13. SSP Technology A.S., Kirkeby, Dänemark	92.4	–247	2,391	01.07.2003
14. Windpark Mangelsdorf II GmbH & Co. Betriebs KG, Cuxhaven	0.0	–243	–793	10.12.1999
15. Windpark Oldendorf GmbH & Co. Betriebs KG, Cuxhaven	0.0	–6	–109	10.12.1999
16. Plambeck Neue Energien Windpark Fonds V GmbH & Co. KG, Cuxhaven	0.0	76	–25	05.10.2000
17. Plambeck Neue Energien Windpark Fonds XI GmbH & Co. KG, Cuxhaven	0.0	–5	–46	05.10.2000

Differences due to truncation are possible.

Company	Partici-pation in %	Annual-result in EUR 000	Equity capital in EUR 000	Date of first Con-solidation
18. Plambeck Neue Energien Windpark Fonds XXXIII GmbH & Co. KG, Cuxhaven	0.0	27	–18	01.10.2001
19. Plambeck Neue Energien Windpark Fonds XLIII GmbH & Co. KG, Cuxhaven	0.0	–101	–1,209	01.10.2001
20. Plambeck Neue Energien Windpark Fonds XLVIII GmbH & Co. KG, Cuxhaven	0.0	66	1	08.11.2001
21. Plambeck Neue Energien Windpark Fonds LIII GmbH & Co. KG, Cuxhaven	0.0	–490	–6,293	08.11.2001
22. Plambeck Neue Energien Windpark Fonds LV GmbH & Co. KG, Cuxhaven	0.0	–2,122	–12,545	08.11.2001
23. Plambeck Neue Energien Windpark Fonds LXI GmbH & Co. KG, Cuxhaven	0.0	544	–1,557	08.11.2001
24. Plambeck Neue Energien Windpark Fonds LXII GmbH & Co. KG, Cuxhaven	0.0	–323	–2,479	08.11.2001
25. Plambeck Neue Energien Windpark Fonds LXIII GmbH & Co. KG, Cuxhaven	0.0	–165	–2,246	08.11.2001
26. Plambeck Neue Energien Windpark Fonds XXXIV GmbH & Co. KG, Cuxhaven	0.0	–213	–2,878	19.11.2001
27. Plambeck Neue Energien Windpark Fonds LXIV GmbH & Co. KG, Cuxhaven	0.0	–339	–3,958	19.11.2001
28. Plambeck Neue Energien Windpark Fonds LXV GmbH & Co. KG, Cuxhaven	0.0	–129	–1,973	19.11.2001
29. Plambeck Neue Energien Windpark Fonds LXVIII GmbH & Co. KG, Cuxhaven	0.0	–166	–1,949	19.11.2001
30. Plambeck Neue Energien Windpark Fonds LXX GmbH & Co. KG, Cuxhaven	0.0	–545	–651	19.11.2001
31. Plambeck Neue Energien Windpark Fonds LXXI GmbH & Co. KG, Cuxhaven	0.0	3,004	–3	20.11.2002

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

für das Geschäftsjahr 2006

I. Commercial Register and object of the Company

Plambeck Neue Energien Aktiengesellschaft (hereinafter also referred to as "Plambeck Neue Energien AG", "PNE AG" or "the Company") has its registered offices at Peter-Henlein-Strasse 2–4, Cuxhaven, Germany. The Company is entered under the number HRB 110360 in the Commercial Register at the District Court of Tostedt. The fiscal year is the calendar year.

During the year under report the business activities of the Company consisted primarily of the projecting, construction and the operation of wind farms and transformer stations for the generation of electricity, the servicing of wind power turbines, and the acquisition of shareholders' equity for wind farm operating companies and the projecting of rotor blades for wind power turbines.

II. Reclassifications in the balance sheet

During the fiscal year 2006 individual items of the balance sheet were reclassified into short and long terms assets and liabilities. This reclassification took place in order to achieve a higher degree of transparency. The amounts of the reclassified items are stated directly in the balance sheet. The prior year data were adjusted accordingly.

III. Discontinuation of operations

During the fiscal year 2006 no operations were discontinued.

In accordance with the regulations of IFRS 5 the consolidated financial statements must show "continuing operations" and "discontinued operations" separately. The presentation of this separation is shown within the context of the segment reporting (see Attachment 8).

In the prior year Ventura S.A. and Nova Solar GmbH were included in "discontinued operations". In the current year Nova Solar GmbH is included in this segment. The assets of Nova Solar GmbH amounted as at December 31, 2006 to EUR 38,000 and the liabilities to EUR 5,000. For this reason no separate statement of the result in the profit and loss account as well as the effects in the consolidated statement of cash flow are therefore shown.

IV. General accounting principles

1. Going Concern

The accounting is carried out on a going concern basis. The combined management and Group management report of the Company specifies the risks, which could possibly endanger the existence 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 the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). New standards adopted by IASB are applied as from the time of their coming into force.

These consolidated financial statements are drawn up in euro (EUR) unless otherwise stated. Figures are shown in EUR 000 unless otherwise stated.

The consolidated financial statements correspond to the requirements of Section 315 of the German Commercial Code (HGB).

The consolidated financial statements are based on standard accounting and valuation principles in comparison with the prior year, with the exception of the change in reclassification of balance sheet items.

The financial statements of the companies included in the consolidation are drawn up at the same balance sheet date as those of the parent company.

The consolidated financial statements and the Group management report, which were drawn up by the Board of Directors as at December 31, 2006, were released for submission to the Supervisory Board at the Board of Directors' meeting on March 13, 2007.

The consolidated financial statements as at December 31, 2006 are deposited at the district court of Tostedt and are published in the Bundesanzeiger.

V. Principles of consolidation

1. Scope of consolidation

All companies over which the Group parent company exercises control are included in the consolidated financial statements on the basis of full consolidation. Exercise of control is assumed as soon as the parent company holds more than 50 % of the voting shares of the subsidiary or can determine the financing and business policy of a subsidiary or can appoint a majority of the supervisory board or administrative council of a subsidiary. Moreover, wind farm operating companies, which are controlled from an economic point of view either by the parent company or its subsidiaries, are included in the scope of consolidation.

Accordingly, the scope of consolidation as at December 31, 2006 includes in addition to Plambeck Neue Energien AG the other companies listed in Attachment 6 (integral part of the notes to the consolidated financial statements).

One subsidiary held 100 % is not included in the scope of consolidation due to its overall insignificance for the consolidated financial statements. Furthermore, 27 wind farm operating companies were not included in the consolidated financial statements, since these are shelf companies with no active operations.

The following companies, which are managed jointly by Plambeck Neue Energien AG and one or several other companies, are included in the consolidated financial statements on the basis of the equity method, since at least one shareholding company is not part of the scope of consolidation.

Name	Percentage participation	Shareholders' equity EUR 000	Date of first consolidations
PNE2 Riff I GmbH, Cuxhaven	50.0 %	2,779	24.07.2003
PNE2 Riff II GmbH, Cuxhaven	50.0 %	5	25.06.2004

As a result of the equity shareholding in the joint ventures the following assets, debts, income and expenses are allocable to the Group:

EUR 000	PNE2 Riff I 2006	PNE2 Riff II 2006
Income	90	0
Expenses	–317	–3
Result after taxes	**–227**	**–3**
Short term assets	785	8
Long term assets	5,744	19
Short term liabilities	861	24
Long term liabilities	5,804	0

2. Mergers and divestments of companies

During the year under report 100 % of the shares of PNE KG Verwaltungs GmbH, Oldenburg, which were acquired at the end of 2005 for EUR 25,000 were included for the first time in the consolidated financial statements. 34 wind farm operating companies reported to this company during the fiscal year 2006 of which 31 companies were not included in the scope of consolidation in the prior year. The increase was insignificant for the asset, financial and profitability position.

The object of the Company is consulting, projecting, financing, erection and operation of equipment for the environment and energy technology and in particular wind farms.

No additional goodwill arose on the basis of differences between acquisition costs of the shares and their proportional share in the shareholders' equity as at January 1, 2006 no additional goodwill arose.

During the year under report 100 % of the shares in PNE Gode Wind I GmbH, Cuxhaven were included for the first time in the consolidated financial statements. The company was founded by Plambeck Neue Energien AG.

The object of this company is the development and projecting on an area in the offshore sector for the construction of wind power turbines and well as their operation and, insofar as a separate permit should be required for this.

As a result of the difference of the acquisition costs of the shares and their proportional share in shareholders' equity there was no additional goodwill as at December 1, 2006.

The book values or the market values stated on acquisition of the identified assets and liabilities of PNE KG Verwaltungs GmbH, Oldenburg as well as PNE Gode Wind I GmbH, Cuxhaven, were of no major significance for the asset, financial and earnings situation.

3. Methods of consolidation

The basis for the consolidated financial statements are the annual financial statements of the companies included in the consolidation, partly audited by the auditors and drawn up as at December 31, 2006 in accordance with uniform accounting and valuation methods. The financial statements which are not audited are subject to a review on the part of the Group auditors.

The capital consolidation of the subsidiaries is undertaken in accordance with the net book value method by setting off the acquisition costs of the merger against the parent company's pro rata share of the shareholders' equity at the date of acquisition. The shareholders' equity is determined as the balance of the applicable fair market value of the assets and liabilities at the time of acquisition (full new valuation). Mergers, which are not subject to the application rules of IFRS 3 are consolidated on the principle of the new valuation equity method in proportion to the participation. The differential amounts stated in the assets arising from the capital consolidation are stated as goodwill.

Since the coming into force of IFRS 3 goodwill resulting from the capital consolidation is no longer amortised according to a schedule over its expected economic life. Insofar as it may be necessary, extraordinary amortisation is effected in accordance with IAS 36 ("impairment only approach").

Internal Group sales, expenses and earnings as well as receivables and liabilities between the companies to be consolidated are eliminated. In individual cases elimination is dispensed with insofar as the business activity in the past fiscal year is attributable only to a very short 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 provided for with regard to consolidation processes having an effect on the profit and loss account.

VI. Accounting and valuation principles

The accounting takes place at all companies of the Group originally in accordance with the legal national regulations as well as the complementary generally accepted accounting principles

The financial statements of all consolidated companies are included of the basis of standard accounting and valuation methods. The financial statements (HP1) drawn up in accordance with the corresponding valid regulations are restated in financial statements (HP 2) in conformity with IFRS. The accounting and valuation regulations were applied in the same way as in the prior year.

The drawing up of the consolidated financial statements taking the explanations of IASB into account requires for some items that assumptions should be made and estimates used, which could have an effect on the amount and the presentation of assets and liabilities, income and expenses as well as contingent liabilities.

Assumptions and estimates are attributable in particular to the establishment of the fair market values of the put options, the determination of economic lives, accounting and valuation of provisions, the possibility of realising future tax credits as well as the determination of the cash flows, growth rates and discount factors in connection with impairment examinations.

The actual values can deviate from the assumptions and estimates made. Changes are reflected in the profit and loss account when better knowledge is available.

1. Intangible assets

Concessions, trade marks and licences are stated at their cost of acquisition and ancillary acquisition costs. On the basis of the finite time period over which they will be used, they are reduced by scheduled amortisation using the straightline method over the duration of their expected economic life; this is usually two to four years. If appropriate, extraordinary amortisation is charged, which is reversed should the relative reasons have no permanent validity. Unscheduled corrections to valuations (reductions and increases) were not necessary during the year under report.

In accordance with 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 effected in accordance with IAS 36 ("impairment only approach").

2. Property, plant and equipment

Property, plant and equipment are included at their acquisition or manufacturing cost in accordance with IAS 16 less the scheduled straightline depreciation. 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:

	in 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 did not have to be taken into consideration when calculating 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 Group company (finance lease), are capitalised in accordance with IAS 17 and reduced by scheduled or, if appropriate, unscheduled depreciation over the expected economic life of the leased item. The payment obligation is entered as a liability in the amount corresponding to the lower of the fair value of the item involved and the discounted cash value of all future leasing payments. The leasing payments are thus distributed to interest expenses and changes in liabilities so that constant discounting of the remaining liability can be achieved. Interest expense is included immediately in the profit and lost account.

Rental payments with regard to operating leases are charged on a straightline basis to the result for the period over the life of the corresponding leased items.

All third party capital costs were charged to the profit and loss account.

3. Impairment of intangible assets and property, plant and equipment

At each balance sheet date it is assessed whether there are indications for a need to write-down assets stated in the balance sheet. Should such indications be recognisable or if an annual examination of the asset is required, the fair market value of the asset is estimated in order to establish the amount of the impairment expense required. The amount determined is in this respect the higher value between the fair market value of an asset or a funds generating unit less the sales costs and the utility value. For the determination of the utility value the estimated future payment streams from this asset or the funds generating unit are discounted to the discounted cash value on the basis of a risk-adjusted pre-tax discount factor. Any impairment required is charged in the profit and loss account to the expense categories which correspond to the function of the impaired asset. Write-downs on goodwill are included in the profit and loss account separately under the item “impairment expense goodwill”.

A correction in the profit and loss account of an impairment undertaken in earlier years for an asset is carried out (with the exception of goodwill) if there are indications that the impairment no longer exists or could be reduced. The revaluation is included as income in the profit and loss account. The increase of value or reduction of an impairment of an asset will, however, only be included insofar as it does not exceed the book value which would have resulted taking into consideration the effect of amortistion if no impairment would have been undertaken in the prior years. Revaluations or amortisation, which are undertaken within the framework of impairment examinations on goodwill, may not be undertaken.

Goodwill is tested at least once per annum for impairment as at December 31 or otherwise, if there are indications that the book value, should be reduced. A possible impairment is then charged immediately to expense.

In order to establish a possible requirement for impairment of goodwill as well as intangible assets with an infinite period of utility the book value of the funds generating unit to which the goodwill is allocated must be compared with the fair market value of the funds generating unit.

For the divestment of a subsidiary the allocable amount of goodwill is included in the calculation of the profit or loss from the divestment.

4. Long term financial assets

The long term financial assets are stated at acquisition cost, or, if appropriate, at a lower fair market value less unscheduled amortisation. Non-interest-bearing loans, as well as those with low rates of interest, are stated at their discounted cash value.

There was no valuation of the financial assets at fair market value or a statement of non-realised profits and losses not having an effect on the profit and loss account in a separate item of shareholders’ equity, since their fair market value corresponds primarily to book value.

5. Deferred taxes

Deferred taxes are stated in accordance with the liability method in accordance with IAS 12 with regard to 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 deductible from a tax point of view.

Deferred tax claims and deferred tax obligations are calculated on the basis of the laws and regulations valid as per the balance sheet date. As a basic principle, the deferred taxes in respect of valuation corrections are set up

An asset item for tax loss carry forwards is capitalised to the extent in which it is probable that future taxable income may be available for set-off.

Deferred taxes stated as assets and liabilities are netted in the balance sheet, insofar as there is a legal right to set-off actual tax debts and the deferred taxes relate to the same tax subject and the same tax authority.

6. Discontinued operations

Items of fixed assets, the sale of which is planned within 12 months, are included in a separate item in accordance with IFRS 5. Valuation is carried out at acquisition cost. In the prior year valuation was effected at the lowest appropriate value.

7. Inventories

Inventories are stated in principle at the lowest of acquisition or manufacturing cost and fair market value. The manufacturing costs include individual material costs, individual manufacturing costs as well as appropriate portions of production overhead costs. The net divestment value is the estimated sales price less estimated costs up to completion and the estimated selling costs which can be achieved in a normal business transaction.

Financing costs are not capitalised.

8. Accounting for long term construction contracts

Stage of completion accounting is carried out in accordance with the provisions of IAS 11 in the case of long term construction contracts for the construction of wind farms. In this respect 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 sub-contractors is taken into consideration for the determination of the degree of completion.

In the event insofar as the total of order costs incurred and profits stated exceed the pre-payments, the construction contracts are capitalised under future receivables from long term construction contracts as an integral part of the item “trade receivables”. A negative balance is shown under accounts payable.

An expected overall loss from a production contract is included immediately as an expense.

9. Receivables and other assets

Trade receivables and other assets are stated at acquisition cost less any required provision for doubtful accounts.

Receivables with a remaining maturity of more than one year bear interest at market conditions.

10. Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash on hand, cash in banks and short term deposits with original maturities of less than 12 months.

11. Financial instruments

Financial instruments are divided in principle into the following categories in accordance with IAS 39:

- Financial assets held for trading
- Financial investments held until maturity
- Credits and receivables issued by the Company and
- Financial assets available for sale

Financial assets with fixed or determinable payments and fixed maturities which the Company intends to hold and can hold until maturity, except for credits and receivables issued by the Company, are classified as financial investments to be held until maturity. Financial investments, which were mainly acquired in order to achieve a profit from the short term development of the value, are classified as financial assets held for trading. Derivative financial instruments are also classified as financial instruments held for trading unless these are derivatives which were designated as a securing instrument and are effective as such. Profits and losses from financial assets which are held for trading are booked to the profit and loss account. All other financial assets apart from credits and receivables issued by the Company are classified as financial assets available for sale.

Financial investments to be held until maturity are capitalised under long term assets unless they are due within 12 months as from the balance sheet date. Financial assets held for trading are capitalised under short term assets. Financial assets available for sale are shown as short term assets if the management has the intention to realise these within 12 months as from the balance sheet date.

Purchases or sales of financial assets are capitalised by the trading day method, i.e. on the day on which the Company has undertaken the obligation to purchase or sell.

In the case of the first time statement of a financial asset this shall be entered at acquisition cost. This is based on the fair value of the counter-service and, with the exception of financial assets held for trading, the transaction costs.

Changes in the fair market value of financial assets held for trading are stated in the profit and loss account. The fair market value of a financial instrument is the amount which can be achieved in business transactions between willing and independent contractual partners under current market conditions. The applicable fair market value corresponds to the market or the stock market price insofar as the financial instruments to be valued are traded on an active market. Insofar as no active market exists for a financial instrument, the applicable fair market value is calculated by means of suitable financial mathematical methods such as for example the recognised option price model or the discounting of future payment streams with the market interest rate.

Financial investments held until maturity are valued at their relevant acquisition cost through application of the effective interest method. It is probable that, in the case of financial assets capitalised at relative acquisition costs, a reduction in value could occur so that this would be registered in the profit and loss account. A reduction in value charged earlier to the profit and loss account will be corrected with effect on the profit and loss account if the following partial improvement in value (or reduction of the impairment) is attributable to an event occurring after the original impairment. An increase in value will, however, only be booked insofar as it does not exceed the amount of the relative acquisition cost which would have occurred if the impairment had not taken place.

Receivables and credits issued by the Company, which are not held for trading purposes, are stated at the lower of the relative acquisition cost or the market value as at the balance sheet date.

Financial assets available for sale are capitalised at market value. Unrealised gains and losses are shown in the item "income and expenses included directly in shareholders' equity" less the tax portion in the shareholders' equity. The release to profit and loss of the item "income and expenses included directly in shareholders' equity" takes place either on sale or if impairment occurs.

The fair market value of financial instruments will be determined reliably through their book values.

For details please see the explanations to the various balance sheet items.

12. Provisions

Provisions are set up for all external obligations insofar as it is probable that they may be claimed and that the level of the provisions can be estimated in a reliable manner. In addition, provisions for pending losses for socalled onerous contracts are set up in accordance with the regulations of IAS 37.

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.

Long term provisions are stated at the discounted cash value and the discounting takes place with market interest rates which correspond to the risk and the period up to fulfilment.

The Group has a very small volume of pension plans in the form of defined contribution plans. Payments for these defined contribution rights are stated as expense on maturity.

13. Liabilities

The liabilities are in principle stated at their relative acquisition cost. Liabilities from financial leasing are stated in the balance sheet at the beginning of the leasing contract with the cash discounted value of the future leasing instalments during the non-terminable basic rental period.

Liabilities with a remaining maturity of more than one year bear interest in principle at market conditions.

Contingent liabilities are not stated in the balance sheet. A list of the contingent liabilities existing as at the balance sheet date is shown in Section XII.1.

14. Subsidies from the public authorities

Subsidies from the public authorities are stated in a separate item at the time of the inflow at nominal amount with no effect on the profit and loss account; these are released to the profit and loss account according to the depreciation of the subsidised assets in question. Corresponding provisions are set up for unfulfilled conditions and other uncertainties regarding success corresponding provisions are set up.

15. Profit and loss account

The profit and loss account is presented in accordance with the cost of production method.

16. Revenues/recognition of profits

Revenues are recognised as income at the time of delivery or the provision of the service at the customer's premises. The realisation of revenues for long term production contracts is explained in Section VI.8.

Interest income is deferred for the corresponding periods taking the effective interest method into consideration.

17. Foreign currency conversion

The relative items stated in the financial statements of the individual companies of the Group are valued on the basis of the corresponding functional currency. The consolidated financial statements are drawn up in euro, which is the currency of report and the functional currency of the Company.

Transactions in foreign currency were converted at the current exchange rate on the day of the transaction into the corresponding functional currency. Monetary receivables and liabilities in foreign currency are converted at the exchange rate applicable at the balance sheet date. Differences from currency conversion are booked to the profit and loss account, where they are stated under "other operating income" or "other operating expenses". Non-monetary assets and liabilities, which were valued at historical acquisition or manufacturing cost in a foreign currency, are converted at the rate prevailing on the date of the business transaction.

VII. Balance sheet

With regard to the composition and development of the individual items of fixed assets, please refer to the schedule of fixed assets (see Attachment 7). With regard to the restrictions on items of the fixed assets please refer to the schedule of liabilities.

1. Intangible assets

The intangible assets amounting to EUR 25,032,000 (prior year: EUR 25,641,000) are attributable primarily to goodwill arising from the first consolidation of subsidiaries included in the consolidated financial statements.

The scheduled amortisation charged in the prior years to goodwill was set off against the historical acquisition costs in accordance with IFRS 3.79 (b) in the amount of EUR 14,617,000 insofar as they did not fall under the area of application of IFRS 3.

Impairment of goodwill

The goodwill acquired within the framework of corporate mergers is subjected to an impairment test for the cash generating units.

The future achievable amount was defined as the discounted cash value of future cash flows (utility value).

For the determination of the carrying value of the goodwill of the cash generating unit, projecting of onshore wind power turbines, which represents a major part of this balance sheet item, the future cash flows were drawn up from the detailed plans for the next three years. For the period thereafter a gross rate of 1 % was applied. The average weighted capital cost rate used for the discounting of the forecasted cash flow amounts for the detailed planning phase 8.74 % and 7.74 % for the subsequent period.

For the examination of the carrying value of the goodwill of the cash generating unit, projecting of rotor blades, the future cash flows were drawn up from the detailed planning for the next three years. For the period thereafter a growth rate of 1 % was applied. The average weighted capital cost rate used for the discounting of the forecasted cash flow amounts to 8.86 % for the detailed planning phase and 7.86 % for the remaining period.

Key assumptions for the calculation of the utility value of the business units as at December 31, 2006 and as at December 31, 2005:

Projecting of onshore wind power turbines and projecting of rotor blades
Planned gross profit margins: the gross profit margins are established on the basis of the average gross profit margins ranges, which were achieved during the prior fiscal years and increased in consideration of the expected increase in efficiency.

For the establishment of the future cash flow the expected operating costs are deducted from the gross profits thus calculated. Financing costs and taxes are not taken into consideration. The remaining amount thereafter represents the starting point of the discounting.

Average weighted capital cost rate: the calculation of own capital costs takes place through the application of the capital asset pricing model (CAPM). The costs of third party capital were stated at an interest rate of 9.25 %.

Book values of the goodwill allocated to the relative cash generating units:

	Projecting of onshore wind power turbines		Projecting of offshore wind power turbines		Projecting of rotor blades		Electricity generation		sum	
EUR 000	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Book value	20,000	20,000	0	0	4,618	5.000	414	641	25,032	25,641

In the fiscal year 2006 impairments on goodwill of the cash generating unit, electricity generation, in the amount of EUR 227,000 was carries out due to the lower achievable utility value. Moreover, on the basis of the disproportionate participation in the capital increase of a subsidiary, goodwill of the cash generating unit, projecting of rotor blades, was reduced in the amount of EUR 382,000.

2. Property, plant and equipment

Technical equipment and machinery includes two transformer stations acquired on the basis of financial leasing, which are capitalised at their relative acquisition cost in the amount of EUR 2,558,000 (prior year: EUR 2,676,000). The corresponding minimal leasing obligations as well as the discounted cash values of the minimum leasing obligations are included under the financial liabilities.

3. Long term financial assets

The long term financial assets include, apart from the participations of the Company, those shares in companies which are not included in the consolidated financial statements within the framework of the full consolidations due to their low significance as well as a loan issued in the amount of EUR 328,000 (prior year: EUR 578,000) which bears interest at only 1 %. The loan was thus discounted over its maturity at market conditions and is shown at its discounted cash value. Moreover, loan receivables in the amount of EUR 272,000 (prior year: EUR 42,000), are included in the item.

During the fiscal year 2006 no impairment was charged to long term financial assets.

4. Inventories

EUR 000	31.12.2006	31.12.2005
Materials and supplies	298	350
Work in process	19,344	22,592
Finished goods	4	4
Prepayments	1,466	0
	21,112	**22,946**

During the fiscal year 2006 value adjustments in the amount of EUR 1,159,000 were charged with regard to inventories and booked as expense. The expense is included in the change of inventory levels.

5. Receivables and other assets

Receivables from long term construction projects

The receivables from long term construction contracts and trade receivables are attributable primarily to receivables from wind farm companies in respect of the construction of wind farms.

Before setting off against prepayments received, the receivables from long term construction contracts amounted to EUR 26,526,000 (prior year: EUR 30,780,000). After setting off with the payments received the following balance occurs which is shown under trade receivables:

in TEUR	31.12.2006	31.12.2005
Costs incurred including partial profits	26,526	30,780
Less prepayments received	–4,329	–14,158
	22,197	**16,622**

During the fiscal year 2006 write-downs in the amount of EUR 688,000 (prior year: EUR 7,433,000) were charged to receivables and other assets.

6. Shareholders' equity

Subscribed capital

As at January 1, 2006 the share capital of the Company amounted to EUR 22,495,271.00, divided into 22,495,271 no par value registered shares with a nominal share in the share capital of EUR 1,00 per share. The share capital of the Company has changed as follows during the period under report:

On March 28/April 7, 2006 the Board of Directors resolved with the approval of the Supervisory Board of March 29 / April 7, 2006 to increase the share capital by EUR 2,249,526 from EUR 22,495,271 to EUR 24,744,797 against contribution in cash through the issue of 2, 249,526 new registered no par value shares with a notional share in the share capital of EUR 1.00 each, and thus partially used the authorised capital created by the ordinary general meeting of shareholders on July 26, 2005. The new shares were offered to the shareholders through an indirect subscription offer and fully subscribed. The implementation of the capital increase was entered into the Commercial Register on May 5, 2006.

In July 2006 the Company issued 326,158 shares from the conditional capital III after the exercise of corresponding conversion rights. In August 2006 the Company issued 7,704 shares from the conditional capital II following the exercise of corresponding conversion rights. Since then the share capital amounted to EUR 25,078,659. The only declared registration of the issue of subscription shares in the Commercial Register took place on December 15, 2006.

On November 22, 2006 the Board of Directors resolved with the approval of the Supervisory Board of November 23, 2006 to increase the share capital of the Company by EUR 12,372,398 from EUR 25,078,659 to up to EUR 37,451,057 through the issue of up to 12,372,398 new registered no par value shares with a notional amount in the share capital of EUR 1.00 per share each with full rights to profit sharing as from January 1, 2006, thereby using the authorisation for the increase of the share capital (authorised capital) resolved by the general meeting of shareholders on May 27, 2006 and registered in the trade register on June 23, 2006. The new shares were offered to the shareholders through an indirect subscription right in the ratio of two to one and were fully subscribed. The registration of the implementation of the capital increase was entered in the Commercial Register on December 15, 2006.

As at the balance sheet date the share capital of the Company amounted to EUR 37,451,057.00, divided into 37,451,057 registered shares with a notional share in the share capital of EUR 1.00 per share.

Authorised capital

The general meeting of shareholders created a new authorised capital on May 17, 2006 after eliminating the hitherto approved capital in the amount which was not yet used. The Board of Directors was authorised with the approval of the Supervisory Board to increase the share capital of the Company up to May 16, 2011 through the issue of new registered no par value shares for contributions in kind or in cash and on one occasion or several occasions up to a total of EUR 12,372,398 (authorised capital). The Board of Management was furthermore authorised, subject to the approval of the Supervisory Board, to:

- 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 Section 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 Section 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 Section 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 interests 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 authorised capital was registered in the Commercial Register of the Company on June 23, 2006.

During the period under report the Board of Directors used completely the authorised capital with the approval of the Supervisory Board of November 23, 2006. The authorised capital amounted as at December 31, 2006 to EUR 0.00.

Conditional capital I
The conditional capital I was eliminated through a resolution of the general meeting of shareholders of May 17, 2006. This was registered in the Commercial Register of the Company on June 23, 2006.

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 nominal share in the share capital of EUR 1.00.

Since the coming into effect of the capital increase from corporate funds resolved by the general meeting of shareholders on May 23, 2003, the conditional capital II amounted to EUR 315,000. On July 26, 2005 the general meeting of shareholders resolved to adjust the conditional capital II in relation to the resolved reduction in capital and to reduce to EUR 210,000.

On June 2, 2006, 7,704 subscription shares were issued from the conditional capital II following the relative conversion declarations. Of these 4,703 subscription shares were attributable to Dr Wolfgang von Geldern (chairman of the Board of Directors). Since then the conditional capital II amounts to up to EUR 202,296.

As at December 31, 2006, no effective conversion rights existed any more for shares from conditional capital II.

Conditional capital III

The extraordinary general meeting of shareholders of 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 nominal 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 can be exercised in several exercise periods, which always follow the ordinary general meeting of shareholders. To date no conversion rights have been exercised.

In spite of the capital reduction resolved at the same time (please refer to "subscribed capital") the general meeting of shareholders of July 26, 2005 resolved to leave the conditional capital III unchanged and not to adjust it accordingly (please refer also to "6 % convertible loan of 2004/2009).

On July 12, 2006 326,158 subscription shares were issued from conditional capital III following the relative conversion declarations. Since then the conditional capital III still amounts to EUR 9,073,842.

As at December 31, 2006 5,351,442 conversion rights for shares have been issued from the conditional capital III.

7. Minority interests

Negative minority interests in the amount of EUR 44,064,000 (prior year: EUR 46,027,000) result from the capital consolidation of the wind farm operating companies. In accordance with IAS 27. minority interests may not be shown at a negative value in the balance sheet but have to be netted off against the retained earnings to the charge of the parent company. Future positive shares in results will be transferred in favour of the parent company until the previous charge of the consolidated retained earnings is compensated by the negative minority interests.

8. Subsidies from the public authorities

Since the beginning of 2000 the Company has received investment grants in the total amount of EUR 1,746,000 for the construction of an office building as well as for the extension 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 47,000 (prior year EUR 81,000) was released.

9. Provision for taxes

The provision for taxes include current taxes on income as well as other operating taxes, which were set up for the past fiscal years as well as for the fiscal year 2006.

10. Other provisions

The other provisions have developed as follows:

EUR 000	01.01.2006	Use	Release	Addition	31.12.2006
Contract costs within scope of stage of completion accounting	16,114	16,114	0	12,293	12,293
Pending losses from timber delivery contract	3,650	787	0	19	2,882
Court costs	777	284	175	116	434
Investment subsidy	268	0	0	47	315
Pending losses from rental contract	150	100	0	0	50
Other	239	94	0	888	1,033
	21,198	**17,379**	**175**	**13,363**	**17,007**

The provision for pending losses concerns a timber delivery contract with a biomass power station. The selling price agreed in the contract is lower than the current market price. A provision for pending losses was therefore set up in accordance with IAS 37. in the amount of the expected loss (2006 to 2016).

11. Financial liabilities

The following table is attributable to issued participation certificate capital, convertible bonds, liabilities to banks, other financial liabilities and liabilities from leasing contracts.

The financial liabilities have the following remaining maturities or are structured as follows with regard to interest rate agreements:

EUR 000	Total	up to 1 year	1 to 5 years	more than 5 years
As at 31.12.2006				
Fixed interest				
Loans	18,477	0	18,477	0
Liabilities to banks	12,354	804	3,319	8,231
Other financial liabilities	9,949	4,749	5,200	0
Liabilities from leasing contracts	2,097	211	911	975
Variable interest				
Liabilities to banks	19,804	19,804	0	0
Other financial liabilities	6,057	253	5,804	0
	68,738	**25,821**	**33,711**	**9,206**
As at 31.12.2005				
Fixed interest				
Loans	19,623	0	19,623	0
Liabilities to banks	35,600	1,461	25,260	8,879
Other financial liabilities	3,705	129	1,755	1,821
Liabilities from leasing contracts	2,358	211	905	1,242
Variable interest				
Liabilities to banks	11,222	10,754	468	0
Other financial liabilities	4,845	0	4,845	0
	77,353	**12,555**	**52,856**	**11,942**

Participation certificates

Through a resolution of the 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 no participation certificates were issued.

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 profitrelated 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 prior year was stated under "other interest and similar income" in the prior year.

Debenture loans

The debenture loans have developed as follows:

EUR 000	31.12.2006	31.12.2005
Convertible loan 1998:		
Status as at January 1	0	61
Issued	0	0
Withdrawn	0	61
Converted	0	0
Status as at December 31	**0**	**0**
Convertible loan 2001:		
Status as at January 1	19	39
Issued	0	0
Withdrawn	0	20
Converted	19	0
Status as at December 31	**0**	**19**
Convertible loan 2004:		
Status as at January 1	19,604	21,638
Issued	0	0
Withdrawn	0	2,034
Converted	1,127	0
Status as at December 31	**18,477**	**19,604**
Total	**18,477**	**19,623**

Convertible bond 1998 (employee programme)

The convertible bonds were offered to members of the Board of Directors and senior executives within the framework of the employee programme. As at the end of 2005 no more convertible bonds were issued.

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 210,000 with an annual interest of 4 % could 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 210,000 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 could 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 2006 no further loans were issued from the convertible loan 2001. On June 2, 2006 7,704 subscription shares were issued from the conditional capital II following relative conversion declarations.

As at the balance sheet date there were no further effective conversion rights.

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 nominal value of EUR 2.5 each in a nominal total amount of EUR 23,500,000.00. The listing of the abovementioned bond as a unit listing was cancelled as at November 19 of the prior year and was continued as a percentage listing as at November 22 of the prior year. 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. Each bond gives the right to convert into one no par value registered share of the Company. The conditional capital III (see above under Point 9) 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. 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.

The general meeting of shareholders of July 26, 2005 has authorised the Board of Directors to grant a special conversion right under certain conditions to the holders of the bonds from the 6 % convertible debenture of 2004 / 2009. In accordance with the special conversion right to be granted the holders of the bonds should be able to convert their debentures at the existing conversion price at a time still be determined into shares of the Company notwithstanding the capital reduction. To date the Board of Directors has not made use of this authorisation.

On July 12, 2006 326,185 subscription shares were issued from the conditional capital III following relative conversion declarations. In total 8,516,400 bonds are still issued which according to the loan conditions can be converted into up to 5,351,442 shares from the conditional capital III.

In accordance with IAS 32.28 et seq. the convertible bond was divided into its equity and liability portions. In accordance with IAS 32.31 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.

Liabilities to banks

The interest rates for the fixed interest liabilities to banks range between 3.5 % and 9.25 %. With regard to variable interest rate liabilities to banks the Company is exposed to the risk of interest change. During 2006 the interest rates for these ranged between 4.5 % and 9.25 %. The variable interest rates are adjusted at periods of less than one year. The liabilities to banks have maturities up to 2026.

Of the liabilities to banks an amount of EUR 32,158,000 (prior year: EUR 46,822,000) is secured by:

1. Registered mortgage in the amount of EUR 10,007,000 on the property at Peter-Henlein-Str. 2–4, Cuxhaven (amount drawn down: EUR 9,408,000).
2. Mortgage in the amount of EUR 350,000 on the property at Alte Industriestrasse 8, Cuxhaven (amount drawn down: EUR 325,000).
3. Assignment of the rental income from the property at Peter-Henlein-Str. 2–4, Cuxhaven.
4. Assignment of the Kötzlin transformer station (amount drawn down: EUR 875,000).
5. Assignment of the Laubuseschbach wind farm (amount drawn down: EUR 1,267,000) as well as pledge of all receivables of this wind farm.
6. Pledge of all existing and future trade receivables (apart from claims from advance lending insurance) of Plambeck Neue Energien AG and Plambeck Neue Energien Betriebs- und Beteiligungsgesellschaft mbH.
7. Pledge of the shares in SSP Technology A/S.
8. Pledge of the possible sales proceeds from the sale of shares in PNE2 Riff I GmbH.
9. Pledge of the project rights “Altenbruch II”

As at December 31, 2006 the Group had available granted credit lines in the amount of approximately EUR 1.2 million which had not been utilised.

Other financial liabilities

The other financial liabilities include non-interest bearing loan liabilities to Babcock & Brown Wind Partners Limited (ABN 39105051616), Sydney, as well as fixed interest loan liabilities at 7.50 % to Plambeck Holding AG, Cuxhaven.

Moreover, the item includes variable interest loan liabilities to DONG Energy A/S, Copenhagen/Denmark (formerly: Energi E2 A/S, Copenhagen / Denmark), which were mainly taken down during the implementation of the Borkum Riffgrund offshore project. The variable rates of interest are adjusted every three months on the basis of the three month EURIBOR.

Liabilities from leasing contracts

The Group has concluded financial leasing contracts and lease purchase agreements for various items of other plant and machinery, fixtures and fittings. The contracts include no extension options, purchase options or price adjustment clauses.

The net book values of the assets from financial leasing in the amount of EUR 2,558,000 (prior year: EUR 2,676,000) are attributable fully to technical equipment and machinery.

The future minimum leasing payments from financial leases and lease purchase agreements can be reconciled as follows to their discounted cash value:

EUR 000	Minimum leasing payments		Discounted cash value of the minimum-lease payments	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Liabilities from financial leasing contracts:				
With a maturity of up to one year	322	322	211	211
With a maturity of more than one year and up to five years	1,287	1,300	911	905
With a maturity of more than five years	1,309	1,637	975	1,242
	2,918	**3,259**	**2,097**	**2,358**
Less:				
Future financing costs	–821	–901		
Discounted cash value of the leasing liabilities	**2,097**	**2,358**		
Amount due for repayment within twelve months (stated under short term debts)			211	211
Amount due for repayment after more than twelve months			1,886	2,147

An amount of EUR 2,097,000 (prior year: EUR 2,358,000) of the liabilities to leasing companies are secured through:

1. Assignment of the Heinrichsfelde transformer station (amount drawn down: EUR 938,000).
2. Pledge of the legal ownership of the Kletzke transformer station (amount drawn down: EUR 1,159,000).

12. Other liabilities

Deferred sales

The item in the amount of EUR 5,696,000 (prior year: EUE 3,958,000) is attributable mainly to prepayments from wind farm operating companies for the use of transformer stations. The amount is released to the profit and loss account during the life of the contracts (20 to 25 years).

13. Financial instruments

Due to its mainly national activities, the Group is in principle exposed to risks of interest change, liquidity and losses on receivables.

Losses on receivables

The risk of losses on receivables is met by appropriate provisions for doubtful accounts and consideration of the existing securities. In order to reduce the risk of losses on receivables in the case of original financial instruments, various security measures are taken, such as e.g. the obtaining of securities and guarantees

Risk of interest rate change

Currently there is no hedge of the risk of interest rate change with regard to changes in the market level for interest payments for existing and expected variable interest bearing liabilities to banks.

Liquidity risk
The assurance of liquidity in the Group consists of unused credit lines available.

Market value
The financial instruments of the Group not stated at market value include above all cash equivalents, trade receivables, trade liabilities and other liabilities, overdrafts and long term loans.

The book value of the cash equivalents as well as overdrafts are very close to their market value due to the short duration of these financial instruments. With regard to receivables and payables which are based on normal trade credit conditions, the book value based on historic acquisition cost also corresponds very closely with their market value.

The market value of the long term liabilities is based on the currently available interest rates for third party capital drawn down with the same maturity and creditworthiness profile. The market value of the third party capital currently hardly deviates from book value.

The market value of the derivative financial instruments was established on the basis of the following methods and assumptions:

Depending on the market value on the balance sheet date derivative financial instruments are stated as other assets (positive market value) or as other liabilities (negative market value).

The following presents the nominal and market values of derivative financial instruments existing at the balance sheet date:

EUR 000	Nominal volume total	Maturity over 1 year	Applicable market value (other assets)	Market value (other liabilities)
31.12.2006				
Put options	6,850	6,850	0	0
Total			0	0
of which short term			0	0
of which long term			0	0
			0	**0**
31.12.2005				
Put options	6,850	6,850	0	0
Total			0	0
of which short term			0	0
of which long term			0	0
			0	**0**

The nominal values represent the arithmetical amounts from which the payments can be reconciled. No risk results therefore from the nominal volume, but from the currency and interest rate changes relating thereto.

During the fiscal year 2006 a put option existed with regard to the shares attributable to the limited partners in the biomass power plant Silbitz GmbH & Co. KG. The valuation of the put option was undertaken on the basis of the Black-Scholes model; the resulting value of the option will be discounted at the time of valuation. The basis for the establishment of the values are the available plans concerning the value of the company, volatility as well as the rate of discount interest at the date of the valuation.

VIII. Profit and loss account

1. Revenues

Revenues are broken down according to 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, projecting 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 construction contracts for the fiscal year 2006 are based on five projects.

EUR 000	2006	2005
Revenues before HB II reconciliation	91,899	63,578
Revenues from stage of completion accounting	26,526	41,865
Reverse affect from stage of completion accounting	–30,589	–37,458
Share of revenues in stage of completion accounting	–4,063	4,407
	87,836	**67,985**

Against this share of the revenues from stage of completion accounting there are contract costs in the amount of EUR 3,051,000 (prior year: EUR 3,573,000) resulting in a realised stage of completion profit in the amount of EUR 1,012,000 (prior year: EUR 654,000).

2. Other operating income

The other operating income includes mainly the following one-time effects:

- With the agreement of November 10, 2006 banks forgave unconditionally debts in the amount of EUR 7,158,000;
- During the fiscal year 2006 provisions in the amount of EUR 777,000 could be released; since the reasons for their being reported as liabilities were no linger valid.

3. Personnel expenses

The personnel expenses were composed as follows:

EUR 000	2006	2005
Wages and salaries	6,031	5,666
Social security contributions	723	904
	6,754	**6,570**
Average annual number of employees	137	137
Personnel expenses per employee	49	48

During the fiscal year 2006 an amount of EUR 78,000 was included in personnel expenses for costs for retirement benefits (defined contribution plans).

4. Other operating expenses

The other operating expenses include mainly the following items:

- Legal and consulting fees (EUR 1,858,000)
- Rental and leasing expenses (EUR 1,205,000)
- Provisions for doubtful accounts (EUR 688,000)
- Publicity and travel expenses (EUR 440,000)
- Compensation for damages (EUR 411,000)
- Vehicle expenses (EUR 346,000)
- EDP expenses (EUR 281,000)

5. Amortisation of financial assets

The amortisation of financial assets is composed as follows:

EUR 000	2006	2005
Plambeck Neue Energien Windparkfonds LXX GmbH & Co. KG	0	448
Other	0	67
	0	**515**

6. Interest and similar expenses

The interest and similar expenses include mainly interest on the convertible debentures (EUR 1,204,000, prior year EUR 1,412,000) and interest on loans (EUR 5,240,000, prior year: EUR 4,621,000).

7. Taxes on income

The expenses from taxes on income are composed as follows:

EUR 000	2006	2005
Current taxes	**–30**	**–32**
Deferred taxes		
from consolidation effects	1,121	508
from individual financial statements	–882	–373
	239	**135**
	209	**103**

Corporation tax plus the solidarity surcharge and trade tax for the domestic companies and comparable taxes on income at the foreign companies are stated under current taxes.

For the domestic companies the corporation tax remained unchanged at 25 % and the solidarity surcharge also remained at the same level of 5.5 %. Taking the trade taxes into account the total tax liability for the domestic companies amounted to the unchanged amount of 40 %.

Tax rates of 28 % are applied in the case of the foreign companies.

There were no major changes in tax expense due to the change in any national tax rates.

On the balance sheet date the Group had tax loss carry forwards of approximately EUR 100 million (prior year: approximately EUR 80 million) which can be set of against future profits. A deferred tax claim was set up for EUR 2.2 million (prior year: EUR 8.7 million) of these losses. Due to the loss situation in the recent past deferred tax claims are only capitalised in the amount which can certainly be realised through positive differences in the result in the future. The losses can be carried forward for an unlimited period of time.

The following table shows the reconciliation between the calculated tax expenses to that reported in the consolidated profit and loss account:

EUR 000	2006	2005
Consolidated result before taxes on income	**–6,347**	**–2,765**
Tax rates	**40.0 %**	**40.0 %**
Income tax expense – calculated	–2,539	–1,106
Non-tax deductible expenses	2,583	921
Other differences	165	288
Reported tax expense	**209**	**103**

The deferred taxes on valuation corrections are determined on the basis of specific country tax rates. Since all items involving deferred taxes are domestic, an unchanged average tax rate of 40.0 % has been assumed.

Deferred taxes existed as a result of differences in valuation in the following balance sheet items:

EUR 000	Deferred taxes stated as assets 31.12.2006	Deferred taxes stated as liabilities 31.12.2006	Deferred taxes stated as assets 31.12.2005	Deferred taxes stated as liabilities 31.12.2005
Receivables and other assets	4,724	8,879	698	2,331
Property, plant and equipment	189	0	0	0
Liabilities	0	2,368	0	0
Other provisions	6,283	0	0	0
	11,196	**11,247**	**698**	**2,331**
Tax loss carry forwards	877	0	3,460	0
Withdrawal from participation certificate capital	0	360	0	360
Other consolidation effects	516	976	0	992
	12,589	**12,583**	**4,158**	**3,683**
Offsettable share	–11,196	–11,196	0	0
Deferred taxes	**1,393**	**1,387**	**4,158**	**3,683**

8. Earnings per share

Undiluted earnings per share

The average number of shares during 2006 amounted to 24,527,339 registered shares.

The “undiluted earnings per share” thus amounted to EUR –0.26 per share.

	2006	2005
Consolidated net profit (EUR 000)	–6,323	–2,728
Weighted average of shares issued	24,527,339	19,936,395
Earnings per share (in EUR)	**–0.26**	**–0.14**

Diluted earnings per share

The diluted earnings per share is calculated as follows:

	2006	2005
Consolidated net income before elimination of dilution effects (EUR 000)	–6,323	–2,728
– interest expense on convertible loan	1,204	1,412
Result after elimination (EUR 000)	**–5,119**	**–1,316**
Weighted average of shares issued before dilution effect	24,527,339	19,936,395
+ weighted average of convertible shares	5,514,521	5,677,600
Weighted average of the shares issued after dilution effects	**30,041,860**	**25,613,995**
Diluted earnings per share (in EUR)	**–0.17**	**–0.05**

IX. Statement of cash flow

1. Liquid assets

The liquid assets as at January 1, 2006 and December 31, 2006 correspond in each case to the following item shown in the balance sheet: "Cash and cash equivalents"

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:

EUR 000	2006	2005
Interest income	322	639
Interest expense	5,129	5,241
Tax payments and reimbursements	0	–60

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 25,000. These were attributable to the acquisition of 100 % of the shares of PNE Gode Wind GmbH within the framework of its establishment.

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

The statement of cash flow shows how the liquid assets have changed during the course of the year under report due to the inflow and outflow of funds. In accordance with IAS 7 funds flow is classified according to operating, investing and financing activities. In this respect the effects of the changes of the scope of consolidation are eliminated.

X. Schedule of shareholders' equity

Transaction costs

During the fiscal year an amount of EUR 760,000 was deducted directly from shareholders' equity as transaction costs. The taxes on income related to his in the amount of EUR 304,000 were included directly in shareholders' equity.

XI. 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 onshore and offshore wind power turbines, projecting of rotor blades as well as generation of electricity and discontinued operations. A (secondary) segmentation by region will not be presented, since the requirements in accordance with IAS 14 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 (Attachment 8).

XII. Supplementary information

1. Contingent liabilities and other financial obligations

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

EUR 000	31.12.2006	31.12.2005
Silbitz biomass power station	13,291	15,197
Various wind power projects	11,159	14,056
Other	1,457	2,657
	25,907	**31,910**

Other financial obligations exist from rental leasing contracts in the amount of EUR 1,499,000 (prior year: EUR 1,735,000) as well as rental expenses for office buildings amounting to EUR 0 (prior year EUR 222,000). Moreover, there are obligations from order commitments for wind power turbines in the amount of EUR 2,277,000 (prior year: EUR 1,652,000).

The order commitments are fully due within one year. The maturities of the rental and leasing obligations were structured as follows:

EUR 000	31.12.2006
Rental and leasing obligations	
Remaining maturity of up to one year	654
Remaining maturity 1–5 years	845
Remaining maturity in excess of 5 years	0
	1,499

2. Assumptions of management concerning future developments and other valuation uncertainties

In 2003 a joint venture was set up with the Danish energy group, Energi E3 A/S (now DONG Energy A/S) for the Borkum Riffgrund offshore wind farm, which in terms of projecting is by far the most developed of the offshore wind farms within the Plambeck Group. The joint venture, which was established in the legal form of a private limited liability company (GmbH) by the two joint partners is planning for the completion of the Borkum Riffgrund wind farm in two construction phases. It cannot be assumed with certainty that the final decision will be taken within the framework of this joint venture to complete the Borkum Riffgrund wind farm. Should it occur for whatever reason that the Borkum Riffgrund wind farm cannot be completed, this would have a negative effect on the asset, financial and earnings situation of Plambeck, also due to the high requirement for depreciation which would arise. Even in the case of a decision to complete the Borkum Riffgrund wind farm it cannot be assumed with certainty that the completion would succeed at the currently assumed conditions, in particular with regard to the currently calculated expenses.

It can finally also not be guaranteed that the joint venture founded by Plambeck and Energi E2 A/S will exist and be continued in the longer term, as is planned by the two joint venture partners. Should the cooperation of Plambeck with Energi E2 A/S not succeed within the framework of the planned completion of the Borkum Riffgrund wind farm, this would have a negative effect on the asset, financial and earnings situation of the Company. Under certain circumstances a failure of the cooperation could result in the Company losing its control of the Borkum Riffgrund offshore wind farm project and not to participate economically in its eventual later completion. This would also have a negative influence on the asset, financial and earnings situation of Plambeck.

Please consult the Group management report with regard to the estimates of the management concerning the continuation of the Company as a going concern.

3. Announcements in accordance with Article 21 Paragraph 1 Securities Trading Law (WpHG)

The Company has received the following announcements with regard to the notification obligation in accordance with Section 21 Paragraph 1 of the German Securities Trading Law (WpHG):

Plambeck Holding AG, Cuxhaven, has informed us in accordance with Section 21 Paragraph 1 (WpHG) that its share of voting rights in Plambeck Neue Energien AG went below the benchmark of 25 percent on 14.02.2006 and since only amounts to 24.79 percent of the voting rights. This shareholding includes the voting rights of DIEPAG Verwaltungs GmbH in the amount of 14.16 percent, which in accordance with Section 22 (1) No. 1 in connection with Paragraph 3 (WpHG) must be attributed to Plambeck Holding AG.

At the same time Mr. Norbert Plambeck, Cuxhaven, informed us in accordance with Section 21 (1) (WpHG) that the voting rights of Plambeck Holding AG in accordance with Section 21 (1) in connection with Paragraph 2 (WpHG) are fully attributable to him and that his share of voting rights in Plambeck Neue Energien AG went below the benchmark of 25 percent on February 14, 2006 and since amounts to 24.79 percent.

DIEPAG Verwaltungs GmbH, Bremerhaven, has informed us in accordance with Section 21 (1) (WpHG) that its share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 10 percent on 18.04.2006 and since amounts to 9.43 % of the voting rights.

At the same time Friedrich Dieckell, Bremerhaven, informed us in accordance with Section 21 (1) (WpHG) that the voting rights of DIEPAG Verwaltungs GmbH in accordance with Section 21 (1) (WpHG) are fully attributable to him and that his share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 10 percent on 18.04.2006 and since amounts to 9.43 % of the voting rights.

Plambeck Holding AG, Cuxhaven, has informed us in accordance with Section 21 Paragraph 1 (WpHG) that its share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 10 percent on 19.04.2006 and since only amounts to 8.74 percent of the voting rights. This shareholding includes voting shares of DIEPAG Verwaltungs GmbH in the amount of 8.28 percent, which in accordance with Section 22 (1) No. 1 in connection with Paragraph 3 (WpHG)must be attributed to Plambeck Holding AG.

Mr. Norbert Plambeck, Cuxhaven, has informed us in accordance with Section 21 Paragraph 1 (WpHG) that his share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 10 percent on 19.04.2006 and since amounts to 8.74 percent of the voting rights. These shares are fully attributable to him in accordance with Section 22 (1) No. 1 in connection with Section 22 (1) Sentence 1 No. 1 (WpHG).

DIEPAG Verwaltungs GmbH, Bremerhaven, has informed us in accordance with Section 21 (1) (WpHG) that its share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 5 percent on 25.04.2006 and since amounts to 4.73 % of the voting rights.

At the same time Mr. Friedrich Dieckell, Bremerhaven, informed us in accordance with Section 21 (1) (WpHG) that the voting rights in Plambeck Holding AG are fully attributable to him and that his share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 5 percent on 25.04.2006 and since amounts to 4.73.79 percent.

Plambeck Holding AG, Cuxhaven, has informed us in accordance with Section 21 Paragraph 1 (WpHG) that its share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 5 percent on 25.04.2006 and since amounts to 4.86 percent of the voting rights. This shareholding includes the voting rights of DIEPAG Verwaltungs GmbH in the amount of 4.73 percent, which in accordance with Section 22 (1) No. 1 in connection with Paragraph 3 (WpHG) must be attributed to Plambeck Holding AG.

Mr. Norbert Plambeck, Cuxhaven, has informed us in accordance with Section 21 Paragraph 1 (WpHG) that his share of voting rights in Plambeck Neue Energien AG fell below the benchmark of 5 percent on 25.04.2006 and since amounts to 4.86 percent of the voting rights. These shares are fully attributable to him in accordance with Section 22 (1) No. 1 (WpHG).

Fidelity International Limited, United Kingdom, has informed us in accordance with Section 21 Paragraph 1 of the (WpHG) that share of voting rights of FMR Corp., Boston (USA) in Plambeck Neue Energien AG exceeded the benchmark of 5 percent on December 22, 2006 since amounts to 9.87 percent of the voting rights. The voting rights are attributable to FMR Corp. in accordance with Section 22 (1) 2 (WpHG) in connection with Section 22 (1) 1 No. 6 (WpHG).

4. Relationships to affiliated companies and persons

With regard to the financial statements of Plambeck Neue Energien AG and its subsidiaries included in the consolidated financial statements please consult the schedule of participations. During the fiscal year 2006 there were the following transactions with affiliated persons.

- Plambeck Neue Energien AG and Plambeck Neue Energien Betriebs und- Beteiligungsgesellschaft have concluded consulting contracts for the provision of EDP services with Net Curity GbR, whose managing shareholder, Mr. Rafael Vazquez Gonzales, is a member of the Supervisory Board. During then fiscal year 2006 there were transactions with a volume of EUR 148,000 and EUR 26,000 respectively. These business transactions took place on an arms' length basis.
- The member of the Supervisory Board, Mr. Timm Weiss, provided legal consulting services for Plambeck Neue Energien AG in the amount of EUR 1,000. These business transactions took place on an arms' length basis.
- The expenses arising from litigation in the amounts of EUR 63,000, EUR 10,000 and EUR 6,000 respectively were reimbursed to the manager of the legal department, the manager of finance and accounting as well as to an employee with power of attorney of Plambeck Neue Energien AG.

The remuneration and the ownership of shares of the Supervisory Board and the Board of Directors are explained under Section XII.5.

5. Information on the Supervisory Board and the Board of Management

Supervisory Board

Herr Dieter K. Kuprian, Berlin, banker (Chairman)
Herr Dr. Peter Fischer, Cuxhaven, (Deputy Chairman), management consultant
Herr Horst Kunkel, Bietigheim, businessman
Herr Timm Weiß, Cuxhaven, lawyer
Herr Alfred Mehrtens, Cuxhaven, farmer
Herr Rafael Vazquez Gonzales, Cuxhaven, businessman

Mr. Horst Kunkel is still a member of the Supervisory Board or a member of another control body within the meaning of Section 125 Paragraph 1 Sentence 3 of the German Stock Corporation Law (AktG):

- Bohlen & Doyen Vermögensverwaltung AG, Wiesmoor (until November 15, 2006)
- GfM, Gesellschaft für Mittelstandsberatung GmbH, Berlin
- Betz Holding GmbH & Co. KG, Reutlingen

During the fiscal year 2006 the remuneration of the Supervisory Board amounted to EUR 74,000. The Chairman received EUR 8,000, the Deputy Chairman EUR 6,000 and the other members of the Supervisory Board EUR 4,500 as fixed compensation. Moreover, each member of the Supervisory Board received EUR 1,500 per meeting. No variable remuneration was paid during the period under report. Furthermore, the Company bears the costs of personal liability insurance for all members of the Supervisory Board.

Of the members of the Supervisory Board of the Company Mr. Alfred Mehrtens held as at December 31, 2006 315 shares of the Company.

Close relatives of a member of the Supervisory Board hold 753 shares.

Board of Management
Herr Dr. Wolfgang von Geldern, Nordholz (Chairman)
Herr Martin Billhardt, Cuxhaven (member)

Dr. Wolfgang von Geldern is still a member of the Supervisory Board or a member of another control body within the meaning of Section 125 Paragraph 1 Sentence 3 of the German Stock Corporation Law (AktG):
- Plambeck Neue Energien Biomasse AG, Cuxhaven
- DEWI Deutsches Windenergie-Institut GmbH, Wilhemshaven

Herr Martin Bilhardt is still a member of the Supervisory Board or a member of another control body within the meaning of Section 125 Paragraph 1 Sentence 3 of the German Stock Corporation Law (AktG):
- Plambeck Neue Energien Biomasse AG, Cuxhaven
- SSP Technology A/S, Kirkeby / Denmark
- Deutsche Rohstoff AG, Frankfurt
- Portum AG, Frankfurt am Main (until August 31, 2006)

The members of the Board of Directors received for their activities during the fiscal year 2006 total remuneration in the amount of EUR 767,000, which was distributed as follows:

EUR 000	Fixed remuneration 2006	Variable remuneration 2006	Other compensation 2006	Total remuneration 2006
Dr. Wolfgang von Geldern	225	100	30	355
Martin Billhardt	212	100	100	412
	437	**200**	**130**	**767**

The other compensation concern the costs of litigation assumed by Plambeck Neue Energien AG.

In the event of a change of control of the Company a member of the Board of Management has a special resignation right, which he may exercise with a period of resignation of fourteen days as at the end of the month during the two months following the change of control (the month in which the change of control takes place is not included). A change of control justifying the special resignation right occurs when a third party announces to the Company in accordance with Section 21 HGB that he has obtained 50 % or more of the voting rights of the Company. On exercising the special resignation right, the member of the Board of Directors is entitled to his fixed remuneration for the remaining period of his contract in accordance with Section 5 Paragraph 1; this shall be paid in one amount without interest at the end of the contract. Should the change of control take place within the framework of a public offer, the member of the Board of Directors is also entitled to a special premium in the amount of 50 % of the expected successbased compensation up to the end of the contract, in the event that the special right of resignation is exercised. In this respect the increase in value, always related to market capitalisation, shall be measured on the basis of the difference between the acquisition price first offered by the acquirer and the eventually higher acquisition price which is decisive for the implementation of the offer; in total the special premium may not, however, be higher than the fixed annual remuneration in accordance with Section 5 Paragraph 1.

Of the members of the Board of Directors of the Company Mr. Martin Billhardt also held 100,000 shares, whilst Dr. Wolfgang von Geldern held 22,500 shares of the Company as at December 31, 2006.

6. Events following the balance sheet date

The last investigation procedures which have been carried out by the public prosecutor since 2005 were discontinued in February 2007 following the payment of charges. As a result this does not constitute recognition of guilt. The assumption of innocence of the parties in question remains intact. The majority of the investigation procedures in this connection were already discontinued in 2006 without the payment of any charges.

There were no further events following the end of the fiscal year 2006 which have any major significance for the asset, financial and earnings situation of the Group.

Additional information for German parent companies in the consolidated financial statements as per IFRS in accordance with Section 315a of the German Commercial Code (HGB)

7. Auditors' fees

During the fiscal year the following expenses were incurred with regard to auditors' fees:

Audit (EUR 000)	140
Other consulting services (EUR 000)	86

8. German Corporate Governance Code

The Board of Directors and the Supervisory Board have given a declaration of compliance in accordance with Section 161 of the German Stock Corporation Law and made it generally available in the internet.

Due to the high importance of Corporate Governance the Board of Directors and the Supervisory Board each made an unanimous resolution for the implementation of the German Corporate Governance Code on November 23, 2006 and December 7, 2006 respectively.

Plambeck Neue Energien AG will comply with the recommendations of the German Corporate Governance Code in its version of June 12, 2006 with the exception of regulations 2.3.4 and 3.8.

Regulation 2.3.4 concerns the transmission of general meetings of shareholders in the internet. Transmissions of general meetings of shareholders are not foreseen in the articles of association of the Company.

In No. 3.8 of the German Corporate Governance Code it is recommended that a deductible be agreed on the conclusion of a D & O insurance. This did not occur at the conclusion of a new D & O insurance due to the structure of the contract. The insurance which was chosen did not foresee a deductible.

The Corporate Governance report can be found in the annual report and on the homepage of Plambeck Neue Energien AG under www.pne.de/Investor Relations/Corporate Governance.

9. Information on employees

Average number of employees

	2006	2005
Industrial workers	40	26
Salaried employees	78	87
Executives	19	24
	137	**137**

Cuxhaven, March 13, 2007

Plambeck Neue Energien Aktiengesellschaft

Dr. Wolfgang von Geldern
Chairman of the Board of Directors

Martin Billhardt
Member of the Board of Directors

Auditors' report

We have audited the consolidated financial statements prepared by Plambeck Neue Energien AG, Cuxhaven, comprising the balance sheet, the income statement, statement of changes in shareholders' equity, cash flow statement, segment reporting and the notes to the consolidated financial statements, together with the combined management and group management report for the fiscal year from January 1 to December 31, 2006. The preparation of the consolidated financial statements and the management report as well as the group management report in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a Paragraph 1 HGB and supplementary provisions of the articles of incorporation are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management and group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management and group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management and group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in the consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management and group management report. We believe that our audit provides a reasonable basis for our opinion

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements conform with IFRS as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315a Paragraph 1 HGB and supplementary provisions of the articles of incorporation and IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management and group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Stuttgart, March 13, 2007

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

Dr. Wolfgang Russ	Martina Schaaf
Auditor	Auditor

Report of the Supervisory Board

Dear Shareholders,
2006 was the year of a new start for Plambeck Neue Energien AG. The strengthened implementation of wind farm projects in Germany, the conclusion of the contract with Babcock & Brown Wind Partners Ltd. and the approval for the second offshore wind farm project, „Gode Wind“ constituted an important crossroads for the future of the Company. The discontinuation of the legal investigations against members of our Boards and executives has provided us with a necessary degree of calm.

During the general meeting of shareholders on May 17, 2006 Dr. Peter Fischer, Alfred Mehrtens and Rafael Vazquez Gonzales were reappointed to the Supervisory Board. This reappointment ensures that the necessary close cooperation between the Boards of the Company can be continued with the necessary continuity. At the same time the number of "independent members“ required by the Corporate Governance Code has been substantially exceeded.

The Supervisory Board was continuously informed by the Board of Directors of Plambeck Neue Energien AG about the development of the Company. During 2006 the Supervisory Board held a total of four ordinary meetings. These meetings took place on March 17, May 15, September 29 and December 7. Furthermore, eight resolutions were adopted on the basis of an ad hoc minute. The Personnel Committee and the Audit Committee met regularly.

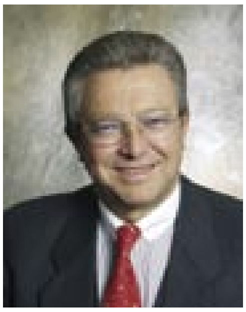
At these meetings as well as in other individual discussions the Board of Directors provided the members of the Supervisory Board with detailed information about the current development of the business and the assets, earnings and financial situation of the Company as well as of the planned business 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. Furthermore, the Supervisory Board reviewed the books, documents and assets and also examined them. Special reports were not requested. 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 consolidation of the Company, the concentration on the core business and the future orientation of the Group. The objective of all measures was the future development of the Company.

The situation regarding decisions with regard to the German Corporate Governance Code changed insofar as the Supervisory Board in its meeting on December 7, 2006, following a resolution already taken by the Board of Directors, resolved to comply with the recommendations of the version of the German Corporate Governance Code of June 12, 2006 with the exception of Paragraph 2.3.4 (broadcasting of the general meeting of shareholders in the internet) and Paragraph 3.8 (D&O insurance).

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 17, 2006, Dr. Ebner, Dr. Stolz und Partner GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart Office, have audited these together with the accounting and have issued their unqualified auditors’ opinion.



DIETER K. KUPRIAN
CHAIRMAN OF THE SUPERVISORY BOARD

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 punctually to all members of the Supervisory Board for adoption. The documents have been examined by the members of the Supervisory Board and discussed in detail at the balance sheet meeting of March 15, 2007 together with the representatives of the auditors. There were no objections. The Supervisory Board agreed with the result of the audit. 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 2006 on May 17, 2006. 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 regulations and obstacles which could render difficult an assumption and exercise of control have been examined and analysed by the Supervisory Board. The Supervisory Board considers that these are sufficient.

On May 15, 2006 the Supervisory Board has extended in advance the contract of the Chairman of the Board of Directors, Dr. Wolfgang von Geldern, up to December, 31, 2009. At the end of 2009 Dr. von Geldern will reach the legal retirement age of 65. The prior contract would have expired at the end of 2006.

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 2006.

Cuxhaven March 15, 2007

Dieter K. Kuprian
Chairman of the Supervisory Board

Content

Abschluss der AG

Profit and loss account

of Plambeck Neue Energien Aktiengesellschaft (HGB)
from the period from January 1 to December 31, 2006

	2006 in EUR	2005 in EUR 000
1. Revenues	82,539,636.82	59,788
2. Increase in work in process	–11,786,027.75	–3,095
3. Other operating income	3,288,743.78	10,613
4. Total income	**74,042,352.85**	**67,306**
5. Cost of purchased materials		
a) Cost of raw materials, supplies and purchased materials	–62,253,101.91	–39,699
b) Cost of purchased services	–16,345,747.73	–12,233
	–78,598,849.64	**–51,932**
6. Personnel expenses		
a) Wages and salaries	–3,487,689.98	–3,537
b) Social security contributions and expenses for pensions	–499,979.09	–558
	–3,987,669.07	**–4,095**
7. Amortisation and depreciation of intangible assets and items of property, plant and equipment	–559,309.05	–639
8. Other operating expenses	–15,996,924.32	–17,066
9. Operating result	**–25,100,399.23**	**–6,426**
10. Other interest and similar income	3,717,592.93	3,655
11. Interest and similar expenses	–3,986,192.05	–4,833
12. Profit from ordinary operations	**–25,368,998.35**	**–7,604**
13. Extraordinary income	7,157,965.83	–35,729
14. Extraordinary expenses	0.00	35,729
15. Extraordinary result	**7,157,965.83**	**0**
16. Taxes on income	1,011.04	–22
17. Other taxes	-22,182.83	–35
18. Net loss	**–18,232,204.31**	**–7,661**
19. Loss carried forward	–4,665,235.05	–5,127
20. Income from capital reduction	0.00	8,123
21. Balance sheet loss	**–22,897,439.36**	**–4,665**
Earnings per share (undiluted)	–0.74 €	–0.38 €
Average number of shares in circulation (undiluted) (in thousands)	24,527	19,937

Balance sheet

of Plambeck Neue Energien Aktiengesellschaft (HGB)
as at December 31, 2006

ASSETS	2006 in EUR	2005 in EUR 000
A. Fixed assets		
I. Intangible assets		
1. Franchises, trademarks, licences and other similar rights as well as licences from such rights and values	**43,567.19**	**58**
II. Property, plant and equipment		
1. Land and buildings including buildings on third-party land	14,914,647.51	15,314
2. Technical equipment and machinery	95,379.87	102
3. Other plant and machinery, fixtures and fittings	537,879.45	629
4. Prepayments	0.00	0
	15,547,906.83	**16,045**
III. Financial assets		
1. Participations in associate companies	6,496,869.13	6,472
2. Participations	2,041,263.59	2,041
3. Other loans	328,354.08	328
	8,866,486.80	**8,841**
Total fixed assets	**24,457,960.82**	**24,944**
B. Current assets		
I. Inventories		
1. Work in process	26,610,642.16	38,397
2. Finished goods	4,009.39	4
3. Prepayments	13,275,303.72	12,342
	39,889,955.27	**50,743**
II. Receivables and other assets		
1. Trade receivables	9,066,041.73	8,926
2. Receivables from associated companies	5,198,003.12	4,026
3. Receivables from participations	1,515,560.77	530
4. Other assets	8,766,060.94	15,950
	24,545,666.56	**29,432**
III. Securities		
Other securities	**0.00**	**6**
IV. Cash on hand and cash in banks	**6,832,897.23**	**2,323**
Total current assets	**71,268,519.06**	**82,504**
C. Deferred charges	**115,320.00**	**109**
Total assets	**95,841,799.88**	**107,557**

LIABILITIES	2006 EUR	2005 EUR 000
A. Shareholder's equity		
I. Subscribed capital	37,451,057.00	22,495
Conditional capital: EUR 9,276,138.00		
II. Capital reserves	12,699,247.96	2,225
III. Retained losses	–22,897,439.36	–4,665
IV. Participation certificate capital	1.00	0
Total shareholders' equity	**27,252,866.60**	**20,055**
B. Special items for investment grants	**1,439,443.67**	**1,486**
C. Provisions		
Other taxes	**7,315,159.73**	**7,372**
D. Liabilities		
1. Loans	20,067,907.50	21,310
2. Liabilities to banks	19,982,674.37	34,189
3. Prepayments received on orders	4,451,332.29	14,158
4. Trade liabilities	2,720,658.13	4,364
5. Liabilities to associated companies	504,052.93	46
6. Other liabilities	11,955,845.66	4,341
Total liabilities	**59,682,470.88**	**78,408**
E. Deferred income	**151,859.00**	**236**
Total liabilities and shareholders' equity	**95,841,799.88**	**107,557**

Statement of cash flow

of Plambeck Neue Energien Aktiengesellschaft (HGB)
for the period from January 1 to December 31, 2006

in EUR 000	2006	2005
Net result before extraordinary items	–18,232	–7,661
Amortisation and depreciation of intangible assets and fixed assets	559	639
Increase/decrease in provisions	–57	–1,849
Other non-cash effective income and expenses	–7,158	–88
Gain/loss from the disposal of fixed assets	0	–867
Increase/decrease of inventories and other assets	15,879	12,280
Increase/decrease in trade receivables	–140	3,368
Increase/decrease in trade liabilities and other liabilities	–3,383	–19,893
Cash flow from operating activities	**–12,532**	**–14,071**
Inflow of funds from the disposal of intangible assets and fixed assets	0	46
Outflow of funds for investments in intangible assets and property, plant and equipment	–47	–16
Inflow of funds from the disposal of financial assets	0	3,045
Outflow of funds for investments in financial assets	–25	–191
Cash flow from investing activities	**–72**	**2,884**
Inflow of funds from additions to shareholders' equity	24,182	2,474
Inflow of funds from financial loans	6,831	4,651
Outflow of funds from the repayment of bonds	0	–1,581
Outflow of funds from the repayment of loans	–13,899	0
Cash flow from financing activities	**17,114**	**5,544**
Cash effective change in liquid funds (< = 3 months)	**4,510**	**–5,643**
Additions to liquid funds within the context of a merger	0	5,971
Liquid funds (< = 3 months) as at 01.01	**2,323**	**1,995**
Liquid funds (< = 3 months) as at 31.12	**6,833**	**2,323**

Supplementary note: the value of the liquid funds as at 31.12 corresponds to the balance sheet item "cash on hand and cash in banks, etc."

Development of shareholders' equity

of Plambeck Neue Energien Aktiengesellschaft (HGB)
for the fiscal year 2006

in EUR	Subscribed capital	Capital reserve	Participation certificate capital	Balance sheet profit/loss	Total
Status as at January 1, 2005	**30,368,617.00**	**0.00**	**1.00**	**–5,126,718.42**	**25,241,899.58**
Capital reduction through withdrawal of one share	–1.00	1.00	0.00	0.00	0.00
Simplified capital reduction in the ratio of 3 : 2	–10,122,872.00	2,000,000.00	0.00	8,122,872.00	0.00
Capital increase in cash	2,249,527.00	224,952.70	0.00	0.00	2,474,479.70
Net loss 2005	0.00	0.00	0.00	–7,661,388.63	–7,661,388.63
Status as at December 31, 2005	**22,495,271.00**	**2,224,953.70**	**1.00**	**–4,665,235.05**	**20,054,990.65**
Capital increase in cash	2,249,526.00	3,374,289.00	0.00	0.00	5,623,815.00
Convertible bond 2002/2004	7,704.00	16,871.76	0.00	0.00	24,575.76
Convertible bond 2004/2009	326,158.00	896,934.50	0.00	0.00	1,223,092.50
Capital increase in cash	12,372,398.00	6,186,199.00	0.00	0.00	18,558,597.00
Net loss 2006	0.00	0.00	0.00	–18,232,204.31	–18,232,204.31
Status as at December 31, 2006	**37,451,057.00**	**12,699,247.96**	**1.00**	**–22,897,439.36**	**27,252,866.60**

Schedule of fixed assets

of Plambeck Neue Energien Aktiengesellschaft (HGB)
for the fiscal year 2006

	Acquisition and manufacturing cost			
in EUR	Status as at 1.1.2006	Additions	Disposals	Status as at 31.12.2006
I. Intangible assets				
Franchises, trademarks and similar rights as well as licences to such rights	197,619.11	2,130.00	0.00	199,749.11
	197,619.11	**2,130.00**	**0.00**	**199,749.11**
II. Property, plant and equipment				
1. Land and buildings including buildings on third-party land	16,787,574.40	5,000.00	0.00	16,792,574.40
2. Technical equipment and machinery	132,127.10	0.00	0.00	132,127.10
3. Other equipment, fixtures and furnishings	1,832,697.36	40,325.85	21,024.12	1,851,999.09
4. Prepayments and plant under construction	9,350.00	0.00	0.00	9,350.00
	18,761,748.86	**45,325.85**	**21,024.12**	**18,786,050.59**
III. Financial assets				
1. Shares in associated companies	41,669,881.49	25,000.00	0.00	41,694,881.49
2. Participations	2,041,263.59	0.00	0.00	2,041,263.59
3. Other loans	328,354.08	0.00	0.00	328,354.08
	44,039,499.16	**25,000.00**	**0.00**	**44,064,499.16**
	62,998,867.13	**72,455.85**	**21,024.12**	**63,050,298.86**

	Accumumated amortisation and depreciation						Book values
	Status as at 1.1.2006	Additions	Disposals	Status as at 31.12.2006		Status as at 31.12.2006	Status as at 31.12.2005
	139,529.87	16,652.05	0.00	156,181.92		43,567.19	58,089,24
	139,529.87	**16,652.05**	**0.00**	**156,181.92**		**43,567.19**	**58,089.24**
	1,473,944.69	403,982.20	0.00	1,877,926.89		14,914,647.51	15,313,629.71
	29,641.43	7,105.80	0.00	36,747.23		95,379.87	102,485.67
	1,203,573.76	131,569.00	21,023.12	1,314,119.64		537,879.45	629,123.60
	9,350.00	0.00	0.00	9,350.00		0.00	0.00
	2,716,509.88	**542,657.00**	**21,023.12**	**3,238,143.76**		**15,547,906.83**	**16,045,238.98**
	35,198,012.36	0.00	0.00	35,198,012.36		6,496,869.13	6,471,869.13
	0.00	0.00	0.00	0.00		2,041,263.59	2,041,263.59
	0.00	0.00	0.00	0.00		328,354.08	328,354.08
	35,198,012.36	**0.00**	**0.00**	**35,198,012.36**		**8,866,486.80**	**8,841,486.80**
	38,054,052.11	**559,309.05**	**21,023.12**	**38,592,338.04**		**24,457,960.82**	**24,944,815.02**

Schedule of liabilities

of Plambeck Neue Energien Aktiengesellschaft (HGB)
as at December 31, 2006

Type of liabilities	Maturity: Up to one year in EUR	One to five years in EUR	More than five years in EUR	Total amount in EUR
1. Loans	0.00	20,067,907.50	0.00	20,067,907.50
2. Liabilities to banks	10,572,727.10	1,872,159.05	7,537,788.22	19,982,674.37
3. Prepayments received on orders	4,451,332.29	0.00	0.00	4,451,332.29
4. Trade liabilities	2,720,658.13	0.00	0.00	2,720,658.13
5. Liabilities to associated companies	504,052.93	0.00	0.00	504,052.93
6. Other liabilities	6,755,845.66	5,200,000.00	0.00	11,955,845.66
of which from taxes: EUR 678,958.51 (prior year: EUR 253,000)				
of which for social security: EUR 0,00 (prior year: EUR 67,000)				
Total	**25,004,616.11**	**27,140,066.55**	**7,537,788.22**	**59,682,470.88**

Security

Type of security
None
1. Registered mortgage of EUR 10,007,000 on the property at Peter-Henlein-Str. 2–4, Cuxhaven. As at 31.12.2006 EUR 9,408,000 had been drawn on.
2. Assignment of the rental income from the property at Peter-Henlein-Str. 2–4, Cuxhaven.
3. Registered mortgage of EUR 350,000 on the property at Alte Industriestrasse 8, Cuxhaven. As at 31.12.2006 EUR 325,000 had been drawn on.
4. Assignment of all current and future trade receivables.
5. Pledge of shares of SSP Technology A/S, Denmark
6. Assignment of possible proceeds from the sale of shares in PNE Riff I GmbH, Cuxhaven.
None
As is usual in the branch, retention of title exists with regard to items delivered.
None
None

Auditors' report

We have audited the financial statements of Plambeck Neue Energien AG, Cuxhaven, for the fiscal year from January 1 to December 31, 2006, consisting of the balance sheet, the income statement as well as the notes to the financial statements including the accounting records and the combined management and group management report. The accounting and the preparation of the financial statements and the combined management and group management report in accordance with the requirements of German commercial law and the supplementary provisions of the articles of association are the responsibility of the management of the company. Our responsibility is to express an opinion on the financial statements including the accounting and the combined management and group management report on the basis of our audit.

We have conducted our audit of the financial statements in accordance with Section 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in German – IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements drawn up in accordance with generally accepted accounting standards and in the combined management and group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the accounting records, the financial statements and the combined management and group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles applied and the significant assumptions made by the management of the company as well as the overall presentation of the financial statements and the combined management and group management report. We believe that our audit provides a reasonable basis for our opinion

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial statements conform to the legal requirements as well as the supplementary provisions of the articles of association and give a true and fair view in accordance with generally accepted accounting standards of the net assets, financial position and results of operations of the Company. The combined management and group management report is consistent with the financial statements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Stuttgart, March 13, 2007

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

Dr. Wolfgang Russ	Martina Schaaf
Auditor	Auditor

Financial calendar 2007

March 29, 2007	Publishing annual report
March 29, 2007	Press and analysts conference
Mai 07, 2007	Q1 report
Mai 23, 2007	Shareholders meeting in Cuxhaven
August 13, 2007	Publishing half year report
November 12, 2007	Q3 report
November 12, 2007	Analysts conference

Balance sheet declaration

"As legal representatives of Plambeck Neue Energien AG we declare that to our best knowledge the financial statements of Plambeck Neue Energien AG give a true and fair view of the Company's situation in accordance with Section 264 Paragraph 2 Sentence 1 of the German Commercial Code (HGB) and that the notes include information in accordance with Section 264 Paragraph 2 Sentence 2 (HGB).

As legal representatives of Plambeck Neue Energien AG we also confirm that that to the best of our knowledge the consolidated financial statements of Plambeck Neue Energien AG give a true and fair view of the Group's situation in accordance with Section 297 Paragraph 2 Sentence 2 (HGB) and that the notes include information in accordance with Section 297 Paragraph 2 Sentence 3 (HGB).

We also declare that to the best of our knowledge the combined management and Group management report describes the development of the business including the results of the business and the situation of Plambeck Neue Energien AG in such a way that a true and fair view is presented and that the key opportunities and risks are specified within the meaning of Section 289 Paragraph 1 Sentence 4 (HGB) or Section 315 Paragraph Sentence 5 (HGB)."

Imprint

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The german version of this annual report prevails.

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