Outbuilding House of Future Energies

Provide space for company growth

Page 4

Wind energy market France

WKN sells French projects to ENEL

Page 5

NEW: VIP-Questionnaire

Subject: Jörg Mayer

Page 7

Romania

Successful market entry in Eastern Europe

Page 8

First WKN repowering projects to be realized Pages 2-3
And off we go

First WKN repowering projects to be realized

In 1993 the wind turbines of WKN Hedwigenkoog KG went into service to form what was then Europe’s largest cohesive wind farm – ten turbines of the Vestas V27 type with a total nominal capacity of just 2.25 megawatts. In 1994 the Schwalkenstrom project followed with four Vestas V39 turbines. Both wind farms are within sight of one another, not far from the North Sea in the rural district of Dithmarschen. As it was usual at the time, the shareholders of the wind farms, operated with the German legal form of “GmbH & Co. KG”, mainly were neighbouring residents and other investors involved in the development of the farm.
Many years have passed; years in which the wind turbines have generated environmentally friendly power to the complete satisfaction of their initiators and owners. The reduction of the feed-in payments which is inevitable under the provisions of the German Renewable Energies Act (EEG) was, however, a good reason to give some thought to the future of the companies. Since 2003 the buzzword „repowering“ has therefore kept haunting over all the shareholders’ meetings of both companies.

In a repowering operation the existing smaller windmills within the same wind area are replaced by significantly larger and more efficient turbines. Such a measure demands a great amount of expertise and planning skill, which is why repowering is called the supreme discipline in project development. Apart from the technical and economic project planning also common in new projects, attention must be paid to special features related to tax and company law in particular. The BGZ-Group faces this huge number of different challenges with its wide-ranging competence and expertise.

In the context of an active exchange of views at the respective shareholders’ meetings, there was evidence of a consensus concerning the implementation of repowering measures. The granting of planning permits for the wind turbines marked the end for the time being of a four-year planning phase, which had started with discussions with the community of Hedwigenkoog and of course with environmental impact studies. On the basis of the overall trustful relationship which had grown up over the years it was possible to achieve a very high degree of consensus with the municipality representatives. The amended development plan allows a total height of up to 130 metres for the future erection of turbines. It was also possible to create a common contractual basis with the landlords of the plots, one which is reasonable for all parties. The provision of the necessary grid capacity was a further challenge. In view of the predictive and positively assessed preliminary construction enquiries, the grid operator approved the basic provision of the necessary capacity as early as 2005. The essential infrastructure would now be set up together with others willing to feed into the grid which will be established in the form of an infrastructure company. This way of doing would exploit synergies in a meaningful way and would of course save a lot of cost.

Full attention would also be paid to the politically and socially desirable effect of increasing the energy produced in a climatically sound way, combined with protection of the scenic landscape. With the future wind turbines, the quantity of power generated after repowering would double, while it would be possible to more than halve the number of installations. Instead of the fourteen small wind turbines currently still in operation, in future there will only be six turbines of the multi-megawatt class with a total height of around 120 metres to take care of the power generation. Because of the current market circumstances it would still even be possible to achieve appreciable residual values for the old installations.

With the resolved amendment of the EEG and hence with increased payments as of 01.01.2009, repowering can now also be described in economic terms. The strong approval expressed by the limited partners indicates that the latter can continue to enjoy the worthwhile investment. Repowering would thus probably be implemented together with the original shareholders.

Following the principle of „Never change a winning team“ WKN Windkraft Nord AG has again acted as developer of the measures to be taken so far. The wind energy pioneer had already completed turnkey erection of the wind farms in the early 90s. The commissioning of the new installations could take place under optimum as early as the third quarter of 2009, depending on the decision concerning the turbine manufacturer.

It remains to say that repowering measures undoubtedly constitute a complex and even long drawn-out project. The competency for various fields combined within the House of Future Energies is, however, ideal for tackling the tasks in hand. So the work on repowering further wind farm companies is already in progress.
Within the last months, the colleagues at the House of Future Energies have had to come closer every day – now the building is being extended. The planned outbuilding of the House of Future Energies stresses the BGZ Group’s growth intentions and the expansion strategies to new markets. At the same time the extension is a clear commitment to the „wind capital town“ of Husum.

The visual appearance of the outbuilding will be adapted to the prestigious image of the existing building and will be integrated to the overall concept as further flank. In terms of the company’s philosophy, the planning considers an ecological realization of the construction works. Consequently, the existing innovative building technology as well as functionality and transparence have been taken over. The available block heat and power plant will also provide the new offices with environmentally friendly heat while the new roof supplies space for extending the existing photovoltaic system. Shadow fences in front of the windows will furthermore save considerable amounts of energy for tempering the offices. The integration of an elevator enables the barrier-free access to the new part of the building as well as to the already existing offices.

Two floors and a complete basement will care for additional space totalling 2,400 square meters. By this extension, the office area alone will be increased by more than 50 percent.

The construction works have already been started and shall be completed until April 2009.
WKN Windkraft Nord AG and WKN France SASU have sold wind energy projects to Enel Erelis, a French subsidiary of Enel SpA. The projects acquired by Enel Erelis include new wind energy sites in France at various stages of development totalling 120 megawatts. Some of the projects will enter service as early as 2009. Enel is Italy’s largest power company and Europe’s third-largest listed utility by market capitalization.

Following the acquisition of the WKN turn-key wind farm Snyder in Texas, USA, at the end of 2006 and the conclusion on four French projects beginning 2007, this is another transaction completed with Enel. Wind farm Snyder started operation December 2007 with a total of 63 megawatts.

“We are very pleased to have continued our cooperation with Enel”, said Martinus Scherweit, CEO of WKN AG. “For WKN, after all there is still a lot to do on the French market as we are working on various further projects in several regions of France.”

Meanwhile, the team of WKN France SASU has been enlarged and has new office rooms. The company moved to the city of Nantes near the French Atlantic Ocean coast.

„With this new infrastructure and a bigger team we are optimally positioned for the development of further projects”, the Managing Director of WKN France, Udo Follrichs, reports.

Energy-consult trial offer

Have you ever thought about …

… passing over the operation management of your wind farm to the experts?

But you shrink away from long-term contract obligations?

Then the energy-consult TRIAL OFFER is what you need!

Our offer:

We take over the operation management of one or several wind turbines until the end of 2008 at a special rate. We examine your wind farm very carefully, search for optimization potentials, evaluate the operation data and compose comprehensive monthly reports.

Upon completion of the test period in January 2009, you decide on your own whether you want to sign a contract or not. In short:

No risk for you!

Contact:

Energy-Consult Projektgesellschaft mbH · House of Future Energies
Otto-Hahn-Str. 12-16 · 25813 Husum

Your direct contact: Jens-A. Sieger
Phone: +49 4841 89 44 440
eMail: j.sieger@energy-consult.net
Since NordStrom Solar started the „Free roof space?” campaign, the company has received many inquiries by interested hall owners. The special NordStrom promotion offers the pre-payment of the total rent which supplies the owner of the roof with extended solvency. The payoff provides positive effects to equity ratio in case of new constructions.

“The feedback to the NordStrom roof advertisements really is remarkable”, NordStrom Solar Managing Director Doris Ipsen reports. „Actually, our Technical Department has got full hands to check all roofs offered to NordStrom Solar. By doing this business, we are glad to participate in promoting sun energy also here in the very North of Germany.”

First roof systems have already been put into operation and therefore supply many households with environmentally friendly electricity. The completed roof systems are sold to regional investors. NordStrom Solar only applies components of respected suppliers with corresponding warranties.

Big stables as well as industrial and riding halls are especially suitable for the installation of photovoltaic modules. Further optimum preconditions are the adjustment to the south and a slight roof pitch.
Jörg Mayer, born in 1972, is Managing Director of the German „Agentur für Erneuerbare Energien“ (Agency for Renewable Energies), the leading institution of the „deutschland hat unendlich viel energie“ campaign (Germany owns unlimited energy). The campaign is being supported by sustainable energy companies, the Federal Ministry of Environment as well as the Federal Ministry of Agriculture. The Agency's major task is to communicate the advantages of a sustainable energy supply on the basis of renewable energies. Also the House of Future Energies has supported the work of the agency right from the start.

Subject: Jörg Mayer

Surprisingly, Jörg Mayer finds renewable energies hardly in Berlin. After he took over the management of the Agency more than one year ago, he firstly erected a wind turbine in his office from many night shifts on the radio. Jörg Mayer, innately educated journalist, knows the media business. Especially, he is very familiar with the real nerve-racking topics of the editors. Some of them he judges to be silent advocates of renewables.

Jörg Mayer can be easily recognised by his musical bone which has always won him quite a kind of audience. The work of the Agency for Renewable Energies is absolutely important to him, as we are dogmatical energy politicians and is definitely not amused by.

Although Jörg Mayer generally is a peaceloving guy, he sometimes gets angry as Managing Director of the Agency because of dogmatical energy politicians and the unreasonableless of the vested rights fighters and is definitely not amused by.

He was lucky to meet Christine Haderthauer * this year, as she seems to be very open minded for renewable energies and the crawling trials of his son.

His favourite food is lasagne and furthermore he appreciates being afraid of nasty phone calls. He will not tell anything about his favourite (female) singer because of. But nevertheless he reveals the three books that have touched him most during his present life.

If Jörg Mayer had to decide on meeting either the next president of the U.S. or the chancellor Barack Obama, the USA really need an energy “change”. Because he might decide for, because grid parity will be reached and is anxious to see the long faces of the fossil friends. When he has filled in this questionnaire, he will sing his son to sleep.

By Jörg Mayer

* General Secretary of the conservative German Christian-Social Party “CSU”
Successful market entry in Eastern Europe

At the end of 2006, the two global players WKN Windkraft Nord AG and Siemens Project Ventures GmbH founded the joint-venture company Innovative Wind Concepts GmbH.

After Innovative Wind Concepts GmbH already opened its first subsidiary in Bulgaria mid of 2007, the company is now also represented in Romania. With the additional representation in two East European countries, Innovative Wind Concepts expands its operating range further on.

Being the biggest national economy within the region and with annual growth rates of about five percent, Romania is quite well on the way of catching up with the remaining EU-countries. One of the most important challenges is to secure the increasing demand for energy supply for the strongly growing Romanian economy.

Within this process, renewable energies play a major role. Thus, the Romanian government has committed to reach fixed quotas for energy production based on wind, sun and water. Incentives for the application of wind energy are mainly determined by the trading with green certificates.

IWC Projects Romania srl. opened new offices in the city of Constanta directly at the Black Sea coast which is a very interesting area for wind millers. Actually, the acquisition of locations gets up to speed; first feasibility studies and wind measurings are under way. Furthermore, local developers who joined the wind business firstly full of enthusiasm and optimism on their own, increasingly contact Innovative Wind Concepts. In the meantime, many of them had to note that their ideas can only be realized with corresponding know-how and experience. „This is especially true facing the still minor experience of the responsible national approval authorities”, Heiner Hollmann and Pierre de Vonarkha-Varnak, Managing Directors of Innovative Wind Concepts GmbH, report.

Consequently, Innovative Wind Concepts becomes firmly established as a demanded expert on the spot and follows its expansion path within the East European countries.

Dates & Facts: Romania

Exposure: South-East Europe at the Black Sea between Bulgaria and the Ukraine
Area: Total of 237,500 km²
Inhabitants: 21,564,000
Coast: 225 km (Black Sea)
Politics: Following to the post-communist period, Romania was firstly only able to slowly recover from the effects of the long-term dictatorship and maladministration. Today, the country is following a democratic and free-market route with a close orientation to Western countries. Since 2004 Romania has been member of the NATO, in 2007 the country entered the European Union.

Bucharest
Constanta

Romania
Promised …

… we are always ready to face new wind energy projects. On top we pay special attention to your benefits.
New financing and controlling IT-solution for the House of Future Energies

An integrated financing and controlling software has been introduced for all companies within the BGZ-Group. Facing the continuous growth of the Group, the new system will unify all financial and cost accounting information in one system.

The software „eGecko“ features trend-setting technology and high flexibility with regard to the configuration of the controlling. „The new system also considers all specialities of the renewable energy branch“, project manager Bernd Jöhnk, BGZ Financial Department, reports.

BGZ AG Participation Right 2008

With the 2008 participation right tranche BGZ Beteiligungsgesellschaft Zukunftenergien AG is already offering its second named participation right. After the successful issue of the first tranche in 2007, the BGZ Group has continued its success story and still enables capital investors to access the exciting market of regenerative energies.

6.75 per cent p.a. fixed interest with a term of only six years and a minimum holding of 2,000 EUR upwards make the BGZ Group’s named participation right an attractive capital investment. BGZ CFO Christian Clausen says: „We as BGZ AG have quite deliberately decided on this form of holding in order to enable security- and profitability-oriented capital investors to be involved in our company’s growth and that of regenerative energies."

The BGZ Group intends to invest the capital of 2,300,000 EUR in the continuing expansion of its own inventory of wind energy, solar and bio-energy installations.

The fixed interest rate of 6.75 per cent p.a. is therefore fed by the proceeds from own inventory and by the business success of the whole BGZ Group.

Karsten Reetz, Managing Director of reconcept GmbH, adds: „The BGZ participation right is an appropriate capital investment for everybody. With a short term of only six years and the integrated security aspects, many parents and grandparents have already exploited this opportunity in the issue of the first tranche, thus choosing for their children or grandchildren a capital investment which is sustainable in a double sense."

Subscriptions starting with the minimum holding of 2,000 EUR can probably be submitted via reconcept GmbH as from the beginning of September.

The participation right in brief

<table>
<thead>
<tr>
<th>Type of investment</th>
<th>Named participation right</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering company</td>
<td>BGZ Beteiligungsgesellschaft Zukunftenergien AG</td>
</tr>
<tr>
<td>Volume of issue</td>
<td>2,300,000 EUR</td>
</tr>
<tr>
<td>Minimum investment</td>
<td>from 2,000 EUR without premium (agio)</td>
</tr>
<tr>
<td>Interest rate</td>
<td>6.75% p.a. fixed</td>
</tr>
<tr>
<td></td>
<td>No loss sharing, no obligation to make additional contribution.</td>
</tr>
<tr>
<td>Term</td>
<td>approx. 6 years, until Dec. 31, 2014</td>
</tr>
</tbody>
</table>

Payment of interest / Repayment
Interest will be paid annually as at 31.03. in one year for the previous one. The capital contributed will be repaid at face value.

Request for brochure
reconcept GmbH
Otto-Hahn-Str. 12–16 · 25813 Husum
info@reconcept.de · www.reconcept.de

Contact
Questions on the participation right can be answered by the reconcept GmbH team
Tel. +49 (0)4841 - 89 44 - (direct-dial extension)
Stefan Klocker - 636
Kai Petersen - 633
Timo Dwars - 616
New energy-consult website

Right in time for this year’s HusumWindEnergy, the technical operation manager energy-consult presents its newly created website.

The clear and well arranged structure informs interested users on the broad services of the company and provides a protected access to performance data for investors of wind or photovoltaic farms.

www.energy-consult.net

New at HdZ (since May 2008):

May 2008 . . . . . . . . . . . . . . Katja Kroll (Wind & Sites) . . . . . . . . . . . . WKN Windkraft Nord AG
May 2008 . . . . . . . . . . . . . . Elio Monteleone (Project Development) . . . . . . . . WKN Italia
May 2008 . . . . . . . . . . . . . . Luca Arcidiacono (Project Development) . . . . . . . . WKN Italia
June 2008 . . . . . . . . . . . . . . Christopher Copeland (Project Development) . . . . . . . . WKN USA
July 2008 . . . . . . . . . . . . . . Lisa Heinrich (Project Management Italy) . . . . . . . . WKN Windkraft Nord AG
July 2008 . . . . . . . . . . . . . . Timo Dwars (Individual Customer Service) . . . . . . . . reconcept GmbH
July 2008 . . . . . . . . . . . . . . Christopher Bühring (Dual Studies) . . . . . . . . . . . BGZ AG
July 2008 . . . . . . . . . . . . . . Joschka Kleist (Dual Studies) . . . . . . . . . . . . . . . . . . . . . . . . . . . BGZ AG
August 2008 . . . . . . . . Wencke Clausen (Commercial Apprentice) . . . . . . . . . . . . . . . . . . BGZ AG
House of Future Energies – Competence Centre and Think Tank

BGZ Beteiligungsgesellschaft Zukunftenergien AG
Holding and initiator of House of Future Energies
Tel.: +49 4841 - 89 44-100, info@bgz-ag.de

BGZ Fondsverwaltung GmbH
Administration of energy farms
Tel.: +49 4841 - 89 44-825, info@bgz-gmbh.de
www.bgz-gmbh.de

Capital-Concept AssekuranzGmbH (CCA)
Independent Insurance Broker
Tel.: +49 4841 - 89 44-938, s.koth@cca-gmbh.de
www.cca-gmbh.de

energy-consult Projektgesellschaft mbH (EC)
Technical Operations Management
Tel.: +49 4841 - 89 44-410, info@energy-consult.net
www.energy-consult.net

Innovative Wind Concepts GmbH
Development, financing, construction, operation and sales of wind energy projects in Middle and Eastern Europe
Tel.: +49 4841 - 89 44-955, hollmann@iw-concepts.de
www.iw-concepts.de

NordStrom Solar GmbH
Development and construction of photovoltaic systems
Tel.: +49 4841 - 89 44-300, info@nordstrom.de
www.nordstrom.de

reconcept GmbH
Renewable capital investments
Tel.: +49 4841 - 89 44-622, info@reconcept.de
www.reconcept.de

WKN Windkraft Nord AG
Development, financing and turn-key erection of wind farms
Tel.: +49 4841 - 89 44-100, info@wkn-ag.de
www.wkn-ag.de

WKN Windkraft Nord Beteiligungs-GmbH
Full partner of windfarm KG’s
Tel.: +49 4841 - 89 44-221, info@wkn-gmbh.de
www.bgz-gmbh.de