

Investor presentation on the preliminary figures 2007

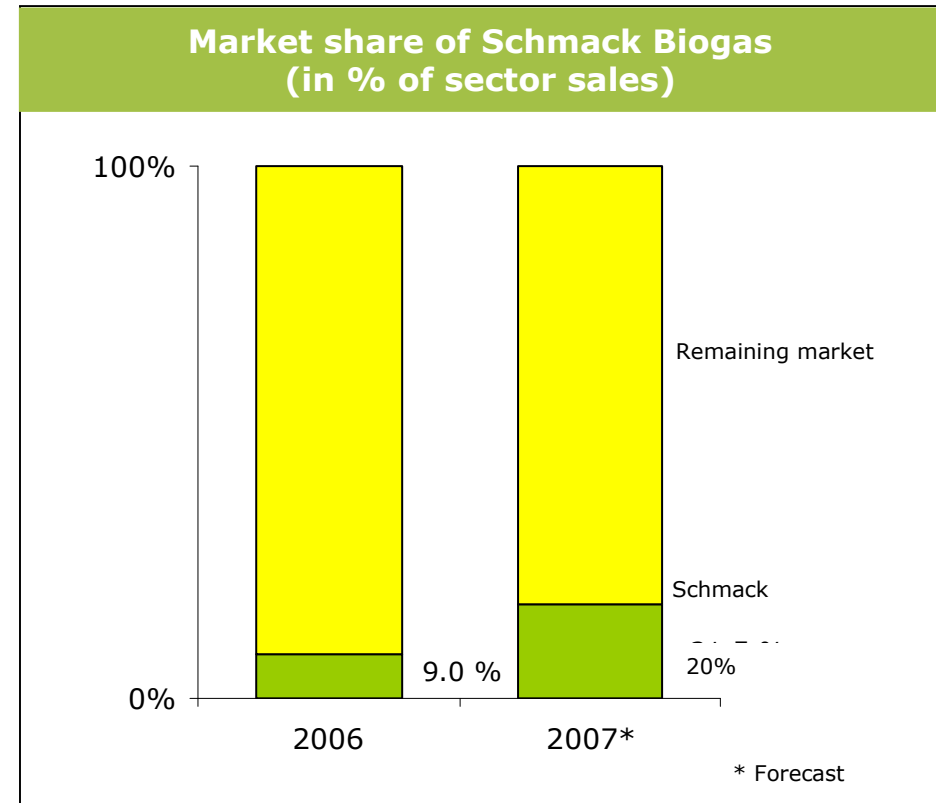
Ulrich Schmack, CEO

Dr. Alexander Götz, CFO



Schmack market share more than doubled in 2007

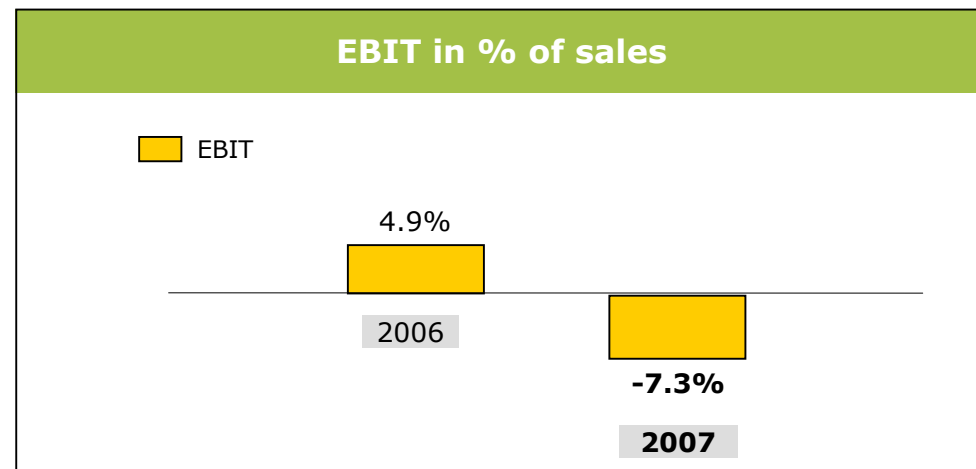
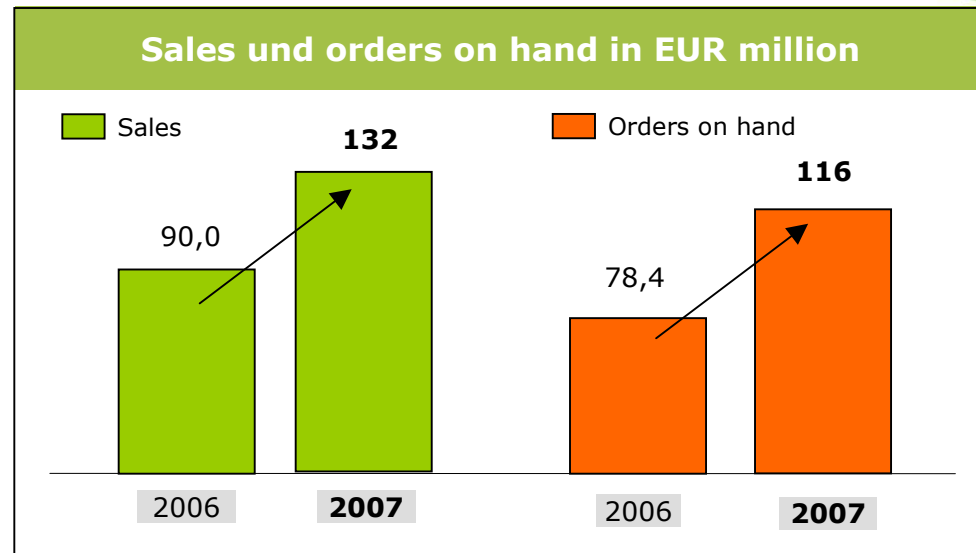
- ◆ In **2006**, plant construction sales were approximately **EUR 1 billion**
- ◆ In **2006**, Schmack sales totalled approximately **EUR 90 million**
- ◆ According to a forecast of the German Biogas Association, sales in **2007** amounted approximately **EUR 0.65 billion**
- ◆ According to preliminary figures, Schmack expects **sales of EUR 132 million in 2007**



Source: German Biogas Association

Preliminary figures 2007

- ◆ **Increase of sales of 47.0% to approximately EUR 132 million in 2007, thus clearly higher than the industry average**
- ◆ Orders on hand as of 31 December 2007 was approximately **EUR 116 million**, almost **48%** above the comparative figure of the previous year (EUR 78.4 million)
- ◆ Earnings trend in **Q4 positive**
- ◆ **EBIT at EUR -9.6 million** below the last forecast of minus EUR 6 million
- ◆ Some sales and earnings for projects and project development services planned for 2007 will be generated **in 2008**.



Product and process standardization

- ◆ The planning and construction of plants with **high MW capacity** will be **also standardised** shortly as are **today's 500 KW plants**
- ◆ **Learning curve effects** result in ongoing cost reductions in the construction of large-scale plants
 - ◆ **Saving procurement costs**
 - ◆ **Reduction of the fixed costs by optimizing processes**
- ◆ Progress in **integrating subsidiaries**
- ◆ **Successive conversion of plant technology** so as to be able to ferment catch crops almost concluded



Measures due to increasing raw material costs

1 Professional raw materials management 2 Adjustment of plant technology

Increasing yield by sustainable succession of energy crops



- ◆ Reduction of dependency on corn and grain
- ◆ Reduction of raw material procurement costs
- ◆ Long-term increase of land yield

Alignment of plant technology to the widest possible biodiversity



- ◆ Up to 80% of energy crops can be processed
- ◆ Pumps, stirring devices and feeders were aligned to the new requirements

With this strategy, Schmack Biogas considerably reduces production costs for one KWh of biogas

Possible future subsidy framework in the biogas gas

**Amendment of
the Renewable
Energy Act**

Promotion of electricity
feeds from regenerative
energies

Gas Feed-in Act

Simpler access of biogas
to the natural gas grid and
making wheeling easier

Heat Act

Promoting heat obtained
from renewable energies

Bio Energy Act

Promotion of biofuel
deployment

Biogas could play an important role in all areas

High expertise with gas feed-in projects

Expertise in plant construction

- ◆ Great experience in gas feed-in on the part of **CarboTech Engineering GmbH**
- ◆ Deployment of biogas facilities which can process **catch crops**
- ◆ **Low energy requirements** of the plant system

Expertise in project development project development

- ◆ Examining and securing land
- ◆ Preparation of approval
- ◆ Raw materials concept
- ◆ Heat use and sale
- ◆ Examination of the gas grid



Summary: Schmack supplies all services for project management, construction and plant operation from a single source

High expertise in plant engineering and in gas preparation



High expertise in product development



Outlook

- ◆ After a difficult first six months, the company expects a more positive trend in the second half of 2008
- ◆ A strong upward trend is anticipated for 2009
- ◆ This expectation is based not only on the more streamlined cost structure, but also on considerably improved market conditions in the form of the new gas feed-in regulation and the planned increase of the remuneration rates from the Renewable Energies Act

Guidance for 2008

- ◆ Further sales growth and a considerable EBIT improvement

Contact



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