



**centrotherm**  
photovoltaics

**Interim Report**  
as of March 31, 2010

# Highlights

## Successfully opening up new markets

### Revenue and earnings below previous year's record quarter, trend turnaround in core business

- Following strong prior-year quarter, revenue fell to TEUR 115,275 in the first three months of 2010 (previous year: TEUR 131,001)
- EBIT of TEUR 9,844 achieved (previous year: TEUR 14,656)
- Earnings per share: EUR 0.31 (previous year: EUR 0.50)

### 2010 full-year forecast confirmed

- Revenue of EUR 550 million - EUR 580 million

### Positive trend in core business

- Solar Cell & Module: EBIT-margin improved significantly from 13.6 % to 17.1 %, despite decline in revenue
- Silicon & Wafer: strong first quarter of 2010 with revenue and earnings growth following on from positive trend in 2009

### Major order signed in Qatar

- Agreement signed with Qatar Solar Technologies (QST) for the construction of a silicon factory
- First major project enables entry into Arabian market
- SolarWorld acts as project partner; patronage of Royal House of Qatar
- Planned annual production capacity: 3,600 tonnes

### Strengthening of Management Board team

- Dr. Dirk Stenkamp appointed Chief Operating Officer
- Groupwide responsibility for the areas of engineering, materials management, production, quality management and service

### Successfully realized projects

- Silicon & Wafer segment: completion of a silicon project for a Chinese customer
- Solar Cell & Module segment: several final acceptances of turnkey projects

# Letter to shareholders

## Dear shareholders,

Only last summer, there were certainly few who would have anticipated that demand for "made in Germany" technology and equipment would experience such strong growth. This growth particularly reflects the fact that Asian manufacturers are expanding, and are pursuing a clear cost leadership strategy. In doing so, they continue to prioritize the highly efficient systems that we provide as a technology leader. This is because one thing is clear: 1 percent more efficiency alone means 6 percent lower production costs for the customer. And this is precisely our strategy. With our systems, we ensure that our customers are able to lower their costs on a sustainable basis, and thereby achieve competitive advantages on the market.

Strong demand in the single equipment area, particularly in the Solar Cell & Module segment, and positive trends in the Silicon & Wafer segment, were unable to fully compensate for subdued business with turnkey production lines. For this reason, we were unable to continue the previous quarter's strength. Revenue amounted to TEUR 115,275 in the first three months of 2010 (previous year: TEUR 131,001). EBIT was recorded at TEUR 9,844 (previous year: TEUR 14,656). And our order book, at TEUR 757,016 (previous year: TEUR 1,255,989), also remains well filled.

The agreement we signed on March 1, 2010 with Qatar Solar Technologies (QST) for the construction of the first polysilicon factory on the Arabian Peninsula marks a particular success for our company. Engaging in this project, we are supplying technology and equipment to produce high-purity silicon, and we are responsible for engineering and project services all the way through to ramp-up. SolarWorld AG is a further project partner. The order shows that photovoltaic projects are not only of strategic importance in Asia and Europe for governments and companies. The Royal House of Qatar, for example, is pursuing the project with a high degree of commitment, and has taken over responsibility for its patronage. We are assuming that in future the Arabian region will develop into an increasingly larger market for solar electricity system providers.

Together with you, we are looking forward to the developments in our markets with excitement.

We would like to thank you for the confidence you have invested in us.

Yours sincerely, Robert M. Hartung

# Key figures

## Key Figures for centrotherm photovoltaics Group

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009	Changes in %
Revenue	<b>115,275</b>	131,001	-12.0
Total operating performance	<b>122,622</b>	136,774	-10.3
EBITDA	<b>14,792</b>	19,546	-24.3
EBITDA margin in % <sup>1</sup>	<b>12.8</b>	14.9	-2.1
EBIT	<b>9,844</b>	14,656	-32.8
EBIT margin in % <sup>1</sup>	<b>8.5</b>	11.2	-2.6
EBT	<b>9,659</b>	15,291	-36.8
EBT margin in % <sup>1</sup>	<b>8.4</b>	11.7	-3.3
Consolidated net income	<b>6,626</b>	10,479	-36.8
Earnings per share in EUR	<b>0.31</b>	0.50	-38.0
Weighted average number of shares in T	<b>21,162</b>	21,162	0.0
Total expenses R&D	<b>6,081</b>	5,457	11.4
Capex	<b>3,061</b>	9,776	-68.7
ROCE in %	<b>14.9</b>	25.5	-10.6
Operating cash flow	<b>-4,765</b>	-24,575	80.6
Number of employees as of the reporting date	<b>1,136</b>	1,092	4.0
	<b>31.03.2010</b>	31.12.2009	
Total assets	<b>781,589</b>	740,254	5.6
Equity	<b>351,103</b>	344,442	1.9
Equity ratio in %	<b>44.9</b>	46.5	-1.6
Order book	<b>757,016</b>	797,402	-5.1

<sup>1</sup> Margin referring to revenues, changes in percentage points

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# Group Management Report

## Important events during the reporting period

### **Major order in Qatar: construction of first silicon factory on Arabian Peninsula**

On March 1, 2010, we signed an agreement with Qatar Solar Technologies (QST) to construct a silicon factory with a planned annual production capacity of 3,600 tons. This is the first polysilicon production facility on the Arabian Peninsula.

Engaging in this project, we are supplying technology and equipment to produce high-purity silicon, and we are responsible for engineering and project services all the way through to ramp-up. Along with reactors and converters, centrotherm photovoltaics' vent gas recovery systems, which was presented last year, will be deployed. This system is used to recover toxic process gases, and contributes to the sparing use of production resources, since a share of the gases is reintroduced into the production process. This process reduces energy consumption, boosts production efficiency, and thereby leads to a significant production cost advantage.

A newly founded joint-venture between Solarworld AG and QST is behind the project. SolarWorld AG will hold a 29% stake in the joint-venture. Its partners are the Qatar Foundation (70%) and the Qatar Development Bank (1%).

The Royal House of Qatar will act as patrons to the venture.

QST will invest a total of more than USD 500 million in the creation of the new production facilities with a planned annual capacity of 3,600 tonnes of high-purity polysilicon in the initial expansion phase. The production start is planned for the third quarter of 2012. The joint-venture enjoys access to an excellent chemicals industry infrastructure with highly favorable energy prices at the location of Ras Laffan Industrial City in north-eastern Qatar. Here, forward-integration along the entire value-creation chain all the way through to complete solar electricity modules can also be realized. An ever larger market for solar electricity plants is developing out of the Arabian Peninsula's reconsideration of its energy policies.

### **Strengthening of Management Board team: Dr. Dirk Stenkamp appointed Chief Operating Officer**

The Supervisory Board of centrotherm photovoltaics AG appointed Dr. Dirk Stenkamp (47) to be Chief Operating Officer (COO) with effect as of January 1, 2010. Dr. Stenkamp, whose doctorate is in physics, strengthens the management team, which until that date had consisted of four members. He will be responsible for the areas of engineering, materials management, production, quality management, and services across the Group as part of his COO responsibilities. Through this Management Board expansion, centrotherm photovoltaics is equipping itself for the photovoltaics sector's continued growth.

Dr. Stenkamp has been a member of the management of various Carl Zeiss Group companies since 2000, most recently on the Management Board of Carl Zeiss SMT

AG, Oberkochen (Germany), a leading supplier of production equipment for the semiconductor industry. There he was responsible for the "Semiconductor Metrology" and "Nano Technology Systems" divisions. Dr. Stenkamp, who was born in Westphalia (Germany), studied physics at RWTH Aachen University, where he also gained his doctorate in the semiconductor physics area.

With Dr. Stenkamp, we have gained an experienced expert for the development of efficient and cost-effective production systems.

### Successfully realized projects

Once again, we reached important milestones, and concluded some major projects in the first three quarters of the new 2010 financial year. Highlights included the completion of a silicon project for a Chinese customer. We had already received so-called "final acceptance" in 2009. Now, following the expiry of the "evidence period", we have brought the project to a successful final conclusion, and the customer is now producing silicon on our systems. Above and beyond this, we are working on further international silicon projects.

We have also demonstrated important successes with our turnkey projects in the Solar Cell & Module area. We realized several final acceptances in the first three months of 2010. For instance, we received the final acceptance in February for our second 50 MW line for a US American customer. The first of two 50 MW lines was also finally accepted successfully and to schedule by a well-known Korean customer.

## Analysis of the financial position

### Important notes and preliminary remarks

As of March 31, 2010, the centrotherm photovoltaics Group consisted of 17 companies, of which 10 were included in the consolidated financial statements. In the case of the seven companies not included in the scope of consolidation, these relate to newly founded service and sales companies that are of subordinate significance for the net assets, financing 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. Further remarks concerning the scope of consolidation 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

The demand for single equipment items in the Solar Cell & Module area continued in the first quarter of 2010. The expansion plans of predominantly Asian manufacturers fed through to a gratifying level of new order intake for our single equipment items — above all, our PECVD systems, and fast-firing and PoCI furnaces.

Our customers often frequently pursue a cost-leadership strategy, and for this reason consciously give preference to our highly efficient technology when reaching their investment decisions. This allowed us again to put forward a persuasive case thanks to our innovative products.

The order book amounted to TEUR 757,016 as of March 31, 2010 (previous year: TEUR 1,255,989). Of this amount, 71.0 % was attributable to the Silicon & Wafer area, 26.9 % to the Solar Cell & Module area, and 2.1 % to the Thin Film Module area. These figures also contain single equipment items. The order volume in the Thin

Film Module area relates to the order book of our FHR Anlagenbau GmbH subsidiary, and at our first CIGS production line in Taiwan.

The order book position will predominantly become revenue- and earnings-effective in the 2010 and 2011 financial years.

### Order book

in TEUR	31.03.2009	30.06.2009	30.09.2009	31.12.2009	31.03.2010
Solar Cell & Module	368,792	191,777	169,368	203,917	<b>203,370</b>
Thin Film Module	122,921	106,616	92,020	9,631	<b>15,962</b>
Silicon & Wafer	764,276	711,807	660,982	583,854	<b>537,684</b>
<b>Total</b>	<b>1,255,989</b>	<b>1,010,200</b>	<b>922,370</b>	<b>797,402</b>	<b>757,016</b>

### Earnings

#### Revenue and total output

Revenue trends in the first quarter of 2010 were characterized by strong demand, particularly for single equipment items from the Solar Cell & Module business area.

After a very strong first quarter of 2009, consolidated revenue of TEUR 115,275 in the first quarter of 2010 was below the previous year's level (3 months 2009: TEUR 131,001), as expected. Of this amount, 17.4 % or TEUR 20,056 was attributable to the turnkey production line area. Among other items, the other revenues in the prior-year quarter included reactors and converters, which are reported as single equipment revenues as of March 31, 2010.

With an export ratio of 94.0 % (previous year: 88.3 %), we generated most of our revenue abroad. Once again, our Asian business was the key growth driver with

revenue of TEUR 96,729. At 7.1 %, the other European region was the second largest market, followed by Germany at 6.0 %.

We are less dependent on the forthcoming changes to the German Renewable Energies Act (EEG) as the result of our strongly international business base. For this reason, the strengthening of support for photovoltaics in countries such as the USA, China and India marks a positive international signal.

Generally speaking, we also identify potentials arising from the reduction of subsidies on the German market. This is because manufacturers with efficient cost structures will enjoy success over the medium term, while producers with significantly higher cost structures may come under pressure. This gives rise to the possibility for us, as a provider of highly efficient technology and equipment, to support our customers in reducing their production costs with our innovative products.

Total output rose to TEUR 122,622 in the first three months of 2010 (previous year: TEUR 136,774), when

taking into account changes in inventories of finished goods and own work capitalized.

### Revenue by regions

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
Germany	6,962	15,314
Other Europe	8,166	11,496
Asia	96,729	101,251
ROW	3,418	2,940
<b>Total</b>	<b>115,275</b>	<b>131,001</b>

### Revenue by products

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
Revenue from construction orders		
Turnkey production lines	20,056	48,129
Single items of equipment	89,967	66,179
Service and replacement parts	3,338	5,900
Consulting & Engineering	949	736
Other revenue	965	10,057
<b>Total</b>	<b>115,275</b>	<b>131,001</b>

### Costs

The **materials expense** in the first quarter of 2010 was recorded at TEUR 71,394 (3 months 2009: TEUR 88,937). As a consequence, the materials expense ratio improved by six percentage points from 67.9 % to 61.9 %. The improved materials input as part of the Performance Plus Program, and the higher proportion of individual equipment sold were the main reasons for this positive trend. This also fed through to a reduction in materials input. The **personnel expense**

amounted to TEUR 17,653 (previous year: TEUR 14,534) and the personnel expense ratio rose to 15.3 % (previous year: 11.1 %). This is mainly due to the fact that centrotherm photovoltaics recruited highly qualified employees. **Other operating expenses** rose to TEUR 23,605 (previous year: TEUR 14,142). This item particularly includes impairment losses of TEUR 4,871 (previous year: TEUR 0). This especially related to the Taiwan project in the Thin Film Module segment. This item also contains expenses for IT and

personnel services (management services) of TEUR 2,939 (previous year: TEUR 2,786).

## Earnings trends

Earnings before interest, tax, depreciation and amortization (**EBITDA**) fell from TEUR 19,546 in the previous year to TEUR 14,792. The EBITDA margin amounted to 12.8 % (previous year: 14.9 %). Operating earnings (**EBIT**) amounted to TEUR 9,844 (previous year: TEUR 14,656). This trend reflected year-on-year lower revenues, and higher other operating expenses. The EBIT margin was 8.5 % (previous year: 11.2 %).

The **net financial result** amounted to TEUR -185, compared with TEUR 635 in the previous year. Financial income rose to TEUR 155 (previous year: TEUR 1,167), and includes, among other items, gains of TEUR 6 realized from the disposal of securities (previous year: TEUR 832). At the same time, financial expenses fell to TEUR 340 (previous year: TEUR 532). As in previous quarters, financial expenses were composed of the compounding of liabilities arising from the purchase of the SolMic shares. Earnings before tax (**EBT**) deteriorated correspondingly from TEUR 15,291 to TEUR 9,659. This corresponds to an EBT margin of 8.4 % (previous year: 11.7 %). The tax expense reduced to TEUR 3,008 (previous year: TEUR 4,587).

After deducting tax and minority interests, **consolidated net income** of TEUR 6,626 remained in the first quarter of 2010 (previous year: TEUR 10,479). This corresponds to **earnings per share** of EUR 0.31 given an average of 21,162,382 shares in issue (previous year: EUR 0.50 on the basis of an average of 21,162,382 shares).

## Segment trends

Until June 30, 2009, we reported according to the two segments of "Silicon & Wafer" and "Solar Cell & Thin Film". Since the second half of the year, we have been reporting the thin film business in the separate "Thin Film Module" segment. 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 systems, basic engineering, and multi-crystalline ingot furnaces. The Solar Cell & Module segment comprises technology, single equipment 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 crystalline thin film modules.

### Silicon & Wafer

With a strong first quarter of 2010 in the Silicon & Wafer segment, we continued the positive trend of the 2009 financial year. Revenue rose 30.6 % to 43,309 (previous year: TEUR 33,170), which corresponds to a 37.6 % share of consolidated revenue. The Asian region and Eastern Europe were the most important export regions. Earnings trends were markedly positive: operating earnings (EBIT) climbed from TEUR 4,113 in the prior-year quarter to TEUR 6,996 in the period under review. The EBIT margin was raised from 12.4 % to 16.2 %.

On the market side, we observed positive demand trends and a return of customer interest in the first quarter of 2010. The trend turnaround compared with past quarters appears to have been achieved: for instance, we signed a major order for the construction of a polysilicon factory in Qatar. For this project, we are

supplying technology and equipment to produce highly pure silicon, and we are responsible for engineering and project services all the way through to ramp-up. We observed a stabilization of silicon prices. Silicon prices traded at a level of around USD 52-58 per kilogram in the months January to March 2010.

Operating highlights included the successful completion of a project in China, and intensive project work on further international silicon projects. The commissioning of the first total production complexes based on centrotherm SiTec design marked a particular success — consisting of reactors and converters, vent gas recovery system and TCS synthesis — with excellent performance results overall. Our 18-pair reactor also demonstrated excellent performance with respect to energy consumption, output and quality.

### Solar Cell & Module

The Solar Cell & Module segment reported gratifying trends in the first three months, particularly with respect to earnings. Despite a decline in revenue to TEUR 68,189 (previous year: TEUR 86,435), the EBIT margin improved to 17.1 % (previous year: 13.6 %). Operating earnings (EBIT) amounted to TEUR 11,675 (previous year: TEUR 11,715). This segment contributed 59.2 % to consolidated revenue, driven by strong demand for our single equipment items, which our major customers, in particular, ordered in large unit volumes.

Following on from the fourth quarter of 2009, we again reported strong demand for our solar cell production systems. This positive trend was driven by end-markets for modules, particularly in Germany. Cost-leading producers — predominantly from the Asian market — are correspondingly expanding their production capacities. Their declared objective is mostly to boost market

shares, and to obtain a leading position in future markets for the mass production of solar cells and modules.

We reported important successes with our turnkey projects in the first three months of 2010, and received several final acceptances. For instance, we received the final acceptance in February for our second 50 MW line for a US American customer. The first of two 50 MW lines was also finally accepted successfully and to schedule by a well-known Korean customer.

### Thin Film Module

In the Thin Film Module area, we generated revenue of TEUR 3,777 (previous year: TEUR 11,396). This resulted exclusively from our subsidiary FHR. Segment earnings were negatively impacted by additionally anticipated project costs and investments in process and technology development for our thin film project at a Taiwanese customer. In sum, operating earnings (EBIT) amounted to TEUR -8,827 (previous year: TEUR -1,172). In order to counter the current trend within the sector, we have further optimized the ramp-up process in coordination with the customer, and we have performed structural changes within the project process. Together with our customer, we are now working on further boosting efficiencies, and on preparing for mass production.

### Net assets

Total assets rose by 5.6 % to TEUR 781,589 as of March 31, 2010 (December 31, 2009: TEUR 740,254).

On the **assets side**, **non-current assets** increased slightly to TEUR 306,610 (December 31, 2009: TEUR 306,316). This item particularly included unchanged goodwill of TEUR 129,298 from the companies acquired in 2008. Internally generated intangible assets,

which particularly contain own work capitalized in the research and development area, increased from TEUR 24,369 as of December 31, 2009 to TEUR 27,021 as of March 31, 2010. Other intangible assets, which were mainly calculated as part of purchase price allocations, fell as the result of scheduled depreciation/amortization to TEUR 72,831 (previous year: TEUR 75,370). Property, plant and equipment of TEUR 72,577 was approximately at the level at the end of 2009 (December 31, 2009: TEUR 71,303). **Current assets** rose from TEUR 433,938 to TEUR 474,979 as of March 31, 2010. This particularly reflected in an increase in inventories and receivables arising from construction contracts.

**Securities and cash and cash equivalents** amounted to TEUR 157,041 (previous year: TEUR 168,167). The decline in cash and cash equivalents to TEUR 126,267 (December 31, 2009: TEUR 133,755) primarily reflected the working capital trend.

On the **equity and liabilities side**, the positive result for the period boosted equity by 1.9 % as of March 31, 2010, reflecting a rise from TEUR 344,442 to TEUR 351,103. As a consequence, the equity ratio amounted to 44.9 % (December 31, 2009: 46.5 %), and comprehensively covers all non-current assets. **Non-current liabilities** amounted to TEUR 72,592 (December 31, 2009: TEUR 72,178). **Current liabilities** grew to TEUR 357,894 (December 31, 2009: TEUR 323,634), particularly due to a higher level of prepayments received.

## Financial position

We reported a positive trend in our financial position in the first quarter of 2010. We significantly improved our **cash flow from operating activities** from TEUR -24,575 in the prior-year quarter to TEUR -4,765. This good progress resulted particularly from a lower

increase in receivables from construction contracts (Q1 2010: TEUR 27,744; Q1 2009: TEUR 64,643) compared to the prior-year period.

**Cash flow from investing activities** amounted to TEUR -2,723 (previous year: TEUR -9,874). Here, the sale of securities in an amount of TEUR 3,688 as well as fewer investments in property, plant and equipment exerted a particularly positive impact.

As in the previous year, we remained in a position to fund our operating business entirely from our own resources. Consequently, **cash flow from financing activities** amounted again to TEUR 0 in the first quarter of 2010 (previous year: TEUR 0).

In sum, **financing resources** amounted to TEUR 126,267 as of March 31, 2010.

## Investments

We invested a total amount of TEUR 6,496 in the first quarter of 2010 (previous year: TEUR 12,213). A key focus of our investments was again the research and development area. Research and development expenses amounted to TEUR 6,081 (previous year: TEUR 5,457). An amount of TEUR 1,162 was invested in the Silicon & Wafer area, and TEUR 3,122 was attributable to the Solar Cell & Module area (including semiconductors). We invested TEUR 1,797 in the Thin Film Module segment. Development costs of TEUR 3,369 were capitalized (previous year: TEUR 2,216).

Investments in property, plant and equipment amounted to TEUR 3,061 (previous year: TEUR 9,776). This item included, in the Silicon & Wafer segment, the new build-ings in Blaubeuren for the centrotherm SiTec employ-

ees, and the expansion of production locations for pressure container construction at our Abensberg location. Commissioning is planned for the second half of 2010.

## Employees

A total of 1,136 members of staff were employed in the Group as of March 31, 2010 (previous year: 1,092 members of staff).

The great significance of our international business is also reflected in the constant expansion of the workforce abroad, particularly in the sales and service areas. 112 staff members (previous year: 67) were employed at our international locations at the end of March.

Qualified and highly motivated employees are key to the success of our company. For this reason, we will continue to invest in building our workforce in selected areas, as well as in the further training of our staff members.

## The share

### Key figures relating to the centrotherm photovoltaics share

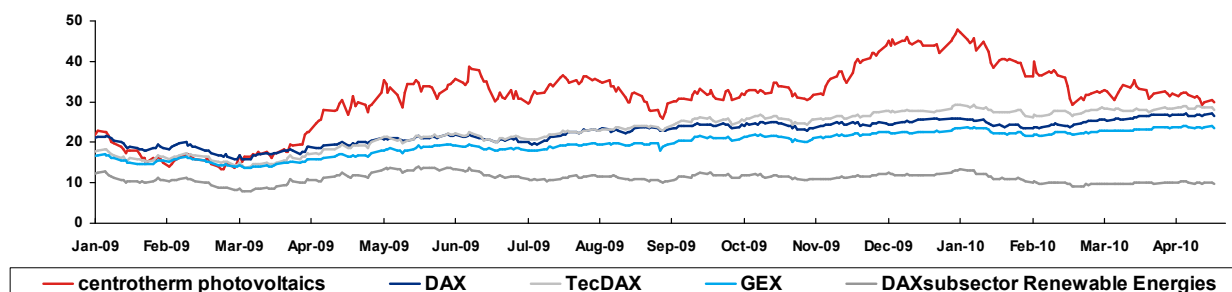
	3 months 2010	3 months 2009
Share capital in EUR	21,162,382	21,162,382
Number of shares	21,162,382	21,162,382
High in EUR	47.93	22.81
Low in EUR	29.39	13.43
Closing price* in EUR	31.50	19.40
Market capitalisation* in EUR	666,615,033	410,550,211
Earnings per share in EUR	0.31	0.50

\* as of March 31

The DAX index started the 2010 financial year at 6,048 points. It reported a slight uptrend during the subsequent weeks of the first quarter, and closed at 6,154 points as of March 31, 2010. At 816 points at the quarter-end, the TecDAX index stood approximately at the level it recorded at the start of the year. In XETRA trading, our share fell from EUR 42.20 as of the start of the year to EUR 31.50 as of March 31, 2010. It reached its first-quarter high on January 7, 2010 at EUR 47.93. It fell to its first-quarter low on February 25, 2010 at EUR 29.39. This reflects a positive share price performance compared with the prior-year period. Whereas the market capitalization still amounted to TEUR 410,550 as of the March 31, 2009 reporting date, we have now boosted the company's value to TEUR 666,615 as of March 31, 2010.

A total of 22 banks and securities houses reported regularly on the centrotherm photovoltaics share. During the first quarter of 2010, Bryan, Garnier & Co. and Jefferies International Ltd commenced coverage and both houses issued a buy recommendation for our share. We were also present at international financial centers in the first quarter. For instance, our sharehold-

ers enjoyed the opportunity to discuss the latest company and photovoltaic market trends with the Management Board as part of the annual LBBW Photovoltaic Conference in Zurich, and at the Commerzbank Growth & Responsibility Conference in Frankfurt. We also conducted a roadshow in London, and were regularly available for one-on-one meetings. Above and beyond this, we will shortly make all relevant information concerning this year's Shareholders' General Meeting on June 22, 2010 available to our shareholders on our website.



## Research and development

In the **Silicon & Wafer** area, we focused our research and development activities on the next generation of our reactors and converters. The first 24-pair reactors and "high-pressure" converters are currently in the construction phase. We have also already achieved excellent results with our multi-crystalline ingot furnace.

In the **Solar Cell & Module** segment, besides working on our new FlexLine Plus with selective emitter technology, we have also pushed ahead with the integration of an innovative solar cell rear side. In the first quarter of 2010, we have already achieved average efficiencies of 18.7% through the combination of the selective emitter with a new rear side contact. These laboratory solar cells are manufactured on a completely industrially compatible basis, and are based on large-area monocrystalline wafers with the 15.6 cm x 15.6 cm dimensions that are now usual in production. A further milestone was the attainment of the values of over 640 mV for open clamping voltage in an industrial process with high-resistance material. We anticipate efficiencies of around 19% in the short term. We have worked intensively on further cost-reductions for both technologies as part of our strategic roadmap of further reducing our customers' production costs. This includes reducing

process steps, and thereby investment costs per watt peak, as well as savings in terms of key consumables. We identify great potential in the combination of our selective emitter technology with our new cell rear side, since this leads not only to synergies in the case of efficiencies, but also in the case of the number of process systems utilized.

Along with the continuous improvement of efficiencies for laboratory cells and pilot line modules, the focus points in the **Thin Film Module** area particularly included the implementation of the developed results in the development of high-performance production systems. For instance, development teams were assembled for the core processes, in which the knowledge of the research and development department in Blaubeuren was integrated with the experience gained from the production line at the first customer. The aim is to integrate the latest results relating to optimized process management directly and rapidly into system development.

## 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 2009 annual report for a detailed description of the risk management system.

There were no significant changes in the first three months of 2010 compared with the opportunities and risks described in detail in the 2009 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 37.

## Report on events subsequent to the reporting date

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

## Forecast report

We are assuming the fact that pressure will remain on manufacturers to produce solar cells and modules even more efficiently than to date. Our aim is to exploit this opportunity by making highly efficient systems and technologies available to our customers. Our forecast for the 2010 financial year, with revenue budgeted to grow to between EUR 550 million and EUR 580 million, is based on our solid order book, and the current strong demand, particularly in the single equipment area.

Blaubeuren, May 2010

centrotherm photovoltaics AG

The Management Board

# Consolidated Financial Statements

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**Consolidated income statement**

in TEUR	Notes	01.01.- 31.03.2010	01.01.- 31.03.2009
<b>Sales revenue</b>	5.	<b>115,275</b>	<b>131,001</b>
Change in inventory of finished goods and work-in-progress		<b>3,989</b>	3,282
Capitalized services rendered to own account	6.	<b>3,686</b>	2,786
Increase in liabilities for services yet to be performed		<b>-328</b>	-295
<b>Total operating performance</b>		<b>122,622</b>	<b>136,774</b>
Other operating income	7.	<b>4,822</b>	385
Cost of materials	8.	<b>-71,394</b>	-88,937
Personnel expenses	9.	<b>-17,653</b>	-14,534
Other operating expenses	10.	<b>-23,605</b>	-14,142
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>14,792</b>	<b>19,546</b>
Amortization and depreciation		<b>-4,948</b>	-4,890
<b>Earnings before interest and tax (EBIT)</b>		<b>9,844</b>	<b>14,656</b>
Financial income		<b>155</b>	1,167
Financial expenses		<b>-340</b>	-532
Financial result	11.	<b>-185</b>	635
<b>Earnings before tax (EBT)</b>		<b>9,659</b>	<b>15,291</b>
Taxes on income	12.	<b>-3,008</b>	-4,587
<b>Net income (EAT)</b>		<b>6,651</b>	<b>10,704</b>
Minority interests	13.	<b>-25</b>	-225
<b>Consolidated net income</b>		<b>6,626</b>	<b>10,479</b>
Weighted average number of shares in '000		<b>21,162</b>	<b>21,162</b>
<b>Earnings per share as of the reporting date in EUR</b>	14.	<b>0.31</b>	<b>0.50</b>

**Consolidated statement of comprehensive income**

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
<b>Net income (EAT)</b>	<b>6,651</b>	<b>10,704</b>
Revaluation of securities		
Gain/loss arising in the current period	51	-387
Less earnings-effective reclassification to income statement	-6	-209
Deferred tax on revaluation of securities	-7	89
Difference from currency conversion	-28	-31
<b>Earnings recognized as direct to equity</b>	<b>10</b>	<b>-538</b>
<b>Comprehensive net income</b>	<b>6,661</b>	<b>10,166</b>
of which attributable to minority interests	25	225
of which attributable to CTPV AG	6,636	9,941

**Consolidated balance sheet****Assets**

in TEUR	Notes	31.03.2010	31.12.2009
<b>Non-current assets</b>			
Intangible assets	15.		
Goodwill		<b>129,298</b>	129,298
Internally generated intangible assets		<b>27,021</b>	24,369
Other intangible assets		<b>72,831</b>	75,370
Property, plant and equipment	16.	<b>72,577</b>	71,303
Investments		<b>466</b>	466
Non-current receivables from taxes on income		<b>108</b>	108
Other non-current assets		<b>793</b>	1,153
Deferred tax		<b>3,516</b>	4,249
<b>Total</b>		<b>306,610</b>	<b>306,316</b>
<b>Current assets</b>			
Inventories	17.	<b>58,589</b>	39,744
Receivables relating to production orders	18.	<b>164,847</b>	137,103
Trade receivables	19.	<b>39,514</b>	17,640
Other receivables			
Receivables due from equity interests		<b>314</b>	305
Receivables due from related companies and persons	20.	<b>538</b>	444
Advance payments made	21.	<b>20,621</b>	25,977
Current receivables from taxes on income		<b>15,319</b>	14,383
Other current assets	22.	<b>18,196</b>	30,175
Securities	23.	<b>30,774</b>	34,412
Cash and cash equivalents	24.	<b>126,267</b>	133,755
<b>Total</b>		<b>474,979</b>	<b>433,938</b>
<b>Total assets</b>		<b>781,589</b>	<b>740,254</b>

**Equity and liabilities**

in TEUR	Notes	31.03.2010	31.12.2009
<b>Equity</b>	25.		
Equity attributable to parent company shareholders			
Subscribed capital		21,162	21,162
Capital reserves		245,003	245,003
Revaluation reserve		592	554
Retained earnings		77,308	48,792
Consolidated net income		6,626	28,544
Minority interests		412	387
<b>Total</b>		<b>351,103</b>	<b>344,442</b>
<b>Non-current liabilities</b>			
Other non-current liabilities		541	541
Other non-current provisions	26.	20,565	20,680
Deferred tax		51,486	50,957
<b>Total</b>		<b>72,592</b>	<b>72,178</b>
<b>Current liabilities</b>			
Provisions for taxes	27.	6,229	6,716
Other current provisions	28.	8,303	7,289
Liabilities arising from construction contracts	29.	113,274	112,023
Trade payables	30.	40,688	39,711
Advance payments received	31.	157,783	118,290
Liabilities to equity interests		69	121
Liabilities to related companies and persons	32.	1,561	1,231
Other current liabilities	33.	29,987	38,253
<b>Total</b>		<b>357,894</b>	<b>323,634</b>
<b>Total equity and liabilities</b>		<b>781,589</b>	<b>740,254</b>

**Statement of changes in consolidated equity**

in TEUR	Subscribed capital	Capital reserves
<b>from January 1, 2009 to March 31, 2009</b>		
<b>As of January 1, 2009</b>	<b>21,162</b>	<b>244,811</b>
Transfer to parent company revenue reserves	0	0
Currency conversion	0	0
Revaluation of securities	0	0
Other effects	0	15
Net income (EAT)	0	0
<b>As of March 31, 2009</b>	<b>21,162</b>	<b>244,826</b>
<b>from January 1, 2010 to March 31, 2010</b>		
<b>As of January 1, 2010</b>	<b>21,162</b>	<b>245,003</b>
Transfer to parent company revenue reserves	0	0
Currency conversion	0	0
Revaluation of securities	0	0
Net income (EAT)	0	0
<b>As of March 31, 2010</b>	<b>21,162</b>	<b>245,003</b>

Revaluation reserve	Other retained earnings	Consolidated balance sheet profit	Total	Minority interests	Consolidated equity
<b>3,608</b>	<b>14,239</b>	<b>34,570</b>	<b>318,390</b>	<b>-202</b>	<b>318,188</b>
0	34,570	-34,570	0	0	<b>0</b>
0	-31	0	-31	0	<b>-31</b>
-507	0	0	-507	0	<b>-507</b>
0	-1,287	0	-1,272	0	<b>-1,272</b>
0	0	10,479	10,479	225	<b>10,704</b>
<b>3,101</b>	<b>47,491</b>	<b>10,479</b>	<b>327,059</b>	<b>23</b>	<b>327,082</b>
<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	<b>0</b>
0	-28	0	-28	0	<b>-28</b>
38	0	0	38	0	<b>38</b>
0	0	6,626	6,626	25	<b>6,651</b>
<b>592</b>	<b>77,308</b>	<b>6,626</b>	<b>350,691</b>	<b>412</b>	<b>351,103</b>

**Consolidated cash flow statement**

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
<b>Earnings before tax (EBT)</b>	<b>9,659</b>	<b>15,291</b>
+ Depreciation of non-current assets	4,948	4,889
+ Losses from fixed assets	61	0
+ Losses from intangible assets	14	0
- Increase in inventories, future receivables relating to production orders and pre-payments rendered	-41,235	-86,018
-/+ Increase/decrease in trade receivables	-21,874	1,503
+ Decrease in other assets not allocated to investment or financing activities	12,236	1,455
+ Change of other current provisions	1,014	518
+/- Increase/decrease in trade payables	977	-2,957
+ Increase in prepayments received and liabilities relating to construction contracts	40,746	43,371
-/+ Decrease/increase in other liabilities not allocated to investment or financing activities	-8,103	123
- Income tax payments	-3,169	-2,735
- Other non-cash expenses and income	-39	-15
<b>= Cash flow from operating activities</b>	<b>-4,765</b>	<b>-24,575</b>
+ Payments received from fixed assets	9	0
+ Payments received from intangible assets	76	0
- Outgoing payments for investments in fixed assets	-3,061	-9,776
- Outgoing payments for investments in intangible assets	-3,435	-2,437
+ Balance of incoming and outgoing payments arising from the sale/purchase of securities and financial investments	3,688	2,339
<b>= Cash flow from investing activities</b>	<b>-2,723</b>	<b>-9,874</b>
<b>Cash flow from financing activities</b>	<b>0</b>	<b>0</b>
<b>= Earnings-effective change in cash and cash equivalents</b>	<b>-7,488</b>	<b>-34,449</b>
+ Cash and cash equivalents at the start of the period	133,755	86,965
<b>= Cash and cash equivalents at the end of the period</b>	<b>126,267</b>	<b>52,516</b>

# Notes to the consolidated financial statements

## 1. General information

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

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

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

centrotherm photovoltaics AG 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.

There were otherwise no changes to the scope of consolidation compared with December 31, 2009.

The following is a list of CTPV AG's consolidated shareholdings as of March 31, 2010:

**CTPV AG's shareholdings in fully consolidated companies as of March 31, 2010**

in % consolidated companies	Direct share	Indirect share	Combined share
centrotherm photovoltaics Asia Pte. Ltd., Singapore	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, Martinsried	0.00	76.00	76.00
GP Solar GmbH, Constance	100.00	0.00	100.00
Michael Glatt Maschinenbau GmbH, Abensberg	0.00	100.00	100.00

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

These interim financial statements as of March 31, 2010 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, 2009.

When preparing the interim consolidated financial statements, the same accounting principles have generally been applied as those used in the case of the consolidated financial statements as of December 31, 2009.

There were no notable effects arising from the new or amended standards and interpretations on either accounting methods or the Group's asset, financial and earnings positions.

These interim consolidated financial statements have been prepared in euros. All amounts are presented in thousands of euros (TEUR) unless otherwise stated.

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

**Exchange rates to the euro**

	Reporting date rate		Average rate	
	31.03.2010	31.12.2009	01.01.- 31.03.2010	01.01.- 31.03.2009
US dollar (USD)	<b>0.74</b>	0.70	<b>0.72</b>	0.77
Singapore dollar (SGD)	<b>0.53</b>	0.50	<b>0.51</b>	0.51

#### 4. Segmental reporting

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

The Silicon & Wafer segment comprises the planning, design, sale 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.

We have reported the Thin Film business in its own separate segment since July 01, 2009. 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:

##### Reporting by market segment 2010

				01.01.- 31.03.2010
in TEUR	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	43,309	68,189	3,777	<b>115,275</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>43,309</b>	<b>68,189</b>	<b>3,777</b>	<b>115,275</b>
<b>EBITDA</b>	<b>8,695</b>	<b>14,139</b>	<b>-8,042</b>	<b>14,792</b>
<b>EBITDA as % of revenue</b>	<b>20.1</b>	<b>20.7</b>	<b>-212.9</b>	<b>12.8</b>
<b>EBIT</b>	<b>6,996</b>	<b>11,675</b>	<b>-8,827</b>	<b>9,844</b>
<b>EBIT as % of revenue</b>	<b>16.2</b>	<b>17.1</b>	<b>-233.7</b>	<b>8.5</b>

The segmental result of Thin Film Module was negatively influenced by additional estimated costs for our first Thin film project in Taiwan. We work on the further increase of the efficiency level and preparation for massproduction with our customer.

Due to the modification of the segmental composition since July 01, 2009 into the areas of Silicon & Wafer, Solar Cell & Module and Thin Film Module, the quarterly figures of the previous year were adjusted in accordance with the new segmental delineation. These are as follows:

### Reporting by market segment 2009

in TEUR				01.01.- 31.03.2009
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	33,170	86,435	11,396	<b>131,001</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>33,170</b>	<b>86,435</b>	<b>11,396</b>	<b>131,001</b>
<b>EBITDA</b>	<b>5,853</b>	<b>13,834</b>	<b>-141</b>	<b>19,546</b>
<b>EBITDA as % of revenue</b>	<b>17.6</b>	<b>16.0</b>	<b>-1.2</b>	<b>14.9</b>
<b>EBIT</b>	<b>4,113</b>	<b>11,715</b>	<b>-1,172</b>	<b>14,656</b>
<b>EBIT as % of revenue</b>	<b>12.4</b>	<b>13.6</b>	<b>-10.3</b>	<b>11.2</b>

Revenues by regions are as follows pursuant:

### Revenue by regions

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
	Germany	<b>6,962</b>
Other Europe	<b>8,166</b>	11,496
Asia	<b>96,729</b>	101,251
ROW	<b>3,418</b>	2,940
<b>Total</b>	<b>115,275</b>	<b>131,001</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 01 and March 31, 2009

## 5. Sales revenue

Revenue amounted to TEUR 115,275 in the first three months of 2010 (Comparable period previous year: TEUR 131,001), TEUR 276 of which was attributable to related companies (Comparable period previous year: TEUR 136).

## 6. Capitalized services rendered to own account

Own work capitalized of TEUR 3,686 (Comparable period previous year: TEUR 2,786) mainly relates to own work capitalized in connection with development projects.

## 7. Other operating income

The other operating income of TEUR 4,822 (Comparable period previous year: TEUR 385) contains particularly releases of provisions and reductions of obligations amounting to TEUR 4,006.

## 8. Cost of materials

The materials expense in the first three months of 2010 of TEUR 71,394 (Comparable period previous year: TEUR 88,937) is composed as follows:

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
Expenses for raw materials and supplies, and for procured goods	<b>65,408</b>	79,566
Expenses for procured services	<b>5,986</b>	9,371
<b>Total</b>	<b>71,394</b>	<b>88,937</b>

Of the expenses for raw materials and supplies, procured goods, and services procured, TEUR 3,032 (Comparable period previous year: TEUR 2,297) was attributable to related companies.

## 9. Personnel expenses

Personnel expenses amounted to TEUR 17,653 in the first three months of 2010 (Comparable period previous year: TEUR 14,534). This amount includes TEUR 2,116 (Comparable period previous year: TEUR 2,015) of expenses for social contributions and expenses for pensions and benefits; of which attributable TEUR 76 (Comparable period previous year: TEUR 143) to pension expenses.

A total of 1,136 members of staff were employed in the Group as of the reporting date (Comparable period previous year: 1,092 members of staff). The average number of employees was 1,132 in the first three months of 2010 (Comparable period previous year: 1,087).

## 10. Other operating expenses

Other operating expenses of TEUR 23,605 (Comparable period previous year: TEUR 14,142) are composed as follows:

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
Management services	2,939	2,786
Travel expenses	2,101	1,837
Freight and packaging	2,330	1,604
Other services	1,056	387
Insurance and contributions	501	565
Legal and general consultancy	1,589	722
Sales commissions	2,688	938
Research and development	168	544
Premises expenses	922	730
Advertising costs	507	694
Write-downs to trade receivables and receivables relating to production orders	4,871	0
Bank charges	654	258
Guarantee	108	26
Passenger vehicle costs	279	309
Foreign-exchange losses	37	63
Employee benefit costs	542	453
Telephone and communication	247	181
Asset disposals	75	0
Write-downs to inventories	5	0
Miscellaneous	1,986	2,045
<b>Total</b>	<b>23,605</b>	<b>14,142</b>

Other operating expenses include services with a value of TEUR 3,239 (Comparable period previous year: TEUR 2,814) that were sourced from related companies.

The write-downs to trade receivables and receivables relating to production orders relate particularly the increase of target costs for our first Thin film project in Taiwan.

## 11. Financial result

The financial result is composed as follows:

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
Financial income	155	1,167
Financial expenses	-340	-532
<b>Financial result</b>	<b>-185</b>	<b>635</b>

## 12. Taxes on income

Corporation tax plus the Solidarity Surcharge amounts to 15.83 %. Trade tax amounts to approximately 12.0 %, which results in a total tax rate in Germany of approximately 28.0 %. A future estimated tax rate of 30.0 % was used for the deferral of tax in the interim consolidated financial statements.

The taxes on income are as follows:

in TEUR	01.01.- 31.03.2010	01.01.- 31.03.2009
Deferred tax	1,256	678
Actual income tax	1,752	3,909
<b>Total</b>	<b>3,008</b>	<b>4,587</b>

## 13. Minority interests

Earnings attributable to minority interests amounted to TEUR 25 (Comparable period previous year: TEUR 225).

## 14. Earnings per share

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

Earnings per share are calculated as follows for the reporting period and the comparable period of the previous year:

in EUR	01.01.- 31.03.2010	01.01.- 31.03.2009
Consolidated earnings	6,625,821	10,479,036
Weighted average number of shares	21,162,382	21,162,382
<b>Earnings per share</b>	<b>0.31</b>	<b>0.50</b>

## Notes to the consolidated balance sheet

### 15. Intangible assets

Intangible assets reflect mainly goodwill relating to the companies centrotherm thermal solutions GmbH & Co. KG (TEUR 89,296), GP Solar GmbH (TEUR 3,853), FHR Anlagenbau GmbH (TEUR 8,200), Michael Glatt Maschinenbau GmbH (TEUR 455) and centrotherm SiTec GmbH (TEUR 27,494) as well as capitalized development costs (TEUR 27,021). The other intangible assets item contains particularly assets (technologies and customer relationship) arising from purchase price allocations performed in 2008 (TEUR 71,639). Other intangible assets also include software patents of limited useful life.

### 16. Property, plant and equipment

Property, plant and equipment of TEUR 72,577 (December 31, 2009: TEUR 71,303) relates primarily to buildings (TEUR 32,795) and machinery (TEUR 14,476).

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

### 17. Inventories

The reported inventory is composed as follows:

in TEUR	31.03.2010	31.12.2009
Raw materials and supplies	45,418	30,562
Semi-finished goods and services	10,279	5,283
Finished goods/products	2,892	3,899
<b>Total</b>	<b>58,589</b>	<b>39,744</b>

### 18. Receivables relating to production orders

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

in TEUR	31.03.2010	31.12.2009
Receivables relating to production orders (gross)	275,965	251,311
Offset with advance payments received	-111,118	-114,208
<b>Total</b>	<b>164,847</b>	<b>137,103</b>

## 19. Trade receivables

in TEUR	31.03.2010	31.12.2009
Receivables	129,589	120,669
Advance payments requested	-86,282	-99,680
Specific adjustments	-3,407	-3,219
General adjustments	-386	-130
<b>Total</b>	<b>39,514</b>	<b>17,640</b>

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

## 20. Receivables due from related companies and persons

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

in TEUR	31.03.2010	31.12.2009
centrotherm Sud Europe SAS, France	197	185
centrotherm clean solutions GmbH & Co. KG	162	91
centrotherm L.P., USA	80	71
centrotherm management services GmbH & Co. KG	2	1
centrotherm Elektrische Anlagen GmbH & Co. KG	97	96
<b>Total</b>	<b>538</b>	<b>444</b>

## 21. Advance payments made

Advance payments made of TEUR 20,621 as of March 31, 2010 (December 31, 2009: TEUR 25,977) have a residual maturity of up to one year. This item contains advance payments made to related companies of TEUR 36 (December 31, 2009: TEUR 141). The advance payments made were primarily rendered for inventories.

## 22. Other current assets

Other current assets consist of the following items as of March 31, 2010, all with a residual maturity of up to one year:

in TEUR	31.03.2010	31.12.2009
VAT receivables	13,815	25,668
Receivables related to loan	51	50
Accruals item	477	486
Other	3,853	3,971
<b>Total</b>	<b>18,196</b>	<b>30,175</b>

### 23. Securities

Primarily shares in money market and investment funds are reported among securities totaling TEUR 30,774 (December 31, 2009: TEUR 34,412).

### 24. Cash and cash equivalents

in TEUR	31.03.2010	31.12.2009
Cash and currency holdings	27	34
Bank deposits	35,060	32,625
Short-term investments	91,180	101,096
<b>Total</b>	<b>126,267</b>	<b>133,755</b>

### 25. Equity

The individual components of equity in the January 01 to March 31, 2010 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 March 31, 2010 (December 31, 2009: TEUR 21,162). The subscribed capital is split into 21,162,382 (December 31, 2009: 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 11, 2012 by a total of up to EUR 2,837,618 (in words: two million eight hundred thirty seven thousand six hundred eighteen euros) in return for cash and/or non-cash contributions by issuing new individual bearer share certificates (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 in return for 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 §§ 203 Paragraphs 1 and 2, 186 Paragraph 3 Sentence 4 of the German Stock Corporation Law [AktG] at the time of final determination of the issuing amount. This exclusion of subscription rights is limited to a respective total of 10 % of the existing capital stock of the company at most at the time of adoption of the resolution by the General Meeting of Shareholders on September 26, 2007 regarding this approved capital and exercise of this authorization. This limitation takes shares into consideration which were sold or issued during the term of this authorization due to other authorizations in direct or corresponding application of § 186 Paragraph 3 Sentence 4 of the German Stock Corporation Law [AktG] to the exclusion of statutory 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, interest in companies or parts of companies;
3. in order to reconcile residual amounts;

4. 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 company staff or 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 payment-in-kind (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 Clause 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 payment-in-kind, particularly for the acquisition companies, stakes in companies, or parts of companies.

The Management Board is furthermore authorized, with the approval of the Supervisory Board, to determine the further specificities 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 split into up to 2,116,238 ordinary bearer shares.

### **Capital reserves**

Capital reserves 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 contains currency reserves of TEUR -49 (December 31, 2009: TEUR -21).

### **Minority interests**

The minority interest item reflects the share of ownership by third parties in the Group companies. The changes of the minority interest's in the reporting period and the comparable period of the previous year are presented in the statement of changes in equity.

## **26. Other non-current provisions**

Other non-current liabilities totaled TEUR 20,565 as of March 31, 2010 (December 31, 2009: TEUR 20,680). This mainly relates to discounted purchase price liabilities of TEUR 19,958 arising from the acquisition of shares in SolMic. This item also contains public-sector grants.

## **27. Provisions for taxes**

Tax provisions amounted to TEUR 6,229 as of March 31, 2010 (December 31, 2009: TEUR 6,716). These comprise mainly income tax liabilities that have been incurred but not yet paid.

## 28. Other current provisions

Other current provisions amounted to TEUR 8,303 as of March 31, 2010 (December 31, 2009: TEUR 7,289). These provisions relate primarily to follow-up costs of TEUR 2,893 for orders that have been delivered (December 31, 2009: TEUR 2,547), and guarantee provisions of TEUR 3,984 (December 31, 2009: TEUR 3,853).

## 29. Liabilities arising from construction contracts

As of March 31, 2010 there were liabilities arising from construction contracts outstanding of TEUR 113,274 (December 31, 2009: TEUR 112,023):

in TEUR	31.03.2010	31.12.2009
Receivables relating to production orders (gross)	145,949	238,714
Offset with advance payments received	-259,223	-350,737
<b>Total</b>	<b>113,274</b>	<b>112,023</b>

## 30. Trade payables

The total amount of trade payables of TEUR 40,688 is due within one year (December 31, 2009: TEUR 39,711).

## 31. Advance payments received

Prepayments received amounting to TEUR 157,783 (December 31, 2009: TEUR 118,290) relate to advances received that are independent of the output of goods and services. There is consequently no netting with the asset or liability balance arising from production orders.

## 32. 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	31.03.2010	31.12.2009
centrotherm management services GmbH & Co. KG	4	18
centrotherm Elektrische Anlagen GmbH & Co. KG	1,100	825
TCH GmbH	225	224
Autenrieth Beteiligungs GmbH	53	52
Other	179	112
<b>Total</b>	<b>1,561</b>	<b>1,231</b>

The liabilities due to TCH GmbH of TEUR 225 (December 31, 2009: TEUR 224) and Authenrieth Beteiligungs GmbH of TEUR 53 (December 31, 2009: TEUR 52) relate to loan liabilities. These loans carry interest rates of 5 % per annum. The loan liabilities are measured as of March 31, 2010 and include accrued interest as of this date. As the parent company, TCH GmbH is also an associated company of CTPV AG. Liabilities to related parties have a residual term of up to one year.

### 33. Other current liabilities

Other current liabilities are composed as follows:

in TEUR	31.03.2010	31.12.2009
Liabilities arising from payments of the purchase price for SolMic	7,500	7,500
Personnel liabilities	8,708	7,200
Obligations arising from commissions	7,546	4,892
VAT liabilities	4,038	15,998
Insurance premiums outstanding	578	409
Travel and entertainment expenses	547	535
Deffered income	154	162
Other	916	1,557
<b>Total</b>	<b>29,987</b>	<b>38,253</b>

### Other notes

#### 34. Guarantees

As of March 31, 2010, there were guarantees of TEUR 85,004 (December 31, 2009: TEUR 90,104).

#### 35. Related parties

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

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

- centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, centrotherm management services GmbH & Co. KG, Blaubeuren, centrotherm clean solutions GmbH & Co. KG, Blaubeuren, and centrotherm Sud Europe SAS, France, render services for the company, in particular in the areas of legal documentation, insurance, vehicle management, personnel, order processing, purchasing, warehousing and dispatch, facility management, IT, and telecommunications. These services entailed a volume of TEUR 3,023 in the first three months.
- Until March 31, 2010, centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, and centrotherm clean solutions GmbH & Co. KG, Blaubeuren, had performed services as part of construction contracts for centrotherm thermal solutions GmbH & Co. KG totaling TEUR 2,378.
- Three hire purchase agreements were signed between centrotherm thermal solutions GmbH & Co. KG and centrotherm Elektrische Anlagen GmbH & Co. KG, Blaubeuren, on October 31, 2008 with effect as of January 01, 2009. As part of these hire purchase agreements, centrotherm thermal solutions GmbH & Co. KG sold machines with a value of TEUR 642 to centrotherm Elektrische Anlagen GmbH & Co. KG. The hire purchase agreements have a duration of between 8 and 10 years, and the hire purchase installments carry an interest rate of 6 % per annum. Centrotherm Elektrische Anlagen GmbH & Co. KG had rendered total hire purchase installments of TEUR 24 in the first three months of 2010.
- There is a rental agreement until 2015 for rented premises concluded with centrotherm Besitz GmbH & Co. KG, Blaubeuren. The monthly rent amounts to TEUR 72.

- Volksbank Blaubeuren e.G. has also made a credit line available to the company and certain sister companies for a total amount of TEUR 2,600. The Group company centrotherm thermal solutions GmbH & Co. KG is jointly and severally liable for the utilization of the credit line by the sister companies.
- DZ BANK AG, Frankfurt am Main, has made two loans amounting to TEUR 3,500 available to centrotherm Besitz GmbH & Co. KG for which centrotherm thermal solutions GmbH & Co. KG is jointly and severally liable.
- Besides this, DZ BANK AG has made a guarantee credit of TEUR 1,500 available to centrotherm thermal solutions GmbH & Co. KG and certain sister companies. centrotherm thermal solutions GmbH & Co. KG is jointly and severally liable for utilization of the guarantee credit by its sister companies.
- In the first three months of 2010, the company generated revenue from service and supply of replacement parts of TEUR 276 with centrotherm technologies LP, USA, centrotherm Sud Europe SAS, France, centrotherm clean solutions GmbH & Co. KG, Blaubeuren, centrotherm management services 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.
- The company is included as a co-insured company in individual insurance agreements concluded by its sister companies.
- Additionally Dr. Horn Unternehmensberatung GmbH provided 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.

### 36. Events following the reporting date

No major events occurred after the quarterly reporting date that are of key significance for the further course of business for centrotherm photovoltaics, and which could lead to a different assessment of business progress.

### 37. Corporate bodies

The following members of the Management Board held office during the first three months of 2010:

- Robert M. Hartung, Business Executive/ Engineer (Spokesperson for the Management Board),
- Hans Autenrieth, Graduate in Business Administration,
- Oliver M. Albrecht, Business Executive,
- Dr. Peter Fath, Physicist,
- Dr. Dirk Stenkamp, Physicist.

The following Supervisory Board members held office during the first three months of 2010:

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

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

The Management Board has approved this set of interim consolidated financial statements for publication as the result of the resolution of May 07, 2010.

Blaubeuren, May 2010, centrotherm photovoltaics AG, The Management Board

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