

Corporate News

Creditors vote on the restructuring plan of centrotherm photovoltaics AG on January 29

Blaubeuren, January 10, 2013 – The insolvency proceedings for restructuring centrotherm photovoltaics AG are entering a decisive phase. The responsible county court in Ulm has laid down the insolvency plan after completing its examination, and it is therefore also now available for viewing for the parties involved in the proceedings. In addition, the court has set January 29, 2013 as the date for discussing and voting on the insolvency plan.

Following the approval of the creditors and confirmation from the insolvency court, the insolvency proceedings could be terminated and centrotherm photovoltaics AG could then operate again on a solid financial basis on the market as a restructured company and on a fully independent basis.

On the back of the successful implementation of the planned restructuring of the company, a turnaround could be expected for 2014. centrotherm photovoltaics AG could then prospectively once again reach a value with which the claims of its creditors can very likely be largely or possibly completely satisfied, according to the insolvency plan.

The basis for this is the already far advanced strategic, structural and operating realignment of the centrotherm Group. As part of this, the centrotherm Group will concentrate in future on its core business of production technology for thermal surface processes in the photovoltaics industry with a focus on solar cells. As a second line of business, the semiconductor division should be further boosted and expanded, as this offers long-term revenue potential of € 100-150 million. This area can be built up based on the existing semiconductor business with competitive products, particularly in the field of power semiconductors and the business of the subsidiary FHR Anlagenbau GmbH.

The structure of the centrotherm Group with functions distributed across various companies and sites has already been made substantially more streamlined, cost-effective and efficient as all functions are now pooled at the Blaubeuren site within centrotherm photovoltaics AG. In addition, secondary activities not required for the future competitiveness of the centrotherm Group have been sold or discontinued in order to achieve cost savings.

The insolvency plan now laid down for centrotherm photovoltaics AG – as already published via ad hoc release on October 24, 2012 – provides for the company to continue business while maintaining its stock exchange listing and strengthen its capital structure by converting the claims of the unsecured creditors into shares in the company. This is aimed at striking a balance between the interests of the shareholders and the company with regards to its continued existence and capital market access, and best possibly satisfying the creditors' claims.

Therefore, the creditors should transfer 70% of their insolvency claims to an independent administration company. This company will collect the claims in centrotherm photovoltaics AG transferred to it and therefore become shareholder of the debtor. The insolvency claims collected expire, which in turn leaves centrotherm photovoltaics AG largely debt-free. In return for the collection of claims, the administration company will acquire shares in the debtor. This takes place as part of a combined capital reduction and capital increase.

The plan is for the administration company to acquire 80% of the shares, with the other 20% remaining with the existing shareholders of the debtor, whose share portfolios will be pooled together at a ratio of five to one, in other words five shares become one. The administration company has an obligation to the insolvency creditors to purchase the shares, retain them and utilize them in the best possible way preferably by 31.12.2015 and satisfy the creditors using the proceeds.

Insolvency plan offers advantages for all involved parties

This process allows stock market access to be preserved so that the administration company can, with the agreement of the committee of creditors, sell the shares it holds on the stock exchange or to an individual investor or a group of investors. Depending on the returns achieved, it is possible that insolvency creditors could in this way have their original insolvency claims completely satisfied or even exceeded.

Compared to alternative procedures, this insolvency plan therefore offers a range of advantages. It is not only the fact that the prospect of creditors' claims being satisfied is greater, the plan also saves on costs and would lead to an earlier payout for creditors.

"In any case, no creditor or shareholder of the debtor is any worse off than would be the case from the liquidation of assets in a standard liquidation procedure. The insolvency plan also enables the continued existence of the company, which in turn preserves the greatest possible number of jobs," emphasizes Management Board member responsible for the self-administration Tobias Hofer.

In addition, the insolvency plan contains a range of provisions that are intended to ensure successful implementation as far as possible. This includes the fulfillment of the insolvency plan being monitored by the court-appointed administrator Prof. Dr. Martin Hörmann. The committee of creditors should also continue to exist and in particular monitor the utilization of the shares by the administration company.

About centrotherm photovoltaics AG

centrotherm photovoltaics AG, which is based at Blaubeuren, Germany, is a globally leading technology and equipment provider for the photovoltaics sector. The company equips well-known solar companies and new sector entrants with production lines and single equipment to manufacture silicon, and crystalline solar cells and modules. As a consequence, the Group possesses a broad and well-founded technological basis, as well as key equipment at practically all steps of the photovoltaics value chain. centrotherm photovoltaics AG is currently listed in the Prime Standard on the Frankfurt Stock Exchange, but is due to switch to the General Standard of the Regulated Market as of March 1.

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