



**centrotherm**  
photovoltaics

**Interim report**  
as of June 30, 2009

# Highlights

## Focus on project realization and expansion

### More than 80% revenue growth both in the quarter and the half-year

- +88.5% to TEUR 264,149 in the first half of 2009 (H1 2008: TEUR 140,138)
- +83.7% to TEUR 133,148 in the second quarter of 2009 (Q2 2008: TEUR 72,461)

### Realization of the largest turnkey project in the company's history

- Successful construction of a turnkey solar cell factory with a capacity of 250 MW
- The project represents the industrial entry into the photovoltaics market for our customer Hyundai, the world's largest shipbuilder

### First thin film production line in ramp-up phase

- Commissioning started of our new turnkey CIGS production line at an Asian customer
- New CIGS module manufacturing process established

### Creation of the second silicon production plant

- Initial development step at our second silicon customer entails annual production of around 1,250 tonnes of polysilicon
- Planned production to microelectronics quality

### National and international expansion

- Drive for US business further advanced
- Founding of our own sales and service company in Shanghai
- Significant construction progress at our customer and innovation centre at Blaubeuren location
- Move into new production hall

### 2009 Shareholders' General Meeting

- High approval for new location: Edwin-Scharff-Haus in Neu-Ulm
- All agenda items approved by a large majority

# Letter to shareholders

Dear shareholders,

In the first half of 2009 we have once again succeeded in setting new record levels in terms of revenue, order book levels and equipment deliveries. Despite the economic and financial crisis, we boosted revenue by more than 80% to TEUR 264,149 (H1 2008: TEUR 140,138). At the same time, we exceeded the one billion euro level in our order book for the first time: orders on hand amounted to EUR more than 1 billion as of June 30, 2009. We have also set a brisk pace in terms of deliveries of individual items of equipment and turnkey production lines: 9 lines and 130 individual items of equipment were shipped to our customers both in Germany and abroad - more than ever before.

We place the highest priority on innovations and the successful realization of our major projects. Therefore, it gives us particular pleasure that we have advanced a project that represents a first in terms of its size in our company's history: we have created a turnkey solar cell production facility with a total capacity of 250 MW for our Korean customer Hyundai Heavy Industries. The project represents the industrial entry into the photovoltaics market for Hyundai, the world's largest shipbuilder. The first cells are currently being produced. We also achieved important operating success in our thin film and silicon divisions, which are still in their infancy: following "First Silicon Out", the production of first silicon from centrotherm photovoltaics reactors, we started to commission our silicon equipment at a further customer in Asia in the second quarter. Production is targeting microelectronics quality, particularly as required for chip manufacturing, as well as for solar cells. At the Taiwanese location of Hsin-chu, around 1.600 km away, the commissioning of our first CIGS thin film production line is underway, or in the "ramp-up" phase as technical jargon puts it. Scheduled for production at the end of 2009, this will represent the first and to date largest CIGS module to enter mass production and will offer a 1.5 m<sup>2</sup> surface area. In order to ensure high efficiencies, rapid production cycle times, and optimal material utilization also in thin film, we committed higher investments to this future technology in the second quarter. As a consequence, we are pursuing our corporate objective of cutting production costs, thereby enabling competitive advantages for our customers.

Although growth dynamics have weakened somewhat in the second quarter - in line with our expectations - following the record we set during the first three months of 2009, we remain highly confident in view of our sound order book position and our robust project pipeline. For this reason, we are reconfirming our guidance for revenue growth of EUR 500 million to EUR 550 million, accompanied by an increase in EBITDA.

With many thanks for your trust, yours sincerely,

Robert M. Hartung

# Key figures

## Key Figures for centrotherm photovoltaics Group

in TEUR	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
Revenue	264,149	140,138	133,148	72,461
Total operating performance	271,269	146,130	134,495	78,145
EBITDA	35,771	18,781	16,225	10,104
EBITDA margin in %*	13.5%	13.4%	12.2%	13.9%
EBIT before purchase price allocations	33,641	18,356	15,134	9,857
EBIT margin before purchase price allocations in %*	12.7%	13.1%	11.4%	13.6%
EBIT	25,785	18,356	11,129	9,857
EBIT margin in %*	9.8%	13.1%	8.4%	13.6%
EBT	25,796	20,499	10,505	11,660
EBT margin in %*	9.8%	14.6%	7.9%	16.1%
Consolidated net income	17,749	14,540	7,270	8,380
Earnings per share in EUR	0.84	0.91	0.34	0.52
Weighted average number of shares in T	21,162	16,000	21,162	16,000
Total expenses R&D	11,062	7,540	5,605	5,774
Capex**	15,061	34,604	5,285	11,816
ROCE in %	6.36%	9.76%	-	-
Operating cash flow	-3,449	75,753	21,126	16,407
Number of employees as of the reporting date	1,111	377	1,111	377
	6/30/2009	12/31/2008	6/30/2009	12/31/2008
Total assets	727,807	665,775	-	-
Equity	336,336	318,188	-	-
Equity ratio in %	46.2%	47.8%	-	-
Order book	1,010,200	990,179	-	-

\* Margin referring to revenues

\*\* 2008: Goodwill included; 2009: Goodwill excluded

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# Group management report

## Important events during the reporting period

### Our projects

#### **Realization of the largest turnkey project in the company's history**

In the first half of 2009, we constructed a turnkey solar cell production facility with a total capacity of 250 MW for our Korean customer Hyundai Heavy Industries. Along with five cell lines, each with production capacity of 50 MW, the vision systems of our 100% subsidiary GP Solar were also deployed for the first time. The project represents industrial entry into the photovoltaics market for Hyundai, the world's largest shipbuilder.

A team of around 20 experts was on site in Korea as of the June 30, 2009 reporting date, and has commissioned the production lines. Subsequently, the first cell was produced following the end of the reporting period. As a result, we have successfully realized the largest turnkey project in our company's history to date.

#### **First thin film production line in ramp-up**

In the first half of 2009, the commissioning of our new turnkey CIGS production line with an annual capacity of more than 30 MW kicked off at an Asian customer. Scheduled for production at the end of 2009, this will mark the first, and to date largest CIGS module to be

manufactured on a mass production basis and will feature a 1.5 m<sup>2</sup> surface area.

The customer is relying on our highly efficient CIGS thin film technology, as this enables the highest efficiencies currently available in connection with low production costs. In addition, and compared with other manufacturing technologies, the new CIGS module manufacturing process does not generate toxic process gases. Basically, the key challenge is to make the leap from the laboratory to mass production. The advantage of centrotherm CIGS technology lies in simple and robust process management with high cycle times, and the selection of process steps that can be easily transferred from small areas to larger ones.

#### **Commissioning of second silicon factory started - planned production to microelectronics quality**

After achieving a key milestone in early March with our "First Silicon Out", the production of the first silicon from centrotherm photovoltaics reactors, we started to commission our second silicon factory in Asia in the second quarter of 2009. The initial development step in this project entails annual production of around 1,250 tonnes of polysilicon. The production is targeting microelectronics quality in the future, particularly as required for chip manufacturing, as well as for solar cells. Highly pure mono-crystalline silicon is the base material for microelectronics products. The realization of this project allows us to demonstrate our capabilities in

supplying the complete process on a single source basis, from designing and planning, through to the provision and installation of the key equipment, and all the way through to commissioning and ramping up operations. The reactors are intended to go into full operation in the next step, and silicon production is to be started.

## National and international expansion

### Drive for US business further advanced

After the new American administration approved an extensive investment package in February 2009 with the "American Recovery and Reinvestment Act", positive signals have also been set for the solar industry. The program, which is referred to as a "stimulus package", envisages both tax breaks and direct grants for the creation of production capacity for solar products. In addition, many US states are offering their own support for the construction of factories.

In order to lend even greater momentum to our business activities in the promising US market, we have started to expand our US subsidiary, centrotherm photovoltaics USA Inc.

We have succeeded in recruiting Dr. Frank Faller as a managing director. He has been managing our company, which was founded in 2008, since April of this year. Until recently, Dr. Frank Faller was the sales and marketing director at Deutsche Solar (SolarWorld Group), and also commands more than 15 years of experience in the photovoltaics area having previously worked at the Fraunhofer Institute for Solar Energy Systems ISE, Shell Solar and Astropower.

### New sales locations in Asia

Following Singapore and Taiwan, we founded with our daughter company in China our third location in Asia this year. The most important aspects for the creation of the new company in Shanghai are the expansion of our local presence, greater flexibility, sustainable increase of customer satisfaction and customer retention through

optimal accessibility. Besides a major spare parts warehouse for China and other important eastern asian countries, we also plan to implement further customer-oriented instruments, such as a 24-hours customer hotline.

### Significant construction progress at our Blaubeuren location

We started to move into the newly constructed production hall in the first half of 2009. The manufacturing of our series products will be located here in the future, on an area of around 15,000 m<sup>2</sup>. The intention is that the former production hall will be used particularly for the construction of special plants and prototypes. Warehousing, pre-assembly and construction from the backend area have already moved into the new premises. Further areas will follow in the near future.

As part of our Performance Plus Program, we have migrated our new warehouse to the Kanban system. Kanban is a production process management method that is oriented exclusively to the requirements of a utilizing location within the production process. This approach delivers optimized production processes in connection with cost reductions.

The construction of the new customer and innovation center has also progressed further during the reporting period. The work will be completed before the end of this year.

## 2009 Shareholders' General Meeting

The Ordinary Shareholders' General Meeting was held on June 30, 2009 in the Edwin-Scharff-Haus in Neu-Ulm. Besides the standard points, the following agenda items were voted upon, and are summarized as follows:

- Resolution concerning the authorization to acquire and utilize treasury shares
- Resolution concerning the creation of a new Approved Capital II

- Resolution concerning the authorization to issue option or convertible debentures
- Resolution concerning the adjustment of Supervisory Board remuneration
- Resolution concerning further amendments to the company bylaws (implementation of Shareholder Rights Guidelines [ARUG])

Shareholders voted in favor of all agenda items with a large majority. The Management and Supervisory boards were discharged with respect to the 2008 financial year with a vote of over 99%.

## Analysis of financial position

### Important notes and preliminary remarks

These consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS). When "centrotherm photovoltaics" or "we" are referred to below, the information relates to the centrotherm photovoltaics Group including its

subsidiaries and associated companies. The following changes have occurred to the scope of consolidation compared with December 31, 2008 (please refer to page 23 of the notes to the financial statements):

### Earnings

#### Revenue and total output

We raised revenue and total output further during both the first half-year and the second quarter of 2009. Consolidated revenue grew to TEUR 264,149 during the first half-year of 2009 (H1 2008: TEUR 140,138). Of this amount, 42.9% or TEUR 113,326 was attributable to the turnkey production line area. The great significance of the international business is reflected in an export ratio of 89.4%. The growth driver again was our Asian business with revenue of TEUR 202,409.

Total output rose to TEUR 271,269 in the first half of 2009 (H1 2008: TEUR 146,130), when taking into account changes in inventories of finished goods and own work capitalized.

#### Revenue by regions

in TEUR	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
Asia	<b>202,409</b>	95,038	<b>101,158</b>	50,047
Germany	<b>28,002</b>	13,543	<b>12,688</b>	9,282
Other Europe	<b>19,441</b>	22,489	<b>7,945</b>	5,935
ROW	<b>14,297</b>	9,068	<b>11,357</b>	7,197
<b>Total</b>	<b>264,149</b>	<b>140,138</b>	<b>133,148</b>	<b>72,461</b>

## Revenue by products

in TEUR	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
Revenue from construction orders				
Turnkey production lines	<b>113,326</b>	60,695	<b>65,197</b>	33,066
Single items of equipment	<b>111,721</b>	67,575	<b>45,542</b>	33,855
Service and replacement parts	<b>9,913</b>	3,125	<b>4,013</b>	1,530
Consulting & Engineering	<b>10,859</b>	0	<b>10,123</b>	0
Other revenue	<b>18,330</b>	8,743	<b>8,273</b>	4,010
<b>Total</b>	<b>264,149</b>	<b>140,138</b>	<b>133,148</b>	<b>72,461</b>

## Order intake trends

The order book amounted to TEUR 1,010,200 as of the end of the first half-year of 2009. Following a first quarter of 2009 during which both order intake and the order book reported record levels, order intake in the second quarter of 2009 slowed markedly in accordance with expectations. Three major orders with a total volume of around EUR 390 million were gained in the first three months in the silicon and thin film areas. In the period between April and June, we signed smaller orders for individual items of equipment and services amounting to EUR 14.5 million. We received four major orders in the prior-year period, including the largest solar cell order in the company's history. Long lead and negotiation phases in the major project business of around 12 months, and the cautious investment decisions on the part of customers due to the economic

weakness, resulted in a slowdown in the flow of orders. Order trends also reflected the effect of the insolvency of our customer Itarion through cancellation of this order.

Our project pipeline reported a positive trend over the same time period: several declarations of intention and signed orders had been received at the time when this report was prepared. We will enter the latter in the order book as soon as the corresponding collateral has been received.

Of the total order book, 70.5% is attributable to the silicon area, 19.0% to the solar cell area, and 10.5% to the thin film area, including an order won in the first quarter of 2009 for a turnkey CIGS production line.

## Order backlog

in TEUR	12/31/2007	3/31/2008	6/30/2008	9/30/2008	12/31/2008	3/31/2009	6/30/2009
Cell	310,988	392,408	499,291	486,487	445,299	368,792	<b>191,777</b>
Thin film	44,000	44,000	44,000	44,000	49,287	122,921	<b>106,616</b>
Silicon	107,698	240,989	435,048	474,895	495,593	764,276	<b>711,807</b>
<b>Total</b>	<b>462,686</b>	<b>677,397</b>	<b>978,339</b>	<b>1,005,382</b>	<b>990,179</b>	<b>1,255,989</b>	<b>1,010,200</b>

## Costs

The **materials expense** in the first half of 2009 rose at a slower rate than revenue, and increased to TEUR 175,407 (H1 2008: TEUR 109,252). This represents a further improvement in the materials expense ratio to 66.4% (H1 2008:78.0%). The integration of centrotherm thermal solutions GmbH & Co. KG and the successfully exploited synergies in the purchasing area, in particular, were responsible for the improvement in the ratio. As a result of the higher number of employees as part of the expansion of the silicon and thin film areas that was completed in 2008, as well as the acquisitions that were made, the **personnel expense** rose to TEUR 30,681 given a total number of 1,111 staff members as of the June 30, 2009 reporting date (previous year: TEUR 9,032, given 377 staff members as of June 30, 2008). The personnel expense ratio increased to 11.6% (previous year: 6.4%) particularly as a consequence of the integration of centrotherm thermal solutions GmbH & Co. KG, and the related greater vertical range of manufacture. **Other operating expenses** rose to TEUR 31,122 (previous year: TEUR 13,681), and contained, in particular, sales costs as well as IT and personnel services expenses. The latter rose particularly as a result of the higher staff numbers as a consequence of the integration of centrotherm thermal solutions.

## Earnings trends

We continued our profitable growth path in the first half of 2009. Following start-up investments for the initial orders in the new silicon and thin film divisions in the first quarter of 2009, we once again committed stronger investments in technology and equipment to our future thin film technology in the second quarter of 2009.

Earnings before interest, tax, depreciation, and amortization (**EBITDA**) improved from TEUR 18,781 last year to TEUR 35,771 in the first half of 2009. This corresponds to an EBITDA margin of 13.5%. Operating earnings before purchase price allocations (**EBIT before purchase price allocations**) climbed to TEUR 33,641 (previous year: TEUR 18,356), and the margin rose correspondingly to 12.7%.

Depreciation and amortization was up year-on-year to TEUR 9,986 (June 30, 2008: TEUR 425). Particular reasons for this included the purchase price allocations for the new subsidiaries (GP Solar, SolMic, FHR, Glatt) of TEUR 7,855.

When including these effects, operating earnings (**EBIT**) amounted to TEUR 25,785 (previous year: TEUR 18,356). This corresponds to an EBIT margin of 9.8% (previous year: 13.1%). Besides the purchase price allocations, the weakening of the margin resulted primarily from two effects. As a matter of commercial precaution, the insolvency of one customer was recognized immediately, and the PoC revenue of around EUR 10 million that had already been booked as part of the progress of the project, as well as the proportional earnings margin of around EUR 1.6 million, were value-adjusted. The equipment can be adapted to other customer projects so that revenue and earnings will be generated again at a later juncture. Besides this, expenses for process developments and ramp-up in the thin film area of around EUR 6 million, that were not capitalized, were incurred in the first half of 2009. The focus was on further process optimizations, which, among other things, are intended to enable more rapid cycle times and better materials utilization. This gives us the opportunity to serve customer requirements even better, and to further strengthen our competitive position.

The net financial result amounted to TEUR 11, compared with TEUR 312 in the previous year. Interest income of TEUR 1,264 particularly contains market profits of TEUR 832 from securities investments. Interest expenses of TEUR 1,253 are mainly composed of the compounding of liabilities arising from the purchase of the SolMic shares. Earnings before tax **(EBT)** rose from TEUR 20,499 in the previous year to TEUR 25,796 in the first half of 2009. **Consolidated net income** improved to TEUR 17,749 (H1 2008: TEUR 14,540). This corresponds to **earnings per share** of EUR 0.84 given an average of 21,162,382 shares in issue (previous year: EUR 0.91, on the basis of an average of 16,000,000 shares).

## Segmental trends

We segment our operations into the **silicon** and **solar cell/thin film** divisions. In the silicon division, we offer our customers technology and key equipment on a one-stop shop basis - ranging from polysilicon through to ingot manufacturing and wafers. In particular, our product range includes reactors and converters, vent gas recovery plants and basic engineering. The solar cell/thin film division comprises technology, individual items of equipment and turnkey production lines for the production of crystalline solar cells and thin film modules. The segment also includes further products and services from the semiconductor area.

Revenue of TEUR 79,850 was generated in the **silicon business** in the first half of 2009. This is equivalent to a 30.2% contribution to consolidated revenue. Operating earnings before purchase price allocations **(EBIT before purchase price allocations)** of TEUR 8,311 made a positive contribution to consolidated earnings in the first half of 2009. This corresponds to an EBIT margin of 10.4%. This development mainly results from follow-up costs for the creation of the first polysilicon factory and higher materials expenses. In total, we

shipped 33 individual plants in the first half of 2009, including 24 reactors and converters in the second quarter of 2009. Prices for our equipment were very largely unchanged in the first half of 2009.

With revenue of TEUR 184,299, the **solar cell/thin film** segment performed in a very gratifying manner, thereby contributing 69.8% to Group revenue. Operating earnings before purchase price allocations **(EBIT before purchase price allocations)** amounted to TEUR 25,330. This corresponds to an EBIT margin of 13.7%. A total of 9 turnkey production lines and 97 individual plants were shipped (including partial deliveries), of which 7 lines and 63 individual plants were shipped in the second quarter of 2009. Segmental trends in the first half-year show that we continue to be successful in meeting the greater pricing pressure within this segment.

## Assets

Total assets rose to TEUR 727,807 as of June 30, 2009 (December 31, 2008: TEUR 665,775). **Non-current assets** increased to TEUR 283,270 (December 31, 2008: TEUR 273,031). This particularly reflected goodwill of TEUR 129,298 from the companies acquired in 2008. Rises were also reported in internally generated intangible assets (from TEUR 9,080 as of December 31, 2008 to TEUR 13,495 as of June 30, 2009), which mainly contain own work capitalized. Other intangible assets of TEUR 82,409 were reported mainly as part of purchase price allocations in financial year 2008. Property, plant and equipment rose to TEUR 56,548 (December 31, 2008: TEUR 44,255), especially as a result of the construction of the new customer and innovation centre at the Blaubeuren location, which commenced in January 2009.

On the assets side, **current assets** increased from TEUR 392,744 as of the end of 2008 to TEUR 444,537

as of June 30, 2009. Due to the growth in orders on hand from TEUR 990,179 to TEUR 1,010,200 there was, in particular, an increase in inventories and receivables from construction orders.

**Securities and cash and cash equivalents** totaled TEUR 149,383 as of June 30, 2009 (December 31, 2008: TEUR 180,896). The decrease in cash and cash equivalents to TEUR 49,463 (December 31, 2008: TEUR 86,965) primarily reflected the growth in working capital.

On the equity and liabilities side, **equity** rose as a result of the positive earnings contributions from 2008 and 2009, and was up from TEUR 318,188 to TEUR 336,336 as of June 30, 2009. Consequently, the equity ratio amounted to 46.2% (December 31, 2008: 47.8%), and entirely covers non-current assets. As a result, centrotherm photovoltaics commands a highly solid balance sheet structure.

**Non-current liabilities** were cut to TEUR 62,961 (December 31, 2009: TEUR 68,836). The fall in other non-current liabilities to TEUR 20,480 (December 31, 2008: TEUR 27,120) made a particular contribution in this respect. This mainly relates to discounted purchase price liabilities arising from the acquisition of shares in SolMic.

The rise in **current liabilities** to TEUR 328,510 (December 31, 2008: TEUR 278,751) primarily results from higher liabilities arising from construction contracts. This again is due to the continuous rise in order volumes, as well as the degree of completion of current projects.

## Financial position

**Cash flow from operating activities** amounted to TEUR -3,449 in the first half of 2009 (previous year:

TEUR 75,753). The main factors for the cash outflow were the increase in inventories, forward-dated receivables relating to production orders, and prepayments rendered to the amount of TEUR 70,335 (previous year: TEUR 29,515), in turn reflecting the extent of output progress for major projects, which had not yet been fully invoiced, and the additional business volume from the silicon area.

The negative trend entailing the build up of working capital in the first quarter of 2009 had been stopped as of June 30, 2009.

**Cash flow from investing activities** amounted to TEUR -34,053 in the first half of 2009 (previous year: TEUR -77,959). The prior year's figure was particularly affected by the acquisition of FHR Anlagenbau GmbH and GP Solar GmbH.

As in the previous year, we continued to be able to fund our operating business entirely from our own resources. Consequently, **cash flow from financing activities** amounted to TEUR 0 in the first half of 2009 (previous year: TEUR 0).

**Financial funds** amounted to TEUR 49,463 as of June 30, 2009 (previous year: TEUR 28,745).

The trend in cash flow in the comparison period first half of 2008 was mainly affected by changes within the scope of consolidation due to the acquisitions made in 2008.

## The share

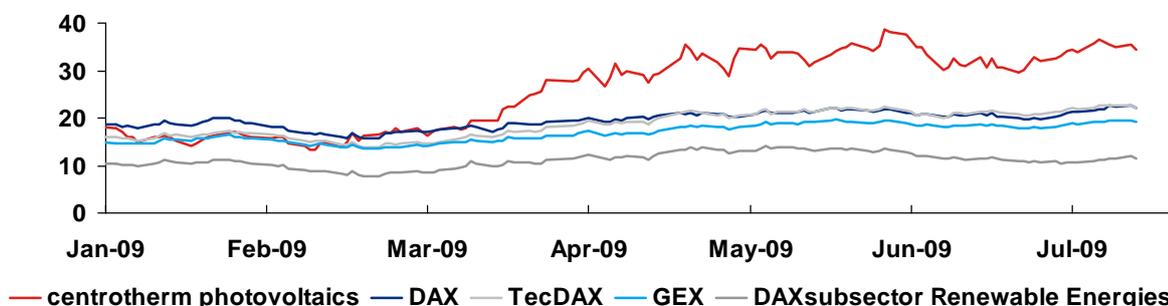
International equity markets recovered further in the first half of 2009, especially since the spring. Particular reasons for the positive trend included company results

ahead of expectations, and leading indicators that fed hopes of a stabilization in the global economy. Our share performed extremely well during the first six months, outperforming the market. Driven by the successful operating business, the share price climbed from EUR 13.43 as of February 24, 2009 to EUR 30.79 as of the June 30, 2009 reporting date. This year's all-time high of EUR 38.67 was reached in mid-June. The market capitalization amounted to TEUR 651,590 at the end of the first half-year.

At the end of May, TCH GmbH and Autenrieth Beteiligungs GmbH placed a total of 2.2 million shares off-bourse at a price of EUR 28 each, encountering strong demand among national and international investors.

The shareholder base changed as a result of this transaction. TCH GmbH and Autenrieth Beteiligungs GmbH continue to retain a majority of just under 60% (TCH GmbH: 51.85 %, Autenrieth Beteiligungs GmbH: 6.05%). Members of the management and the Supervisory Board currently hold 1.18%. The increase in the free float to 40.92% (free float as of December 31, 2008: 28.87%) is a particularly positive effect of this transaction.

Performance of centrotherm photovoltaics share



## Investments

Investments totaled TEUR 19,991 in the first half of 2009. A key focus of these investments was on the research and development area. The research and development expense amounted to TEUR 11,062 in the first half of 2009 (previous year: TEUR 7,540). An amount of TEUR 2,645 was invested in the silicon area,

while TEUR 5,186 was attributable to the solar cell area (including semiconductors) and TEUR 3,231 was invested in the thin film area. Above and beyond this, further expenses were incurred for strategically relevant process optimizations in the thin film area, which were not capitalized as own work as part of the ongoing customer project. Development costs of TEUR 4,556 were capitalized. Investments in property, plant and equipment amounted to TEUR 15,061.

## Employees

A total of 1,111 members of staff were employed in the Group as of June 30, 2009 (previous year: 377 members of staff). The additions to the workforce occurred through new appointments as part of our growth strategy, particularly in the thin film and silicon areas, as well as through the integration of new Group companies. The high significance of the international business is also reflected in the staff figures abroad: more than 50 staff members were employed abroad as of the end of the first half of 2009. Besides this, international teams work on projects abroad.

## Research and development

In the **solar silicon** area, the centrotherm SiTec process to produce microelectronics silicon and solar silicon was improved further. In order to reclaim chlorosilane, centrotherm SiTec offers its customers the world's most technically advanced process, as well as specially customized related equipment. We pushed ahead dynamically with the development of the "Next Generation CVD Reactor". We initiated a further research project to develop a new converter type. Important qualification tests were concluded successfully for new crystallization furnaces, and the basis was created for a further optimization with respect to customer-specific requirements.

In the **solar cell** area, important preparations were made for improved processes, enhanced activities and innovations, as well as the greater exploitation of synergies within the Group, in parallel to the operating areas. Together with the operating project management, process integration and process transfer in FlexLine turnkey projects were optimized and

standardized. Important objectives in this respect include a further reduction of ramp-up times through an even more rapid attainment of efficiency guarantees, and the cost reduction of the ramp-up phase, as well as the optimal running-in of ongoing major projects of up to 250 MW of production capacity. Development processes themselves were streamlined accordingly, and optimized with the involvement of quality management.

The market launch of the new FlexLine Plus turnkey line continues at full steam. FlexLine Plus contains a newly introduced sub-process sequence whose key component is a centrotherm photovoltaics plant. In addition, centrotherm photovoltaics is opening up a new area of expertise with laser processes for high throughput production conditions. Initial samplings with customers and the requisite material-specific process adjustments have been performed. In the plant development area, the focus remained on boosting throughput and cost efficiency for the entire product range.

In the **thin film** area, the focus was on transferring knowledge gained from pilot production to the product line for the first customer. The research and development team is managing this process in order to ensure the most efficient possible exchange of know-how between the ramp-up team and the process experts in the development team.

Analytics in the thin film solar module area were also expanded further. Using lock-in thermography, an error analysis with high local resolution can be performed for large areas in a manner that causes neither damage nor movement, thereby facilitating an improved analysis of module characteristics. Promising results were achieved in the research project to develop an

alternative buffer coat, thereby verifying the appropriateness in principle of the selected coating method.

## Report on opportunities and risks

centrotherm photovoltaics operates an opportunities and risk management system to identify and avoid risks at an early juncture, as well as to exploit opportunities. Please refer to the remarks in the 2008 annual report for a detailed description of the risk management system.

There were no significant changes in the first half of 2009 compared with the opportunities and risks described in detail in the 2008 annual report under "Report on opportunities and risks".

## Related parties report

Key transactions occurred between centrotherm photovoltaics AG and related companies during the reporting period. A list can be found in the notes to the consolidated interim financial statements on page 34.

## Forecast report

The global economic situation remains challenging. According to the latest estimates, experts are assuming 5.5 GW of newly installed capacity in 2009, and 8.3 GW in 2010 (Source: Cheuvreux Crédit Agricole Cheuvreux S.A). Positive political signals are currently emanating from India and China in particular. centrotherm photovoltaics operates in both countries, and regards

these as important growth markets over the next few years.

**India** is planning to invest USD 19 billion to promote solar energy by 2020 (Source: Reuters, July 30, 2009). India is thereby aiming to create its own solar industry, become less dependent on coal, and further strengthen its international position.

The Indian government plans to present specific draft legislation by September at the latest. Renewable energy sources currently cover 8% of India's demand for electricity, although solar energy has played almost no part in this to date. Indian demand for electricity remains at a low level since not even half of India's population has access to electricity. The intention is to install 1.0 to 1.5 GW of solar energy by as early as 2012, in order to then supply up to 3 million households. In the future, centrotherm photovoltaic will be present with a sales and service company.

In **China**, the Chinese government has presented details regarding its "Golden Sun" program to provide financial support for photovoltaics. Support for on-grid plants will amount to 50% of the amount invested; this figure is intended to be 70% for off-grid projects. According to estimates made by leading analysts, the National Development and Reform Commission (NDRC) might announce an extensive program in the fourth-quarter 2009. This could include fixed input tariffs for solar electricity, and envisages promoting photovoltaics projects with a total output of around 1.5 GW by the end of 2011.

As part of our growth strategy, we intend to continue to invest in future technologies that are important to us. As a consequence, and particularly in the second quarter, we committed higher investments to research and development activities, as well as to the expansion of

our thin film area. We will continue to consistently implement the measures that we have already launched as part of our "Performance Plus Program", which are aimed at boosting efficiencies, optimizing processes, and cutting costs. As a consequence, we are confirming our revenue forecast of EUR 500 million to EUR 550 million, accompanied by an increase in EBITDA.

## Report on events subsequent to the reporting date

No major events occurred after the reporting date that are of key significance for the further course of business.

Blaubeuren, August 2009  
centrotherm photovoltaics AG

The Management Board

**Consolidated balance sheet (IFRS)****Assets**

in TEUR	Notes	30.06.2009	31.12.2008
<b>Non-current assets</b>			
Intangible assets	15.		
Goodwill		129,298	129,298
Internally generated intangible assets		13,495	9,080
Other intangible assets		82,409	89,382
Property, plant and equipment	16.	56,548	44,255
Investments		431	101
Non-current receivables from taxes on income		116	116
Other non-current assets		558	582
Deferred taxes		415	217
<b>Total</b>		<b>283,270</b>	<b>273,031</b>
<b>Current assets</b>			
Inventories	17.	49,068	23,286
Receivables relating to production orders	18.	134,233	92,399
Trade receivables	19.	26,679	25,865
Other receivables			
Receivables due from equity interests		393	1,167
Receivables due from related companies and persons	20.	1,462	925
Advance payments made	21.	51,826	49,107
Current receivables from taxes on income		1,846	2,364
Other current assets	22.	29,647	16,735
Securities	23.	99,920	93,931
Cash and cash equivalents	24.	49,463	86,965
<b>Total</b>		<b>444,537</b>	<b>392,744</b>
<b>Total assets</b>		<b>727,807</b>	<b>665,775</b>

**Equity and liabilities**

in TEUR	Notes	30.06.2009	31.12.2008
<b>Equity</b>	25.		
Equity attributable to parent company shareholders			
Subscribed capital		21,162	21,162
Capital reserves		244,933	244,811
Revaluation reserve		3,365	3,608
Retained earnings		48,818	14,239
Consolidated net income		17,749	34,570
Minority interests		309	-202
<b>Total</b>		<b>336,336</b>	<b>318,188</b>
<b>Non-current liabilities</b>			
Other non-current liabilities		487	453
Other non-current provisions	26.	20,480	27,120
Deferred tax		41,994	41,263
<b>Total</b>		<b>62,961</b>	<b>68,836</b>
<b>Current liabilities</b>			
Provisions for taxes	27.	9,588	6,387
Other current provisions	28.	9,601	7,418
Liabilities arising from construction contracts	29.	74,559	34,194
Trade payables	30.	43,404	48,939
Advance payments received	31.	155,842	158,864
Liabilities towards related companies	32.	3,453	1,843
Liabilities towards credit institutions		325	0
Other current liabilities	33.	31,738	21,106
<b>Total</b>		<b>328,510</b>	<b>278,751</b>
<b>Total equity and liabilities</b>		<b>727,807</b>	<b>665,775</b>

**Consolidated income statement**

in TEUR	Notes	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
<b>Sales revenue</b>	5.	<b>264,149</b>	<b>140,138</b>	<b>133,148</b>	<b>72,461</b>
Change in inventory of finished goods and work-in-progress		<b>3,007</b>	1,156	<b>-275</b>	1,787
Capitalized services rendered to own account	6.	<b>5,519</b>	4,446	<b>2,733</b>	3,232
Change in liabilities for services yet to be performed		<b>-1,406</b>	390	<b>-1,111</b>	665
<b>Total operating performance</b>		<b>271,269</b>	<b>146,130</b>	<b>134,495</b>	<b>78,145</b>
Other operating income	7.	<b>1,712</b>	4,616	<b>1,327</b>	4,148
Cost of materials	8.	<b>-175,407</b>	-109,252	<b>-86,470</b>	-59,632
Personnel expenses	9.	<b>-30,681</b>	-9,032	<b>-16,147</b>	-5,096
Other operating expenses	10.	<b>-31,122</b>	-13,681	<b>-16,980</b>	-7,461
<b>Earning before interest, tax, depreciation and amortization (EBITDA)</b>		<b>35,771</b>	<b>18,781</b>	<b>16,225</b>	<b>10,104</b>
Amortization and depreciation		<b>-9,986</b>	-425	<b>-5,096</b>	-247
<b>Earning before interest and tax (EBIT)</b>		<b>25,785</b>	<b>18,356</b>	<b>11,129</b>	<b>9,857</b>
At-equity earnings		<b>0</b>	1,831	<b>0</b>	1,769
Financial income		<b>1,264</b>	616	<b>97</b>	167
Financial expenses		<b>-1,253</b>	-304	<b>-721</b>	-133
<b>Financial result</b>	11.	<b>11</b>	312	<b>-624</b>	34
<b>Earning before tax (EBT)</b>		<b>25,796</b>	<b>20,499</b>	<b>10,505</b>	<b>11,660</b>
Taxes on income	12.	<b>-7,536</b>	-5,969	<b>-2,949</b>	-3,210
<b>Net income (EAT)</b>		<b>18,260</b>	<b>14,530</b>	<b>7,556</b>	<b>8,450</b>
Minority interests	13.	<b>-511</b>	10	<b>-286</b>	-70
<b>Consolidated net income</b>		<b>17,749</b>	<b>14,540</b>	<b>7,270</b>	<b>8,380</b>
Weighted average number of shares in '000		<b>21,162</b>	<b>16,000</b>	<b>21,162</b>	<b>16,000</b>
<b>Earnings per share as of the reporting date in EUR</b>	14.	<b>0.84</b>	<b>0.91</b>	<b>0.34</b>	<b>0.52</b>

**Consolidated cash flow statement**

in TEUR	01.01.- 30.06.2009	01.01.- 30.06.2008
<b>Earnings before income tax and minority interests</b>	<b>25,796</b>	<b>20,499</b>
+ Amortization / depreciation of non-current assets	9,986	426
+ Expense depreciation of non-current assets	268	0
+/- Change of provisions	2,183	-133
Increase in inventories, future receivables from production orders and prepayments		
- rendered	-70,335	-29,515
-/+ Increase / Decrease in trade receivables	-814	10,775
- Increase in other assets not allocated to investment or financing activities	-12,650	-4,725
-/+ Decrease / Increase in trade payables	-5,535	7,981
Increase in prepayments received and liabilities relating to construction		
+ contracts	37,343	74,442
+/- Increase / Decrease in other liabilities not allocated to investment or financing activities	15,872	-302
- Income tax payments	-5,695	-3,462
- Other non-cash expenses and income	132	-233
<b>= Cash flow from operating activities</b>	<b>-3,449</b>	<b>75,753</b>
- Outgoing payments for fixed asset investments	-15,061	-14,532
- Outgoing payments for investments in intangible assets	-4,930	-2,902
- Outgoing payments for consolidated companies	-7,500	-34,271
Incoming / outgoing payments for investments in short-term securities and financial		
+/- assets	-6,562	-26,254
<b>= Cash flow from investment activities</b>	<b>-34,053</b>	<b>-77,959</b>
<b>Cash flow from financing activities</b>	<b>0</b>	<b>0</b>
<b>= Earnings-effective change in cash and cash equivalents</b>	<b>-37,502</b>	<b>-2,206</b>
+ Change in liquid funds resulting from changes in the scope of consolidation	0	650
+ Cash and cash equivalents at the start of the period	86,965	30,301
<b>= Cash and cash equivalents at the end of the period</b>	<b>49,463</b>	<b>28,745</b>

**Statement of changes in consolidated equity**

in TEUR	Subscribed capital	Capital reserves
<b>from January 1, 2009 to June 30, 2009</b>		
<b>As of January 1, 2009</b>	<b>21,162</b>	<b>244,811</b>
Transfer to parent company revenue reserves	0	0
Currency conversion	0	0
Revaluation of securities	0	0
Stock Appreciation Rights Program (SARP)	0	122
Consolidated net income January 1 - June 30, 2009	0	0
<b>As of June 30, 2009</b>	<b>21,162</b>	<b>244,933</b>

<b>from January 1, 2008 to June 30, 2008</b>		
<b>As of January 1, 2008</b>	<b>16,000</b>	<b>130,484</b>
Transfer to parent company revenue reserves	0	0
Revaluation of securities	0	0
Stock Appreciation Rights Program (SARP)	0	118
Changes in the scope of consolidation	0	0
Increase of majority shareholding	0	-19,674
Consolidated net income January 1 - June 30, 2008	0	0
<b>As of June 30, 2008</b>	<b>16,000</b>	<b>110,928</b>

Exposure of captured expenses and revenues

in TEUR	06/2009	06/2008
Loss/Profit from revaluation of securities	-286	2,912
Deferred taxes	43	-282
Difference from currency conversion	9	0
<b>Earnings recognized as direct to equity</b>	<b>-234</b>	<b>2,630</b>
Earnings after tax	18,260	14,530
<b>Total earnings</b>	<b>18,026</b>	<b>17,160</b>
of which attributed to minority interests	511	-10
of which entitiled to shareholders of the group	17,515	17,170

Revaluation reserve	Other retained earnings	Consolidated balance sheet profit	Total	Minority interests	Consolidated equity
<b>3,608</b>	<b>14,239</b>	<b>34,570</b>	<b>318,390</b>	<b>-202</b>	<b>318,188</b>
0	34,570	-34,570	0	0	<b>0</b>
0	9	0	9	0	<b>9</b>
-243	0	0	-243	0	<b>-243</b>
0	0	0	122	0	<b>122</b>
0	0	17,749	17,749	511	<b>18,260</b>
<b>3,365</b>	<b>48,818</b>	<b>17,749</b>	<b>336,027</b>	<b>309</b>	<b>336,336</b>
<b>732</b>	<b>628</b>	<b>13,611</b>	<b>161,455</b>	<b>662</b>	<b>162,117</b>
0	13,611	-13,611	0	0	<b>0</b>
2,630	0	0	2,630	0	<b>2,630</b>
0	0	0	118	0	<b>118</b>
0	10	0	10	0	<b>10</b>
0	0	0	-19,674	-655	<b>-20,329</b>
0	0	14,540	14,540	-10	<b>14,530</b>
<b>3,362</b>	<b>14,249</b>	<b>14,540</b>	<b>159,079</b>	<b>-3</b>	<b>159,076</b>

# Notes to the consolidated financial statements

## 1. General information

centrotherm photovoltaics AG (hereinafter referred to in brief as "CTPV AG"), a joint stock corporation according to German law, was founded on December 28, 2005 and notarized by Dr. Ulrich Kromer, Ulm/Danube.

CTPV AG is headquartered in Blaubeuren, Germany, and is entered in the commercial register of Ulm/Danube under HR B 720013.

The majority shareholder and parent company in terms of IAS 27 is TCH GmbH (formerly: Hartung Beteiligungs GmbH), which is based at Blaubeuren, Germany.

centrotherm photovoltaics AG is an internationally leading provider of technology and services for the production of solar cells and silicon. The broad product spectrum comprises key equipment and turnkey production lines for crystalline and thin film solar cells. The product range is supplemented by reactors, converters, and waste gas purification plants for the manufacturing of silicon. Business operations currently focus on the growth market of Asia. The international customer base includes well-known companies from the solar sector.

## 2. Scope of consolidation

Besides CTPV AG, all companies are included in the consolidated financial statements where CTPV AG enjoys the direct or indirect ability to determine their financial and business policies. Inclusion occurs at the time when control becomes possible; it ends when control is no longer possible.

The following changes have occurred to the scope of consolidation compared with December 31, 2008:

The merger of centrotherm SiTec GmbH, Blaubeuren, with centrotherm SiQ GmbH, Blaubeuren, was concluded with a notary agreement of March 25, 2009. The merger took effect as of January 1, 2009. The same agreement also re-incorporated centrotherm SiQ GmbH as centrotherm SiTec GmbH.

The following subsidiary was founded in the second quarter:

- centrotherm photovoltaics Technology Shanghai Co. Ltd., Shanghai, on April 2, 2009.

This subsidiary will strengthen sales and service activities in the relevant region. We decided not to include the newly founded company in Shanghai due to the insignificance of its impact on the company's assets, liabilities, and earnings positions, both individually and taken together.

The following is a list of CTPV AG's consolidated shareholdings as of June 30, 2009:

**CTPV shareholdings as of June 30, 2009**

in % consolidated companies	Direct share	Indirect share	Combined share
centrotherm photovoltaics technology GmbH, Blaubeuren	100.00	0.00	<b>100.00</b>
centrotherm photovoltaics Asia Pte. Ltd., Singapore	100.00	0.00	<b>100.00</b>
centrotherm SiTec GmbH, Blaubeuren	100.00	0.00	<b>100.00</b>
centrotherm Thermal Solutions GmbH & Co. KG, Blaubeuren	100.00	0.00	<b>100.00</b>
centrotherm Thermal Solutions Verwaltungs GmbH, Blaubeuren	100.00	0.00	<b>100.00</b>
FHR Anlagenbau GmbH, Dresden/Ottendorf-Okrilla	100.00	0.00	<b>100.00</b>
GP Inspect GmbH, Martinsried	0.00	76.00	<b>76.00</b>
GP Solar GmbH, Konstanz	100.00	0.00	<b>100.00</b>
Michael Glatt Maschinenbau GmbH, Abensberg	0.00	100.00	<b>100.00</b>

**3. Basis of preparation of the interim consolidated financial statements**

These interim financial statements as of June 30, 2009 were prepared in accordance with International Accounting Standards (IAS) 34 (Interim Financial Reporting). As an abridged set of interim financial statements, they do not contain all information that IFRS require for a consolidated set of financial statements at the end of the financial year, and, for this reason, these interim financial statements should be read in combination with the consolidated financial statements as of December 31, 2008.

These interim consolidated financial statements have not been audited. They were, however, subject to an auditor's review pursuant § 37w Paragraph 5 of the German Securities Trading Act (WpHG). When preparing the interim consolidated financial statements, the same accounting principles have generally been applied as those used in the case of the consolidated financial statements as of December 31, 2008.

There were no notable effects arising from the new or amended standards and interpretations on either accounting methods or the Group's asset, financial and earnings positions. These interim consolidated financial statements have been prepared in euros. All amounts are presented in thousands of euros (TEUR) unless otherwise stated.

The exchange rates of currencies important to the centrotherm photovoltaics Group changed as follows:

**Exchange rate to the euro**

	Reporting date rate		Average rate	
	<b>30.06.2009</b>	30.06.2008	<b>30.06.2009</b>	30.06.2008
US dollar (USD)	<b>0.71</b>	0.63	<b>0.75</b>	0.65
Singapore dollar (SGD)	<b>0.49</b>	0.46	<b>0.50</b>	0.47

#### 4. Segmental reporting

The Group's activities are concentrated on the following business segments:

The planning, design, distribution, and creation of customized and turnkey production lines and individual items of equipment to manufacture mono-crystalline and multi-crystalline solar cells, as well as for the production of thin film modules.

The silicon segment comprises the planning, design, sale and creation of plants to manufacture silicon, and its related process steps. Revenue from the silicon division was of subordinate significance in the previous year. We desisted from segmental reporting for this reason.

Operating segment data were calculated in accordance with the reporting and measurement methods used to prepare the consolidated financial statements, and are as follows:

##### Reporting by market segment

	01.01.- 30.06.2009	01.01.- 30.06.2009	01.01.- 30.06.2009	01.04.- 30.06.2009	01.04.- 30.06.2009	01.04.- 30.06.2009
in TEUR	Silicon	Solar cell / Thin film	centrotherm group	Silicon	Solar cell / Thin film	centrotherm group
Third party revenue	79,850	184,299	264,149	46,680	86,468	133,148
Revenue with other segments	0	0	0	0	0	0
<b>Revenue of segments</b>	79,850	184,299	264,149	46,680	86,468	133,148
<b>EBITDA</b>	8,719	27,052	35,771	2,866	13,359	16,225
<b>EBITDA as % of revenue</b>	10.9	14.7	13.5	6.1	15.4	12.2
<b>EBIT before purchase price allocations</b>	8,311	25,330	33,641	2,671	12,463	15,134
<b>EBIT before purchase price allocations as % of revenue</b>	10.4	13.7	12.7	5.7	14.4	11.4
<b>EBIT</b>	5,256	20,529	25,785	1,143	9,986	11,129
<b>EBIT as % of revenue</b>	6.6	11.1	9.8	2.4	11.5	8.4

Revenues by regions are as follows pursuant:

##### Revenue by regions

in TEUR	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
Asia	202,409	95,038	101,158	50,047
Germany	28,002	13,543	12,688	9,282
Other Europe	19,441	22,489	7,945	5,935
ROW	14,297	9,068	11,357	7,197
<b>Total</b>	<b>264,149</b>	<b>140,138</b>	<b>133,148</b>	<b>72,461</b>

## Notes to the income statement

Expenses are presented according to the cost of sales method in the consolidated income statement. The comparable period in the meaning of the abridged interim financial statements (previous year) is the period between January 1 and June 30, 2008.

### 5. Revenue

Revenue amounted to TEUR 264,149 in the first half-year of 2009 (previous year: TEUR 140,138), TEUR 1,538 of which was attributable to related companies (previous year: TEUR 352).

### 6. Capitalized services rendered to own account

Own work capitalized of TEUR 5,519 (previous year: TEUR 4,446) mainly relates to own work capitalized in connection with development projects.

### 7. Other operating income

Other operating income of TEUR 1,712 as of June 30, 2009 (previous year: TEUR 4,616) relates particularly to income from the release of provisions and obligations amounting to TEUR 929.

### 8. Materials expense

The materials expense for the period January 1 to June 30, 2009 of TEUR 175,407 (previous year: TEUR 109,252) is composed as follows:

#### Cost of materials

in TEUR	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
Expenses for raw materials and supplies, and for procured goods	162,071	107,032	82,505	57,979
Expenses for procured services	13,336	2,220	3,965	1,653
<b>Total</b>	<b>175,407</b>	<b>109,252</b>	<b>86,470</b>	<b>59,632</b>

Of the expenses for raw materials and supplies, procured goods, and services procured, TEUR 5,138 (previous year: TEUR 58,991) was attributable to related companies.

### 9. Personnel expense

Personnel expense amounted to TEUR 30,681 in the second quarter of 2009 (previous year: TEUR 9,032). This amount includes TEUR 4,127 of expenses for social contributions (previous year: TEUR 1,111), of which TEUR 236 comprised pension expenses (previous year: TEUR 81).

A total of 1,111 members of staff were employed in the Group as of the reporting date (previous year: 377 members of staff). The average number of employees was 1,094 in the first six months of 2009 (previous year: 328).

**10. Other operating expenses**

Other operating expenses of TEUR 31,122 (previous year: TEUR 13,681) are composed as follows:

**Other operating expenses**

in TEUR	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
Management services	5,312	1,007	2,526	548
Travel expenses	4,173	1,801	2,336	1,022
Freight & packaging	3,549	1,626	1,945	979
Other services	2,830	1,567	2,443	1,127
Insurance and contributions	1,144	824	579	383
Legal and general consultancy	1,429	845	707	326
Sales commissions	2,189	1,314	1,251	360
Research and development	670	1,108	126	515
Premises expenses	1,390	439	660	182
Advertising costs	1,177	471	483	308
Write-downs to receivables	1,046	22	1,046	22
Other	6,213	2,657	2,878	1,689
<b>Total</b>	<b>31,122</b>	<b>13,681</b>	<b>16,980</b>	<b>7,461</b>

Other operating expenses include services with a value of TEUR 5,832 as of June 30, 2008 (previous year: TEUR 1,100) that were sourced from related companies.

**11. Net financial result**

The net financial result is composed as follows:

**Net financial result**

in TEUR	01.01.-30.06.2009	01.01.-30.06.2008	01.04.-30.06.2009	01.04.-30.06.2008
Financial income	1,264	616	97	167
Financial expenses	-1,253	-304	-721	-133
<b>Net financial result</b>	<b>11</b>	<b>312</b>	<b>-624</b>	<b>34</b>

## 12. Income tax

The corporation tax rate from the 2008 financial year was reduced from 25% to 15% (in each case plus the Solidarity Surcharge equivalent to 5.5% of the corporation tax burden) due to the 2008 reform of German corporate taxation. Trade tax amounts to approximately 11.9%, which results in a total tax rate of around 27.7%. A future estimated tax rate of 30.0% was used for the accrual and deferral of tax in the interim consolidated financial statements.

The tax expense is as follows:

### Tax expense

in TEUR	01.01.-30.06.2009	01.01.-30.06.2008	01.04.-30.06.2009	01.04.-30.06.2008
Deferred tax	597	1,290	-81	913
Actual income tax	6,939	4,679	3,030	2,297
<b>Total</b>	<b>7,536</b>	<b>5,969</b>	<b>2,949</b>	<b>3,210</b>

## 13. Minority interests

Minority interests' share of earnings amounted to TEUR -511 (previous year: TEUR 10).

## 14. Earnings per share

In accordance with IAS 33 (Earnings per Share), earnings per share are calculated by dividing consolidated net earnings by the weighted average number of shares.

Earnings per share are calculated as follows for the reporting period in the previous year:

### Earnings per share

	01.01.- 30.06.2009	01.01.- 30.06.2008	01.04.- 30.06.2009	01.04.- 30.06.2008
Consolidated earnings	17,749,046	14,539,850	7,270,009	8,380,066
Weighted average number of shares	21,162,382	16,000,000	21,162,382	16,000,000
<b>Earnings per share</b>	<b>0.84</b>	<b>0.91</b>	<b>0.34</b>	<b>0.52</b>

## Notes to the balance sheet

### 15. Intangible assets

Intangible assets reflect mainly goodwill relating to the companies centrotherm Thermal Solutions GmbH & Co. KG (TEUR 89,296), GP Solar GmbH (TEUR 3,853), FHR Anlagenbau GmbH (TEUR 8,200 TEUR), Michael Glatt Maschinenbau GmbH (TEUR 455) and SiTec (TEUR 27,494) and capitalized development costs (TEUR 13,495).

Additions relate mainly to internally generated intangible assets (TEUR 4,556).

### 16. Property, plant and equipment

Property, plant and equipment of TEUR 56,548 (December 31, 2008: TEUR 44,255) relates primarily to plant under construction (TEUR 23,044) and buildings (TEUR 8,109).

The additions in the case of property, plant and equipment relate primarily to the construction of the new customer and innovation centre (TEUR 6,371).

A general contractor agreement for TEUR 14,200 was signed in the first half of 2008 in connection with the expansion of production areas.

In addition, a further general contractor agreement in connection with the expansion of office premises and social facilities was concluded in December 2008 for an amount of TEUR 11,800. Of this amount, TEUR 3,684 has already been invoiced. The residual obligation arising from this agreement consequently amounts to TEUR 8,116 as of June 30, 2009.

No extraordinary write-downs were performed during the reporting period.

## 17. Inventories

The reported inventory is composed as follows:

### Inventories

in TEUR	30.06.2009	31.12.2008
Raw materials and supplies	33,352	18,332
Semi-finished goods and services	14,211	3,686
Finished goods / products	1,505	1,268
<b>Total</b>	<b>49,068</b>	<b>23,286</b>

## 18. Receivables relating to production orders

The following list contains receivables relating to production orders after netting with prepayments received for progress billings:

### Receivables relating to production orders

in TEUR	30.06.2009	31.12.2008
Receivables relating to production orders (gross)	250,573	155,676
Offset with progress billing amounts	-116,340	-63,277
<b>Total</b>	<b>134,233</b>	<b>92,399</b>

## 19. Trade receivables

in TEUR	30.06.2009	31.12.2008
Receivables	66,476	106,527
Advance payments requested	-39,156	-79,963
Specific adjustments	-373	-431
General adjustments	-268	-268
<b>Total</b>	<b>26,679</b>	<b>25,865</b>

Necessary value adjustments measured according to probable default risk have been taken into account. All receivables are due within one year.

## 20. Receivables due from related companies and persons

The following provides a list of receivables due from centrotherm Group companies that do not belong to the Group:

### Receivables due from related companies

in TEUR	30.06.2009	31.12.2008
centrotherm Sud Europe SAS, Frankreich	427	686
Centrotherm Clean Solutions GmbH & Co. KG	39	113
Centrotherm L.P., USA	47	88
Receivables related to loan due from members of the Management Board	0	30
centrotherm Management Services GmbH & Co. KG	174	7
Centrotherm Elektrische Anlagen GmbH & Co. KG	775	1
<b>Total</b>	<b>1,462</b>	<b>925</b>

## 21. Prepayments rendered

Prepayments rendered of TEUR 51,826 as of June 30, 2009 (December 31, 2008: TEUR 49,107) have a residual maturity of up to one year.

## 22. Other current assets

Other current assets consist of the following items as of June 30, 2009, all with a residual maturity of up to one year:

### Other current assets

in TEUR	30.06.2009	31.12.2008
VAT receivables	25,749	12,507
Receivables related to loan	349	365
Accruals item	418	783
Other	3,131	3,080
<b>Total</b>	<b>29,647</b>	<b>16,735</b>

## 23. Securities

Shares in investment funds are reported among securities totaling TEUR 99,920 (December 31, 2008: TEUR 93,931). Unrealized gains of TEUR 3,365 (December 31, 2008: TEUR 3,611) arise from the change in market values, take into account deferred tax, and have been reported in equity with no impact on income.

## 24. Cash and cash equivalents

in TEUR	30.06.2009	31.12.2008
Cash and currency holdings	30	23
Bank deposits	28,618	20,870
Short-term investments	20,815	66,072
<b>Total</b>	<b>49,463</b>	<b>86,965</b>

## 25. Equity

The individual components of equity and their changes in the January 1 to June 30, 2009 reporting period are presented in the statement of changes in equity.

### Subscribed capital

The subscribed capital of CTPV AG amounts to TEUR 21,162 as of June 30, 2009 (December 31, 2008: TEUR 21,162). The subscribed capital is split into 21,162,382 (December 31, 2008: 21,162,382) nil-par value ordinary shares, and is fully paid up.

### Approved capital

The resolution of the Shareholders' General Meeting of September 26, 2007 authorised the Management Board, with the approval of the Supervisory Board, to increase the company's share capital once or on several occasions until October 11, 2012 by up to TEUR 4,000 in exchange for cash or payment in kind (Approved Capital I). Approved Capital I reduced to TEUR 2,838 as part of the combined cash and non-cash capital increase performed in 2008.

The resolution of the Shareholders' General Meeting of June 30, 2009 authorised the Management Board, with the approval of the Supervisory Board, to increase the company's share capital once or on several occasions until June 29, 2017 by up to EUR 7,743,573.00 in exchange for cash or payment in kind (Approved Capital II).

### Capital reserves

Capital reserves comprise mainly premiums from the capital increase performed as part of the flotation. Besides this, the capital reserves also report the fair value of the obligation arising from the share-based remuneration program.

### Revaluation reserve

The revaluation reserve reports changes in securities held for sale, and takes deferred tax into account.

### Minority interest

The minority interest item reflects the share of ownership by third parties in the Group companies. The individual components of minority interests, and their changes in the January 1 to June 30, 2009 reporting period, are presented in the statement of changes in equity.

## 26. Other non-current liabilities

Other non-current liabilities totaled TEUR 20,480 as of June 30, 2009 (December 31, 2008: TEUR 27,120). These mainly relate to discounted purchase price liabilities arising from the acquisition of shares in SolMic. This item also contains public-sector grants.

## 27. Tax provisions

Tax provisions amounted to TEUR 9,588 as of June 30, 2009 (December 31, 2008: TEUR 6,387). These comprise mainly income tax liabilities that have been incurred but not yet paid.

**28. Other current provisions**

Other current provisions amounted to TEUR 9,601 as of June 30, 2009 (December 31, 2008: TEUR 7,418). These provisions relate primarily to follow-up costs of TEUR 5,010 for orders that have been delivered (December 31, 2008: TEUR 3,656), and guarantee provisions of TEUR 4,591 (December 31, 2008: TEUR 3,762).

**29. Liabilities arising from construction contracts**

As of June 30, 2009 there were liabilities arising from construction contracts outstanding of TEUR 74,599 (December 31, 2008: TEUR 34,194).

When calculating liabilities from construction contracts, anticipated losses of TEUR 6,000 were deducted from incurred order costs in the first half of 2009.

**30. Trade payables**

The total amount of trade payables of TEUR 43,404 was due within one year (December 31, 2008: TEUR 48,939).

**31. Prepayments received**

Prepayments received amounting to TEUR 155,842 (December 31, 2008: TEUR 158,864) relate to advances received that are independent of the output of goods and services. There is consequently no netting with the asset or liability balance arising from production orders.

**32. Payables due to related companies and parties**

The following provides a list of payables due to centrotherm Group companies that do not belong to the Group:

**Liabilities to related companies and parties**

in TEUR	30.06.2009	31.12.2008
Rolf Hartung	587	572
centrotherm Management Services GmbH & Co. KG	869	357
Robert M. Hartung	334	325
Centrotherm Elektrische Anlagen GmbH & Co. KG	1,317	239
TCH GmbH	208	206
Autenrieth Beteiligungs GmbH	52	52
Other	86	92
<b>Total</b>	<b>3,453</b>	<b>1,843</b>

The liabilities to Rolf Hartung and Robert M. Hartung relate to a restitution claim of TEUR 800 plus interest of 6% per annum (TEUR 26) (December 31, 2008: TEUR 800). The shareholders' cash contribution was rendered for a second time for reasons of legal formality.

**33. Other current liabilities**

Other current liabilities are composed as follows:

**Other current liabilities**

in TEUR	30.06.2009	31.12.2008
Liabilities arising from payments of the purchase price for SolMic	7,500	7,500
Personnel liabilities	7,247	4,659
Obligations arising from commissions	3,938	2,726
Liabilities from income taxes	0	2,410
VAT liabilities	10,118	1,478
Insurance premiums outstanding	1,150	864
Travel and entertainment expenses	498	398
Public sector grants	0	56
Deffered income	287	0
Other	1,000	1,015
<b>Total</b>	<b>31,738</b>	<b>21,106</b>

**Other notes****34. Guarantees**

As of June 30, 2009, there were guarantees of TEUR 132,319 outstanding (December 31, 2008: TEUR 146,312).

### 35. Related parties

Materials, inventories, and services are procured from numerous business partners as part of the operating business. These include companies in which CTPV AG holds shares, as well as companies connected with members of the management and supervisory boards of CTPV AG.

The following key transactions occurred between the centrotherm photovoltaics Group and these related parties during the reporting period:

- Centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, and Centrotherm Management Services GmbH & Co. KG, Blaubeuren, render services for the company, in particular in the areas of legal documentation, insurance, vehicle management, personnel, order processing, purchasing, warehousing and dispatch, facility management, IT, and telecommunications. These services entailed a volume of TEUR 5,426 in the first six months.
- As of June 30, 2009, Centrotherm Elektrische Anlagen GmbH & Co. KG had performed services as part of construction contracts for CTTS totaling TEUR 3,615.
- Three hire purchase agreements were signed between CTTS and Centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, on October 31, 2008 with effect as of January 1, 2009. As part of these hire purchase agreements, CTTS sold machines with a value of TEUR 642 to Centrotherm Elektrische Anlagen GmbH & Co. KG. The hire purchase agreements have a duration of between 8 and 10 years, and the hire purchase installments carry an interest rate of 6% per annum. Centrotherm Elektrische Anlagen GmbH & Co. KG had rendered total hire purchase installments of TEUR 48 as of June 30, 2009.
- There is a rental agreement until 2015 for rented premises concluded with centrotherm Besitz GmbH & Co. KG, Blaubeuren. The monthly rent amounts to TEUR 72.
- Volksbank Blaubeuren e.G. has also made a group credit line available to the company and certain sister companies for a total amount of TEUR 2,600. The company is not liable for the utilization of the credit line by the sister companies.
- In the first six months of 2009, the company generated revenue from service and supply of replacement parts of TEUR 1,538 with centrotherm Technologies LP, USA, centrotherm Sud Europe SAS, France and centrotherm clean solutions GmbH & Co. KG, Blaubeuren.
- The company concluded licensing and demarcation agreements with certain sister companies whereby the centrotherm photovoltaics Group companies are permitted to use the brands and corporate identifiers of "centrotherm photovoltaics" on an unlimited and unremunerated basis.
- The company is included as a co-insured company in individual insurance agreements concluded by its sister companies.

All transactions were performed, and are performed, on normal market terms. The centrotherm photovoltaics Group participated in no key transactions for these related companies and parties that were unusual in terms of type or nature, and it shall continue to pursue this policy in the future.

### 36. Events following the reporting date

There were no major events following the reporting date

### 37. Corporate bodies

The following members of the Management Board held office during the first six months of 2009:

- Robert M. Hartung, Business Executive/Engineer (CEO),
- Hans Autenrieth, Graduate in Business Administration,
- Oliver M. Albrecht, Business Executive,
- Dr. Peter Fath, Physicist.

The following members of the Supervisory Board held office during the first six months of 2009:

- Prof. Brigitte Zürn, Auditor/Tax Consultant (Chairperson),
- Rolf Hans Hartung, Engineer (Deputy Chairman),
- Rolf Breyer, Auditor/Tax Consultant

### **38. Approval of the interim consolidated financial statements for publication**

The Management Board has approved this set of interim consolidated financial statements for publication as the result of the resolution of August 11, 2009.

### **39. Assurance of the legal representatives**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, these interim consolidated financial statements provide a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with the description of the principal opportunities and risks associated with the expected development of the Group for the remainder of the financial year.

Blaubeuren, August 2009  
centrotherm photovoltaics AG

The Management Board

Robert M. Hartung

Hans Autenrieth

Oliver M. Albrecht

Dr. Peter Fath

## **Certification following auditor's review**

### **To the centrotherm photovoltaics AG**

We have subjected the abbreviated interim consolidated financial statements to an auditor's review- consisting of an abbreviated balance sheet, an abbreviated interim statement, an abbreviated statement of changes in equity, as well selected explanatory notes to the financial statements - and the interim Group management report of centrotherm photovoltaics AG for the period between January 1 and June 30, 2008, which form components of the half-year the financial report pursuant to § 37w of the German Securities Trading Act (WpHG). The preparation of the abbreviated interim consolidated financial statements pursuant to IFRS, as applicable in the EU, and of the interim Group management report according to the regulations of the German Securities Trading Act (WpHG) applicable for interim group management reports, is the responsibility of the company's legal representatives. Our task is to issue certification for the abbreviated interim consolidated financial statements and the interim Group management report on the basis of our auditor's review.

We have performed our auditor's review of the abbreviated interim consolidated financial statements and of the interim Group management report while taking into account the German principles for auditors' reviews of financial statements approved by the Institut der Wirtschaftsprüfer (IDW). These stipulate that auditors' reviews should be planned and conducted in such a way that, following critical assessment, we can exclude with a certain degree of security that the abbreviated interim consolidated financial statements have been prepared in such a way, and with respect to key matters, that they do not conflict with IFRS interim reporting requirements, as applicable in the EU, and that the interim Group management report does not conflict in key areas with the applicable regulations of the German Securities Trading Act (WpHG) for interim group management reports. An auditor's review primarily restricts itself to questioning company employees and analytical assessments, and therefore fails to achieve the degree of security offered by the auditing of financial statements. We are unable to issue an audit certificate since our mandate did not require us to perform an audit of financial statements.

We are not aware of any matters, on the basis of our auditor's review, that would cause us to believe that the abbreviated interim consolidated financial statements, in key matters, is not in harmony with IFRS interim reporting requirements, as applicable in the EU, or that the interim Group management report, in key matters, is not in harmony with the regulations for interim group management reports of the German Securities Trading Act (WpHG)."

Berlin, August 12, 2009

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#### **Financial calendar**

**August 13, 2009**  
Publication of the Interim Report  
as of June 30, 2009

**November 11, 2009**  
Publication of the Interim Report  
as of September 30, 2009

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