

CERTIFIED TRANSLATION FROM THE GERMAN LANGUAGE

**Short Version**

**of the**

**Annual Financial Accounts and Balance Sheets**

as at

**December 31, 2006**

of

**Ecologic**

**- Institut für Internationale und Europäische Umweltpolitik gGmbH**

**Berlin**

**Verhülsdonk & Partner GmbH**  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft  
[provider of audit, tax, and advisory services]

Balance sheet as at December 31, 2006

ASSETS

	€	€	State 31. 12. 2005 €
<b>A. Outstanding capital contributions for nominal capital - therefrom called 3.750,00 € (preceding year 0,00 €)</b>		7.500,00	7.500,00
<b>B. Non-current assets</b>			
<b>I. Intangible assets</b>			
Licences, commercial and similar rights and values and licences for such rights and values		1.954,66	470,00
<b>II. Fixed assets</b>			
1. Real estate and buildings including buildings on external properties	4.220,00		4.944,00
2. Technical equipment and machinery	2.557,00		2.781,00
3. Other plant, fixtures, furniture and office equipment	3.583,00	10.360,00	14.157,00
<b>III. Financial assets</b>			
1. Cooperative shares	1.100,00		1.100,00
2. Deposits for shares in affiliates	25.667,10	26.767,10	0,00
		39.081,76	23.452,00
<b>C. Current assets</b>			
<b>I. Inventories</b>			
Orders in progress		1.209.915,89	754.697,07
<b>II. Accounts receivable and other assets</b>			
1. Trade accounts receivable	183.815,70		194.326,60
- therefrom with a residual term of more than one year: 0,00 € (preceding year: 0,00 €)			
2. Other assets	2.269,69		5.947,37
- therefrom with a residual term of more than one year: 0,00 € (preceding year: 0,00 €)		186.085,39	
<b>III. Securities</b>			
Treasury stock		10.000,00	10.000,00
<b>IV. Petty cash, Bundesbank assets, accounts in banks, cheques</b>		82.817,31	453.560,65
		1.488.818,59	1.418.531,69
<b>D. Pre-paid expenses</b>		22.637,43	15.148,68
		1.558.037,78	1.464.632,37
		=====	=====

EQUITY AND LIABILITIES

	31. 12. 2005 €	31. 12. 2006 €
<b>A. Equity</b>		
<b>I. Nominal capital</b>	80.000,00	80.000,00
<b>II. Additional paid-in capital</b>		
1. Reserve for the buyback of own shares	10.000,00	10.000,00
2. Statutory reserves	123.379,46	133.379,46
<b>III. Accumulated deficit</b>	-76.389,59	-87.407,11
<b>IV. Annual net income/annual deficit</b>	47.841,46	11.017,53
	184.831,34	136.989,88
<b>B. Special reserve with an equity portion</b>		
Special item for donations to the fixed assets	25.667,10	0,00
<b>C. Accrued liabilities</b>		
Other provisions	82.800,00	70.830,00
<b>D. Liabilities</b>		
1. Liabilities to credit institutions	45.475,39	0,00
- therefrom with a residual term of up to one year: 45.475,39 € (preceding year: 0,00 €)		
2. Deposits received for orders	888.794,83	1.013.801,57
- therefrom with a residual term of up to one year: 888.794,83 € (preceding year: 1.013.801,57 €)		
3. Trade payables	187.211,39	119.671,58
- therefrom with a residual term of up to one year: 187.211,39 € (preceding year: 119.671,58 €)		
4. Other liabilities	143.257,73	123.339,34
- therefrom with a residual term of up to one year: 91.672,41 € (preceding year: 123.339,34 €)		
- including accounts payable to associates 51.672,79 € (preceding year: 504,31 €)		
- including taxes 39.017,54 € (preceding year 28.594,87 €)		
- including accounts payable to social security 16.815,12 € (preceding year: 34.461,21 €)		
	1.264.739,34	1.256.812,49
	1.558.037,78	1.464.632,37
	=====	=====

Income and loss statement  
for the period from January 01, 2006 to December 31, 2006

	€	€	2005 €
1. Net sales		2.051.293,04	1.763.978,32
2. Contributions / donations		90.168,38	161.835,38
3. Increase or decrease in works in progress		455.218,82	345.331,81
4. Other capitalised service		400,44	0,00
5. Other operating income		17.925,42	76.087,32
6. Cost of materials			
Cost of raw materials, consumables and supplies		-572.408,22	-567.695,80
7. Personnel expenses			
a) Wages and salaries	-1.249.341,93		-1.162.215,65
b) Social security and post- employment benefits and assistance	<u>-242.832,44</u>	1.492.174,37	-202.697,35
8. Amortisations			
Amortisation of intangible assets, non-current assets, and activated expenses for start-up and business expansion		-14.229,68	-25.597,41
9. Other operating expenses		-473.514,98	-355.692,19
10. Other interest and similar income		392,28	29,94
11. Interests and similar expenses		<u>-15.116,37</u>	<u>-22.428,72</u>
12. Income from normal operations		47.954,76	10.935,65
13. Extraordinary income		<u>0,00</u>	<u>79,80</u>
14. Extraordinary result		0,00	79,80
15. Income tax expense		-113,30	2,04
16. Other taxes		0,00	0,04
17. Annual net income		<u>47.841,46</u>	<u>11.017,53</u>

## **Appendix for the 2006 Fiscal Year**

The appendix was prepared according accounting principles as required by the Commercial Code. According to para. 264 of the HGB [the German Commercial Code] it is a component part of the year-end financial statements.

For reasons of practicability the appendix was not included in the present edition and can be demanded, if necessary, at the auditing firm.

On condition that the financial accounts of the preceding year as at December 31, 2005 will be determined unchanged by the societies we acknowledge the following auditor's opinion:

### **Auditor's opinion**

To Ecologic - Institut für Internationale und Europäische Umweltpolitik gGmbH:

We have examined the annual financial accounts – consisting of the balance sheets, income and loss statements along with the appendix - under consideration of accounts of Ecologic - Institut für Internationale und Europäische Umweltpolitik gGmbH for the financial year from January 01, 2006 to December 31, 2006. The book-keeping and preparation of the annual financial accounts according accounting principles as required by the Commercial Code and the complementary regulations of the articles of association lie within the responsibility of the company's management. Our task, on the basis of an audit we performed, is to issue an opinion about the annual financial statements, taking into consideration the accounts.

We carried out an orderly annual audit of financial statements according to § 317 of the HGB [the German Commercial Code] in adherence to German auditing principles laid out by the IDW [the German Institute of Wirtschaftsprüfer - Auditors]. According to this methodology, the audit is to be planned and carried out in such a way so as to reveal with sufficient certainty any incorrectness or violations having material ramifications on the portrayal of the net assets, the financial position and the profit situation of the company through the annual financial statements, in adherence to orderly accounting principles. In determining audit measures, the auditor takes into account knowledge about the business activities and the economic and legal environment in which the company is active, as well as any expectations concerning possible errors. The scope of the audit covers the effectiveness of the internal accounting control system as well as substantiation of information in the accounts and the annual financial statements, predominantly based on random checks. The audit includes an evaluation of applied accounting principles and material assessments of management, along with an appraisal of the overall presentation of the annual financial statements.

It is our view that our audit provides sufficient basis for our opinion.

We are issuing our audit without any objections.

According to our assessment, based on information learned during the audit, the annual financial statements are in accordance with statutory requirements and the the complementary regulations of the articles of association and, in adherence to good accounting principles, and provide an accurate portrayal of the company's net assets, financial position, and profit situation.

Berlin , May 23, 2007

[Round seal of of audit, tax and  
advisory services]

Verhülsdonk & Partner GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

[Signature]  
Dipl.-Kfr. Angela Jüngling  
Financial Auditor

[Signature]  
Konrad Pochhammer  
Financial Auditor

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Hereby I declare that the contents of the English translation correspond in their entirety to the original German text.  
Texts in [ ] are handwritten in the original German version or additional remarks by the translator.

Berlin, April 21<sup>st</sup>, 2009  
Officially Licensed Interpreter at the Berlin-Mitte Court  
Uta Meske

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