

Corporate News

centrotherm photovoltaics passes resolution to integrate sister company centrotherm Thermal Solutions by way of payment-in-kind

- **Combined capital increase in cash and in kind and pre-emptive rights for all shareholders**
- **Issue of up to eight million new shares with a 2:1 subscription ratio**
- **Major shareholder Hartung Beteiligungs GmbH accepts significant discount to auditor's valuation for payment-in-kind**
- **Expansion of technology leadership and market position**

Blaubeuren, October 14, 2008 – With the approval of the Supervisory Board, the Management Board of centrotherm photovoltaics AG has passed a resolution today to perform a combined cash and non-cash capital increase using approved capital, and with subscription rights for shareholders. The aim is to increase the company's share capital by up to EUR 8 million from currently EUR 16 million, to up to EUR 24 million. The new shares will be correspondingly offered to all shareholders for subscription with a two to one subscription ratio. Commerzbank AG, as the sole lead manager and sole bookrunner, will manage the capital increase along with Landesbank Baden-Württemberg as co-lead manager.

The shareholder Hartung Beteiligungs GmbH will use all its subscription rights by subscribing for a total of 4,224,293 new shares in centrotherm, thereby contributing all its shares in centrotherm Thermal Solutions GmbH & Co. KG and its general partner as payment-in-kind. "This effectively brings about the integration of a leading producer of production plants for solar cells, which will result in a significant enhancement of the value of centrotherm photovoltaics," comments Robert Hartung, CEO of centrotherm photovoltaics. The subscription price for the new shares to be subscribed for against payment-in-kind has been fixed at EUR 32.50 per new share. Hartung Beteiligungs GmbH has stated ahead of the transaction that it is prepared to contribute its shares in centrotherm Thermal Solutions with a significant discount of around EUR 62 million compared with the valuation of EUR 199 million that has been calculated by Ernst & Young, as an independent auditing company.

"Integrating centrotherm Thermal Solutions forms part of our strategy of incorporating key equipment and technology into the Group," explains Robert Hartung. "Our aim is to further extend our technology leadership along the solar value-creation chain, and to secure our market position as a provider of production plants for solar silicon and turnkey production lines for the manufacturing of solar cells and thin-film modules." centrotherm photovoltaics started to integrate equipment into the Group with the acquisition of FHR Anlagenbau GmbH in November 2007. This allowed the company to expand its portfolio to include sputter systems that are important for the production of thin-film modules. The connection of technology and plant engineering in the solar silicon area occurred in August 2008 with the takeover of the entirety of SolMic GmbH. SolMic is a specialist for technology and

engineering services surrounding design and process-optimization for the manufacturing of polysilicon, ingots, and wafers.

This strategy is now being pursued consistently with the integration of centrotherm Thermal Solutions. The company already supplies centrotherm photovoltaics with thermal plant as part of an exclusive cooperation agreement. This plant is either sold as individual equipment, or used in turnkey production lines for the manufacturing of solar cells. centrotherm Thermal Solutions currently employs a workforce of over 400 people, and achieved 2007 sales of EUR 106.5 million (on the basis of IFRS accounting), and an EBIT of EUR 7.1 million. In the first half of 2008, it achieved IFRS sales of EUR 78.5 million, and an EBIT of EUR 8.2 million.

As part of a pro forma presentation of the centrotherm photovoltaics Group including centrotherm Thermal Solutions, sales in the first half of 2008 would have amounted to EUR 163.2 million, and EBITA (earnings before interest, tax, and amortization) would have been EUR 30.2 million, excluding at-equity earnings of EUR 1.8 million. This would have resulted in an EBITA margin (pro forma) of 17.7%, compared with the 12.6% reported in centrotherm photovoltaics AG's interim financial statements.

Transaction structure:

The remaining shareholders are entitled to subscribe for a total of 3,775,707 new shares against cash contribution. In line with the 2:1 subscription ratio, two old shares of centrotherm photovoltaics AG entitle the holder to subscribe for one new share. Shareholders' depository banks will register the subscription rights to shareholders according to the status as of late October 16, and can be exercised in the period between October 17 and October 31, 2008. The subscription price for the new shares to be subscribed against cash contribution will be announced prospectively on October 27, 2008. It will amount to a maximum of €32.50 per share, thereby not exceeding the subscription price for the new shares subscribed against payment in kind. No arrangements have been made for trading in the subscription rights. The scope of the capital increase in cash and in kind will reflect the extent to which shareholders subscribe for the new shares. The syndicate banks, in coordination with centrotherm photovoltaics, may place any new shares not subscribed for on the basis of the subscription offer among institutional investors as part of an international private placement. The syndicate banks have neither the right nor the obligation to acquire and resell new shares that have not been subscribed for.

Use of the issue proceeds:

If shareholders subscribe for new shares for cash as part of the transaction, or the company receives cash proceeds due to a potential private placement of shares that have not been subscribed for, the company intends to invest the resulting issue proceeds for financing further internal and external growth, for the implementation and funding of strategic goals and for general business objectives.

centrotherm photovoltaics is withdrawing the earnings forecast it issued on March 31 of this year as a result of the forthcoming capital measures, for which the company will issue a securities prospectus. This does not imply any statement as to whether sales or earnings for the 2008 financial year will be higher or lower than originally forecasted. As a result of the high level of its order backlog and business growth to date, centrotherm photovoltaics continues to assume a significant rise in sales compared with the 2007 financial year, accompanied by a further good return on sales, even excluding the integration of centrotherm Thermal Solutions.

The precise terms of the offer can be found in the securities prospectus, which the Federal Financial Supervisory Authority (BaFin) will prospectively approve on October 15, 2008, and which will be published on the company's website at www.centrotherm-pv.de. The shareholder hotline is available to provide further information: +49 7344 918-8890.

centrotherm photovoltaics also intends to acquire up to 158,549 shares in the market as part of a share buy-back program, prospectively after the conclusion of the capital increase and until December 31, 2008 the latest. The intention is that these shares will be transferred to Dr. Albrecht Mozer as part-payment for the sale of shares in SolMic GmbH that was announced on August 22, 2008.

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