SUN ENERGY
Reinecke + Pohl

QUARTERLY REPORT II / 2007

KEY FIGURES 2007 (OF THE COMPANY)

AT A GLANCE: THE GROUP ON 30.06.2007

	H1 2007		H1 2006	
FINANCIAL STATEMENT	**EUR**	**%**	**EUR**	**%**
Total assets	53.482.725,83		57.498.306,58	
Equity	35.154.670,45		35.874.348,40	
Equity ratio		65,73		62,39
Subscribed capital	4.937.000,00		4.650.000,00	
Balanced goodwill	18.838.765,63		19.927.732,80	
PROFIT AND LOSS	**EUR**	**%**	**EUR**	**%**
Turnover	29.636.599,69	100,00	23.935.638,93	100,00
Gross profit and loss	5.871.276,85	19,81	3.357.387,09	14,03
EBIT	747.076,12	2,52	-1.106.334,35	-4,62
EBITDA	855.820,14	2,89	-1.011.960,15	-4,23
Result for the period	354.939,77	1,20	-973.052,15	-4,07
CASHFLOW	**EUR**	**%**	**EUR**	**%**
Cashflow from operating activities	-2.560.433,96		-3.726.997,52	
Cash flow from investing activities	-178.098,27		-484.166,19	
Cash flow from financing activities	-1.708.787,56		12.574.601,37	
Cash and cash equivalents as of June,30 2007	9.842.478,36		12.588.327,26	
NUMBER OF EMPLOYEES	56		66	
SHARE				
Base (calculated) 4,68 million	0,08		-0,21	
Share price at start of January (closing price)	7,41		14,00	
Share price at end of June (closing price)	7,85		16,45	

KEY DATA OF THE SHARE

WKN / ISIN	525070 / DE0005250708	Type of shares	No-par-value shares
Trading symbol	HRP	Designated Sponsors	VEM Aktienbank AG, München
Common Code	022356658		Close Brothers Seydler AG, Frankfurt am Main
Segment, trade	Prime Standard, Regulated Market in Frankfurt Regulated Market in Düsseldorf	Opening price	December 2000
Number of shares	4.937.000		

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SHAREHOLDER NEWSLETTER

DEAR SHAREHOLDERS,

EXECUTIVE BOARD_from left: Thorsten Preugschas and Patrick Arndt

After the turnaround already achieved last quarter, this positive result was continued by a profitable second quarter. With sales up 24 percent year-on-year to EUR 29.6 million, and EBIT of EUR 0.75 million, we closed out the first half of the year – typically weaker in our industry – in the black, setting the stage for a strong second half.

As a project coordinator and wholesaler for solar power systems, we carried out a number of interesting projects in the first half-year. These included, in particular, completing a system at the former Malsch hazardous waste disposal site, realisation of a 1 MWp rooftop facility in Tornitz and the start of construction on a large 2.5 MWp system in Ramstein. The Ramstein project is proceeding on track and is nearing completion. In July the opening ceremony was held for the Malsch disposal site project outside of Heidelberg, attended by the Environment Minister of the state of Baden-Württemberg.

Excellent progress is also being seen in the expansion of our marketing and distribution activities, as we have brought ten additional, highly-qualified national distribution personnel on board since May of this year. At Intersolar, the industry's largest worldwide trade show, we appeared for the first time as COLEXON, with a new design. We strongly believe that these measures are building the foundations for the future success of our firm.

Rising concerns about global warming and the risks associated with nuclear power are making it increasingly evident that the future lies in renewable energies. Our business prospects are thus improving, both in the area of multi-megawatt projects backed by professional investors and with businesses interested in secure and profitable investment in rooftop solar power systems as part of a commitment to corporate social responsibility. SMEs too are becoming increasingly sensitised to issues of ecological and social awareness.

The current strength of the economy is without question providing a favourable backdrop, which experts anticipate to remain in place. We are responding to discussions about a potential accelerated declining feed-in tariff in Germany under the EEG by stepping up efforts to internationalise our business through expansion in Spain, Greece and South Korea. Our guidance for the current fiscal year remain unchanged, with sales of EUR 75 million and EBIT of ca. EUR 5 million.

Of course, this half-year financial statement has been subject to review by the company's auditor nominated at the AGM.

Yours sincerely,

Patrick Arndt
Executive Board

Thorsten Preugschas
Executive Board

REINECKE + POHL SUN ENERGY AG - Q2/2007

THE SHARE

REINECKE + POHL SUN ENERGY AG (FFM)_Frankfurt from March 2007 until August 2007 SOURCE: OnVista Group

MARKET AND SHARE PRICE PERFORMANCE

Share prices rose substantially in the first half of the year. The German DAX stock market index closed out the reporting period which ended June 2007 up roughly 20 percent, topping the 8,000 mark. The Prime IG Renewable Energy Index outperformed the overall market, up 714 points to close at 1,083 for a rise of over 50 percent. Equities from the renewable energy sector were once again a favourite among investors.

Reinecke + Pohl Sun Energy AG shares did not enjoy the full benefits of the positive stock market mood. Between January and June of 2007 the shares appreciated roughly 6 percent, up from EUR 7.41, to close out the period at EUR 7.85 with substantial fluctuation in between. After reaching a low of EUR 5.50 in February, the shares subsequently climbed to EUR 12.10 by the end of April, upon announcement of earnings and the outlook for the entire 2007 fiscal year. Profit taking and a modest secondary offering drove the shares back down over the course of May and June.

As of 30 June, the Company's market capitalisation was approximately EUR 38.7 million.

CONVERTIBLE BONDS

Our convertible bonds performed well, rising from EUR 13.00 at the start of the year to over EUR 18.00 by spring. The convertible bonds closed out the first half of 2007 at around EUR 16.00.

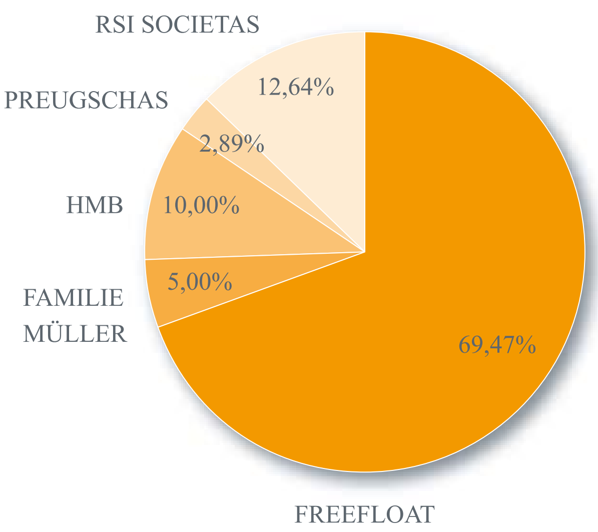
The convertible bonds yield 3.5 percent on the issue price of EUR 21.90, paying a nominal 7.665 percent on the EUR 10.00 face value, each partial debenture being convertible into RPSE AG shares. The coupon date is 8 May; maturity is 8 May 2009 for unconverted bonds at a price of EUR 21.90. The current price thus offers investors the potential for handsome double-digit returns.

CAPITAL INCREASE

The Reinecke + Pohl Sun Energy AG capital increase set for 10 May was successfully placed with institutional investors. The offering price for the no-par shares was EUR 8.70, generating proceeds for the Company of approximately EUR 2.5 million. RPSE AG share capital now totals EUR 4,937,000.

SHAREHOLDER STRUCTURE (STATUS 30 JUNE 2007)

The composition of RPSE shareholders, according to the WpHG (Securities Trading Act) notices, is as follows:



UPCOMING DATES:

- **29. AUGUST 2007**
  Small Cap Conference DVFA, Frankfurt a.M.

- **12.-14. NOVEMBER 2007:**
  Analyst conference - equity capital forum
  Deutsche Börse AG, Frankfurt a.M.

REINECKE + POHL SUN ENERGY AG – Q2/2007

2007 ANNUAL GENERAL MEETING

RPSE AG held its the annual General Meeting on 24 May 2007 at the MesseHalle in Hamburg-Schnelsen, at which 27.85 percent of share capital was represented with 49 shareholders personally attending. The agenda consisted of the following items:

1. Presentation of adopted Reinecke + Pohl Sun Energy AG annual financial statements and management report dated 31 December 2006, presentation of approved consolidated financial statements and Group management report dated 31 December 2006, presentation of Supervisory Board report.

2. Endorsement of Executive Board actions for fiscal year 2006.

3. Endorsement of Supervisory Board actions for fiscal year 2006.

4. Appointment of auditor for fiscal year 2007.

5. Share buyback and appropriation authorisation per §71 (1) no. 8 Stock Corporation Act (AktG) and authorisation to bar subscription rights.

6. Appointment of new Supervisory Board members
   a. Britta Horney
   b. Peter Flebbe

7. Resolution to amend §3 of the articles of association to conform with the Transparency Directive Implementation Act.

For agenda item 1, CFO Patrick Arndt gave a detailed presentation of business results for fiscal year 2006 and the restructuring measures implemented, also discussing the secondary offering. Next, Thorsten Preugschas introduced himself as new COO, discussing strategy and outlook for the fiscal year in progress.

In consequence of the resolutions adopted on agenda items 2 through 7:

TOP 2: Yes 99,07
TOP 3: Yes 98,71
TOP 4: Yes 99,84
TOP 5: Yes 99,25
TOP 6a: Yes 99,57
TOP 6b: Yes 99,81
TOP 7: Yes almost 100

Shareholders Klaus E. Zapf and Peter Zetsche filed official objections following the annual meeting. Agenda items 2, 3 and 5 are now being contested as void. Suit has been filed with the Hamburg District Court, Chamber 020 for Commercial Affairs, file number 420O 79/07. Preliminary written proceedings have been slated for opening.

CHANGES IN THE SUPERVISORY BOARD

Following the resignation of Dr. Axel Holtz for personal reasons, effective as of the close of the 24 May 2007 Annual General Meeting, Thomas Bartling was appointed new Chairman of the Supervisory Board. The appointment of Britta Horney, who succeeded Mr. Pohl on the Supervisory Board in October 2006, was confirmed.

Peter Flebbe was also appointed to the Reinecke + Pohl Sun Energy AG Supervisory Board effective 24 May 2007. Mr. Flebbe has been a practising solicitor since completing his law degree in 1993, and has been a partner at the law firm Palaschinski & Partner in Hamburg since 1997. As a specialist in labour law, Mr. Flebbe provides counsel to and represents SMEs, corporate directors, executives and officers throughout Germany regarding the entire spectrum of labour law issues. Mr. Flebbe also specialises in corporate law.

PROJECTS

PROJECTS UNDER SPECIAL FOCUS IN THE FIRST HALF YEAR

RAMMSTEIN – SOLARPARK HERETSRIED_World‘s largest roof-top thin-film photovoltaik system with a capacity of 2.5 MWp

RAMSTEIN – SOLARPARK HERETSRIED: WORLD-WIDE LARGEST ROOF-TOP THIN-FILM PV SYSTEM WITH A CAPACITY OF 2.5 MWp

Nastro-Umwelttechnik GmbH (in future COLEXON) a subsidiary to Reinecke + Pohl Sun Energy AG is building the world-wide largest roof-top photovoltaic system with thin-film modules on a logistic depot in Ramstein, Germany. Contracting party and constituent of this project is the British investor Consensus Business Group. The project volume is at more than 9.5 Mio Euro.

The system will be constructed using First Solar thin film modules. These modules have been chosen for this project for several reasons. The First Solar modules are less expensive to manufacture and more cost effective per kWp than conventional crystalline modules. Beside a better temperature behaviour, they generate higher energy output even under diffuse solar irradiance. Thin-film modules are especially suited for large scale solar power plants given the combination of cost effectiveness and area efficiency that is suitable for open-space installations. Over 37,000 First Solar thin-film modules have been installed on the 90,000 sqm large rooftop of a logistic centre in Ramstein, Germany. Moreover, 115 tons of cable and 24,000 m aluminium tanks with 1100 t of ballast chipping were used. Three inverters convert the continuous current into alternating current. Under the supervision of COLEXON up to 40 mechanics and electricians were working at the construction site.

After its completion, due mid-August, the solar power plant will produce about 2,4 million kWh per year, accounting for saving of 2 tonnes of CO_2 emissions per year.

With this landmark project we were able to confirm our strong position as a project developer, demonstrating high product and service quality, a quick implementation and excellent price-performance ratio for our costumers.

HAZARDOUS WASTE LANDFILL MALSCH_ Solar power plant with 600 kWp

600 kWp SOLAR POWER PLANT INAUGURATED AT FORMER HAZARDOUS WASTE LANDFILL IN MALSCH, GERMANY

The Minister for the Environment of the "Land" Baden-Württemberg in Germany, Tanja Gönner, inaugurated an open-field solar power plant with a total capacity of 600 kWp at the site of a former hazardous waste landfill in Malsch, Germany, near Heidelberg on July 9th.

The plant is operating since April 2007. It has been planned and installed by Nastro Umwelttechnik GmbH (in future COLEXON), a subsidiary to Reinecke + Pohl Sun Energy AG. For the plant, solar-modules from the manufacturer First Solar are employed, which are produced in thin-film technology (see p 8). For the construction of the plant 144 pedestals were erected, each outfitted with 64 modules rated between 65 and 67.5 watts. The pedestals have been installed on four flat reinforced concrete foundations. The number and the dimensioning of the foundations were designed not to exceed permissible ground pressure which was necessary to protect the landfill liner. Additionally it was important to pay special attention to the sheep grazing on the pasture when designing and installing the module pedestals. Altogether 9,216 modules with a surface of 6,635.5 sqm have been installed. The generated power is supplied to the public electricity network via a station with a transformer and two central inverters.

The investment volume of the plant amounts to 2,632,500 EUR. After completion at the end of March 2007 the approximately 9,200 solar modules are expected to generate a capacity of about 586,765 kilowatt hours per year, which corresponds to a reduction in carbon dioxide emissions of approximately 438 tons/year.

Based on the experience gained with this projects in building open-field installations on waste landfills, we have received further inquiries and orders from that specific industry, i.e. a 160 kWp solar power plant of the waste site "Friedelsheim" of Bad Dürkheim, Germany, which we will start building mid-September.

REINECKE + POHL SUN ENERGY AG

MARKETING ACTIVITIES

The operational business of Reinecke + Pohl Sun Energy AG was not only renamed as COLEXON GmbH, but also was given a new face. This measure first had an impact at the Intersolar trade show, where we maintained our own stand for the first time, distributing company information and sales literature. Another important step came in mid-August with the launch of the COLEXON and RPSE AG web sites, following the hiring of an additional ten sales representatives in May of this year

INTERSOLAR

For the first time ever, we had our own stand at Intersolar, the industry's largest trade show worldwide, held from 21 - 23 June 2007 in Freiburg/Breisgau. In addition to making contact with a number of prospective customers, we also utilised this fair for cultivating relationships with key suppliers. We are very pleased with the feedback we have received, and will again be maintaining our own stand at Intersolar 2008 next year in Munich.

SALES LITERATURE

Our modularly structured sales literature presents how solar power systems work and an outline of EEG (Renewable Energy Act) subsidies, in addition to providing information on the market and our company. Our list of references is particularly impressive, allowing us to present in condensed form the breadth and depth of our experience with solar power system production and installation projects. Our brochures are available for download on the Internet at www.colexon.de.

New web sites

The COLEXON and RPSE web sites were relaunched in mid-August. The web site www.colexon.de addresses customers and buyers of solar power systems, while the www.rpse.de site is primarily geared towards investor relations. The web sites of both COLEXON and its holding company RPSE have an identical look, feel and layout, being distinguished only by different logos. Each site features a button linking it to the other, reinforcing the sense of mutual identity that is communicated visually. An ample News section is provided on the start page in which we provide regular information on company events not covered in press releases.

REINECKE + POHL SUN ENERGY AG

INTERIM MANAGEMENT REPORT

1. BUSINESS AND OPERATING ENVIRONMENT

THE INDUSTRY

An analysis of trends published in June 2007, the German Solar Industry Association (BSW) included two main conclusions: 1) the silicon shortage is coming to an end and 2) thin film technology is heightening technological competition. In the first half of 2007 prices for crystalline modules continued to decline, while demand for thin film modules again increased. Prices for solar power systems are falling in line with EEG targets. The Federal Environment Ministry intends to present a draft bill amending the EEG this autumn that may provide for an accelerated declining scale for feed-in tariffs, as is currently being discussed. Such a change could affect officially regulated feed-in tariffs starting in the year 2009. Although these concerns have not yet had any impact on the industry thus far in 2007, RPSE continues to monitor developments for any changes in business strategy that may necessitated.

2. FINANCAL STATUS, FINACIAL POSITION AND EARNINGS SITUATION

2.1. EARNINGS SITUATION

The RPSE Group posted sales revenues of TEUR 29,637 for the first half of fiscal year 2007, up 24 percent year-on-year on an adjusted basis for an increase of TEUR 5,701. The company thus remained on track for profitable growth, having returned to profitability in fiscal year 2007 following the events at the end of the previous fiscal year. For Q2 2007 RPSE Group sales increased by TEUR 2,435 quarter-on quarter to TEUR 16,036, for an approximate total of 9 MWp of solar modules sold in the Projects and Trade segments for fiscal 2007 year-to-date.

RPSE became more profitable despite the expected market price declines seen in this fiscal year. Raw margin improved from 11 percent for the previous year to 20 percent. The Executive Board sees this as validating its strategy of concentrating on thin film technology and cultivating key supplier relationships in response to intensifying competition. Manufacturers of conventional crystalline modules are reluctant to pass on cost savings in production and purchasing obtained by increasing capacity over the last few years. The close relations RPSE has maintained with Asian producers have been of particular advantage, allowing us to purchase modules at competitive prices permitting a profitable project planning business.

Business remained strong for the Trade segment, which maintained the lead going into 30 June, having generated 56 percent of consolidated sales for the fiscal year to date. In addition to the weaker project sales which typically affect the industry in the first quarter, some business was also reallocated to the Trade segment in connection with restructuring of the Projects segment. The project completed in April at the former Malsch hazardous waste site, the opening of which was celebrated in July, and a rooftop project for 1 MWp finished at the end of June, are evidence that the restructuring measures implemented in the Projects segment are having the desired impact. Projects is thus set to play a more important role again in the quarters ahead.

The Company's restructuring efforts also involve significantly beefing up our regional distribution capability for medium-sized systems in Germany. As a result the Executive Board foresees gaining market share in the second half of the fiscal year, particularly in Southern Germany.

International sales, which now account for 7 percent of total sales, stagnated at the level attained in late March. These sales were generated in Spain by the subsidiary RPSE España S.L. (which will be renamed Colexon Iberia S.L.). The situation reflects the complicated approvals process still encountered in Spain, which for many investors influences successful project realisation. Expanding our international operations is one of the key issues the Company Executive Board will be addressing over the remaining course of the fiscal year.

Other operating expenses were high, and represent a significant cost factor, totalling TEUR 3,404 through the half-year reporting date. Above all, legal and consultancy expenses were up sharply in the first half, in connection with the Company's restructuring efforts. The goal set by the Executive Board for the second half of the year is to further enhance profitability by achieving cost savings in this area.

Earnings before interest and taxes (EBIT) came to TEUR 747 as of 30 June 2007, up TEUR 1,853 year-on-year on an adjusted basis. EBIT margin widened to 2.5 percent in Q2.

2.2. FINANCIAL STATUS AND POSITION

The change in company inventories versus fiscal year-end 2006 reflected primarily construction activity for large-scale projects. Stocks of modules and components declined as future receivables from production orders and the associated deferred expenses increased accordingly. Prepayments remitted increased, resulting in an increase in working capital. Operating cash flow was impacted accordingly, coming out at a negative TEUR 2,560. Cash and cash equivalents declined by TEUR 4,447 as of 30 June, despite the capital increase carried out by the Company in May due to redemption of bank liabilities.

A capital increase conducted in May of this year was utilized as bridge financing for the large-scale Ramstein project. The 237,000 new shares offered in the deal were priced at EUR 8.70 and placed with institutional investors,

raising cash proceeds for the Company of TEUR 2,497. The 237,000 new shares increased Company equity to EUR 4,937,000. None of the convertible bonds issued last fiscal year have been exercised thus far this year, the first annual coupon payment for which was distributed in May.

3. SUPPLEMENTARY REPORT

In July the merger of subsidiaries Nastro Umwelttechnik GmbH and Maaß Regenerative-Energien GmbH became official upon notarisation of the measure. The merger is retroactive to 1 January 2007.

On 9 July 2007 the opening ceremony was held for the 600-kWp solar power facility completed at the former Malsch hazardous waste disposal site in the first half of fiscal year 2007 which was inaugurated by the Environment Minister of Baden-Württemberg. In August the inverters for the largest thin-film rooftop system under construction in Ramstein were connected to the grid. Financed by a British investor, the system installed in this roughly EUR 9.5 million project has a peak output of 2.5 MWp.

4. RISK REPORT

4.1 RISKS

Entsprechend den unternehmerischen Zielen der RPSE AG Avoiding unnecessary exposure to risk is integral to the business objectives of RPSE AG. The Company and its subsidiaries are subject to certain risks however, both in connection with their business operations and in consequence of potential changes in the market and business environment. The risk management system currently in place is optimised on an ongoing basis in order to better meet the risks encountered by our organisation. The Company has identified the following primary risks with regard to business over the remaining course of fiscal year 2007:

Rising interest rates over the last several months have had a direct impact on the profitability of photovoltaic systems. Interest rate changes can have a large impact on the investment behaviour of our institutional customers in funding large-scale projects. Further interest rate increases could thus negatively impact sales of large systems.

Expanding our international business is a major priority for RPSE AG. Our business model is transferable to foreign markets, although a greater amount of risk is involved than with domestic growth. Differing laws and approval procedures can cause delays and inflate costs, thus compromising Company earnings.

Expanding our regional distribution structure will be instrumental to increasing our business in the Projects segment. Success will hinge upon our ability to gain market share at the expense of local competitors, as the market growth projected will not be sufficient in and of itself. There is a risk of sales and earnings being unfavourably affected if these plans should fail to materialise in the desired manner.

The RPSE Group engages in the construction of large-scale photovoltaic systems. This business involves risks of going over budget, and of insufficient liquidity, in the event of customer payment default or inadequate financing.

Risks including, but not limited to, those outlined above can have a negative impact on our business, financial situation and earnings. Reinecke + Pohl Sun Energy AG thus monitors risks at all times and evaluates the effectiveness of potential response measures. The risks we have identified appear manageable, and do not evidently pose a risk to the Company as a going concern within the time horizon analysed.

4.2. OPPORTUNITIES

The Company has been receiving an increasing number of orders from institutional investors for large-scale domestic and international projects. RPSE is currently in discussion with a number of potential partners for such projects. Closing such project contracts and framework agreements can have a positive impact on sales and earnings.

Investments in distribution and marketing are geared towards increasing market share, particularly in the Southern Germany region. Having acknowledged the attendant risks, these investments could likewise generate earnings earlier than or beyond the level projected.

5. FORECAST REPORT

The Company forecasts rising demand in the third and fourth quarter of this fiscal year, as is typical for the industry. For the entice year, the Executive Board projects sales of EUR 75 million and EBIT of EUR 5 million. International sales are also expected to rise in the second half of the year, deriving primarily from the Spanish market and to a lesser extent from Korea, boosting Group results.

6. MANAGEMENT DECLARATION OF ACCURACY

We declare that to the best of our knowledge and in accordance with the applicable accounting rules for interim reporting, the consolidated interim financial statements provide a true and accurate account of the Group‘s financial status, financial position and earnings situation, and that the interim consolidated management report provides a true and accurate account of business developments, business performance and the overall position of the Group including opportunities and risks material to the Group‘s business results over the remainder of the financial year.

Hamburg, 14 August 2007

The Executive Board

REINECKE + POHL SUN ENERGY AG

CONSOLIDATED INTERIM ACCOUNTS AS OF JUNE 30, 2007

BALANCE SHEET

ASSETS		(annex)	30. Juni 2007 EUR	31. Dezember 2006 EUR
A.	**Long-term Assets**			
I.	Goodwill	5, 6	18.838.765,63	18.838.765,63
II.	Other intangible assets	5, 6	197.047,73	53.072,44
III.	Tangible assets			
	Other equipment, factory and office equipment	5, 7	625.633,05	706.309,37
IV.	Financial assets			
	Investments	5, 8	2.475,66	2.475,66
V.	Other long-term assets	9	106.434,18	105.984,18
VI.	Deferred tax assets	10	1.305.252,49	1.330.416,42
	Total of Long-term Assets		**21.075.608,74**	**21.037.023,70**
B.	**Short-term Assets**			
I.	Stock value	11		
1.	Work in process		202.658,06	381.346,06
2.	Finished goods and merchandise		9.708.755,60	13.067.480,28
3.	Advances paid		1.641.517,80	385.034,42
II.	Trade receivables	12	4.711.245,33	5.261.050,84
III.	Receivables from prodction orders	13	2.561.249,34	139.459,83
IV.	Cost accruals on unfinished production orders	14	1.907.208,67	0,00
V.	Cash and Cash equivalents	15	9.842.478,36	14.289.798,15
VI.	Other assets	16	1.537.004,59	1.929.754,81
VII.	Claims for tax refund	17	294.999,34	383.519,61
	Total of Short-term Assets		**32.407.117,09**	**35.837.444,00**
C.	**Balance Sheet Total**		**53.482.725,83**	**56.874.467,70**

EQUITY AND LIABILITIES		(annex)	30. Juni 2007 EUR	31. Dezember 2006 EUR
A.	**Equity**			
I.	Subscribed capital	18	4.937.000,00	4.650.000,00
II.	Capital reserves	18	26.616.144,84	24.495.900,27
III.	Retained earnings		3.246.585,84	0,00
IV.	Result for the period (previous year: Balance Sheet Profit)		354.939,77	3.246.585,84
	Total Equity		**35.154.670,45**	**32.392.486,11**
B.	**Liabilities**			
I.	Long-term liabilities			
1.	Convertible Bond	19	9.584.659,53	9.377.716,63
2.	Deferred Taxes	19	176.839,52	31.553,37
3.	Other long-term liabilities	19	255.661,20	255.661,20
	Total long-term liabilities		**10.017.160,25**	**9.664.931,20**
II.	**Short-term liabilities**			
1.	Provisions for taxation	20	27.106,30	157.875,30
2.	Other Reserves	21	2.631.400,32	1.041.418,34
3.	Financial liabilities	22	91.122,48	4.296.810,04
4.	Customer advances	23	1.593.250,05	194.573,66
5.	Liabilities from production orders	24	2.984.588,49	8.100.644,47
6.	Other liabilities	25	983.427,49	1.025.728,58
	Total short-term liabilities		**8.310.895,13**	**14.817.050,39**
	Total liabilities		**18.328.055,38**	**24.481.981,59**
C.	**Balance Sheet Total**		**53.482.725,83**	**56.874.467,70**

REINECKE + POHL SUN ENERGY AG

CONSOLIDATED INTERIM ACCOUNTS AS OF JUNE 30, 2007

PROFIT AND LOSS STATEMENT

	(annex)	H1 2007 01.01.-30.06.2007 EUR	H1 2006 01.01.-30.06.2006 EUR
1. Sales	27	**29.636.599,69**	**23.935.638,93**
2. Other operating income	28	302.738,33	698.552,42
3. Increase in inventories		1.728.520,67	3.288,30
4. Cost of raw materials, supplies and merchandise	29	-22.963.244,68	-20.178.941,72
5. Cost of purchased services	29	-2.833.337,16	-1.101.150,84
6. Gross Profit or Loss		**5.871.276,85**	**3.357.387,09**
7. Personnel expenses	30	-1.611.150,89	-1.634.330,24
8. Amortization and depreciation	31	-108.744,02	-94.374,20
9. Other operating expenses	32	-3.404.305,82	-2.735.017,00
10. Earnings before Interest and Taxes before goodwill amortisation (EBIT)		**747.076,12**	**-1.106.334,35**
11. Interest and other similar income	33	106.280,62	41.554,70
12. Other Interest and similar expenses	34	-268.008,09	-533.980,66
13. Investment- and Financial-Results		-161.727,47	-492.425,96
14. Taxes on income	35	-225.620,88	634.051,12
15. Other taxes	36	-4.788,00	-8.342,96
16. Result for the period		**354.939,77**	**-973.052,15**
Results per Share in acc. with IAS 33 (undiluted) Base 4,94 million shares IAS 33	37	**0,08**	**-0,21**

%	Q2 2007 01.04.-30.06.07 EUR	Q2 2006 01.04.-30.06.06 EUR	%	EUR	%
	16.035.850,97	**12.816.185,28**		5.700.960,76	23,82
	247.102,93	486.475,53			
	1.247.414,15	-238.339,45			
	-11.556.062,34	-10.669.799,45			
	-2.501.879,67	-527.757,13			
18,72	**3.472.426,04**	**1.866.764,78**	20,09		
-5,14	-870.666,18	-910.314,92	-5,04		
-0,35	-54.866,45	-57.128,18	-0,32		
-10,85	-1.977.911,07	-1.848.767,11	-11,44		
2,38	**568.982,34**	**-949.445,43**	3,29		
0,34	52.883,35	30.351,17	0,31		
-0,85	-124.110,75	-509.919,03	-0,72		
-0,52	-71.227,40	-479.567,86	-0,41		
-0,72	-191.802,79	621.150,17	-1,11		
-0,02	-3.027,00	-2.423,97	-0,02		
	302.925,15	**-810.287,09**			

REINECKE + POHL SUN ENERGY AG

CONSOLIDATED INTERIM ACCOUNTS AS OF JUNE 30, 2007

CASHFLOW STATEMENT

		(annex)	01.01.-30.06.07 EUR	01.01.-30.06.06 EUR
	Net result of period		354.939,77	-973.052,15
+	Depreciationon and amortisation fixed assets	32	108.194,42	94.374,20
+	Loss from the disposal of fixed assets	5, 6	6.604,88	814,00
-	Reclassification into capital reserves not cash relevant		-89.655,43	-32.952,87
+/-	Increase/Reduction of reserves	19, 21	1.604.499,13	-1.094.880,09
+/-	Reduction/Increase of stock	11	2.280.929,30	-6.585.104,53
+	Reduction of trade receivables	12-14	-3.779.192,67	4.713.877,33
+/-	Reduction/Increase of other fixed assets	9, 10, 16, 17	505.984,42	-2.045.554,82
-/+	Reduction/Increase of liabilities	23-26	-3.552.737,78	2.195.481,41
	Cashflow from operating activities		**-2.560.433,96**	**-3.726.997,52**
-	Payments for fixed intangible assets	5, 6	-164.366,05	-34.543,52
-	Payments for tangible assets	5	-38.505,34	-459.919,22
+	Proceeds on disposal of non-current assets	5	24.773,12	10.296,55
	Cashflow from investing activities		**-178.098,27**	**-484.166,19**
+	Income from issue of convertible bonds		0,00	10.400.003,40
+	Income from share capital increase		2.496.900,00	0,00
-	Reduction in bank liabilities	22	-4.205.687,56	2.174.597,97
	Cashflow from financing activities		**-1.708.787,56**	**12.574.601,37**
	Cash and cash equivalents at beginning of period		14.289.798,15	4.224.889,60
+	Change in cash and cash equivalents		-4.447.319,79	8.363.437,66
=	**Cash and cash equivalents at end of period**	**15**	**9.842.478,36**	**12.588.327,26**

REINECKE + POHL SUN ENERGY AG

CONSOLIDATED INTERIM ACCOUNTS AS OF JUNE 30, 2007

CHANGE OF EQUITY

	(annex)	Subscribed capital EUR	Capital reserve EUR	Retained earnings EUR	Acc. results EUR	Total EUR
I Status 31 December 2006		**4.650.000,00**	**24.495.900,27**	**3.246.585,84**	**0,00**	**32.392.486,11**
1 Capital increase for cash	18	287.000,00				287.000,00
2 Agio	18		2.209.900,00			2.209.900,00
3. Reclassification of costs for share capital increase	18		-89.655,43			-89.655,43
4. Result for the period	37				354.939,77	354.939,77
II. Status 30 June 2007		**4.937.000,00**	**26.616.144,84**	**3.246.585,84**	**354.939,77**	**35.154.670,45**
I. Status 31 December 2005		**4.650.000,00**	**28.195.483,19**	**2.748.354,49**	**0,00**	**35.593.837,68**
1. Equity capital from convertible bonds acc. to IAS 32			1.253.562,87			1.253.562,87
2. Result for the period					-973.052,15	-973.052,15
II. Status 30 June 2006		**4.650.000,00**	**29.449.046,06**	**2.748.354,49**	**-973.052,15**	**35.874.348,40**

REINECKE + POHL SUN ENERGY AG, HAMBURG

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENT AS OF 30 JUNE 2007

ACCOUNTING PRINCIPLES

1. BASIC PRINCIPLES OF ITEMISATION OF THE CONSOLIDATED FINANCIAL STATEMENT

As of 30 June 2007, the interim Consolidated Financial Statement (CFS) of Reinecke + Pohl Sun Energy AG in Hamburg (hereafter abbreviated as “RPSE AG” or in connection with the Group “RPSE Group”) has been adopted and publicised in accordance with Regulation (EC) No 1606/2002 of the European Parliament and Council of 19 July 2002 and prepared to the closing date, as regards the International Financial Reporting Standards (IFRS) as well as its interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The requirements of the applied standards have been fulfilled and lead to the procurement of actual relations of the RPSE Group’s financial position.The statement in hand concerns a fully fledged interim CFS for the period between 1 January and 30 June 2007 in the sense of IAS 34.

Reinecke + Pohl Sun Energy AG, entered in the Commercial Registry of the District Court of Hamburg under the Commercial Registry Number (HRB) 93828, is domiciled in 22767 Hamburg, in the Grosse Elbstrasse 45, Germany. In accordance with the Articles of Association, the company’s purpose is the activity of a managerial holding, i.e., particularly the purchase, sales, the holding and administration of holdings of companies, primarily in the field of solar energy and their consolidation under uniform management.

The submitted CFS concerns an iterim period from 1 January to 30 June 2007 with corrected with comparative figures for the period between 1 January and 30 June 2006 or with comparative figures of the balance sheet for the full fiscal year from 1 January to 31 December 2006.

The Consolidated Balance Sheet is outlined in accordance with maturities. The cost of production method form was chosen for the Consolidated Balance Sheet. The Group reporting currency is the euro (EUR). For simplification purposes, thousand euro is reported as TEUR.

2. INDIVIDUAL PRINCIPLES OF REPORTING AND VALUATION

GOODWILL

Asset debit differences, resulting from the consolidation of investments, will be accounted as Goodwill. Goodwill, pursuant to the Principles of IFRS 3 in contrast to lAS 36 and lAS 38, will not be written off according to schedule. At least once a year it will be examined, within the framework of an impairment test, to which extent unscheduled depreciations shall take place.

OTHER INTANGIBLE ASSETS

Other intangible assets will be put to acquisition costs, reduced by scheduled, depreciable asset life and if necessary, unscheduled depreciation. The scheduled depreciation takes place in accordance with the linear method for a usual useful life of three to five years.

TANGIBLE ASSETS (OTHER EQUIPMENT, FACTORY AND OFFICE EQUIPMENT)

Tangible assets of the tangible fixed assets are activated by the procurement costs and cost of manufacture, and depreciated by scheduled, linear write-off in accordance with anticipated useful economic life. As far as necessary, unscheduled depreciation will also be implemented. The scheduled depreciation of tangible fixed assets is primarily based on a useful asset life of between three and 15 years.

FINANCIAL ASSETS

In accordance with lAS 39, other investments as well as securities, stocks and bonds shall be entered in the balance sheet as assets available for sale with the correlative current value of the closing date. Profits and losses resulting from the alteration of the current value will be set off from the equity, resulting in neither profit nor loss. Depreciation through unscheduled depreciation and a realised profit or loss through sales will be directly entered into the period result.

STOCKS

Stocks will be entered into the balance sheet in accordance with lAS 2, at their cost of procurement or manufacture or with the anticipated lower net sales value. The evaluation of stocks will take place under the aspect of materiality with the direct attributable expenses.

PRODUCTION ORDERS

Production orders will be entered into the balance sheet in accordance with IAS 11 within the framework of partial realisation of profits and pursuant to the Percentage of Completion Method. Anticipated loss of orders in the full amount will be taken into immediate consideration. Profit will only then be realised, if the results of the production orders may be dependably estimated.

The degree of completion to be set will therefore be determined upon the completion of and in accordance with the fixed defined project milestone method. According to this degree of completion, sales and expenditures will be entered and realised as partial profits. As far as the cumulative (order sales and expenditures) exceed the customer advances in individual cases, the production orders will be shown on the asset-side under the future receivables from production orders. Should a negative balance remain after deduction of the customer advances, these will be shown on the liability-side as a liability from production orders.

RECEIVABLES AND OTHER SHORT-TERM ASSETS

Receivables and other short-term assets will be entered into the balance sheet with par value, respectively with the acquisition costs after deduction of appropriate value adjustments.

MEDIUM OF EXCHANGE

The accounting of current cash in banks and cash balance (means of payment liquid assets respectively) takes place at the respective nominal value.

LONG-TERM ASSETS AVAILABLE-FOR-SALE

In accordance with IFRS 5, long-term assets available-for-sale are to be set at a lower value from the book value and current value that can be settled less the sales costs.

LONG-TERM LIABILITIES

Convertible bonds are broken down into composite financial instruments in accordance with IAS 32 comprised of equity and outside capital components. The outside capital component corresponds to the cash value of a similar bond without a conversion right, evaluated with a standard interest rate, set at 8% p.a. The equity capital component is determined as the residual from the market value of the conversion bond at the time of issue (total inflow of funds) minus the calculated outside capital component.

As of 30 June 2007, the equity capital component remained unchanged, as no conversion rights were able to be exercised. The market interest rate was added to the outside capital component. The costs associated with the issuing of the conversion bond were split according to the ratio of the equity capital to the outside capital component. If the costs were attributed to the equity capital component, they were reduced in order to deduct related income tax advantages from the cash inflow in capital provisions. The costs attributed to the outside capital component were recorded as expenses.

PROVISIONS

In accordance with IAS 37, provisions are to be set aside, if legal or factual obligations exist from past occurrences and the outflow of resources for the fulfilment and a dependable estimation is possible. Provisions are set at the amount that present the best possible estimation of the expenditure required for the fulfilment of the current obligation as of the balance sheet date.

OTHER LIABILITIES

The remaining liabilities (financial obligations, received advance payments, accounts payable and other obligations) are set at their redemption amount.

DEFERRED TAXES

For the temporary differences between IFRS and Tax Balance Sheets, deferred taxes are formed through the reversal of the differences from presumably arising valid tax rates. This also applies for temporary differences from consolidation entries affecting income. Deferred tax assets are balanced as loss carryovers not yet realised if it is likely, that future taxable earnings accrue in the corresponding amount.

CURRENCY CONVERSION

All transactions in foreign currency will be set at the exchange rate of the current value of the accounting transaction. On the respective balance sheet key date, an evaluation takes place according to the exchange rate on reporting date. Conversion differences will be recognised as income in the Consolidated Income Statement.

USE OF ASSUMPTIONS AND ESTIMATES

Within the framework of the preparation of the CFS, assumptions are made and estimates form a basis that influence the approach, the information shown, the evaluation of assets entered in the balance sheet, liabilities, profits and expenditures. The assumptions and estimates that have been used as a foundation are primarily based on the specification of normal operating utilisation durations of long-term assets, the determination of degree of a project's completion and the evaluation of reserves. In individual cases, the actual values of the made assumptions and estimations may differ.

3. SCOPE AND PRINCIPLES OF CONSOLIDATION

In the interim CFS as of 30 June 2007, all companies are included, of which RPSE AG has the direct or indirect majority of voting rights. The companies have been included in the CFS in the period where RPSE AG achieved the possibility of control. From the company's point of view, the subsidiary companies are of minor significance and will be balanced as financial instruments in accordance with IAS 39.

In addition to the parent company RPSE AG, the following subsidiary companies have been included in the interim CFS as of 30 June 2007, in the course of the full consolidation:

	Stake %
NASTRO-Umwelttechnik GmbH (to-be COLEXON GmbH), Meppen	100
Maaß Regenerative-Energien GmbH (to-be COLEXON GmbH), Wesel	100
Reinecke Pohl Sun Energy España S.L., Madrid	100

The wholly-owned subsidiaries R+P Sun Energy LLC, Portland/OR, USA, had been included neither as affiliated company in the CFS nor in course of full consolidation, due to minor significance.

As of 30 June 2007, a 10% share of BK Bau und Grund GmbH i.L. in Munich also exists. Due to the intended sale of the shares, which have already been completely written-off, the information is shown under long-term assets available-for-sale.

The interim financial statements of the companies included in RPSE AG's iterim CFS are consolidated in accordance with the uniform company balance and evaluation methods. The balance sheet date for all consolidated companies is the same as the parent company‘s date.

The capital consolidation shall be conducted in accordance with the procurement methods pursuant to IFRS 3. Investment book value of the subsidiary companies at the time of their purchase, are set off with their share of newly evaluated equity. Accrued debit differences are shown as goodwill.

Income and expenditure, receivables and payables and provisions between the fully consolidated companies will be eliminated. Interim results from company internal account payables, which have not been realised through sales to third parties, are calculated separately, as long as they are not of minor significance.

4. SIGNIFICANT DIFFERENCES BETWEEN THE GERMAN COMMERCIAL CODE (HGB) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Through accountancy adjustments from the recent balance sheet entries in accordance with German Commercial Code (HGB) to IFRS, significant differences may occur in the following areas:

GOODWILL (IFRS 3)

Goodwill, resulting from the acquisition of subsidiary companies liable to consolidation, is to be reported as assets with the acquisition costs on the date of the company‘s acquisition. In accordance with the IFRS, no scheduled amortisation shall take place. Instead, an Impairment Test of goodwill will take place at least once a year and if necessary, amortised on schedule. In contrast, in accordance with the regulations of the German Commercial Code (HGB), goodwill is to be regularly amortised or openly charged against the reserves.

LONG-TERM ASSETS AVAILABLE FOR SALE (IFRS 5)

Long-term assets available for sale will be set at the lower value from book value and current value to be settled less the sales costs. In accordance with commercial law, no special valuation regulations exist; general principles apply.

PRODUCTION ORDERS (IAS 11)

If the result of a production cost is estimated as dependable, then revenues from the order including order expenses in connection with this production cost are to be entered as income and expenses respectively according to the performance rate, on the balance sheet date. In accordance with the HGB, partial profit realisation is generally not permitted.

DEFERRED TAXES (IAS 12)

For the temporary differences between IFRS and Tax Balance Sheets, deferred taxes are calculated by which those tax rates are used which probably arise during the period of difference reversal.

EQUITY TRANSACTIONS (IAS 32 COMPARED TO SIC 17)

Costs of equity transactions, reduced by all connected income tax advantages, will be entered in the balance sheet as a deduction from equity and charged against the equity reserves. In accordance with commercial law, the costs will be entered as full expenditures.

OTHER INVESTMENTS AND LONG-TERM SECURITIES (IAS 39)

Other investments and long-term securities are entered in the balance sheet as long-term assets available-for-sale with the correlative current value as of the balance sheet date. Profits and losses through the alteration of the market value will be accounted as resulting in neither profit nor loss within the equity. Depreciation through unscheduled depreciation and through sales realised as profit or loss would be directly entered in the period’s results. In accordance with commercial law, the accounting of acquisition costs takes place less the required unscheduled depreciation.

NOTES TO THE BALANCE SHEET

5. DEVELOPMENT OF LONG-TERM ASSETS

The development of the long-term assets can be seen in the following assets analysis:

	Acquisition and manufacture costs			
	Status Begin of fiscal year T€	Additions T€	Disposals T€	Status 30 June 2007 T€
Goodwill	18.839	0	0	18.839
Other intangible assets	70	165	0	235
Other equipment	55	0	0	55
Factory and office equipment	839	38	74	803
Investments	2	0	0	2
	19.805	203	74	19.934

	Write-offs				Book value
	Status Begin of fiscal year T€	Additions T€	Disposals T€	Status 30.06.07 T€	30 June 2007 T€
Goodwill	0	0	0	0	18.839
Other intangible assets	18	20	0	38	197
Other equipment	6	6	0	12	43
Factory and office equipment	181	82	42	221	582
Investments	0	0	0	0	2
	205	108	42	271	19.663

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Compared with 31 December 2007 the goodwill did not change.

For other intangible assets, which comprise primarily IT software, there were only scheduled write-offs.

7. TANGIBLE ASSETS

Tangible assets primarily concern motor vehicles, plant and equipment and IT hardware. In the fiscal year 2007, only scheduled depreciation took place.

8. FINANCIAL ASSETS

The financial assets concern the following listed items:

	30.06.2007 T€	31.12.2006 T€
R+P Sun Energy LLC, Portland, Oregon, USA	2	2
Financial assets	2	2

As of reporting date, the company holds a 100 percent stake in R+P Sun Energy LLC, Portland, Oregon, USA, which did not show a significant operating income. This share is balanced in accordance with IAS 39 as ”assets available for sale” along with the attached value on the consolidated balance sheet reporting date.

9. OTHER LONG-TERMS ASSETS

Other long-term assets consist primarily of deposits for rented office space.

10. DEFERRED TAX ASSETS

Deferred tax assets result for the most part from the capitalisation of tax claims for losses.

11. INVENTORY ASSETS

The unfinished goods, merchandise and work in process as well as finished goods and merchandise are concerned with those acquisition and manufacture expenses valuated company stocks, which are primarily photovoltaic modules and services connected to the projection.

Those inventories listed as expenses in the Consolidated Income Statement under the items changes to inventory and expenses for purchased goods and non-cash benefits and services, amount to 25,797 TEUR in fiscal year 2007 (previous year: 21,280 TEUR). In connection with the acquisition of inventory assets, currency gains and losses were achieved making up -5 TEUR (previous year TEUR 70).

In the fiscal year 2007, depreciation of inventories amounting to 1 TEUR (previous year 0 TEUR) was entered under expenditures.

The finished goods and merchandise comprise afloats amounting to 962 TEUR.

12. ACCOUNTS RECEIVABLE

All accounts receivable have maturity of up to one year. In the fiscal year 2007, depreciation of accounts receivable amounting to 74 TEUR (previous year: - 203 TEUR) was carried out.

13. FUTURE RECEIVABLES FROM PRODUCTION ORDERS

This item includes realised earnings resulting from the application of the partial realisation of earnings for production orders less related advance payments received.

The significant factors which have an impact on the financial situation and position as well as the results situation (excluding deferred tax effects) from long-term production orders can been seen from the following overview:

	30.06.2007 T€	31.12.2006 T€
Earnings from orders	3.133	395
Order expenses	-2.684	-315
Realised earnings	449	80
Goods delivered	2.684	315
Advance payments received	-572	-256
Future receivables from production orders	2.561	139

14. COST ACCRUALS FROM UNFINISHED PRODUCTION ORDERS

If the actual production order costs exceed the production order costs calculated in consideration of the degree of completion, these costs occur under the item unfinished production orders

15. CASH AND CASH EQUIVALENTS

The item includes the bank balances of 9,832 TEUR (31.12.2006: 14,285 TEUR) and cash balance of 10 TEUR 31.12.2006: 5 TEUR).

16. OTHER ASSETS

Other assets all have maturity of up to one year and are broken down as follows:

	30.06.2007 T€	31.12.2006 T€
Receivables from shareholders	843	968
Short-term loans	235	624
Prepaid expenses	222	163
Deposits	12	10
Turnover tax receivables	15	30
Other	210	135
	1.537	1.930

Receivables form shareholders exist in the amount of 447 TEUR against one member of the Executive Board. Receivables in the amount of 217 TEUR are charged with an interest of 5 % above the current base rate (2.7 %) as of 1st June 2007. The other amount of 230 TEUR are interst-free short-term accounts receivables.

Based on a compromise settlement of one of the members of the Executive Board and the Supervisory Board receivables of 314 TEUR entered in the balance sheet of 31.12.2006 were written down. These receivables were based on the failure of earnings guarantee given in the scope of the contribution of assets of Maaß Regenerative- Energien GmbH. According to the agreement, the remaining amount will be lodged with securities until complete payment.

17. CLAIMS FOR REFUND ON INCOME TAX

Claims for refund on income tax result from income tax deposits for the year 2006 as well as from a tax loss carry-back of Maaß Regenerative-Energien GmbH.

18. EQUITY

The separately presented equity development can be seen in the in the equity change calculation.

The company's subscribed capital (authorised capital), as of the company's balance sheet date amounts to 4,937 TEUR (previous year 4.650 TEUR) and is divided amongst 4,937,000 no-par shares. The stock concerns bearer shares.

In the fiscal year, a capital increase was placed successfully. 287.000 new no-par bearer shares have been issued. The subscribed capital increase by 287.000 to 4.937.000 EUR.

The Executive Board is authorised pursuant to the proviso of the resolution from the AGM on 19.05.2006, to increase the authorised capital by up to 2,325 TEUR for the period up to 18 May 2011 with consent of the Supervisory Board in accordance with Section 4 Paragraph 6 of the Articles of Association through one-off or repeated issue of new shares made out to the bearer against cash or material capital invested (authorised capital). On 14th May 2007 Executive and Supervisory Board have decided a capital increase by partial utilisation of the authorised capital. The authorises capital is at 2,038,000.00 EUR at 30.06.2007.

In addition, pursuant to the proviso of the resolution from the AGM on 7.05.2006, the company has contingent capital. The authorised capital of the company has been contingently increased by 1,550 TEUR through the issue of 1,550,000 new individual share certificates issued to the bearer in accordance with Section 4 Paragraph 7 (contingent capital).

The capital reserve were increased by 2,209,900 EUR according to § 272 para. 2 N.1 HGB.

According to IAS 32.37, costs for the capital increase deducted by income tax amounting to 90 TEUR were set off against the capital reserve.

19. LONG-TERM LIABILITIES

RPSE AG issued a convertible bond in May 2006. In total, 474.886 bonds at a price of 21,90 EUR per unit were issued. In this connection liquid funds amounting to 10.400 TEUR flowed to RPSE AG. The maturity of the convertible bond is three years (8 May 2006 until 7 May 2009), the interest is 3,5 percent p.a. on the issue price. The bearers are entitled to a conversion right in the period from 1 January 2007 to 7 May 2009. Each bond may be converted in a new share in the company. Therefor commensurate contingent capital is available. As long as the conversion right is not exercised, the conversion bond is to be repurchased at the issue price on 7 May 2009. Outside capital components balanced under long-term liabilities amount to 9.480 TEUR (please see "2. Individual Principles of Reporting and Valuation").

Deferred tax obligations are determined by the use of realisation of partial earnings in accordance with IAS 11.

Other long-term liabilities are on the one hand related to the obligation from the settlement agreement with Meridian Solare Energieprojekte GmbH and deposits for sublet office space on the other hand.

20. PROVISIONS

The development of provisions for taxes is shown as follows:

	30.06.2007 T€	31.12.2006 T€
Status 1 January	158	301
Release	8	50
Use	123	115
Addition	0	22
	27	158

21. OTHER PROVISIONS

All other provisions have a maturity period of up to one year and are comprised as follows:

	30.06.2007 T€	31.12.2006 T€
Outstanding invoices	1.648	102
Warranties	489	319
Legal and consultant costs	122	284
Costs of financial statements and audits	107	108
Remaining leave	75	91
Rental charges	69	69
Costs of vacancies	53	0
Bonuses	10	10
Other	58	58
	2.631	1.041

The development of other provisions is shown as follows:

	30.06.2007 T€	31.12.2006 T€
Status 1 January	1.041	1.014
Release	48	53
Use	952	943
Addition	2.590	1.023
	2.631	1.041

22. FINANCIAL LIABILITIES

All financial liabilities (liabilities due to credit institutes) have maturities of up to one year. Liabilities with maturity of up to one year are presented as short-term liabilities.

Liabilities due to credit institutes concern current accounts. RPSE has secured liabilities by Maaß Regenerative-Energien GmbH due to credit institutes by comfort letters and subordination statements.

23. ADVANCE PAYMENTS RECEIVED

Effected advance payments for orders, which are not connected to production orders up to the balance sheet date, are listed under this item..

24. ACCOUNTS PAYABLE

All accounts payable have a maturity of up to one year. Trade liabilities are secured by bank guarantees of TEUR 5.000.

25. OTHER LIABILITIES

All other liabilities have a maturity of up to one year. This item is comprised as follows:

	30.06.2007 T€	31.12.2006 T€
Turnover tax on imports	551	486
Obligations from settlements	225	225
Turnover tax current year	185	0
Accruals	0	20
Compensation	16	66
Other	6	229
	983	1.026

26. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

No contingent liabilities exist as of the Consolidated Balance Sheet reporting date (previous year 0 TEUR).

Other financial obligations exist in the form, amongst other things, of module supply contracts with maturities of up to one year of 37,199 TEUR (31.12.2006: 27,456 TEUR) and with maturities of more than one and up to five years at 229,255 TEUR (31.12.2006 : 252,678EUR).

NOTES TO THE CONSOLIDATED INCOME STATEMENT

27. SALES REVENUE

Please refer to the Group Segment Report for the composition of sales revenue.

28. OTHER OPERATING EARNINGS

Other operating earnings are comprised in the majority of items as follows:

	30.06.2007 T€	31.12.2006 T€
Charges from non-cash remuneration	208	22
Earnings from write-downs of value adjustments	58	56
Earnings from release of provisions	13	43
Insurance compensation	1	341
Cost transfers	0	219
Other	23	18
	303	699

29. CHANGES TO INVENTORY, EXPENSES FOR PURCHASED GOODS AND NON-CASH BENEFITS AND SERVICES

Material expenditure concerns the use of inventory, sold goods and balanced inventories in the fiscal year as well as services rendered by the RPSE Group in this connection.

30. PERSONNEL EXPENSES

Personnel expenses are subdivided as follows:

	30.06.2007 T€	31.12.2006 T€
Salaries and wages	1.396	1.382
Social Security contributions	205	232
Expenses for pension schemes	10	20
	1.611	1.634

31. DEPRECIATION

Depreciation in the fiscal year is attributed to planned depreciation of other intangible assets and tangible assets (108 TEUR) as well as the unusually high depreciation of inventories (1 TEUR)..

32. OTHER OPERATING EXPENSES

Other operating expenses are comprised in the majority of items as follows:

	30.06.2007 T€	31.12.2006 T€
Legal, consultancy and audit expenses	893	572
Sales costs	623	167
Write-offs on receivables	516	225
Office- and other space costs	298	203
Insurances	165	175
Motor vehicle expenses	200	210
Advertises and travel expenses	192	482
Repairs/Maintenance	85	169
Cost transfers	68	69
Stock exchange quotation costs	53	109
Costs for representative office in China	35	0
Cost for annual general meeting	35	33
Costs for further training	37	7
Supervisory board compensation	23	23
Costs for industrial/ waste reclamations	12	12
Exhibition costs	13	6
Exchange rate losses	12	139
Other	144	134
	3.404	2.735

The expenses of 93 TEUR for the auditor are included in the legal, consultancy and examination expenses. Of these, 90 TEUR are attributable to audits. Write-offs on receivables include those on receivables form a member of the Executive Board based on a compromise settelement with the Supervisory Board (ref. 16).

33. INTEREST AND SIMILAR INCOME

This item primarily concerns interest of cash in banks.

34. OTHER INTEREST AND SIMILAR EXPENSES

Other interest and similar expenses are subdivided as follows:

	30.06.2007 T€	31.12.2006 T€
Interest expenses of the convertible bond	207	60
Interest on short-term liabilities	24	72
Costs of the convertible bond	0	385
Other financing costs	37	17
	268	534

35. TAX ON INCOME

Taxes on income and earnings are comprised of the following:

	30.06.2007 T€	31.12.2006 T€
Actual tax obligation	-3	-9
Deferred taxes	-223	643
	-226	634

36. OTHER TAXES

Other taxes primarily concern motor vehicle taxes.

37. EARNINGS PER SHARE

Earnings per share are calculated by the division of the company interim results by the weighted number of issued shares. The undiluted result per share in accordance with IAS 33 is presented as follows:

	30.06.2007	31.12.2006
Company result (in EUR)	354.939,77	-973.052,15
Weighted number of shares (in units)	4.676.956	4.650.000
Undiluted earning per share (in EUR)	0,08	-0,21

The number of shares is calculated as follows:

	Days Number	30.06.2007 Shares	30.06.2006 Shares
Status 1st January 2007	164	4.650.000	4.650.000
Status 13th June 2007	17	4.937.000	
	181	4.676.956	4.650.000

A quotation for diluted earnings per share did not take place due to the convertible bond issued on 8 May 2006 in accordance with IAS 33.41. Potential ordinary shares can be considered diluted if their conversion in ordinary shares decreases the earning per share or the loss per share is increased.

NOTES TO THE CASHFLOW STATEMENT

In accordance with IAS 7, the Cash Flow Statement shows the changes of RPSE AG's funding during the course of the reported year. It is differentiated between cash flow from usual operational activities, cash flow from investment activities, and cash flow from the financing activities.

The following cash flows are included in the cash flow statement:

	30.06.2007 T€	31.12.2006 T€
Received interest	101	29
Paid interest	413	65
Received taxes on income	150	0
Paid taxes on income	166	279

NOTES ON SEGMENT REPORTING

The segment report of the RPSE Group follows internal controlling and reporting. Therefore, the company is subdivided into the "Projects" and "Trade" segments.

The "Projects" segment includes the activities as a system provider of photovoltaic facilities as well as project developer. As a system provider, the RPSE Group plans, delivers, and installs large-scale photovoltaic facilities, particularly on commercial, public, or agricultural roof tops. In accordance with individual agreements with the respective customers, the following services shall be taken over:

- Examination of the project's operational efficiency as well as the technical suitability of the installation space (usually roof space on buildings in the fields of commercial, public or agricultural),
- The obtaining of the legally permissible requirements for the erection and operation of the facilities upon respective spaces,
- The statistical examination of roof spaces,
- Preparation of expert opinion on earnings.

The RPSE Group also erects photovoltaic facilities as a project developer for private and institutional investors. In this case, suitable facility locations are identified, offered to investors and the required agreement between the space owner and the investor (lease and/or land use contracts) media. As soon as the prerequisites for the erection of a photovoltaic facility have been created, the RPSE Group performs their services as a system provider for the investor. The segment has been allocated to the business activities of Reinecke + Pohl Solare Energien GmbH and Nastro-Umwelttechnik GmbH.

The company's purchasing and sales businesses of photovoltaic modules as well as photovoltaic components are represented in the "Trade" segment. These activities are particularly carried out by Maass Regenerative Energien GmbH. The company coordinates the procurement of photovoltaic modules for the entire company, at home and abroad. In this case, the modules are procured through intermediaries as well as directly from the manufacturer.

Nastro-Umwelttechnik GmbH is also active in the trade of photovoltaic modules and components, whereas this company is allocated to the segment of "Projects", due to its internal controlling and reporting.

The segment reporting as of 30 June 2007 is presented in the following table:

Primary Segment information	Segment Projects T€	Segment Trade T€	Transition T€	Group T€
External sales	13.014	16.552	71	29.637
Previous year	15.068	8.865	3	23.936
Intercompany sales	11.803	5.820	-17.623	0
Previous year	39	1.837	-1.876	0
Net sales	24.817	22.372	-17.552	29.637
Previous year	15.107	10.702	-1.873	23.936
Segment results	623	1.013	-1.281	355
Previous year	-734	-251	11	-973
• thereof interest payable	-115	-110	-43	-268
Previous year	-187	-191	-156	-534
• thereof interest earned	3	15	88	106
Previous year	2	5	35	42
• thereof write-offs	-52	-18	-38	-109
Previous year	-52	-22	-20	-94
Segment assets	21.066	12.505	19.912	53.483
Previous year	17.285	12.818	27.394	57.498
Segment liabilities	20.645	11.373	-13.690	18.328
Previous year	15.354	12.356	-6.086	21.624
Segment investments	22	4	177	203
Previous year	239	40	216	494

The Column "Transference" includes Group-wide transactions, holding expenses as well as tax on income items which pursuant to IAS 14 are not to be considered. The figure for earnings before taxes on income (EBIT) is given as the earnings for the segment.

Within the framework of usual business activities, all delivery and service relations that took place with the following companies and persons were conducted on usual market terms and conditions, as is generally done with third parties outside of the group.

Segment information by regions	Germany T€	Spain T€	Other regions T€	Group T€
External sales	27.557	2.078	1	29.637
Previous year	21.034	2.902	0	23.936

With secondary segments (geographical region) external revenues are based on the domicile of the customer. According to internal controlling, the regions Germany, Spain and other regions have been defined. The distribution of sales revenue for the secondary segments is a materiality point of view.

OTHER INFORMATION

38. RELATIONSHIPS TO CLOSE-STANDING PERSONS

Besides the subsidiary companies included in the CFS, RPSE AG, whilst exercising their normal business activities, stands directly or indirectly in close relationship with persons and companies.

Relationships to close-standing persons are as follows:

	Member of the Executive Board	Member of the Supervisory Board
Goods and Services	233 T€	
previous year	0 T€	
Receivables	445 T€	
previous year	0 T€	
Write-offs on receivables	314 T€	
previous year	0 T€	
Interest rate p.a.	7,70 %	
previous year	0 T€	
Goods and services received		151 T€
previous year		87 T€
Liabilities		48 T€
previous year		70 T€

The goods and services provided are the supply of modules and components for a PV-system. Goods and services received are consulting fees.

Based on a compromise settlement of one of the members of the Executive Board and the Supervisory Board receivables of 314 TEUR entered in the balance sheet of 31.12.2006 were written down. These receivables were based on the failure of an earnings guarantee given in the scope of the contribution of assets of Maaß Regenerative- Energien GmbH. According to the agreement, the remaining amount will be lodged with securities until complete payment.

39. WORKFORCE

As of 30 June 2007, 56 persons (31 December 2006 : 71) were employed.

40. SUPERVISORY BOARD

In accordance with Section 8 of the Articles of Association, the company's Supervisory Board includes three members that, as of 31 December 2006, are comprised as follows:

- Mr Thomas Bartling, Hamburg,
  Certified Public Accountant (Chairman)
  Supervisory Board mandates and memberships in comparable control committee in accordance with Section 285 No. 10 of the German Commercial Code (HGB): RUPAG Grundbesitz und Beteiligungen AG, Hamburg

- Ms Britta Horney, Tangstedt, Attorney
  (since 24 October 2006)
  Supervisory Board mandates and memberships in comparable control committee in accordance with Section 285 No. 10 of the German Commercial Code (HGB): none

- Herr Peter Flebbe, Hamburg, Rechtsanwalt
  (seit 24.05.2007)
  Supervisory Board mandates and memberships in comparable control committee in accordance with Section 285 No. 10 of the German Commercial Code (HGB): RUPAG Grundbesitz und Beteiligungen AG, Hamburg

- Dr. Axel Holtz, Hamburg, attorney was Chairman of the Supervisory Board until 24.05.2007.
  Supervisory Board mandates and memberships in comparable control committee in accordance with Section 285 No. 10 of the German Commercial Code (HGB): none

The company's Articles of Association grant the members of the Supervisory Board a remuneration of 45 TEUR (previous year: 16 TEUR), which will be proportionately paid to the Supervisory Board members for fiscal year 2005.

41. EXECUTIVE BOARD

The following members were appointed to the Board of Management during the fiscal year.

- Mr Patrick Arndt, Graduate Economist, Hamburg
- Mr Thorsten Preugschas, Graduate Engineer, Kamp-Lintfort

42. COMPLIANCE STATEMENT

The submission of the statement, pursuant to Section 161, of to which extent the recommended practices of the "Governmental Commission on the German Corporate Governance Code" have been conformed to, will be publicised on the company's website and made accessible for the shareholders.

Hamburg, 27. August 2007

(Executive Board)

FINANCIAL CALENDAR 2007 / GLOSSARY

FINANCIAL CALENDAR 2007

12.-14. NOVEMBER 2007	Analyst conference - Eigenkapitalforum Deutsche Börse AG Frankfurt a. M.
13. NOVEMBER 2007	Quarterly Report for the Third Quarter

GLOSSARY

CDTE	Cadmium Tellurid
CIGS	Copper Indium Gallium Diselenid
CIS	Copper Indium Diselenid
EEG	"Energieeinspeisegesetz" / German Renewable Energies Act
EVU	Energy Supply Company
KW / KWP	kilowatt / kilowatt-peak
MAAß	Maaß Regenerative-Energien GmbH (subsidiary acquired at 100 percent in 2005)
MW / MWp	Megawatt / Megawatt-peak
NASTRO	Nastro-Umwelttechnik GmbH (subsidiary acquired at 100 percent in 2005)
PV	Photovoltaics (Use of solar energy to generate electricity)
RPSE	Reinecke + Pohl Sun Energy AG

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REINECKE + POHL SUN ENERGY AG • Große Elbstraße 45 • D- 22767 Hamburg • www.rpse.de

INVESTOR RELATIONS / PRESS

Heike Oelze • FON: +49 (0) 40. 69 65 28-0 • FAX: +49 (0) 40. 69 65 28-159 • E-MAIL: info@rpse.de

GRAPHIC DESIGN

Thomas E. Martin

PHOTOGRAPHY

Andreas Papke

This report is available as a download on our website in both the German and English languages. Further copies as well as additional information about Reinecke + Pohl Sun Energy AG can be sent to you upon request. Should you be interested, we would be more than pleased to add you to our shareholders distribution list, which ensures the regular receipt of our updated news via email.

DISCLAIMER

The report in hand includes future directive statements, based on the beliefs of the Executive Board of Reinecke + Pohl Sun Energy AG and reflects their actual assumptions and estimates. These forward-looking statements are subject to risks and uncertainties. The unpredictability of factors presented could result in different actual performance and results of Reinecke + Pohl Sun Energy AG. Possible causes could include, amongst other things, the non-acceptance of newly introduced products or services, changes in the general economic or business situation, shortfall of efficiency or expenditure reduction targets or an alteration of the business strategy.

The Executive Board is confident, that the expectations of these projected statements are sound and realistic. Should however, the aforementioned or any other unexpected conditions arise, Reinecke + Pohl Sun Energy AG cannot guarantee that the expressed forecasts will be proven correct.

REINECKE + POHL SUN ENERGY AG
Große Elbstraße 45 • 22767 Hamburg
FON +49 (0) 40. 69 65 28-0 • FAX +49 (0) 40. 69 65 28-159
E-MAIL info@rpse.de • WWW.RPSE.DE