



**centrotherm**  
photovoltaics

Interim Report as of  
September 30, 2011

# Key figures

## Key Figures for centrotherm photovoltaics Group

in TEUR	01.01.- 30.09.2011	01.01.- 30.09.2010	Changes in %
Revenue	<b>635,688</b>	458,369	38.7
Total operating performance	<b>690,825</b>	476,589	45.0
EBITDA	<b>46,775</b>	72,705	-35.7
EBITDA margin in % <sup>1,2</sup>	<b>7.4%</b>	15.9%	-8.5
EBIT	<b>25,187</b>	54,243	-53.6
EBIT margin in % <sup>1,2</sup>	<b>4.0%</b>	11.8%	-7.8
EBT	<b>24,206</b>	53,283	-54.6
EBT margin in % <sup>1,2</sup>	<b>3.8%</b>	11.6%	-7.8
Consolidated net income	<b>16,576</b>	37,351	-55.6
Earnings per share in EUR	<b>0.78</b>	1.76	-55.7
Weighted average number of shares in thousand	<b>21,162</b>	21,162	0.0
Total expenses R&D	<b>38,585</b>	30,326	27.2
Capex	<b>43,863</b>	15,121	190.1
ROCE in % <sup>2</sup>	<b>8.9%</b>	29.1%	-20.2
Operating cash flow	<b>-43,895</b>	80,191	-154.7
Incoming order	<b>410,674</b>	707,702	-42.0
Total assets	<b>897,662</b>	805,649	11.4
Equity	<b>398,061</b>	396,356	0.4
Equity ratio in % <sup>2</sup>	<b>44.3%</b>	49.2%	-4.9
Number of employees as of the reporting date	<b>1,946</b>	1,448	34.4
Order book	<b>524,066</b>	843,807	-37.9

<sup>1</sup> Margin referring to revenues.

<sup>2</sup> Changes in percentage points.

# Highlights

## Strong core business in a difficult market environment

### Revenue continues to grow

- Solid new order intake despite weaker sector environment: TEUR 410,674 (9 months 2010: TEUR 707,702)
- Revenue grows 38.7 % to TEUR 635,688 (9 months 2010: TEUR 458,369)
- EBIT at TEUR 25,187 due to shifts in overall conditions (9 months 2010: TEUR 54,243)
- Earnings per share: EUR 0.78 (9 months 2010: EUR 1.76)
- Return on capital employed (ROCE) of 8.9 % (9 months 2010: 29.1 %)

### Management Board expects higher revenue and slightly positive EBIT margin for the 2011 financial year

- Revenue growth stronger than previously forecast
- Adjustment to earnings forecast due to changes in overall conditions

### Further strengthening of core Solar Cell & Module business

- On the way to 20 % cell efficiencies in industrial production: ISE-certified solar cell with 20 % efficiency; Basis is centaurus rear side technology developed by centrotherm photovoltaics
- High-efficiency technology as market of the future
- Bundling of Solar Cell & Module segment business activities within centrotherm cell & module GmbH

### MENA growth region in focus

- Large-scale order won for solar module factory in Algeria with annual production capacity of around 116 MWp
- Future revenue potential, particularly from integrated factories area

### Successful bond market placing

- Financing of long-term corporate growth secured
- Issuing of a registered bond and a borrower's note loan totaling around EUR 100 million

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# Letter to shareholders

## Dear shareholders,

We look back on an eventful first nine months of 2011. Until recently, who would have thought it possible that government bonds were no longer secure? Not I, for one. For this reason, it gives me even greater pleasure to report that we have continued on our growth path with our strong core business in a difficult market environment.

Consolidated revenue was up by 38.7 % to reach TEUR 635,688. Our new order intake was solid, despite the weaker sector environment, and amounted to TEUR 410,674. The tense sector situation, particularly in the Asian region, was also evident in our earnings trend, with our operating earnings (EBIT) standing at TEUR 25,187 for the first nine months of 2011.

The Management Board has responded to the changes in overall conditions with an extensive catalogue of measures including a targeted sales campaign, an expansion of our "Performance Plus" cost-efficiency program, and a task force targeted at strategic further development, particularly also for the Silicon & Wafer segment. Discussions about contracts with potential customers in the Middle East and North Africa (MENA) region are also developing positively. Alongside the traditionally strong business in Asia, the Group aims to further expand its already good market position in this growth region. The company's strengths in its core business and its integrated factories area are also to be further expanded with the investments that have already been launched.

Trends in our core business, the Solar Cell & Module segment, were the most gratifying. Leading Asian solar cell manufacturers, in particular, count on our high-efficiency technology and systems in order to further extend their cost leadership, also in a market environment that is becoming more difficult. For instance, we received a major order with a volume of around EUR 20 million from a notable Chinese photovoltaics group.

Given the weaker sector environment, the Management Board has decided to adjust its full-year forecast. We are now assuming higher revenue than forecast, and a slightly positive EBIT margin for the current 2011 financial year.

Many thanks for the confidence you invest in us,

Yours,  
Robert M. Hartung

# The share

## Key figures for the centrotherm photovoltaics share

in EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Share capital	<b>21,162,382</b>	21,162,382
Number of individual shares	<b>21,162,382</b>	21,162,382
Highest price	<b>42.52</b>	47.93
Lowest price	<b>15.57</b>	23.34
Closing price <sup>1</sup>	<b>15.57</b>	30.85
Market capitalization <sup>1</sup>	<b>329,498,288</b>	652,859,485
Earnings per share	<b>0.78</b>	1.76

<sup>1</sup> as of September 30, 2011

## Share price performance

The increasing likelihood that Greece will go bankrupt, rising bond yields in Spain and Italy, the lower credit rating for the USA, and weaker economic indicators in Europe, the USA and China, precipitated an equity market crash in the third quarter. The countermeasures that have been taken stabilized stock markets for only a short period. The DAX index started 2011 at 6,914 points. Following a slight increase in the first half of 2011, the DAX dropped by 25.4 % in the third quarter, closing at 5,502 points on September 30, 2011. The TecDax was down by 20.4%. The DAXsubsector Renewable Energies index remained strongly impacted by solar shares, which reported significant declines in the second quarter of 2011 after a very positive trend during the first three months of the year. This trend contin-

ued in the third quarter due to weaker than expected demand for solar modules during the third quarter, and the worsening outlook for the macroeconomic environment, among other factors. The DAXsubsector Renewable Energies index closed on September 30, 2011 with a 43.7% decline to 156 points.

The centrotherm photovoltaics AG share was also significantly affected by the solar sector trend. Following its very strong first-quarter performance, the share fell over the second and third quarters, closing on September 30, 2011 at EUR 15.57, representing a 42.2% decline. It reached its high on March 28, 2011, at EUR 42.52, and its low was recorded on September 30, 2011 at EUR 15.57. The company's market capitalization fell

year-on-year to EUR 329 million as of the September 30, 2011 reporting date.

### centrotherm photovoltaics share price performance

in % indices rebased



### Investor Relations

Following the publication of the 2010 annual report in the first quarter, communication with the capital markets focused on the Shareholders' General Meeting in August 2010. Besides this, we met investors as part of conferences and roadshows held in London, Zürich and several German locations in order to cultivate frequent and intensive dialogue with capital market participants, and to discuss company and market trends. We were also regularly available for company visits and meetings at our Blaubeuren location in order to provide our investors with insights into our company.

### 2011 Shareholders' General Meeting

This year's Ordinary Shareholders' General Meeting was held on August 18, 2011 in Ulm. The event met with strong interest with around 300 shareholders participating, a number that was significantly ahead of previous years. Supervisory Board Chairman Prof. Dr. Brigitte Zürn opened the meeting by greeting shareholders, and subsequently chaired the meeting. Our CEO Robert M. Hartung informed shareholders about the

development of the company over the last year. He then talked about current trends on the solar market, and the company's positioning and strategic orientation. He pointed out that the company's position of technology and cost leadership was to be secured by consistent and continuous product development. Mr. Hartung also pointed out that the company is oriented to cyclical market trends through its flexible organizational structure, and that its presence on up-and-coming markets positions it well to benefit from fundamental market trends, and to secure sustainable business growth. CFO Dr. Thomas Riegler then provided detailed information about the company's financial position, and about business trends in both the 2010 financial year and the first half of 2011.

The subsequent general discussion included six spoken contributions, including from the representatives of the shareholder associations Deutsche Schutzvereinigung für Wertpapierbesitz (DSW) and Schutzgemeinschaft der Kapitalanleger (SdK).

The presence was determined at 15,675,459 shares, or 74.07% of the voting-entitled share capital. Agenda item 5 was rejected in the voting, with all other items being approved the large majority. The 2011 Shareholders' General Meeting passed the following resolutions:

Agenda item 2: Application of the 2010 unappropriated retained earnings to distribute a regular dividend of EUR 0.50 and a one-off bonus dividend of EUR 0.20 per dividend-entitled ordinary share (TEUR 14,814), and the carrying forward of the residual amount to a new account (TEUR 60,329).

Agenda item 3: Ratification of the Management Board

Agenda item 4: Ratification of the Supervisory Board

Agenda item 6: Selection of RÖVERBRÖNNER GmbH & Co. Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, to be the auditor for the financial statements for the 2011 financial year.

Agenda item 7: The cancellation of the existing Approved Capital I, and creation of a new approved capital (Approved Capital 2011/I), authorization to exclude shareholder subscription rights and corresponding amendment of the company's bylaws

Agenda item 5 was rejected: Release from the obligation to make individualized publication of Management Board compensation for the 2011 to 2015 financial years

All documents relevant to this year's Shareholders' General Meeting can be downloaded from [www.centrotherm.de](http://www.centrotherm.de) within the Investor Relations area.



# Group management report

## Important events during the reporting period

### Further strengthening of core Solar Cell & Module business

#### On the way to 20 % cell efficiencies in industrial production

Efficiencies of 20 % have been achieved in the laboratory, and ISE-certified, on the basis of the centaurus rear side technology that centrotherm photovoltaics has developed. The company is currently working on transferring this record figure to industrial production. The reference area is the standard industrial wafer size of 156 mm x 156 mm, on a wafer made of mono-crystalline silicon.

Reaching the 20 % threshold represents an important step on the path of strategic technology development. This is because market studies prove that highly efficient systems will encounter stronger sales demand in a mass photovoltaics market than systems offering average efficiency. With centrotherm photovoltaics' highly efficient technology, we have created the right basis for a growth and intensively competitive market environment.

### MENA growth region in focus

#### Major order for integrated factory won in Algeria

Together with Kinetics Germany GmbH, centrotherm photovoltaics AG signed an agreement in April 2011 with state utility Société Nationale de l'Electricité et du Gaz to construct an almost fully integrated solar module

factory in Algeria. The order volume for the consortium consisting of centrotherm photovoltaics and Kinetics is around EUR 290 million, with the largest proportion of this amount being attributable to centrotherm photovoltaics. The first high-performance modules should be produced by 2014 at the plant that is to be constructed. These modules are primarily intended to supply the domestic market. The largest solar module factory in Algeria is to be constructed with an annual production capacity of around 116 megawatt peak (MWp) on a land area of around 43,000 m<sup>2</sup>.

#### Ingot & wafering offer future potential

We currently identify a market trend towards downstream integration among polysilicon manufacturers, particularly in the Arab world. Customers are focusing to a greater extent on integrated production, and are positioning themselves along the entire value chain. This signifies future revenue potential for us, particularly from the ingot & wafering business. We have positioned ourselves strategically for this with new products such as cropping & squaring equipment, and upgrades to our existing multi-crystalline ingot furnaces. We have already conducted initial discussions with potential customers.

### Flexible production model delivers competitive advantage

#### Significant growth in single system shipments in first half-year

The latest production processes were introduced last year with the implementation of the two-step Kanban system and synchronized production, and production

capacity underwent a significant expansion. With a potential output of more than 100 systems per month, we were able to service the high demand for our equipment in the first half of 2011, and we are well positioned to meet a future resumption of demand.

### **Dynamic adjustment to production**

We have positioned ourselves well to meet the challenges of the solar market with our flexible production model. For example, the massive buildup of overtime hours and vacation that was acquired in the production area during the boom phase is to be reduced this year. In the Management Board's assessment, the solar sector will continue to be characterized by cyclicity along a growth path that remains intact over the long term. We wish to retain our core workforce in preparedness for a coming upturn. For this reason, we are utilizing the opportunity to respond flexibly to fluctuations in capacity utilization. This will also allow us to act immediately given a short-term resumption of demand.

Capacities were already adjusted in the third quarter of 2011, and the number of temporary help workers was reduced significantly. We also exploited the opportunities offered to us by production processes introduced in 2010, to optimize our inventories and order volumes.

### **Successful bond market placing**

#### **Financing of long-term corporate growth secured**

We successfully tapped the bond markets to finance the company's long-term growth with the issuing of a EUR 40 million registered bond and a EUR 61.5 million borrower's note loan. These financial resources are earmarked for the financing of the expansion of our production facilities in Blaubeuren has already been completed, and the Solar Innovation Center (SIC) in Constance, as well as being intended to further strengthen the company's technology leadership. The registered bond carries a 15-year maturity. The borrower's note loan was issued in four tranches with five and seven year maturities, and fixed and variable coupon pay-

ments in each case. The placing was priced at the lower end of the yield range.

### **Management Board expects higher revenue and slightly positive EBIT margin for the 2011 financial year**

Given the weaker sector environment, the Management Board of centrotherm photovoltaics AG has decided to adjust its full-year forecast. Due to the strong order book position and good business trends in the first half-year, full-year revenue will prospectively be higher than has been forecast to date. The strained sector situation, particularly in the Asian region, is evident in centrotherm photovoltaics' earnings trends. The management anticipates a slightly positive EBIT margin for the current 2011 financial year.

## **Analysis of the financial position**

### **Important notes and preliminary remarks**

As of September 30, 2011, the centrotherm photovoltaics Group consisted of 29 companies, 15 of which were included in the consolidated financial statements. In the case of the 14 companies not included in the scope of consolidation, these relate to service and sales companies, as well as equity interests in companies, that are of subordinate significance for the net assets, financing position and results of operations due to their minor business volume. Where "centrotherm photovoltaics" or "we" are referred to below, information relates to the centrotherm photovoltaics Group and its consolidated subsidiaries. All margins and ratios relate to revenue. Revenues for single equipment items have been reported on the basis of IAS 18 since January 1, 2011. Further related remarks can be found in the notes to the financial statements. These consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS).

## Order intake trends

Order trends in the first nine months of the year were characterized by a strong first half-year, and a weak sector environment in the third quarter.

**New orders** worth a total of TEUR 410,674 (previous year: TEUR 707,702) were signed and transferred to our order book.

Orders worth TEUR 25,588 were signed in the Silicon & Wafer segment. Orders with a volume of TEUR 376,355 were received in the Solar Cell & Module segment in the first nine months of 2011.

### Order book

in TEUR	30.09.2010	31.12.2010	31.03.11	30.06.11	<b>30.09.11</b>
Silicon & Wafer	309,084	277,093	259,493	243,356	<b>175,409</b>
Solar Cell & Module	406,627	513,774	575,475	444,939	<b>326,571</b>
Thin Film Module	31,975	52,940	34,803	26,952	<b>22,086</b>
<b>Total</b>	<b>747,686</b>	<b>843,807</b>	<b>869,771</b>	<b>715,247</b>	<b>524,066</b>

## Earnings

### Revenue and total operating performance

Our leading market and technology position allowed us to continue to assert ourselves in an increasingly difficult market environment, and we report significant growth in terms of both revenue and total operating performance. Revenue was up by 38.7 % to TEUR 635,688 (previous year: TEUR 458,369).

In particular, strong demand for single equipment for the production of solar cells and modules was evident, resulting in high shipment volumes in the first nine months of 2011. A total of 12.2 % of revenues, or TEUR 77,732, was attributable to the turnkey production lines area. The absolute sales driver remained business with single

There was especially strong demand for our PECVD systems, and our  $\text{POCl}_3$  furnaces. In particular, leading Asian solar cell manufacturers placed orders for our thermal equipment.

We received TEUR 8,731 of new orders in the Thin Film Module segment.

The **order book** amounted to TEUR 524,066 as of September 30, 2011 (previous year: TEUR 747,686). Of this amount, 33.5% was attributable to the Silicon & Wafer area, 62.3 % to the Solar Cell & Module area, and 4.2 % to the Thin Film Module area.

equipment items. Of this revenue, TEUR 524,483, or 82.5 %, was particularly due to single equipment items from the Solar Cell & Module segment.

Revenue in the service and replacement parts area underwent a marked increase to TEUR 24,802.

With a 96.7 % export ratio (previous year: 95.3%), we generated most of our revenue abroad, particularly in the Asian region. Here, we generated TEUR 576,234 of revenue, corresponding to a 90.6 % share of consolidated revenue. China and Taiwan remained among the most important sales markets during the period under review. The second most important was the rest of Europe region with 4.7 %, followed by Germany with a 3.3 % share of total sales.

Total output amounted to TEUR 690,825 in the first nine months of 2011 (previous year: TEUR 476,589), when taking into account changes in inventories of finished and semi-finished goods and services, and own work capitalized. The increase in the inventory of finished and semi-finished goods and services primarily results from the fact that the standardization of products when selling individual equipment items increasingly entails invento-

ries in the meaning of IAS 2 along with revenue realization pursuant to IAS 18, rather than construction contracts in the meaning of IAS 11. Revenue for these orders is no longer realized according to degree of completion, but is instead realized when the main service has been rendered, and ownership and risks have transferred to the customer.

### Revenue by regions

in TEUR	01.01.- 30.09.11	01.01.- 30.09.10	01.07.- 30.09.11	01.07.- 30.09.10
Germany	21,020	21,530	450	4,942
Other Europe	30,100	40,525	13,574	20,943
Asia	576,234	385,004	190,843	146,770
ROW	8,334	11,310	2,193	7,405
<b>Total</b>	<b>635,688</b>	<b>458,369</b>	<b>207,060</b>	<b>180,060</b>

### Revenue by products

in TEUR	01.01.- 30.09.11	01.01.- 30.09.10	01.07.- 30.09.11	01.07.- 30.09.10
Revenue from construction orders				
Turnkey production lines	77,732	48,868	40,578	14,009
Single items of equipment	524,483	376,581	155,454	147,710
Service and replacement parts	24,802	18,910	7,793	9,447
Consulting & Engineering	5,921	12,463	1,924	8,619
Other revenue	2,750	1,547	1,311	275
<b>Total</b>	<b>635,688</b>	<b>458,369</b>	<b>207,060</b>	<b>180,060</b>

### Costs

Due to the higher business volume, the **materials expense** rose significantly in the first nine months of 2011 to TEUR 412,888 (previous year: TEUR 269,495). Par-

ticularly as a result of the growing realization of revenue for single equipments pursuant to IAS 18, the materials expense ratio rose to 65.0 % (previous year: 58.8 %). The **personnel expense** increased to TEUR 81,843

(previous year: TEUR 57,699), with the personnel expense ratio of 12.9 % standing at approximately the previous year's level (12.6 %). **Other operating expenses** rose to TEUR 172,549 (previous year: TEUR 88,238). In particular, freight and packaging expenses increased due to the higher business volumes, and a high proportion of international business. Above and beyond this, adjustments of TEUR 43,373 were applied as part of a loss-free valuation to individual large-scale silicon projects due to the worsening of the financial position, and the fall in the price of polysilicon in the third quarter of 2011. Adjustments. Impairment charges of TEUR 1,005 were also applied to work in progress. A provision of TEUR 5,416 was formed for anticipated losses arising from incomplete contracts.

### Earnings trends

Earnings before interest, tax, depreciation and amortization (**EBITDA**) were particularly burdened by project adjustments in the Silicon & Wafer segment, falling to TEUR 46,775 compared with TEUR 72,705 in the previous year. This corresponds to a 7.4% EBITDA margin (previous year: 15.9%). Amortization and depreciation amounted to TEUR 21,588 (previous year: TEUR 18,462) and mainly included scheduled depreciation applied to property, plant and equipment, scheduled amortization applied to internally generated intangible assets, and hidden reserves released as part of purchase price allocations.

As a consequence, operating earnings (**EBIT**) stood at TEUR 25,187 (previous year: TEUR 54,243). The EBIT margin fell to 4.0% (previous year: 11.8%).

Our equity interest in our partner Sunshine PV was included in the scope of consolidation for the first time applying the equity method as of April 1, 2011. This generated a loss of TEUR -244. The **financial result** amounted to TEUR -737, compared with

TEUR -960 in the previous year. Earnings before tax (**EBT**) stood at TEUR 24,206 (previous year: TEUR 53,283). The tax expense was TEUR 6,983 (previous year: TEUR 15,389), given an approximately 30% tax rate.

**Consolidated net income** of TEUR 16,576 was below the previous year's level (TEUR 37,351). Given an average 21,162,382 shares, this is equivalent to **earnings per share** of EUR 0.78 (previous-year period: EUR 1.76).

### Segment trends

The business operations of the centrotherm photovoltaics Group are split into three segments. In the Silicon & Wafer segment, we offer our customers technology and key equipment on a one-stop shop basis – ranging from polysilicon through to ingot manufacturing and wafers. Our product range particularly includes reactors and converters, vent gas recovery units, basic engineering, and multi-crystalline ingot furnaces. The Solar Cell & Module segment comprises technology, single equipment items and turnkey production lines for the production of crystalline solar cells and modules. The segment also includes further products and services from the semiconductor and microelectronics area. The Thin Film Module segment comprises technology, single equipment and turnkey production lines for the production of CIGS thin film modules.

#### Silicon & Wafer

In the Silicon & Wafer segment, further progress was made with ongoing silicon projects in Europe and Asia in the first nine months. Segment trends were nevertheless impacted by the tense situation within the sector, and the fall in the price of polysilicon, particularly in the third quarter. Given the surprising worsening of the market and financial situation, the Management Board was prompted to apply adjustments to individual large-scale projects in Asia for the third quarter. Polysilicon is

already being produced successfully with our equipment and technology at the affected factories.

Revenue of TEUR 65,272 was below the previous year's level (TEUR 151,299), representing a 10.3 % share of consolidated revenue. Operating earnings (EBIT) fell to TEUR -61,106 (previous year: TEUR 18,859).

The Management Board has responded to the changes in overall conditions with an extensive catalogue of measures including a targeted sales campaign, an expansion of the "Performance Plus" cost-efficiency program, and a task force for strategic further development, particularly also for the Silicon & Wafer segment. Discussions about contracts with potential customers in the Middle East and North Africa (MENA) region are developing positively. Alongside the traditionally strong business in Asia, the Group aims to further expand its already good market position in this growth region.

### Solar Cell & Module

The Solar Cell & Module segment remained strong in the first nine months: revenue climbed to TEUR 546,496 (previous year: TEUR 295,204), and operating earnings (EBIT) of TEUR 102,348 also reported strong growth (previous year: TEUR 60,104). The EBIT margin stood at 18.7 % (previous year: 20.4 %). The sharp increase in sales resulted particularly from high order and shipment volumes for our single equipment items. Leading Asian solar cell manufacturers, in particular, count on our high-efficiency technology and systems in order to further extend their cost leadership, also in a market environment that is becoming more difficult. At 86.0 %, the Solar Cell & Module segment commands the largest share of Group sales.

The bundling of business operations within centrotherm cell & module GmbH also represented an important step. With effect as of September 1, 2011, centrotherm

cell & module GmbH took over the operating activities of the Solar Cell & Module segment, which has been established within centrotherm photovoltaics AG to date. This forms part of the consistent strategic further development of the existing Group structure. With this market-oriented organization that is strongly geared to implementation, an excellent basis was created for further profitable growth, innovative strength, and the extension of our technology-leadership.

### Thin Film Module

We achieved revenue of TEUR 23,921 in the Thin Film Module segment (previous year: TEUR 11,866). The segment's operating result (EBIT) of TEUR -16,055 represented a further improvement, in line with our planning (previous year: TEUR -24,720). We have further boosted efficiency and production throughput at our pilot line in Taiwan over recent months. After the second-generation systems were tested successfully in Blaubeuren in June, which was followed by pre-acceptance, the equipment is currently being integrated into the production line in Taiwan.

Our "NeuMas" cooperation project that is supported by the German Federal Ministry of Education and Research (BMBF) also got off to a successful start at centrotherm and all of the cooperation partners. The project is aimed at the development of cost-effective cadmium-free buffer materials for solar absorbers.

### Net assets and financing position

Total assets stood at TEUR 897,662 as of September 30, 2011 (December 31, 2010: TEUR 805,649).

On the **assets side** of the balance sheet, **non-current assets** increased to TEUR 377,187 (December 31, 2010: TEUR 325,849). Goodwill includes the companies acquired in 2008, and changed from TEUR 129,298 to TEUR 117,436. Due to the current earnings position, SiTec GmbH will fail to achieve the

performance targets that were agreed as part of the acquisition in 2008, as a consequence of which the variable purchase price liability was released and the goodwill was adjusted. Significant changes compared with the end of 2010 included the "at equity investments" item, which increased from TEUR 0 in the previous year to TEUR 10,996. This balance sheet item comprises the interest in our partner Sunshine PV that was consolidated using the equity method for the first time as of April 1, 2011. Property, plant and equipment increased primarily as a result of investments in the new construction at SIC Constance, and the purchase of land and buildings from centrotherm Besitz GmbH & Co. KG in the second quarter of 2011. Deferred tax are primarily composed of tax loss carryforwards.

**Current assets** increased to TEUR 520,475 primarily due to strong business volumes, especially in the first half of 2011 (December 31, 2010: TEUR 479,800). This was due to a higher level of inventories and advance payments. Securities were sold with a gain, reducing this balance sheet item from TEUR 10,813 to TEUR 0. **Securities** and **cash and cash equivalents** fell to TEUR 121,951 (December 31, 2010: TEUR 180,602). The decline is primarily attributable to the higher business volume, the purchase of land and buildings, and the first-time dividend payment.

On the **equity and liabilities side** of the balance sheet, equity increased slightly to TEUR 398,061 due to the earnings that were generated during the period (December 31, 2010: TEUR 396,356). With a 44.3% equity ratio (December 31, 2010: 49.2%), centrotherm photovoltaics enjoys a strong balance sheet structure. **Non-current liabilities** stood at TEUR 116,164 (December 31, 2010: TEUR 72,071), with the increase being mainly attributable to the issuing of a registered bond in an

amount of TEUR 38,210. **Current liabilities** rose to TEUR 383,437 (December 31, 2010: TEUR 337,222). The fall in earnings before tax (EBT) impacted **cash flow from operating activities**. This amounted to TEUR for -43,895 in the first nine months (previous year: TEUR 80,191). The cash outflow was particularly due to the growth in order of volumes, with an increase in inventories, future receivables arising from construction contracts, and advance payments in an amount of TEUR -97,505 (previous year: TEUR 70,300).

**Cash flow from investing activities** amounted to TEUR -59,079 (previous year: TEUR -34,401). The higher year-on-year figure is primarily due to outgoing payments of TEUR 43,863 (previous year: TEUR 15,121) for investments in property, plant and equipment. This mainly relates to the purchase of land and buildings worth TEUR 14,099, investments connected with the new research and development building in Constance, and the expansion of office and production areas at the Blaubeuren site.

**Cash flow from financing activities** amounted to TEUR 42,121 (previous year: TEUR 8,807). This includes incoming payments from the drawing down of two subsidy loans in an amount of TEUR 20,000, the issuing of a registered bond (TEUR 38,210), and the first-time dividend payment of TEUR 14,814.

In sum, **financial funds** amounted to TEUR 121,951 as of September 30, 2011 (previous year: TEUR 188,352).

## Investments

We aim to constantly expand our market and technology positions through targeted investments. As a rule, these investments are financed from cash flow from operating activities and existing liquid funds.

Investment volumes totalled TEUR 49,421 in the first half of 2011 (previous year: TEUR 29,716). At TEUR 38,585 (previous year: TEUR 30,326), expenses for research and development remained an important component of our investments in the period under review. A total of TEUR 43,863 was invested in property, plant and equipment (previous year: TEUR 15,121).

## Non-financial performance indicators

### Employees

We regard our employees as a critical success factor in the face of international competition. We ensure that our personnel enjoyed continuous further development through our range of further-training measures. Combined with the active promotion of young and up-and-coming staff, this makes a significant contribution to our corporate success. Our support for direct dialogue between managers and staff also feeds through to a positive working environment with motivated employees and efficient working approaches.

Particularly due to the first-time consolidation of our Chinese subsidiary in Shanghai and the higher business volume, our headcount has risen by 38.1%, standing at 1,946 individuals as of the September 30, 2011 reporting date (September 30, 2010: 1,409 employees).

### Research and development

In the face of international competition, innovative strength and technology development comprise an important success indicator for future business trends. For this reason, continuous research and development work forms a critical component of our Group strategy, with the aim of further securing and extending our technology leadership position. With the constant improvement

of technologies and processes, we enable our customers to achieve cost-efficient production, and thereby generate a significant competitive advantage.

In the **Solar Cell & Module** segment, our research and development activities focus on continuous cell efficiency enhancement and module performance, and on improvements to solar cell architecture.

Following the market launch of our selective emitter technology that deploys a laser diffusion and the related "c.LAS" laser tool, we successfully concluded a further upgrade project in Asia in the third quarter. One Asian manufacturer achieved 19% cell efficiency with this technology. It was also proved in module tests at two independent module manufacturers in Asia and Europe that there are no significant differences in the encapsulation losses between solar cells with homogeneous and selective emitters.

The centaurus technology to produce a new cell rear side is currently being transferred to production at pilot customers. The requisite "c.LAS centaurus" production systems were installed at the customers' premises in the third quarter, as well as the wet chemical systems that are specially coordinated with the process. At the International Solar Energy Research Center (ISC) in Constance, 2,000 Centaurus cells with efficiencies of up to 19.5% were processed, and a large number of modules were prepared for independent certification.

The first results from the "New Metallization" development project were also transferred to centaurus cells with selective emitter technology, and the efficiency on mono-crystalline cells was boosted to 20.0% in the laboratory.

R&D in the **Silicon & Wafer** segment continued to focus on detailed optimization of our new 24-pair CVD reactor for polysilicon production and of our high-pressure STC-TCS converter. Knowledge gained from



our reactors that are operating globally and successfully has been integrated into this new system technology, which promises to feed through to new peak output and energy efficiency values. Improved peripheral system equipment can also be realized with our new total service concept, and the first-time deployment of our innovative medium-voltage firing and energy supply. This allows our customers to produce more efficiently at a higher level while optimizing their energy consumption. The experience that we gain from series operation is being integrated into further optimization measures relating to capacity expansion and the energy efficiency of the CVD reactor technology.

In the ingots and wafers area, we pushed ahead with the further development of our multi-crystalline ingot furnaces. Furnaces that were commissioned for customers in the second quarter are distinguished by extremely good product quality on an international comparison, accompanied by low production costs. This system type will now be consistently developed further with a focus on cost optimization and capacity enhancement. A further focus of R&D was on producing "mono-like" ingots that exhibit a crystalline structure that is similar to mono-crystalline technology, although with significantly fewer defects. The first positive results have already been achieved in our multi-crystalline ingot furnaces.

We successfully completed the development and implementation of our diamond wire saws for bricking and cropping applications, which enable the production of silicon pillars from ingots for further processing on wafer saws.

In the **Thin Film Module** segment, we are working on the further development and ramp-up of our CIGS production line at our partner Sunshine PV in Taiwan. The second-generation selenium coating system allows modules to be coated on a homogenous atmospheric

basis that outperformed the expected improvements, and which is cost-efficient. While utilizing the newly developed cold wall furnace to form the CIGS absorber, flexible process management entailing high heating rates delivered a further efficiency enhancement. The new selenium system, and the sputtering system that has already been successfully deployed, are to be offered immediately as single equipment items to produce thin film modules.

Research and development expenses totaled TEUR 38,585 in the first nine month of 2011 (previous year: TEUR 30,326). An amount of TEUR 1,453 was invested in the Silicon & Wafer area, and TEUR 22,394 was attributable to the Solar Cell & Module area (including semiconductors). Investment expenses in the Thin Film Module segment amounted to TEUR 14,738. Of the total research and development expenses, internally-generated intangible assets of TEUR 4,480 were capitalized (previous year: TEUR 11,226).

## 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. An extensive system to manage opportunities and risks, which is continuously reviewed and adjusted to changing circumstances, forms its basis. Please refer to the remarks in the 2010 annual report for a detailed description of the risk management system.

The risks that are described relating to an economically more difficult market environment occurred in the third quarter of 2011, and exerted a significant impact on our customers in the photovoltaics sector and their financing positions. Given these circumstances, the Management Board was prompted to apply adjustments to individual large-scale projects in the Silicon & Wafer seg-

ment for the third quarter. The company has responded to the changes in overall conditions with an extensive catalogue of measures including a targeted sales campaign, an expansion of the "Performance Plus" cost-efficiency program, and a task force for strategic further development, particularly also for the Silicon & Wafer segment.

Besides this, there were no further significant changes during the first nine months of 2011 compared with the opportunities and risks described in detail in the 2010 annual report under "Report on opportunities and risks". There are currently no risks that might jeopardize the Group as a going concern.

## Related parties transactions

Significant 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 46f.

## Report on events subsequent to the reporting date

On October 6, 2011, centrotherm photovoltaics AG issued four borrower's note loans totaling TEUR 61,500. The bonds mature on September 28, 2016 and September 28, 2018. Two of the loans carry fixed coupon rates of 3.25% and 3.728% per annum. The two other loans carry variable coupon rates. Interest-rate swap contracts were concluded for the variable coupon loans in order to hedge interest-rate risks. The maturities of the interest-rate swaps are congruent with the maturities of the hedged bonds.

Besides this, no further events occurred after the balance sheet date that are of key significance for the cen-

trotherm photovoltaics Group, and which could lead to a different assessment of business progress.

## Forecast report

The photovoltaic sector remains in a medium- to long-term growth phase. We are well positioned to continue to benefit from this trend in the future due to our extensive technology and product portfolio along the photovoltaic value chain. For this reason, demand will continue in the future for our know-how and technological solutions. In the short term, we identify a market environment that is becoming generally more difficult.

Given the weaker sector environment, the Management Board has decided to adjust its full-year forecast. The company is now assuming higher revenue and a slightly positive EBIT margin for the current 2011 financial year.

Blaubeuren, November 2011  
centrotherm photovoltaics AG  
The Management Board

# Consolidated interim financial statements

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## Consolidated income statement

in TEUR	Notes	01.01.- 30.09.2011	01.01.- 30.09.2010	01.07.- 30.09.2011	01.07.- 30.09.2010
<b>Sales revenue</b>	5	<b>635,688</b>	<b>458,369</b>	<b>207,060</b>	<b>180,060</b>
Change in inventory of finished goods and work-in-progress	6	<b>48,389</b>	3,276	<b>2,731</b>	2,206
Capitalized services rendered to own account	7	<b>6,748</b>	14,944	<b>1,741</b>	5,924
<b>Total operating performance</b>		<b>690,825</b>	<b>476,589</b>	<b>211,532</b>	<b>188,190</b>
Other operating income	8	<b>23,230</b>	11,548	<b>8,072</b>	2,160
Cost of materials	9	<b>-412,888</b>	-269,495	<b>-127,304</b>	-106,613
Personnel expenses	10	<b>-81,843</b>	-57,699	<b>-27,531</b>	-20,388
Other operating expenses	11	<b>-172,549</b>	-88,238	<b>-84,472</b>	-36,497
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>46,775</b>	<b>72,705</b>	<b>-19,703</b>	<b>26,852</b>
Amortization and depreciation		<b>-21,588</b>	-18,462	<b>-8,343</b>	-6,464
<b>Earnings before interest and tax (EBIT)</b>		<b>25,187</b>	<b>54,243</b>	<b>-28,046</b>	<b>20,388</b>
Loss from investments accounted for using the equity method		<b>-244</b>	0	<b>-153</b>	0
Financial income		<b>1,682</b>	573	<b>356</b>	244
Financial expenses		<b>-2,419</b>	-1,533	<b>-880</b>	-435
Financial result	12	<b>-737</b>	-960	<b>-524</b>	-191
<b>Earnings before tax (EBT)</b>		<b>24,206</b>	<b>53,283</b>	<b>-28,723</b>	<b>20,197</b>
Taxes on income	13	<b>-6,983</b>	-15,389	<b>7,845</b>	-5,494
<b>Net income (EAT)</b>		<b>17,223</b>	<b>37,894</b>	<b>-20,878</b>	<b>14,703</b>
Earnings attributable to non-controlling interests	14	<b>-647</b>	-543	<b>25</b>	-269
<b>Consolidated net income</b>		<b>16,576</b>	<b>37,351</b>	<b>-20,853</b>	<b>14,434</b>
Weighted average number of shares in '000		<b>21,162</b>	<b>21,162</b>	<b>21,162</b>	<b>21,162</b>
<b>Earnings per share as of the reporting date in EUR</b>	15	<b>0.78</b>	<b>1.76</b>	<b>-0.99</b>	<b>0.68</b>

## Consolidated statement of comprehensive income

in TEUR	<b>01.01.- 30.09.2011</b>	01.01.- 30.09.2010	<b>01.07.- 30.09.2011</b>	01.07.- 30.09.2010
<b>Net income (EAT)</b>	<b>17,223</b>	<b>37,894</b>	<b>-20,878</b>	<b>14,703</b>
Revaluation of securities				
Gain arising in the current period	41	80	1	20
Less earnings-effective reclassification to income statement	-763	-6	-11	0
Deferred tax on revaluation of securities	110	-11	3	-3
Difference from currency conversion	112	-16	275	115
<b>Earnings recognized directly in equity</b>	<b>-500</b>	<b>47</b>	<b>268</b>	<b>132</b>
<b>Comprehensive net income</b>	<b>16,723</b>	<b>37,941</b>	<b>-20,610</b>	<b>14,835</b>
of which attributable to non-controlling interests	647	543	-25	269
of which attributable to CTPV AG	16,076	37,398	-20,585	14,566

## Consolidated balance sheet

### Assets

in TEUR	Notes	30.09.2011	31.12.2010
<b>Non-current assets</b>			
Intangible assets	16		
Goodwill		117,436	129,298
Internally created intangible assets		35,199	35,418
Other intangible assets		58,612	66,815
Property, plant and equipment	17	121,405	83,258
Investments	18	7,954	7,096
Investments accounted for using the equity method	19	10,996	0
Non-current receivables from taxes on income		80	94
Other non-current assets		820	681
Deferred tax	20	24,685	3,189
<b>Total</b>		<b>377,187</b>	<b>325,849</b>
<b>Current assets</b>			
Inventories	21	185,209	96,238
Receivables relating to construction orders	22	68,391	90,580
Trade receivables	23	67,842	60,945
Other receivables			
Receivables due from equity interests		495	1,027
Receivables due from related companies and persons	24	1,414	1,506
Advance payments made	25	39,182	8,217
Current receivables from taxes on income		8,968	11,668
Other current assets	26	27,023	18,204
Securities	27	0	10,813
Cash and cash equivalents	28	121,951	180,602
<b>Total</b>		<b>520,475</b>	<b>479,800</b>
<b>Total assets</b>		<b>897,662</b>	<b>805,649</b>

**Equity and liabilities**

in TEUR	Notes	30.09.2011	31.12.2010
<b>Equity</b>	29		
Equity attributable to parent company shareholders			
Subscribed capital		21,162	21,162
Capital reserve		245,003	245,003
Revaluation reserve		0	612
Retained earnings		113,752	77,313
Consolidated net income		16,576	51,141
Non-controlling interests		1,568	1,125
<b>Total</b>		<b>398,061</b>	<b>396,356</b>
<b>Non-current liabilities</b>			
Provisions for pensions and similar obligations		220	210
Non-current finance debt	30	63,578	21,298
Other non-current liabilities	31	1,122	1,258
Deferred tax		51,244	49,305
<b>Total</b>		<b>116,164</b>	<b>72,071</b>
<b>Current liabilities</b>			
Provisions for taxes	32	21,649	15,481
Other current provisions	33	32,510	22,775
Current finance debt	30	3,143	8,929
Liabilities arising from construction contracts	34	53,124	42,594
Trade payables	35	77,810	54,648
Advance payments received	36	153,691	167,227
Liabilities to equity interests		60	558
Liabilities to related companies and persons	37	1,124	1,318
Other current liabilities	38	40,326	23,692
<b>Total</b>		<b>383,437</b>	<b>337,222</b>
<b>Total equity and liabilities</b>		<b>897,662</b>	<b>805,649</b>

## Statement of changes in consolidated equity

in TEUR	Notes	Subscribed capital	Capital reserve
<b>from January 1, 2010 - September 30, 2010</b>	29		
<b>As of January 1, 2010</b>		<b>21,162</b>	<b>245,003</b>
Transfer to retained earnings		0	0
Currency conversion		0	0
Revaluation of securities		0	0
Net income (EAT)		0	0
<b>As of September 30, 2010</b>		<b>21,162</b>	<b>245,003</b>
<b>from January 1, 2011 - September 30, 2011</b>	29		
<b>As of January 1, 2011</b>		<b>21,162</b>	<b>245,003</b>
Transfer to retained earnings		0	0
Currency conversion		0	0
Revaluation of securities		0	0
Dividends		0	0
Payments to shareholders with non-controlling interests		0	0
Net income (EAT)		0	0
<b>As of September 30, 2011</b>		<b>21,162</b>	<b>245,003</b>



Revaluation reserve	Retained earnings	Consolidated net income	Total	Non-controlling interests	Consolidated equity
<b>554</b>	<b>48,792</b>	<b>28,544</b>	<b>344,055</b>	<b>387</b>	<b>344,442</b>
0	28,544	-28,544	0	0	0
0	-16	0	-16	0	-16
63	0	0	63	0	63
0	0	37,351	37,351	543	37,894
<b>617</b>	<b>77,320</b>	<b>37,351</b>	<b>381,453</b>	<b>930</b>	<b>382,383</b>
<b>612</b>	<b>77,313</b>	<b>51,141</b>	<b>395,231</b>	<b>1,125</b>	<b>396,356</b>
0	51,141	-51,141	0	0	0
0	112	0	112	0	112
-612	0	0	-612	0	-612
0	-14,814	0	-14,814	0	-14,814
0	0	0	0	-204	-204
0	0	16,576	16,576	647	17,223
<b>0</b>	<b>113,752</b>	<b>16,576</b>	<b>396,493</b>	<b>1,568</b>	<b>398,061</b>

## Consolidated cash flow statement

in TEUR	01.01.- 30.09.2011	01.01.- 30.09.2010
<b>Earnings before tax (EBT)</b>	<b>24,206</b>	<b>53,283</b>
+ Depreciation of non-current assets	21,588	18,462
+ Losses from disposals of fixed assets	54	4
+ Losses from intangible assets	288	0
-/+ Increase/decrease in inventories, future receivables relating to construction orders and advance payments made	-97,505	70,300
- Increase in trade receivables	-6,033	-38,142
-/+ Increase/decrease in other assets not allocated to investing or financing activities	-6,289	4,825
+ Increase in other current provisions	9,735	10,690
+ Increase in trade payables	19,969	1,677
- Decrease in advance payments received and liabilities arising from construction contracts	-4,509	-33,453
+ Increase in other liabilities not allocated to investing or financing activities	14,329	1,686
- Income tax payments	-17,730	-9,023
- Other non-cash expenses	-1,998	-118
<b>= Cash flow from operating activities</b>	<b>-43,895</b>	<b>80,191</b>
+ Payments received from disposals of fixed assets	121	112
- Outgoing payments for investments in fixed assets	-43,863	-15,121
- Outgoing payments for investments in intangible assets	-5,558	-14,595
- Outgoing payments for the acquisition of consolidated subsidiary companies	-7,500	-7,600
- Outgoing payments for investments in financial assets	-7,383	-886
- Outgoing payments for investments in At-Equity-investments	-5,750	0
+ Incoming payments arising from the sale of securities	10,854	3,689
<b>= Cash flow from investing activities</b>	<b>-59,079</b>	<b>-34,401</b>
+ Payments received from the incurrence of financial liabilities	58,210	10,000
- Payments for the redemption of financial liabilities	-1,071	-357
- Dividends paid	-14,814	0
- Outgoing payments to shareholders with non-controlling interests	-204	0
- Outgoing payments to former CTMS shareholders	0	-836
<b>= Cash flow from financing activities</b>	<b>42,121</b>	<b>8,807</b>
<b>= Net change in cash and cash equivalents</b>	<b>-60,853</b>	<b>54,597</b>
+ Change in cash and cash equivalents due to scope of consolidation	2,202	0
+ Cash and cash equivalents at the start of the period	180,602	133,755
<b>= Cash and cash equivalents at the end of the period</b>	<b>121,951</b>	<b>188,352</b>

## Notes to the consolidated interim 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 reference HRB 720013.

The majority shareholder and parent company in terms of IAS 27 is TCH GmbH, which is based at Blaubeuren, Germany.

centrotherm photovoltaics Group is an internationally leading provider of technology and services for the production of solar silicon and solar cells. 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 solar 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 generally included in the interim 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, 2010:

The company centrotherm photovoltaics technology Shanghai Co. Ltd., Shanghai, China, which has not been included in the consolidated financial statements to date, was included in the scope of consolidation as of January 1, 2011 due to its growing impact on the net assets, financial position and results of operations. The effect on the first consolidated financial statements is of minor importance. The company's initial consolidation resulted in a negative difference of TEUR 340. Following a further critical review, this negative differential amount was recognized in the income statement among other operating income.

The CIGS thin film solar module manufacturer Sunshine PV Corp., Hsinchu Industrial Park, Taiwan, which had not previously been included in the consolidated financial statements, and in which the centrotherm photovoltaics Group holds a 25.4 % interest, was included in the scope of consolidation as of April 1, 2011 applying the equity method. The company was included in the scope of consolidation after the acquisition was approved by the Taiwanese authorities.

The Group's shares in the assets and liabilities, and in the revenues and earnings, of Sunshine PV. Corp. are as follows:

in TEUR	<b>30.09.2011</b>	01.04.2011
Non-current assets	<b>11,848</b>	11,657
Current assets	<b>916</b>	2,411
Non-current liabilities	<b>2,055</b>	4,478
Current liabilities	<b>2,737</b>	1,420
in TEUR	<b>01.04.- 30.09.2011</b>	
Sales revenue	<b>0</b>	
Net profit after tax	<b>-244</b>	

The company alpha Verwaltungs GmbH was founded with a notary agreement dated May 17, 2011. The founding of this company was entered in the commercial register on July 27, 2011. With a shareholder resolution dated August 17, 2011, alpha Verwaltungs GmbH was renamed as centrotherm cell & module GmbH (c & m GmbH). CTPV AG is the sole shareholder of c & m GmbH. On August 29, 2011, CTPV AG and c & m GmbH concluded a spin-off and transfer agreement as part of which CTPV AG obligated itself to transfer all of the assets and liabilities, contractual relationships, and rights and obligations attributable to its partial operations for the Solar Cell & Module segment by way of singular succession to c & m GmbH and by way of a capital increase against non-cash capital contributions. The transfer also comprises all of the shares that CTPV AG holds in GP Solar GmbH. The transfer occurred with economic effect as of January 1, 2011. The restructuring has no direct impact on the consolidated financial statements of CTPV AG.

The following list shows CTPV AG's direct or indirect interest in the voting rights of companies consolidated as of September 30, 2011:

#### CTPV AG's proportion of voting rights in consolidated companies as of September 30, 2011

in % Consolidated companies	Direct share	Indirect share	Combined share
centrotherm cell & module GmbH, Blaubeuren	100.00	0.00	100.00
centrotherm management GmbH, Blaubeuren	0.00	100.00	100.00
centrotherm management services GmbH & Co. KG, Blaubeuren	100.00	0.00	100.00
centrotherm photovoltaics Asia Pte. Ltd., Singapore	100.00	0.00	100.00
centrotherm photovoltaics technology Shanghai Co. Ltd., Shanghai	100.00	0.00	100.00
centrotherm SiTec GmbH, Blaubeuren	100.00	0.00	100.00
centrotherm thermal solutions GmbH & Co. KG, Blaubeuren	100.00	0.00	100.00
centrotherm thermal solutions Verwaltungs GmbH, Blaubeuren	100.00	0.00	100.00
FHR Anlagenbau GmbH, Dresden/Ottendorf-Okrilla	100.00	0.00	100.00
GP Inspect GmbH, Neuried	0.00	76.00	76.00
GP Solar GmbH, Constance	0.00	100.00	100.00
Michael Glatt Maschinenbau GmbH, Abensberg	0.00	100.00	100.00
Photovoltaics Asia Invest Pte. Ltd., Singapore	0.00	100.00	100.00
Sunshine PV Corp., Hsinchu Industrial Park, Taiwan	0.00	25.40	25.40

There were the following changes to non-consolidated companies and participating interests compared with December 31, 2010:

The interest in Vaayuu Energy Systems GmbH, Berlin, was increased from 21.88 % to 50 % on April 5, 2011. Vaayuu Energy Systems GmbH was also renamed Changers GmbH as the result of a shareholder resolution of May 26, 2011.

The company centrotherm Power Solutions GmbH, Vienna, Austria, was founded on May 17, 2011. Among other activities, the purpose of the company is to operate an engineering bureau, to exercise the business of mechatronics technicians, to render services in automatic data processing and information technology, and the rental and leasing of merchandise.

The company centrotherm Solar Innovations GmbH, Wels, Austria, was founded on May 24, 2011.

The company centrotherm Solar Innovations GmbH & Co. KG, Wels, Austria, was founded on June 7, 2011. The company centrotherm Solar Innovations GmbH & Co. KG is primarily responsible for research and development in the areas of production lines and single equipment, components and raw materials, which are required or appropriate to create and operate production lines to manufacture products and source materials in the photovoltaics area, or other innovative environmental technologies. A further purpose of the company is to issue licenses to Group companies as well as third parties on both the basis of its own patents and project processing.

The company centrotherm Solar Holding GmbH, Wels, Austria, was founded on June 14, 2011. The purpose of this company is to acquire hold and manage participating interests in other companies, and to render Group services as well as the provision of consulting services for, and the development and sale of, technologies for photovoltaic systems and plant in the area of renewable energies and energy supply, design, equipment and process technology, as well as the integration of equipment and process technology into an overall system relating to photovoltaic systems, renewable energies or innovative environmental technologies. A further purpose of the company is the provision of consulting services, planning, design, development, purchase, mediation, and sales and trading relating to production lines and single equipment items to manufacture products and source materials in the area of renewable energies or innovative environmental technologies. In addition, a purpose of the company is the development, creation, engineering and servicing of, and for, industrial plant and equipment.

The company centrotherm photovoltaics Solutions (Suzhou) Co., Ltd., Suzhou, was formed on July 21, 2011. The company's main purpose is to purchase, produce and assemble wet benches in the photovoltaic area.

We refrained from including the new founded subsidiaries as well as the Changers GmbH in the consolidation scope due to their insignificant impact on the Group's net assets, financing position and results of operations, both individually and taken together.

### **3 | Basis of preparation of the interim consolidated financial statements**

These interim financial statements as of September 30, 2011 were prepared in accordance with 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. For this reason, these interim financial statements should be read in combination with the consolidated financial statements as of December 31, 2010.

The accounting methods applied when preparing the interim consolidated financial statements comply with the December 31, 2010.

As part of product standardization, the single equipment orders relate increasingly less to construction contracts in the meaning of IAS 11, but rather to inventories in the meaning of IAS 2. For this reason, the revenue from these orders will be realized according to IAS 18 from the 2011 reporting year. In this context, revenue will be realized when the primary service has been rendered, and when ownership and risks have transferred to the customer.

Due to the successful conditional process by the Taiwanese authorities of the purchase of the 25.4 % interest in Sunshine PV Corp., this associate company was accounted for using the equity method for the first time. The initial measurement corresponds to purchase cost. Subsequent measurements will adjust the carrying amount to reflect the proportional changes in the equity of the associated company.

In order to improve transparency, and by contrast with previous years' reports, expenses in an amount of TEUR 2,009 (previous-year comparable period: TEUR 2,285) for materials and procured services forming part of research and development costs were reported in the materials expense item. In the previous year, these were reported among other operating expenses under the research and development item.

There were no notable effects arising from the new or amended standards and interpretations on either accounting methods or the Group's net assets, financial position and results of operations.

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 rates to the euro

	Reporting date rate		Average rate	
	30.09.2011	31.12.2010	01.01- 30.09.2011	01.01.- 30.09.2010
Chinese Renminbi (CNY)	0.12	0.11	0.11	0.11
Singapore Dollar (SGD)	0.57	0.58	0.57	0.55
Taiwan Dollar (TWD)	0.02	0.03	0.02	0.02
US Dollar (USD)	0.74	0.75	0.71	0.76

#### 4 | Notes to the segmental reporting

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

The Silicon & Wafer segment comprises the planning, design, distribution and creation of systems to manufacture silicon, and its related process steps.

The Solar Cell & Module segment primarily comprises the planning, design, distribution, and creation of customized and turnkey production lines and single equipment to manufacture mono-crystalline and multi-crystalline solar cells. Our semiconductor-related product range is also included in the Solar Cell & Module segment. Here we develop and produce high-tech production systems to manufacture a broad spectrum of semiconductor components.

The Thin Film Module segment primarily comprises the planning, design, distribution and creation of customized and turnkey production lines and single equipment to manufacture thin film modules.

According to the requirements of IFRS 8 (Operating Segments), individual annual financial statement data must be presented according to business segments. Business areas where separate financial information is available for internal management, and which in turn is reported regularly to the highest management level for resource allocation and evaluation of profitability, are regarded as business segments. The Silicon & Wafer, Solar Cell & Module and Thin Film Module segment are presented under segmental reporting in line with this definition.

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

### Segment reporting 2011

in TEUR	01.01.-30.09.2011			
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	65,272	546,495	23,921	<b>635,688</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>65,272</b>	<b>546,495</b>	<b>23,921</b>	<b>635,688</b>
<b>EBITDA</b>	<b>-54,890</b>	<b>114,032</b>	<b>-12,367</b>	<b>46,775</b>
<b>EBITDA as % of revenue</b>	<b>-84.1</b>	<b>20.9</b>	<b>-51.7</b>	<b>7.4</b>
<b>EBIT</b>	<b>-61,106</b>	<b>102,348</b>	<b>-16,055</b>	<b>25,187</b>
<b>EBIT as % of revenue</b>	<b>-93.6</b>	<b>18.7</b>	<b>-67.1</b>	<b>4.0</b>

in TEUR	01.07.-30.09.2011			
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	31,377	164,452	11,231	<b>207,060</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>31,377</b>	<b>164,452</b>	<b>11,231</b>	<b>207,060</b>
<b>EBITDA</b>	<b>-43,102</b>	<b>25,537</b>	<b>-2,138</b>	<b>-19,703</b>
<b>EBITDA as % of revenue</b>	<b>-137.4</b>	<b>15.5</b>	<b>-19.0</b>	<b>-9.5</b>
<b>EBIT</b>	<b>-45,273</b>	<b>20,681</b>	<b>-3,454</b>	<b>-28,046</b>
<b>EBIT as % of revenue</b>	<b>-144.3</b>	<b>12.6</b>	<b>-30.8</b>	<b>-13.5</b>

Segment earnings in the Silicon & Wafer segment were particularly affected by adjustments to individual large-scale projects in the first nine months of the 2011 financial year. Adjustments of TEUR 43,373 were applied as part of a loss-free valuation to current construction projects due to the worsening of the financial position, and the fall in the price of polysilicon. Impairment charges of TEUR 1,005 were also applied to work in progress. A provision of TEUR 5,416 was formed for anticipated losses arising from incomplete contracts. The segment result was also burdened by litigation expenses connected with satisfying obligations based on master agreements.

Due to the current earnings position, SiTec GmbH will fail to achieve the performance targets that were agreed as a component of the purchase price forming part of the acquisition in 2008, as a consequence of which the variable purchase price liability arising from the acquisition of the SolMic shares was released in an amount of TEUR 14,500. The purchase price component of TEUR 11,862 that it contained was offset with goodwill pursuant to IFRS 3 (2004). The goodwill of SiTec GmbH amounts to TEUR 15,632 after this offsetting.



In the Thin Film Module division, segment earnings in the first nine months of 2011 were primarily burdened by costs for the further technical development of second-generation equipment. Additionally anticipated costs that were incurred in order to optimize production were already taken into account in the second quarter. Together with our Taiwanese partner, we succeeded in boosting both efficiency and production throughput over the last nine months. After the second-generation systems had already been tested successfully in Blaubeuren in June, and pre-acceptance had taken place, the equipment is currently being integrated into the production line in Taiwan.

The following tables show the figures for the previous year:

### Segment reporting 2010

in TEUR	01.01.-30.09.2010			centrotherm Group
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	
Third party revenue	151,299	295,204	11,866	458,369
Revenue with other segments	0	0	0	0
<b>Segment revenue</b>	<b>151,299</b>	<b>295,204</b>	<b>11,866</b>	<b>458,369</b>
<b>EBITDA</b>	<b>25,439</b>	<b>68,901</b>	<b>-21,635</b>	<b>72,705</b>
<b>EBITDA as % of revenue</b>	<b>16.8</b>	<b>23.3</b>	<b>-182.3</b>	<b>15.9</b>
<b>EBIT</b>	<b>18,859</b>	<b>60,104</b>	<b>-24,720</b>	<b>54,243</b>
<b>EBIT as % of revenue</b>	<b>12.5</b>	<b>20.4</b>	<b>-208.3</b>	<b>11.8</b>

in TEUR	01.07.-30.09.2010			centrotherm Group
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	
Third party revenue	60,579	114,859	4,622	180,060
Revenue with other segments	0	0	0	0
<b>Segment revenue</b>	<b>60,579</b>	<b>114,859</b>	<b>4,622</b>	<b>180,060</b>
<b>EBITDA</b>	<b>13,354</b>	<b>20,899</b>	<b>-7,401</b>	<b>26,852</b>
<b>EBITDA as % of revenue</b>	<b>22.0</b>	<b>18.2</b>	<b>-160.1</b>	<b>14.9</b>
<b>EBIT</b>	<b>11,076</b>	<b>17,874</b>	<b>-8,562</b>	<b>20,388</b>
<b>EBIT as % of revenue</b>	<b>18.3</b>	<b>15.6</b>	<b>-185.2</b>	<b>11.3</b>

Revenues by regions are as follows:

in TEUR	01.01.- 30.09.2011	01.01.- 30.09.2010	01.07.- 30.09.2011	01.07.- 30.09.2010
Germany	21,020	21,530	450	4,942
Other Europe	30,100	40,525	13,574	20,943
Asia	576,234	385,004	190,843	146,770
ROW	8,334	11,310	2,193	7,405
<b>Total</b>	<b>635,688</b>	<b>458,369</b>	<b>207,060</b>	<b>180,060</b>

## Notes to the consolidated income statement

Expenses are presented according to the total cost accounting in the consolidated income statement. The comparable period in the meaning of the abridged interim financial statements is the period between January 1 and September 30, 2010.

### 5 | Sales revenue

Sales revenue amounted to TEUR 635,688 in the first nine months of 2011 (comparable period of previous year: TEUR 458,369), TEUR 1,477 of which was attributable to related companies (comparable period of previous year: TEUR 3,048).

### 6 | Change in inventory of finished goods and work-in-progress

The change to the inventory of finished and semi-finished goods and services in an amount of TEUR 48,389 (comparable period of previous year: TEUR 3,276) includes impairment charges of TEUR 1,005 applied to semi-finished goods and work in progress (comparable period of previous year: TEUR 0).

### 7 | Capitalized services rendered to own account

Own work capitalized of TEUR 6,748 (comparable period of previous year: TEUR 14,944) mainly relates to own work capitalized in connection with development projects.

### 8 | Other operating income

The other operating income of TEUR 23,230 (comparable period of previous year: TEUR 11,548) contains, in particular, income of TEUR 7,314 (comparable period of previous year: TEUR 0) from damage compensation claims, income totaling TEUR 4,247 (comparable period of previous year: TEUR 1,121) from the reversal of specific and lump-sum valuation adjustments, and income of TEUR 2,638 (comparable period of previous year: TEUR 0) from the extinguishing of a liability. The income item also includes TEUR 3,505 (comparable period of previous year: TEUR 0) from the utilization of valuation adjustments arising from construction contracts.

## 9 | Cost of materials

The materials expenses for the period January 1 to September 30, 2011 of TEUR 412,888 (comparable period of previous year: TEUR 269,495) is composed as follows:

in TEUR	<b>01.01.- 30.09.2011</b>	01.01.- 30.09.2010	<b>01.07.- 30.09.2011</b>	01.07.- 30.09.2010
Expenses for raw materials and supplies, and for procured goods	<b>385,356</b>	238,101	<b>117,710</b>	92,215
Expenses for procured services	<b>27,532</b>	31,394	<b>9,594</b>	14,398
<b>Total</b>	<b>412,888</b>	<b>269,495</b>	<b>127,304</b>	<b>106,613</b>

Of the expenses for raw materials and supplies, procured goods, and services procured, TEUR 11,659 (comparable period of previous year: TEUR 8,372) was attributable to related companies.

In order to improve transparency, and by contrast with previous year's reports, expenses in an amount of TEUR 2,009 (previous-year comparable period: TEUR 2,285) for materials and procured services forming part of research and development costs were reported in the materials expense item. In the previous year, these were reported among other operating expenses under the research and development item.

## 10 | Personnel expenses

Personnel expenses amounted to TEUR 81,843 in the first nine months of 2011 (comparable period of previous year: TEUR 57,699). This amount includes TEUR 10,743 (comparable period of previous year: TEUR 7,515) of expenses for social contributions and expenses for pensions and benefits; of which TEUR 328 (comparable period of previous year: TEUR 246) is attributable to pension expenses.

A total of 1,946 members of staff were employed in the Group as of the reporting date (previous year: 1,409 members of staff). The average number of employees was 1,817 in the first nine months of 2011 (comparable period of previous year: 1,265 members of staff).

**11 | Other operating expenses**

Other operating expenses of TEUR 172,549 (comparable period of previous year: TEUR 88,238) are composed as follows:

in TEUR	01.01.- 30.09.2011	01.01.- 30.09.2010	01.07.- 30.09.2011	01.07.- 30.09.2010
Write-downs to trade receivables and receivables relating to construction orders	54,980	6,343	43,802	1,380
Freight and packaging	22,001	9,372	6,095	3,873
Third-party services	12,561	5,944	5,538	2,689
Sales commissions	11,494	20,722	4,573	13,621
Travel expenses	10,676	7,613	3,774	2,788
Litigation costs and contractual penalties	9,471	3,665	366	94
Legal and general consultancy	9,377	4,891	2,974	2,075
Temporary help	6,815	3,080	1,436	1,439
Premises expenses	3,361	2,733	1,009	834
Increase in obligation for services yet to be rendered	2,822	4,346	1,340	1,705
Employee benefit costs	2,705	1,764	945	635
Bank charges	2,610	1,529	1,055	561
Advertising costs	2,373	2,060	850	658
Insurance and contributions	1,826	1,676	476	832
Telephone and communication	1,699	1,162	662	444
Guarantee	1,351	687	615	284
Passenger vehicle costs	1,245	878	457	315
Foreign-exchange losses	752	581	382	168
Asset disposals	279	10	7	7
Other services	198	125	112	54
Management services	100	4,097	26	299
Write-downs to inventories	18	238	0	20
Miscellaneous	13,835	4,722	7,978	1,722
<b>Total</b>	<b>172,549</b>	<b>88,238</b>	<b>84,472</b>	<b>36,497</b>

Other operating expenses include services with a value of TEUR 892 (comparable period of previous year: TEUR 5,151) that were sourced from related companies.

In order to improve transparency, and by contrast with previous year's reports, expenses in an amount of TEUR 2,009 (previous-year comparable period: TEUR 2,285) for materials and procured services forming part of research and development costs were reported in the materials expense item. In the previous year, these were reported among other operating expenses under the research and development item.

Valuation adjustments to receivables and production orders are particularly due to adjustments in the Silicon & Wafer segment and the increase in budget costs for our first thin film project in Taiwan in the first half-year.

Miscellaneous operating expenses of TEUR 13,835 include expenses for anticipated loss-making transactions in an amount of TEUR 5,416 (comparable period of the previous year: TEUR 0).

## 12 | Financial result

The financial result is composed as follows:

in TEUR	01.01.- 30.09.2011	01.01.- 30.09.2010	01.07.- 30.09.2011	01.07.- 30.09.2010
Financial income	1,682	573	356	244
Financial expenses	-2,419	-1,533	-880	-435
<b>Financial result</b>	<b>-737</b>	<b>-960</b>	<b>-524</b>	<b>-191</b>

## 13 | Taxes on income

Corporation tax plus the solidarity surcharge amounts to 15.83 %. Trade tax amounts to approximately 14.0 %, which results in a total tax rate in Germany of approximately 30.0 %. This was used for the accrual and deferral of tax in the interim consolidated financial statements.

The taxes on income are as follows:

in TEUR	01.01.- 30.09.2011	01.01.- 30.09.2010	01.07.- 30.09.2011	01.07.- 30.09.2010
Deferred tax	-19,449	2,684	-12,966	811
Actual income tax	26,432	12,705	5,121	4,683
<b>Total</b>	<b>6,983</b>	<b>15,389</b>	<b>-7,845</b>	<b>5,494</b>

## 14 | Earnings attributable to non-controlling interests

The share of earnings attributable to non-controlling interests amounted to TEUR 647 (comparable period of previous year: TEUR 543).

## 15 | 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 and the comparable period of the previous year:

in EUR	01.01.- 30.09.2011	01.01.- 30.09.2010	01.07.- 30.09.2011	01.07.- 30.09.2010
Consolidated earnings	<b>16,575,782</b>	37,351,426	<b>-20,852,752</b>	14,434,606
Weighted average number of shares	<b>21,162,382</b>	21,162,382	<b>21,162,382</b>	21,162,382
<b>Earnings per share</b>	<b>0.78</b>	<b>1.76</b>	<b>-0.99</b>	<b>0.68</b>

## Notes to the consolidated balance sheet

### 16 | 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), Michael Glatt Maschinenbau GmbH (TEUR 455) and centrotherm SiTec GmbH (TEUR 15,632) as well as capitalized development costs (TEUR 35,199). The other intangible assets item contains particularly assets (technologies and customer relationships) arising from purchase price allocations performed in 2008 (TEUR 55,317). Other intangible assets also include software patents of limited useful life.

The goodwill of SiTec GmbH was reduced in an amount of TEUR 11,862 as a consequence of the extinguishing of the contingent purchase price liability arising from the acquisition of SolMic shares, pursuant to IFRS 3 (2004).

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

### 17 | Property, plant and equipment

Property, plant and equipment of TEUR 121,405 (December 31, 2010: TEUR 83,258) relates primarily to land and buildings of TEUR 60,109 (December 31, 2010: TEUR 45,638) and machinery of TEUR 11,541 (December 31, 2010: TEUR 12,992).

The additions to property, plant and equipment primarily to the purchase of land (TEUR 2,135) and buildings (TEUR 11,964) from a related company, and investment in buildings (TEUR 9,252) connected with the new construction for research and development at a subsidiary.

Due to the expansion of production areas of the Blaubeuren site, a general contractor agreement for TEUR 4,700 was concluded in May 2011, TEUR 2,980 of which has already been invoiced. The residual obligation consequently amounts to TEUR 1,720 as of September 30, 2011.

Impairment charges of TEUR 369 were applied during the period under review.

## 18 | Investments

Financial investments amounted to TEUR 7,954 as of September 30, 2011 (December 31, 2010: TEUR 7,096). These are composed as follows:

in TEUR	30.09.2011	31.12.2010
centrotherm photovoltaics India Pte. Ltd., Bangalore, India	8	8
centrotherm photovoltaics Italia S.r.l., Treviso, Italy	160	160
centrotherm photovoltaics Korea Ltd., Suwon, Korea	29	29
centrotherm photovoltaics technology Shanghai Co. Ltd., Shanghai, China	0	1,100
centrotherm photovoltaics USA Inc., Marietta, USA	1	1
centrotherm Power Solutions GmbH, Vienna, Austria	35	0
centrotherm Solar Innovations GmbH, Wels, Austria	35	0
centrotherm Solar Innovations GmbH & Co. KG, Wels, Austria	5,535	0
Changers GmbH, Berlin (former: Vaayuu Energy Systems GmbH)	2,085	307
cruSible GmbH, Berching	9	9
SiTec SPV GmbH, Munich	25	25
SOLMIC GmbH, Burghausen	25	25
Sunshine PV Corp., Hsinchu Industrial Park, Taiwan	0	5,425
TOV photovoltaics industries Ukraine, Zaporozhye, Ukraine	7	7
<b>Total</b>	<b>7,954</b>	<b>7,096</b>

The interest (September 30, 2011: 25.4 %) in Sunshine PV Corp., Hsinchu Industrial Park, Taiwan, in an amount of TEUR 10,996 (December 31, 2010: TEUR 5,425, 14.4 %) was recognized in the balance sheet as of April 1, 2011 applying the equity method, and was reclassified to the "Investments accounted for using the equity method" item.

The carrying amount of the interest in the subsidiary centrotherm photovoltaics technology Shanghai Co. Ltd., Shanghai, China, is reported at TEUR 1,100. The company was consolidated for the first time as of January 1, 2011.

## 19 | Investments accounted for using the equity method

Investments accounted for using the equity method amounted to TEUR 10,996 as of September 30, 2011 (December 31, 2010: TEUR 0). This relates to the interest in Sunshine PV Corp., Hsinchu Industrial Park, Taiwan, which was accounted for applying the equity method for the first time as of April 1, 2011.

The carrying amount of the interest in Sunshine PV Corp. changed as follows:

in TEUR	<b>01.04.- 30.09.2011</b>
Carrying amount 01.04.2011	11,175
Annual profit or loss	-244
Currency difference	65
<b>Carrying amount 30.09.2011</b>	<b>10,996</b>

## 20 | Deferred tax

Deferred tax assets of TEUR 24,685 as of September 30, 2011 primarily result from tax loss carryforwards (December 31, 2010: TEUR 3,189). Deferred taxes are recognized for tax loss carryforwards only if there is sufficient certainty that they will be realized within the coming years.

## 21 | Inventories

The reported inventory is composed as follows:

in TEUR	<b>30.09.2011</b>	31.12.2010
Raw materials and supplies	<b>89,081</b>	48,499
Semi-finished goods and services	<b>70,167</b>	24,865
Finished goods/products	<b>25,961</b>	22,874
<b>Total</b>	<b>185,209</b>	<b>96,238</b>

## 22 | Receivables relating to construction orders

Receivables from construction contracts amounted to a total of TEUR 536,167 gross, before offsetting with prepayments received (December 31, 2010: TEUR 516,069). This includes impairment charges that are primarily due to adjustments applied to large-scale projects and cost excess items totaling TEUR 56,563 (December 31, 2010: TEUR 10,250). Impairments expensed in the year under review amounted to TEUR 50,015.

Collateral retentions received from customers for construction orders amounted to TEUR 3,649 as of September 30, 2011 (December 31, 2010 TEUR 3,525).



In the item receivables relating to construction orders, incurred contract costs including the related earnings contributions are offset against any respective advances received where this resulted in a positive balance. The following list contains receivables relating to construction orders before and after netting with prepayments received:

in TEUR	30.09.2011	31.12.2010
Receivables relating to construction orders (gross)	224,389	351,546
Offset with advance payments received	-155,998	-260,966
<b>Total</b>	<b>68,391</b>	<b>90,580</b>

If the offsetting of contract costs including related earnings contributions results in a negative balance including the advance payments received, the net amounts are reported among liabilities arising from construction contracts (please also refer to Note 34).

### 23 | Trade receivables

in TEUR	30.09.2011	31.12.2010
Trade receivables (gross)	74,802	65,503
Specific adjustments	-6,312	-3,969
General adjustments	-648	-589
<b>Total</b>	<b>67,842</b>	<b>60,945</b>

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

### 24 | Receivables due from related companies and persons

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

in TEUR	30.09.2011	31.12.2010
centrotherm Sud Europe SAS, France	1,146	1,275
centrotherm clean solutions GmbH & Co. KG	0	118
centrotherm Elektrische Anlagen GmbH & Co. KG	268	111
Other	0	2
<b>Total</b>	<b>1,414</b>	<b>1,506</b>

### 25 | Advance payments made

Advance payments made of TEUR 39,182 as of September 30, 2011 (December 31, 2010: TEUR 8,217) have a residual term of up to one year. As of September 30, 2011, there were advance payments rendered to related companies in an amount of TEUR 9 (December 31, 2010: TEUR 56). The advance payments were primarily rendered for inventories and construction contracts.

**26 | Other current assets**

Other current assets consist of the following items as of September 30, 2011, with a residual maturity of up to one year:

in TEUR	30.09.2011	31.12.2010
VAT receivables	21,473	14,391
Credit accounts in debit	1,352	343
Accruals item	1,154	1,092
Foreign tax receivables	1,105	1,330
Receivables due from staff	299	185
Receivables related to subsidies	167	0
Receivables related to loan	61	53
Other	1,412	810
<b>Total</b>	<b>27,023</b>	<b>18,204</b>

**27 | Securities**

Securities amount to TEUR 0 (December 31, 2010: TEUR 10,813). The entire securities position was sold during the reporting period.

**28 | Cash and cash equivalents**

in TEUR	30.09.2011	31.12.2010
Cash and currency holdings	52	46
Bank deposits	36,525	37,274
Short-term investments	85,374	143,282
<b>Total</b>	<b>121,951</b>	<b>180,602</b>

**29 | Equity**

The individual components of equity in the January 1 to September 30, 2011 reporting period, and their changes, are presented in the statement of changes in equity.

**Subscribed capital**

The subscribed capital of CTPV AG amounts to TEUR 21,162 as of September 30, 2011 (December 31, 2010: TEUR 21,162). The subscribed capital is split into 21,162,382 (December 31, 2010: 21,162,382) nil-par value ordinary shares, and is fully paid up.

### Approved capital

With the approval of the Supervisory Board the Management Board is authorized to increase the share capital of the company on one or more occasions by October 17, 2016 up to a total of EUR 2,837,618 (in words: two million eight hundred thirty seven thousand six hundred eighteen euros) through the issue of new ordinary bearer shares in exchange for cash or non-cash capital contributions (Approved Capital I).

With the approval of the Supervisory Board the Management Board is authorized to exclude the statutory subscription right of the shareholders in the following cases:

1. in the event of a capital increase carried out against cash contributions if the amount of the new shares does not substantially fall below the stock exchange price of already quoted shares of the same type and terms of issue within the meaning of Sections 203 Paragraphs 1 and 2, 186 Paragraph 3 Sentence 4 of the German Stock Corporation Act (AktG) at the time of final determination of the issuing amount. This exclusion of subscription rights shall be limited to a maximum total of 10% of the company's share capital in existence when this authorization becomes effective, or, if this amount is less, when this authorization is exercised. To this limit that are should be added shares sold or issued during the term of this authorization in direct or corresponding application of Section 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG) under exclusion of statutory subscription rights. Also to be added are shares that are issued to service option and/or conversion rights arising from convertible or warrant debentures, or from participation rights, to the extent that these debentures or participation rights are issued during the duration of this authorization in corresponding application of Section 186 Paragraph 3 Clause 4 of the German Stock Corporation Act under exclusion of subscription rights;
2. in the case of a capital increase in return for a non-cash capital contribution, in particular for the purchase of companies, interests in companies or parts of companies;
3. in order to reconcile residual amounts;
4. in order to grant subscription rights to the holders of issuable conversion privileges and option rights from debenture bonds;
5. in order to issue shares as employee shares to staff of the company or its associated companies.

The Management Board is authorized to increase the company's share capital with the approval of the Supervisory Board once or on several occasions until June 29, 2014 by a total of up to EUR 7,743,573 (in words: seven million seven hundred and forty-three thousand five hundred and seventy-three euros) through the issue of new ordinary bearer shares in exchange for cash or non-cash capital contributions (Approved Capital II).

As a matter of principle, the new shares must be offered to shareholders for subscription (also by way of indirect subscription pursuant to §186 Paragraph 5 Sentence 1 of the German Stock Corporation Law [AktG]). The Management Board is authorized, however, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in order to reconcile residual amounts, or, in the instance of a capital increase in return for non-cash capital contributions, particularly for the acquisition of companies, interests in companies, or parts of companies.

The Management Board is also authorized, with the approval of the Supervisory Board, to determine the further specifics of the performance of capital increases from approved capital.

### Conditional capital

The issued share capital of CTPV AG is conditionally increased by up to EUR 2,116,238, divided into up to 2,116,238 new ordinary bearer shares (Conditional Capital I).

With an entry in the commercial register of August 4, 2010, the issued share capital of CTPV AG is conditionally increased by an additional amount of up to EUR 1,500,000, split into up to 1,500,000 new ordinary bearer shares (Conditional Capital II).

### Capital reserve

Capital reserve comprise mainly premiums from the capital increase performed as part of the flotation.

### Revaluation reserve

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

### Retained earnings

The retained earnings contain currency translation reserves of TEUR 68 (December 31, 2010: TEUR -44). The distribution of a dividend of €0.50 per dividend-entitled ordinary share, and the payment of a one-off bonus dividend of €0.20, was approved at the Shareholders' General Meeting on August 18, 2011. As a consequence, the total dividend paid in August 2011 amounted to TEUR 14,814.

### Non-controlling interests

The non-controlling interest item reflects the share of ownership by third parties in the Group companies. The statement of changes in consolidated equity presents the changes in non-controlling interests in the reporting period and the comparable period of the previous year.

### 30 | Finance debt

Finance debt amounted to TEUR 66,721 as of September 30, 2011 (December 31, 2010: TEUR 30,227). This primarily relates to a registered bond with a total nominal amount of TEUR 40,000 that was issued on August 10, 2011. The nominal amount of one registered bond is TEUR 500. The registered bond was issued in an amount of TEUR 38,210. The coupon rate is 5.125 % per annum. The coupons are to be paid annually from August 10, 2012. The registered bond matures on August 10, 2026 with a nominal amount of TEUR 40,000. The difference between the issue amount and the repayment amount is reflected using the effective interest method. The carrying amount stands at TEUR 38,221 as of September 30, 2011.

In addition the finance debt contains a subsidy loan of TEUR 8,214 drawn down in the 2010 financial year (December 31, 2010: TEUR 9,286), and two new subsidy loans with a total volume of TEUR 20,000 (December 31, 2010: TEUR 0). The three loans are encumbered with land charges of TEUR 10,000 each. Scheduled redemptions in an amount of TEUR 1,071 were performed in 2011. The last redemption installment on the loans is due on March 31, 2019. The non-current portion of the loans amounts to TEUR 25,357 (December 31, 2010: TEUR 7,857), and is reported among non-current financial liabilities, TEUR 7,857 of which has a residual term of more than five years. The residual amount of TEUR 2,857 is recognized under the current financial liabilities item.

### 31 | Other non-current liabilities

Other non-current liabilities amounted to TEUR 1,122 as of September 30, 2011 (December 31, 2010: TEUR 1,258). This item primarily comprises public-sector subsidies of TEUR 896 (December 31, 2010: TEUR 980).

### 32 | Provisions for taxes

Tax provisions amounted to TEUR 21,649 as of September 30, 2011 (December 31, 2010: TEUR 15,481). These comprise mainly income tax liabilities that have been incurred but not yet paid.

### 33 | Other current provisions

Other current provisions amounted to TEUR 32,510 as of September 30, 2011 (December 31, 2010: TEUR 22,775). These provisions relate primarily to follow-up costs of TEUR 15,252 for orders that have been delivered (December 31, 2010: TEUR 7,776), guarantee provisions of TEUR 9,454 (December 31, 2010: TEUR 8,038), provisions for pending losses of TEUR 5,442 (December 31, 2010: TEUR 42), and provisions for litigation costs of TEUR 2,362 (December 31, 2010: TEUR 6,919). The provisions for pending losses arise particularly from contractually agreed acceptance commitments where unavoidable losses are higher than the economic benefit. Litigation costs provisions were primarily formed for litigation connected with adhering to obligations based on framework agreements. The guarantee provision was generally calculated by applying a rate of between 0.25 % and 2 % to the guarantee-related revenues over the guarantee timeframe.

### 34 | Liabilities arising from construction contracts

Liabilities arising from construction contracts include gross amounts due from customers for contract work and corresponding advance payments creating a credit balance. As of September 30, 2011 there were liabilities arising from construction contracts outstanding of TEUR 53,124 (December 31, 2010: TEUR 42,594):

in TEUR	30.09.2011	31.12.2010
Receivables relating to construction orders (gross)	311,778	164,523
Offset with advance payments received	-364,902	-207,117
<b>Total</b>	<b>53,124</b>	<b>42,594</b>

### 35 | Trade payables

The total amount of trade payables of TEUR 77,810 is due within one year (December 31, 2010: TEUR 54,648).

### 36 | Advance payments received

Prepayments received amounting to TEUR 153,691 (December 31, 2010: TEUR 167,227) 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.

### 37 | Liabilities to related companies and persons

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

in TEUR	30.09.2011	31.12.2010
centrotherm Elektrische Anlagen GmbH & Co. KG	1,102	1,209
Other	22	109
<b>Total</b>	<b>1,124</b>	<b>1,318</b>

Liabilities to related parties have a residual term of up to one year.

**38 | Other current liabilities**

Other current liabilities are composed as follows:

in TEUR	30.09.2011	31.12.2010
Personnel liabilities	19,667	11,137
Obligations arising from commissions	14,257	9,217
VAT liabilities	3,795	1,334
Insurance premiums outstanding	377	436
Travel and entertainment expenses	322	313
Credit accounts in debit	249	539
Deferred income	27	21
Other	1,632	695
<b>Total</b>	<b>40,326</b>	<b>23,692</b>

Miscellaneous other current liabilities include liabilities to related parties in an amount of TEUR 250.

**Other notes****39 | Guarantees**

As of September 30, 2011, there were guarantees of TEUR 173,190 (December 31, 2010: TEUR 128,197).

**40 | 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, centrotherm clean solutions GmbH & Co. KG, Blaubeuren, and centrotherm Sud Europe SAS, France, deliver for the centrotherm group equipment and parts of equipment. These services entailed a volume of TEUR 532 in the first nine months of 2011.
- As of September 30, 2011, centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, and centrotherm clean solutions GmbH & Co. KG, Blaubeuren, had primarily performed services as part of construction contracts for Group companies totaling TEUR 10,719.
- Three lease-purchase agreements were signed between centrotherm thermal solutions GmbH & Co. KG, Blaubeuren, and centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, on October 31, 2008 with effect as of January 1, 2009. As part of these lease-purchase agreements, centrotherm thermal solutions GmbH & Co. KG sold machines with a value of TEUR 642 to centrotherm Elektrische Anlagen GmbH & Co. KG. The lease-purchase agreements have a duration of between 8 and 10 years, and the lease-purchase installments carry an interest rate of 6 % per annum. In the first nine months of

2011 centrotherm Elektrische Anlagen GmbH & Co. KG had rendered total lease-purchase installments of TEUR 71.

- In addition, three lease-purchase agreements were concluded between centrotherm thermal solutions GmbH & Co. KG, Blaubeuren, and centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, on October 1, 2010 and March 1, 2011 with effect from January 1, 2011 and April 1, 2011 respectively. As part of these lease-purchase agreements, centrotherm thermal solutions GmbH & Co. KG sold machines worth TEUR 646 to centrotherm Elektrische Anlagen GmbH & Co. KG. The lease-purchase agreements have a duration of between 8 and 10 years, and the lease-purchase installments carry an interest rate of 6 % per annum. centrotherm Elektrische Anlagen GmbH & Co. KG rendered total lease-purchase installments of TEUR 21 in 2011.
- On April 7, 2011, centrotherm photovoltaics AG acquired land and buildings with a value of TEUR 14,099 from centrotherm Besitz GmbH & Co. KG, Blaubeuren.
- There are rental agreements between centrotherm Besitz GmbH & Co. KG, Blaubeuren, and centrotherm photovoltaics AG, Blaubeuren, as well as certain subsidiaries with an indefinite term for rented premises concluded. Total rent of TEUR 356 was rendered in the first nine months of 2011.
- There are rental agreements between centrotherm photovoltaics AG, Blaubeuren, and centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, as well as centrotherm clean solutions GmbH & Co. KG, Blaubeuren, with an indefinite term. Rental payments of TEUR 201 were paid to the centrotherm photovoltaics AG in the first nine months of 2011.
- In the first nine months of 2011, the company generated revenue from service and supply of replacement parts of TEUR 1,459 primarily with centrotherm Sud Europe SAS, France, centrotherm clean solutions GmbH & Co. KG, Blaubeuren, and centrotherm Elektrische Anlagen 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.
- Additionally Dr. Horn Unternehmensberatung GmbH provided tax consulting services. A member of the Supervisory Board is invested in Dr. Horn Unternehmensberatung GmbH.

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.

#### **41 | Events following the reporting date**

There following key events occurred following the reporting date:

On October 6, 2011, centrotherm photovoltaics AG issued four borrower's note loans totaling TEUR 61,500. The bonds mature on September 28, 2016 and September 28, 2018. Two of the loans carry fixed coupon rates of 3.25 % and 3.728 % per annum. The two other loans carry variable coupon rates. Interest-rate swap contracts were concluded for the variable coupon loans in order to hedge interest-rate risks. The maturities of the interest-rate swaps are congruent with the maturities of the hedged bonds.

Besides this, no further events occurred after the reporting date that are of key significance for centrotherm photovoltaics Group, and which could lead to a different assessment of business progress.

## 42 | Corporate bodies

The following members of the Management Board held office during the first nine months of 2011:

- Robert M. Hartung, Business Executive/Engineer (Speaker of the Management Board), CEO,
- Hans Autenrieth, Business Executive, CEO,
- Dr. Peter Fath, Physicist, CTO,
- Dr. Dirk Stenkamp, Physicist, COO,
- Dr. Thomas Riegler, Business Executive, CFO.

The following Supervisory Board members held office during the first nine months of 2011:

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

## 43 | 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 November 9, 2011.

Blaubeuren, November 2011

centrotherm photovoltaics AG

The Management Board

Robert M. Hartung

Hans Autenrieth

Dr. Peter Fath

Dr. Dirk Stenkamp

Dr. Thomas Riegler





## Impressum

Herausgeber:

**centrotherm photovoltaics AG**

Johannes-Schmid-Strasse 8

89143 Blaubeuren

Germany

Telefon: +49 7344 9188 0

Telefax: +49 7344 9188 388

E-Mail: [info@centrotherm.de](mailto:info@centrotherm.de)

[www.centrotherm.de](http://www.centrotherm.de)

Kontakt:

centrotherm photovoltaics AG

Abteilung Investor Relations

Aktionärs-Hotline: +49 7344 9188 666

Telefax: +49 7344 9188 388

E-Mail: [investor@centrotherm.de](mailto:investor@centrotherm.de)