

The background features a vertical gradient of colors from dark red on the left to bright orange in the center, then back to dark red on the right. Overlaid on this are several large, semi-transparent, overlapping circles in shades of grey and white, creating a dynamic, abstract pattern.

**centrotherm**  
photovoltaics

Interim Report  
as of June 30, 2011

# Key figures

## Key Figures for centrotherm photovoltaics Group

in TEUR	01.01.- 30.06.2011	01.01.- 30.06.2010	Changes in %
Revenue	<b>428,628</b>	278,309	54.0
Total operating performance	<b>479,293</b>	288,399	66.2
EBITDA	<b>66,478</b>	45,853	45.0
EBITDA margin in % <sup>1,2</sup>	<b>15.5</b>	16.5	-1.0
EBIT	<b>53,233</b>	33,855	57.2
EBIT margin in % <sup>1,2</sup>	<b>12.4</b>	12.2	0.2
EBT	<b>52,929</b>	33,086	60.0
EBT margin in % <sup>1,2</sup>	<b>12.3</b>	11.9	0.4
Consolidated net income	<b>37,429</b>	22,917	63.3
Earnings per share in EUR	<b>1.77</b>	1.08	63.9
Weighted average number of shares in thousand	<b>21,162</b>	21,162	0.0
Total expenses R&D	<b>21,736</b>	18,838	15.4
Capex	<b>28,533</b>	7,772	267.1
ROCE in % <sup>2</sup>	<b>29.8</b>	26.5	3.3
Operating cash flow	<b>-9,540</b>	43,621	-121.9
Incoming order	<b>344,533</b>	353,271	-2.5
	<b>30.06.2011</b>	31.12.2010	
Total assets	<b>969,504</b>	805,649	20.3
Equity	<b>433,485</b>	396,356	9.4
Equity ratio in % <sup>2</sup>	<b>44.7</b>	49.2	-4.5
Number of employees as of the reporting date	<b>1,899</b>	1,448	31.1
Order book	<b>715,247</b>	843,807	-15.2

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

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

# Highlights

## Success thanks to technology strengths and leading market position

### Marked growth in H1 2011 revenue and earnings

- Significant revenue increase of 54.0 % to TEUR 428,628 (H1 2010: TEUR 278,309)
- EBIT up 57.2 % to TEUR 53,233 (H1 2010: TEUR 33,855)
- Earnings per share: EUR 1.77 (H1 2010: EUR 1.08)
- Return on capital employed (ROCE) improves to 29.8 % (H1 2010: 26.5 %)

### 2011 financial year earnings and revenue forecasts confirmed

- Revenue growth to between EUR 690 million and EUR 710 million
- Achievement of low double-digit EBIT margin

### Record earnings in Solar Cell & Module segment

- Revenue of TEUR 382,043 more than doubles year-on-year
- EBIT up 93.4 % to TEUR 81,667 (H1 2010: TEUR 42,230)
- Rising demand for upgrade packages comprising selective emitter technology
- Single equipment shipments averaging 80 systems per month more than double year-on-year

### Upgrade business with future potential

- Market potential of over EUR 1 billion to the end of 2012
- Sales offensive launched for selective emitter and centaurus rear side upgrade technologies

### Major order won in Algeria

- Consortium consisting of centrotherm photovoltaics AG and Kinetics Germany GmbH signs agreement for almost fully integrated factory in Algeria; Major portion of EUR 290 million order volume lies with centrotherm photovoltaics
- Factory covers entire solar value chain, ranging from ingot production and solar cell manufacturing through to solar module end-products

### Launch of new technologies and expansion of product portfolio

- Selective emitter technology successfully installed at customer
- centrotherm SiTec achieves important milestone at Chinese state company with "First Ingot Out"
- Expansion of product portfolio to include key equipment for integrated ingot and wafer production

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# Letter to shareholders

## Dear shareholders,

The growth in our business in the first half of 2011 showed that our motto of "Exploiting opportunities" comprises more than empty words. We continued on our profitable growth path, and bucked the difficult market trend.

Group revenue climbed 54.0 percent to TEUR 428,628, while consolidated EBIT was up by 57.2 percent to TEUR 53,233. The bottom line is that we reported a significant increase in earnings per share from EUR 1.08 in the prior-year period to EUR 1.77. The strong growth in our new order intake continues to reflect our leading market position and technological strength. In a market environment that is becoming increasingly difficult, we won orders worth a total of TEUR 344,533 in the first six months of 2011.

Along with the operating business, the creation of added financial value is, and remains, one of our declared objectives: we aim to generate a premium to our capital costs on a long-term basis. For this reason, it pleases us, in particular, that we have again generated an attractive return on our capital employed (ROCE) of 29.8 percent.

Growth in the Solar Cell & Module segment was especially gratifying. Particularly after having won orders from renowned solar cell manufacturers to upgrade existing production lines to the latest technology, we anticipate further positive impulses over the short term from our so-called upgrade business. We have launched a global sales campaign specifically for this purpose. Around 800 of the total of approximately 1,000 solar cell production lines can be retrofitted. This generates a market potential of more than EUR 1 billion by the end of next year for our upgrade technologies entailing selective emitters and centaurus rear sides. We aim to benefit from this situation.

Given our good business growth, we are confirming our forecast of achieving revenue of between EUR 690 million and EUR 710 million, and a low double-digit EBIT margin, in the 2011 financial year.

I would like to thank you for the confidence you invest in us,

Yours  
Robert M. Hartung

# The share

## Key figures for the centrotherm photovoltaics share

in EUR	01.01.- 30.06.2011	01.01.- 30.06.2010
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>24.60</b>	24.50
Closing price <sup>1</sup>	<b>30.55</b>	27.80
Market capitalization <sup>1</sup>	<b>646,510,770</b>	588,314,220
Earnings per share	<b>1.77</b>	1.08

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

Equity markets in the first half of 2011 were affected both by a strong first-quarter earnings season, and the continuing Eurozone debt crisis. The DAX index started 2011 at 6,914 points. Following losses in the first half of March, the DAX recovered over subsequent weeks, appreciating by 4.8 % in the second quarter, and closing on June 30, 2011 at 7,376 points. The TecDAX index reported a 5.1 % increase in the first half of 2011. The DAXsubsector Renewable Energies index was strongly impacted by solar shares, which reported significant falls in the second quarter of 2011 after a very positive trend during the first three months of the year. The DAXsubsector Renewable Energies index closed on June 30 with a 7.5 % increase to 894 points. The centrotherm photovoltaics AG share was also strongly impacted by the solar sector trend. Following a

very strong first-quarter performance, the share came under pressure in May and June, closing on June 30, 2011 with a 13.4 % appreciation to EUR 30.55. It reached its high for the half on March 28, 2011, at EUR 42.52, and its low for the half was recorded on January 2011 at EUR 24.60. As a consequence, our share outperformed the indices in which it is listed. The company's market capitalization stood at EUR 647 million as of the June 30, 2011 reporting date, representing a year-on-year increase.

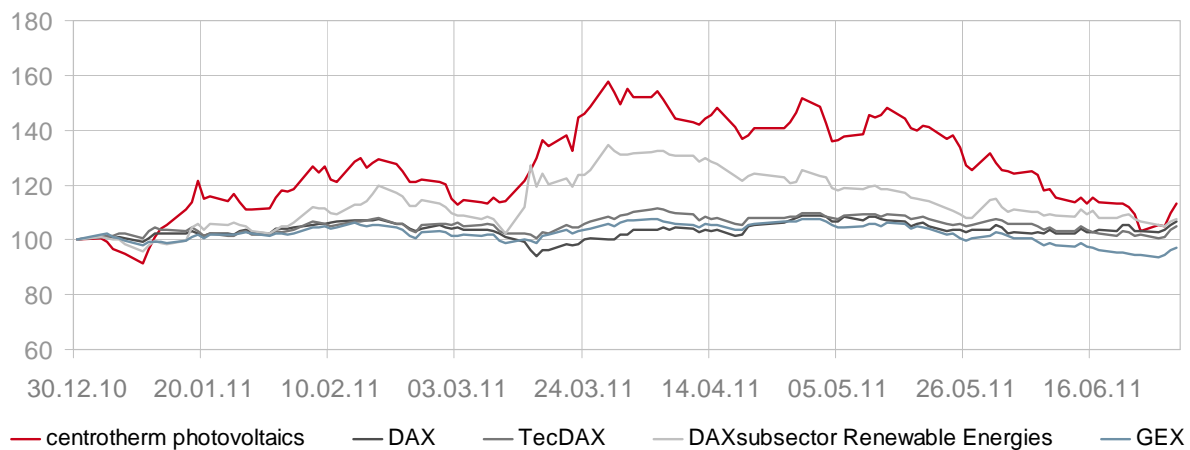
Along with the publication of the 2010 annual report, communication with the capital markets focused on regular and intensive dialogue with capital market participants. centrotherm photovoltaics met with investors in London and Paris as part of second-quarter road-

shows in order to discuss corporate and market trends, and was also at hand for one-on-one meetings at the Intersolar trade fair in Munich. We were also regularly available for company visits and meetings at our Blaubeuren location in order for greater insight to be gained into our company directly at its Group headquarters. centrotherm photovoltaics AG's ordinary Shareholders' General Meeting will be held in Ulm on August 18, 2011

this year. All documents relevant to the 2011 Shareholders' General Meeting can be downloaded from [www.centrotherm-pv.com](http://www.centrotherm-pv.com) within the "Annual General Meeting" area.

### centrotherm photovoltaics share price performance

in % indices rebased



# Group management report

## Important events during the reporting period

### Strong market position

#### Major order 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>.

#### Significant growth in single system shipments

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. This continued to prove beneficial in the first half of 2011, and, with an average of 80 systems per month, single equipment shipments more than doubled year-on-year. Key solar cell production equipment is produced at the Blaubeuren site. This includes tube furnaces for phos-

phorus diffusion (POCl<sub>3</sub>), and batch-type systems for the anti-reflective coating of solar cells (PECVD systems), as well as fast-firing furnaces in which front and rear contacts are burnt into solar wafers at high temperature.

### Increased demand for upgrade orders in the field of solar cell production

centrotherm photovoltaics has identified significant demand for high-performance cells and modules emanating from solar cell manufacturers and launched a sales offensive for selective emitter and centaurus rear side upgrade technologies. Of the approximately 1,000 solar cell production lines worldwide, around 800 could be upgraded. There is market potential of over EUR 1 billion until the end of next year for the two upgrade technologies – selective emitter and centaurus rear side. centrotherm photovoltaics is aiming to take advantage of this and is currently improving the performance of existing lines in China, Taiwan and India through the deployment of selective emitter technology.

### Focus on technological strength

#### Successful launch of laser diffusion

The strategic cooperation between ROFIN-BAASEL Lasertech GmbH & Co. KG and centrotherm photovoltaics AG is proving worthwhile in the selective emitter technology area: Dongfang Magi Solar, a Chinese customer of centrotherm photovoltaics, is achieving an average efficiency of more than 18.5 %, and charges of up to 18.7 %, through the deployment of the recently installed upgrade package entailing the laser-based

selective emitter. These cell efficiencies are significantly above the levels of around 18 % that are otherwise standard on the market. centrotherm photovoltaics has also proved higher efficiencies in mass production through upgrades at further cell manufacturers. The selective emitter is currently being retrofitted at several Asian customers. We noted higher demand for our upgrade packages in the second quarter of 2011. For this year, centrotherm photovoltaics anticipates that selective emitter technology possesses a sales potential in the double-digit area in millions of euros.

#### **"First Ingot Out" at Chinese state company**

For the first time, a silicon smelting and multi-crystallization furnace that has been developed by centrotherm SiTec was commissioned at a customer project at the end of the second quarter. This "First Ingot Out" represents a further important milestone towards the completion of our portfolio of services, and signifies our entry into a new and high-growth market environment. The first 450-kilogram ingot was produced in less than 60 hours in the multi-crystalline furnace developed by centrotherm SiTec, and has already achieved a high quality standard. Bricks and wafers are subsequently cut from these crystallized silicon blocks, before being processed to produce solar cells and modules. This system type is now being consistently further optimized and developed in order to increasingly gain market shares through a focus on cost optimization, and an expansion of capacity limits.

#### **Extension of solar value chain to include two key plants for integrated solar production**

With its ingot squaring and brick cropping systems, centrotherm SiTec is also expanding its range of products to include two key systems for integrated ingot and wafer production. The automated ingot squaring system saws the multi-crystalline ingots into bricks. The brick cropping system cuts these bricks to the precise corresponding length. Wafers are later produced from these bricks. Both systems deploy the latest diamond wire saw technology. This ensures highest-precision cuts matched by maximum productivity and optimized pro-

duction costs. The annual sales potential for both systems amounts to a double-digit amount in millions of euros.

#### **First dividend distribution planned**

We would like our shareholders to participate in the company's success with the payment of a dividend due to good earnings trends in the 2010 financial year. For this reason, the Management and Supervisory boards will propose to the Shareholders' General Meeting on August 18, 2011 that it pays a dividend of EUR 0.50 for the past financial year, plus a one-off bonus dividend of EUR 0.20 per share.

This proposal should be viewed as part of a long-term dividend policy. We plan to continue to pay dividends for the coming financial years depending on corporate development.

## **Analysis of the financial position**

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

As of June 30, 2011, the centrotherm photovoltaics Group consisted of 28 companies, 14 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

The Asian market remained the most important sales market in the first half of 2011. In particular, Asian premium cost leaders in solar cell and module production drove demand for our production equipment. Orders worth a total of TEUR 344,533 (previous year: TEUR 353,271) were signed and transferred to our order book in the first six months of 2011. Contrary to what is often thought, "made in Asia" solar cells are not regarded simply as export goods for the European market; rather, photovoltaics is to make a long-term contribution to covering these populations' growing energy demand from within their own countries.

Orders worth TEUR 14,656 were signed in the Silicon & Wafer segment.

Orders with a volume of TEUR 326,443 were received in the Solar Cell & Module segment in the first half of 2011. Demand was particularly directed at our key products in the thermal area: PECVD systems, and fast-firing and  $\text{POCl}_3$  furnaces.

We received TEUR 3,434 of new orders in the Thin Film Module segment.

The **order book position** amounted to TEUR 715,247 as of June 30, 2011 (June 30, 2010: TEUR 864,029). Of this amount, 34.0 % was attributable to the Silicon & Wafer area, 62.2 % to the Solar Cell & Module area, and 3.8 % to the Thin Film Module area.

## Order book

in TEUR	30.06.2010	30.09.2010	31.12.2010	31.03.2011	30.06.2011
Silicon & Wafer	638,634	309,084	277,093	259,493	243,356
Solar Cell & Module	209,263	406,627	513,774	575,475	444,939
Thin Film Module	16,132	31,975	52,940	34,803	26,952
<b>Total</b>	<b>864,029</b>	<b>747,686</b>	<b>843,807</b>	<b>869,771</b>	<b>715,247</b>

## Earnings

### Revenue and total operating performance

Thanks to our leading market and technology position we have advanced our business activities, also in an increasingly difficult market environment, and achieved considerable gains both in sales, as well as in total performance. Revenues were up by 54.0 % to TEUR 428,628 (previous year: TEUR 278,309).

This trend particularly reflected strong demand feeding through to high shipment volumes for single equipment for solar cell and module production.

In the first half of 2011, 8.7 % of revenue, or TEUR 37,154, was attributable to the turnkey production lines area. The absolute sales driver remained business with single equipment items. Of this revenue, TEUR 369,029, or 86.1 %, 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 17,009 in the first half of 2011 (previous year: TEUR 9,463).

With a 95.2 % export ratio (previous year: 94.0 %), we generated most of our revenue abroad. With TEUR 385,391 of revenue, the Asian business enjoyed the by far the largest share of Group revenue at 89.9 %. In particular, China and Taiwan remained among the most important sales markets. The second most important was Germany with a 4.8 % share, followed by the rest of Europe region with 3.9 % of total sales.

Total operating performance amounted to TEUR 479,293 in the first half of 2011 (previous year: TEUR 288,399), when taking into account changes in inventories of finished and semi-finished goods, and own work capitalized. The increase in the inventories of fin-

ished and semi-finished goods results from the circumstance that, as part of product standardization, the sale of individual equipment items increasingly relates less to construction contracts in the meaning of IAS 11, but rather to inventories in the meaning of IAS 2, with revenue realization on the basis of IAS 18 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.- 30.06.2011	01.01.- 30.06.2010	01.04.- 30.06.2011	01.04.- 30.06.2010
Germany	20,570	16,588	4,768	9,626
Other Europe	16,526	19,582	7,701	11,416
Asia	385,391	238,234	224,993	141,505
ROW	6,141	3,905	1,857	487
<b>Total</b>	<b>428,628</b>	<b>278,309</b>	<b>239,319</b>	<b>163,034</b>

#### Revenue by products

in TEUR	01.01.- 30.06.2011	01.01.- 30.06.2010	01.04.- 30.06.2011	01.04.- 30.06.2010
Revenue from construction orders				
Turnkey production lines	37,154	34,859	27,056	14,803
Single items of equipment	369,029	228,871	201,923	138,904
Service and replacement parts	17,009	9,463	7,671	6,125
Consulting & Engineering	3,997	3,844	1,982	2,895
Other revenue	1,439	1,272	687	307
<b>Total</b>	<b>428,628</b>	<b>278,309</b>	<b>239,319</b>	<b>163,034</b>

## Costs

Materials expenses form the largest item within the expenditure types. Mainly due to higher business volumes, the **materials expense** increased to a total of TEUR 284,543 (previous year: TEUR 161,978). Particularly due to the increasing degree of revenue realization for single equipment items to IAS 18, the materials expense ratio rose to 66.4 % (prior-year period: 58.2 %). The **personnel expense** increased at a disproportionately low rate to TEUR 54,312 (previous year: TEUR 37,311), thereby improving the personnel expense ratio to 12.7 % (previous year: 13.4 %). Due to volumes, **other operating expenses** rose to TEUR 89,118 (previous year: TEUR 52,645). In particular, freight and packaging expenses increased due to the higher business volumes, and a high proportion of international business. Valuation adjustments to receivables and production orders are particularly due to the increase in budget costs for our first thin film project in Taiwan.

## Earnings trends

Earnings before interest, tax, depreciation and amortization (**EBITDA**) rose by 45.0 % to TEUR 66,478 (previous year: TEUR 45,853). The EBITDA margin stood at 15.5 % (previous year: 16.5 %). Depreciation and amortization amounted to TEUR 13,245 (previous year: TEUR 11,998), and particularly comprised depreciation and amortization of TEUR 5,614 arising from purchase price allocations.

Operating earnings (**EBIT**) climbed by 57.2 % to TEUR 53,233 (previous year: TEUR 33,855). The EBIT margin was up year-on-year to 12.4 %. This increase is particularly due to the excellent business trend in the Solar Cell & Module segment, with an EBIT margin of 27.5 % in the second quarter of 2011. Our equity interest in our partner Sunshine PV was accounted for the first time using the equity method as of April 1, 2011.

This resulted in a TEUR -91 loss. The **financial result** amounted to TEUR -213, compared with TEUR -769 in the previous year. Earnings before tax (**EBT**) stood at TEUR 52,929 (previous year: TEUR 33,086). The tax expense stood at TEUR 14,828 (previous year: TEUR 9,895), given a tax rate of around 30 %.

At TEUR 37,429, **consolidated net income** was up by 63.3 % (previous year: TEUR 22,917). This corresponds to earnings per share of EUR 1.77 given an average of 21,162,382 shares in issue (prior-year period: EUR 1.08).

## 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. In particular, our product range 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 comprises 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 first half of 2011, the Silicon & Wafer segment made good progress with the silicon projects currently underway in Europe and Asia. In the case of a larger number of projects, we are awaiting acceptance by the customer in the near future. Overall, the segment's business was also determined by technological developments and non-recurrent effects, alongside the con-

sistent implementing of projects, with several major projects being brought to completion at the same time.

Revenue stood at TEUR 33,895 and therefore fell short of the high level posted a year ago (TEUR 90,720). Owing to a comparatively lower level of revenues, coupled with non-recurrent expenses as part of an agreed settlement, segment EBIT came to TEUR -15,833 (previous year: TEUR 7,783). Improvements in the result are to be achieved by the end of the financial year 2011 through a focused sales campaign and a cost efficiency program. Moreover, we anticipate a positive contribution to revenue and profit from the major project in Qatar in the second half of 2011. centrotherm SiTec is currently building the first polysilicon production facilities on the Arabian Peninsula, with an annual capacity of 3,600 tons planned for the first expansion phase. The outstanding execution of our projects has made us eligible for the awarding of further contracts, and we are currently at an advanced stage in discussions with customers about two major projects in North Africa and Europe.

In addition, we have identified a current trend in the market towards downstream integration by polysilicon manufacturers. Essentially, our customers are placing increasing importance on an integrated production line and are positioning themselves along the whole value chain. We therefore expect considerable revenue potential in the future, particularly from the Ingot & Wafering business. With this in mind, we have positioned ourselves strategically through new products such as cropping and squaring saws and upgrades to our current crystallisation furnaces.

### **Solar Cell & Module**

The Solar Cell & Module segment achieved record earnings in the first half of 2011: at TEUR 382,043, revenue more than doubled (previous year: TEUR 180,345), and, at TEUR 81,667, operating earn-

ings (EBIT) underwent a marked year-on-year increase of 93.4 %. This corresponds to a 21.4 % EBIT margin (previous year: 23.4 %). The sharp rise 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. At 89.1 %, the Solar Cell & Module segment commands the largest share of Group sales.

Segment highlights included the successful launch of laser diffusion for turnkey projects, and the upgrade package for our Chinese customer Dongfang Magi Solar. An average efficiency of more than 18.5 % was achieved at the customer through the deployment of the installed upgrade package entailing the laser-based selective emitter. These cell efficiencies are significantly above the levels of around 18 % that are otherwise standard on the market. The selective emitter was retrofitted at several Asian customers. In addition, turnkey projects for production lines for mono- and multi-crystalline silicon solar cells with selective emitter technology have been successfully concluded. We noted higher demand for upgrade packages including the selective emitter in the second quarter of 2011.

### **Thin Film Module**

We generated revenue of TEUR 12,690 in the Thin Film Module segment (previous year: TEUR 7,244). The segment result (EBIT) of TEUR -12,601 improved compared with the previous year (TEUR -16,158), and in line with planning. This loss arose particularly from the costs for the further technical development of our thin film equipment. In addition, additionally anticipated costs were taken into account in advance, which are being incurred in order to optimize production. In overall terms, the segment kept within the scope of the costs budgeted at the start of the year. Together with our partner Sunshine, we have succeeded over the last six

months in boosting both efficiency and production throughput. The pre-acceptance of the second-generation selenium coating system occurred successfully at Blaubeuren in June 2011

An additional step towards the further development of our thin film technology was taken with the start of the "NeuMas" cooperation project. The German Federal Ministry of Education and Research (BMBF) is supporting this research and development cooperation venture, which is aimed at developing new, cadmium-free buffer materials for solar absorbers. The project started up in June 2011, and is set to last three years. In cooperation with the Berlin Helmholtz Center, the Ulm University, and Bosch Solar CIS Tech GmbH as industrial partners, a decisive technological lead is to be created for the German photovoltaics industry. The new buffer technology is designed to simplify production processes, while at the same time boosting efficiencies and reducing costs. The first project phase entails the selection of well researched process technologies and innovative approaches. The focus is not only on efficiency, but particularly also the technologies' scalability, economic efficiency and long-term stability. The second project phase will entail selecting a target technology, for which, in particular, a production system is to be developed as part of the project.

### Net assets and financing position

Compared to the end of 2010, total assets increased by 20.3 %, and stood at TEUR 969,504 as of June 30, 2011 (December 31, 2010: TEUR 805,649).

On the **assets side** of the balance sheet, **non-current assets** increased to TEUR 360,648 (December 31, 2010: TEUR 325,849). Among other items, this item continued to include goodwill of TEUR 129,298 from companies acquired in 2008. At TEUR 36,861, internally generated intangible assets, which particularly contain own work capitalized in the development area,

were approximately at the level of the December 31, 2010 balance sheet date (TEUR 35,418). Other intangible assets fell to TEUR 61,245 as the result of scheduled amortization (December 31, 2010: TEUR 66,815). Property, plant and equipment increased to TEUR 108,549 (December 31, 2010: TEUR 83,258), primarily due to the purchase of land and buildings worth TEUR 14,099 from centrotherm Besitz GmbH & Co. KG, and the production expansion at the Blaubeuren site.

As a result of higher business volumes, **current assets** increased by 26.9 % in the first half of the year, from TEUR 479,800 to TEUR 608,856. This was particularly due to a higher level of inventories, trade receivables, and advance payments. **Securities** and **cash and cash equivalents** fell to TEUR 153,992 (December 31, 2010: TEUR 191,415). The decline in cash and cash equivalents to TEUR 153,880 (December 30 2010: TEUR 180,602) is principally due to the expansion of business volumes, the purchase of TEUR 14,099 of land and buildings, and the unwinding of an order from the Silicon & Wafer segment. Securities worth TEUR 10,742 were sold.

On the **equity and liabilities side** of the balance sheet, equity increased by 9.4 % to TEUR 433,485 due to the net profit generated during the first half 2011 (December 31, 2010: TEUR 396,356). With a 44.7 % equity ratio (December 31, 2010: 49.2 %), centrotherm photovoltaics enjoys a very solid balance sheet structure. **Non-current liabilities** stood at TEUR 76,101 (December 31, 2010: TEUR 72,071). The largest item within non-current liabilities remained deferred tax liabilities of TEUR 49,009 (December 31, 2010: TEUR 49,305). **Current liabilities** increased to TEUR 459,918 (December 31, 2010: TEUR 337,222), particularly as the result of a higher level of trade payables.

**Cash flow from operating activities** amounted to TEUR -9,540 in the first half of 2011 (previous year: TEUR 43,621). The main reason for the cash outflow was the expansion of order volumes, and an increase in inventories, future receivables from construction contracts, and advance payments.

**Cash flow from investing activities** amounted to TEUR -38,466 (H1 2010: TEUR -22,566). The higher year-on-year figure is primarily due to outgoing payments of TEUR 28,533 (previous year: TEUR 7,772) for investments in property, plant and equipment. A key portion of this was the purchase of land and buildings worth TEUR 14,099 and 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** stood at TEUR 19,082 (H1 2010: TEUR 9,164), and particularly included TEUR 20,000 from the drawing down of two subsidy loans.

In sum, **financial funds** amounted to TEUR 153,880 as of June 30, 2011 (June 30, 2010: TEUR 163,974).

### 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 totaled TEUR 33,357 in the first half of 2011 (previous year: TEUR 18,174). At TEUR 21,736 (previous year: TEUR 18,838), research and development costs remained an important component of our investments in the period under review. A total of

TEUR 28,533 was invested in property, plant and equipment (previous year: TEUR 7,772).

## Non-financial performance indicators

### Employees

We employed 1,899 staff as of the June 30, 2011 reporting date (June 30, 2010: 1,338 staff). This increase is primarily due to higher business volumes, and the first-time consolidation of our Chinese subsidiary in Shanghai.

Qualified and highly motivated personnel comprise an important success factor in view of international competition. We ensure continuous personnel development through regular further training measures, and the promotion of direct dialogue between managers and employees. Combined with the active promotion of young and up-and-coming staff, this makes a significant contribution to our corporate success.

### 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. Thanks to 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 efficiency

enhancement, and on improvements to solar cell architecture.

The development project for the selective emitter that deploys laser diffusion, which was set up in 2008, was concluded in the second quarter of 2011. The technology is offered on all regional markets following its successful launch as an upgrade package and turnkey process. The technology, and the related "c.LAS" laser tool, is now being continuously optimized and further developed in the product management stage, entailing lower resource input.

The centaurus technology to produce a new cell rear side is currently being fine-tuned for production. The requisite "c-LAS centaurus" production systems, and the specially coordinated wet chemical systems, were set up and tested at both centrotherm and customers. Best cell efficiencies were boosted to 19.5 % in the laboratory given full cell deployment capacity in a conventional module design.

A further focus was on prior investigations for the new cell type within the module. Selective emitter modules with low encapsulation losses of 2 % were demonstrated together with a high-quality industrial module constructor. This activity is being further accelerated by the newly founded research and development department for modules at the Constance research and development center.

In addition, the application for the "Future Fab" support project was concluded as part of the "Photovoltaic Innovation Alliance" of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the German Federal Ministry of Education and Research (BMBF). Within an association consisting of eight partners from the industrial and research areas, the project is concerned with new cell technologies for integration into existing production sites. The project started in July 2011.

In the **Silicon & Wafer** segment, R&D continued to focus on detail optimizations for a new 24-pair reactor for silicon production, and the high-pressure STC-TCS converter. Preparations are currently underway for the commissioning of this technology in commercial series deployment. 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 values in the output and energy efficiency areas in the second half of the year. Improved peripheral system equipment was also realized for the first time with the new total service concept, and deployment of our innovative medium-voltage firing and energy supply. This allows production at a higher level that is both more efficient and energy-optimized. In the ingots and wafers area, we pushed ahead with the further development of our multi-crystalline ingot furnaces. For the first time, a silicon smelting and multi-crystallization furnace that has been developed by centrotherm SiTec was commissioned in a customer project at the end of the second quarter. The improved systems that are deployed in this context entail capacities of between 450 kg and 500 kg. These convert silicon into higher quality ingots through vertical gradient directional solidification, and are distinguished by excellent product quality and low production costs on an international comparison. This system type is now being consistently further optimized through a focus on cost optimization, and an expansion of capacity limits.

In the **Thin Film Module** segment, we are working on the further development and ramp-up of our pilot line at our partner Sunshine PV in Taiwan.

Our partner has successfully tested the second-generation selenium coating system at our Blaubeuren site, and initial pre-acceptance has occurred. The system will be commissioned at Sunshine PV in the coming weeks, and will be ramped up to 100 % output. Tests at

Blaubeuren have confirmed our expectations of the second system generation.

Research and development expenses totaled TEUR 21,736 in the first half of 2011 (previous year: TEUR 18,838). An amount of TEUR 1,392 was invested in the Silicon & Wafer area, and TEUR 11,569 was attributable to the Solar Cell & Module area (including semiconductors). Investment expenses in the Thin Film Module segment amounted to TEUR 8,775. Of the total research and development expenses, internally-generated intangible assets of TEUR 3,899 were capitalized (previous year: TEUR 7,556).

## 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.

There were no significant changes in the first six 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 43f.

## Report on events subsequent to the reporting date

No major events occurred after the balance sheet date that are of key significance for the centrotherm 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. In the short term, we identify a market environment that is becoming generally more difficult, particularly as a result of the current worsening of economic prospects. We nevertheless identify positive impulses, especially from our upgrade business in the Solar Cell & Module segment.

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. Given these circumstances, we are confirming our forecast of achieving revenue of between EUR 690 million and EUR 710 million, and a low double-digit EBIT margin, in the 2011 financial year. We also anticipate positive business growth for 2012.

Blaubeuren, August 2011  
centrotherm photovoltaics AG  
The Management Board

# Consolidated interim financial statements

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## Consolidated income statement

in TEUR	Notes	01.01.- 30.06.2011	01.01.- 30.06.2010	01.04.- 30.06.2011	01.04.- 30.06.2010
<b>Sales revenue</b>	5	<b>428,628</b>	<b>278,309</b>	<b>239,319</b>	<b>163,034</b>
Change in inventory of finished goods and work-in-progress		<b>45,658</b>	1,070	<b>26,338</b>	-2,919
Capitalized services rendered to own account	6	<b>5,007</b>	9,020	<b>2,540</b>	5,334
<b>Total operating performance</b>		<b>479,293</b>	<b>288,399</b>	<b>268,197</b>	<b>165,449</b>
Other operating income	7	<b>15,158</b>	9,388	<b>3,505</b>	4,566
Cost of materials	8	<b>-284,543</b>	-161,978	<b>-153,702</b>	-90,584
Personnel expenses	9	<b>-54,312</b>	-37,311	<b>-28,853</b>	-19,658
Other operating expenses	10	<b>-89,118</b>	-52,645	<b>-46,660</b>	-28,712
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>66,478</b>	<b>45,853</b>	<b>42,487</b>	<b>31,061</b>
Amortization and depreciation		<b>-13,245</b>	-11,998	<b>-6,926</b>	-7,050
<b>Earnings before interest and tax (EBIT)</b>		<b>53,233</b>	<b>33,855</b>	<b>35,561</b>	<b>24,011</b>
Loss from investments accounted for using the equity method		<b>-91</b>	0	<b>-91</b>	0
Financial income		<b>1,326</b>	329	<b>1,050</b>	174
Financial expenses		<b>-1,539</b>	-1,098	<b>-1,099</b>	-758
Financial result	11	<b>-213</b>	-769	<b>-49</b>	-584
<b>Earnings before tax (EBT)</b>		<b>52,929</b>	<b>33,086</b>	<b>35,421</b>	<b>23,427</b>
Taxes on income	12	<b>-14,828</b>	-9,895	<b>-9,940</b>	-6,887
<b>Net income (EAT)</b>		<b>38,101</b>	<b>23,191</b>	<b>25,481</b>	<b>16,540</b>
Earnings attributable to non-controlling interests	13	<b>-672</b>	-274	<b>-301</b>	-249
<b>Consolidated net income</b>		<b>37,429</b>	<b>22,917</b>	<b>25,180</b>	<b>16,291</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>	14	<b>1.77</b>	<b>1.08</b>	<b>1.19</b>	<b>0.77</b>

## Consolidated statement of comprehensive income

in TEUR	<b>01.01.- 30.06.2011</b>	01.01.- 30.06.2010	<b>01.04.- 30.06.2011</b>	01.04.- 30.06.2010
<b>Net income (EAT)</b>	<b>38,101</b>	<b>23,191</b>	<b>25,481</b>	<b>16,540</b>
Revaluation of securities				
Gain/loss arising in the current period	40	60	20	9
Less earnings-effective reclassification to income statement	-752	-6	-752	0
Deferred tax on revaluation of securities	107	-8	110	-1
Difference from currency conversion	-163	-131	-94	-103
<b>Earnings recognized directly in equity</b>	<b>-768</b>	<b>-85</b>	<b>-716</b>	<b>-95</b>
<b>Comprehensive net income</b>	<b>37,333</b>	<b>23,106</b>	<b>24,765</b>	<b>16,445</b>
of which attributable to non-controlling interests	672	274	301	249
of which attributable to CTPV AG	36,661	22,832	24,464	16,196

## Consolidated balance sheet

### Assets

in TEUR	Notes	30.06.2011	31.12.2010
<b>Non-current assets</b>			
Intangible assets	15		
Goodwill		<b>129,298</b>	129,298
Internally created intangible assets		<b>36,861</b>	35,418
Other intangible assets		<b>61,245</b>	66,815
Property, plant and equipment	16	<b>108,549</b>	83,258
Investments	17	<b>3,244</b>	7,096
Investments accounted for using the equity method	18	<b>11,007</b>	0
Non-current receivables from taxes on income		<b>94</b>	94
Other non-current assets		<b>866</b>	681
Deferred tax		<b>9,484</b>	3,189
<b>Total</b>		<b>360,648</b>	<b>325,849</b>
<b>Current assets</b>			
Inventories	19	<b>184,112</b>	96,238
Receivables relating to construction orders	20	<b>84,766</b>	90,580
Trade receivables	21	<b>114,893</b>	60,945
Other receivables			
Receivables due from equity interests		<b>460</b>	1,027
Receivables due from related companies and persons	22	<b>1,497</b>	1,506
Advance payments made	23	<b>29,348</b>	8,217
Current receivables from taxes on income		<b>3,721</b>	11,668
Other current assets	24	<b>36,067</b>	18,204
Securities	25	<b>112</b>	10,813
Cash and cash equivalents	26	<b>153,880</b>	180,602
<b>Total</b>		<b>608,856</b>	<b>479,800</b>
<b>Total assets</b>		<b>969,504</b>	<b>805,649</b>

**Equity and liabilities**

in TEUR	Notes	30.06.2011	31.12.2010
<b>Equity</b>	27		
Equity attributable to parent company shareholders			
Subscribed capital		21,162	21,162
Capital reserve		245,003	245,003
Revaluation reserve		7	612
Retained earnings		128,291	77,313
Consolidated net income		37,429	51,141
Non-controlling interests		1,593	1,125
<b>Total</b>		<b>433,485</b>	<b>396,356</b>
<b>Non-current liabilities</b>			
Provisions for pensions and similar obligations		220	210
Non-current finance debt	28	25,714	21,298
Other non-current liabilities	29	1,158	1,258
Deferred tax		49,009	49,305
<b>Total</b>		<b>76,101</b>	<b>72,071</b>
<b>Current liabilities</b>			
Provisions for taxes	30	33,649	15,481
Other current provisions	31	29,214	22,775
Current finance debt	28	17,357	8,929
Liabilities arising from construction contracts	32	65,006	42,594
Trade payables	33	101,528	54,648
Advance payments received	34	173,960	167,227
Liabilities to equity interests		87	558
Liabilities to related companies and persons	35	1,412	1,318
Other current liabilities	36	37,705	23,692
<b>Total</b>		<b>459,918</b>	<b>337,222</b>
<b>Total equity and liabilities</b>		<b>969,504</b>	<b>805,649</b>

## Statement of changes in consolidated equity

in TEUR	Notes	Subscribed capital	Capital reserve
<b>from January 1, 2010 - June 30, 2010</b>	27		
<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 June 30, 2010</b>		<b>21,162</b>	<b>245,003</b>
<b>from January 1, 2011 - June 30, 2011</b>	27		
<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
Payments to shareholders with non-controlling interests		0	0
Net income (EAT)		0	0
<b>As of June 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	-131	0	-131	0	-131
46	0	0	46	0	46
0	0	22,917	22,917	274	23,191
<b>600</b>	<b>77,205</b>	<b>22,917</b>	<b>366,887</b>	<b>661</b>	<b>367,548</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	-163	0	-163	0	-163
-605	0	0	-605	0	-605
0	0	0	0	-204	-204
0	0	37,429	37,429	672	38,101
<b>7</b>	<b>128,291</b>	<b>37,429</b>	<b>431,892</b>	<b>1,593</b>	<b>433,485</b>

## Consolidated cash flow statement

in TEUR	01.01.- 30.06.2011	01.01.- 30.06.2010
<b>Earnings before tax (EBT)</b>	<b>52,929</b>	<b>33,086</b>
+ Depreciation of non-current assets	13,245	11,998
+/- Losses/Gains from disposals of fixed assets	23	-3
+ Losses from intangible assets	281	0
-/+ Increase/decrease in inventories, future receivables relating to construction orders and advance payments made	-102,949	49,829
- Increase in trade receivables	-53,083	-26,449
-/+ Increase/decrease in other assets not allocated to investing or financing activities	-15,429	9,514
+ Increase in other current provisions	6,439	7,090
+ Increase in trade payables	44,613	4,412
+/- Increase/decrease in advance payments received and liabilities arising from construction contracts	27,641	-29,761
+/- Increase/decrease in other liabilities not allocated to investing or financing activities	12,060	-8,719
+/- Income tax payments	4,625	-7,120
+/- Other non-cash income and expenses	65	-256
<b>= Cash flow from operating activities</b>	<b>-9,540</b>	<b>43,621</b>
+ Payments received from disposals of fixed assets	72	19
- Outgoing payments for investments in fixed assets	-28,533	-7,772
- Outgoing payments for investments in intangible assets	-4,824	-10,402
- Outgoing payments for the acquisition of consolidated subsidiary companies	-7,500	-7,600
- Outgoing payments for investments in financial assets	-2,673	-500
- Outgoing payments for investments in At-Equity-investments	-5,750	0
+ Balance of incoming and outgoing payments arising from the sale/purchase of securities	10,742	3,689
<b>= Cash flow from investing activities</b>	<b>-38,466</b>	<b>-22,566</b>
+ Payments received from the incurrence of financial liabilities	20,000	10,000
- Payments for the redemption of financial liabilities	-714	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>19,082</b>	<b>9,164</b>
<b>= Net change in cash and cash equivalents</b>	<b>-28,924</b>	<b>30,219</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>153,880</b>	<b>163,974</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 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.

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 consolidation scope following a successful conditional approval by the Taiwanese authorities concerning the purchase of the 25.4 % interest in the company.

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>30.06.2011</b>	01.04.2011
Non-current assets	<b>11,602</b>	11,657
Current assets	<b>2,369</b>	2,411
Non-current liabilities	<b>3,221</b>	4,478
Current liabilities	<b>2,728</b>	1,420

in TEUR	<b>01.04.- 30.06.2011</b>
Sales revenue	<b>0</b>
Net profit after tax	<b>-91</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.

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.

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.

The following is a list of CTPV AG's consolidated shareholdings as of June 30, 2011:

### CTPV AG's shareholdings in consolidated companies as of June 30, 2011

in % Consolidated companies	Direct share	Indirect share	Combined share
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, Planegg	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
Photovoltaics Asia Invest Pte. Ltd., Singapore	100.00	0.00	100.00
Sunshine PV Corp., Hsinchu Industrial Park, Taiwan	0.00	25.40	25.40

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

These interim financial statements as of June 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.

These interim consolidated financial statements have not been audited. They were, however, subject to an auditor's review pursuant § 37w Paragraph 5 of the German Securities Trading Act (WpHG). 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.

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	
	30.06.2011	31.12.2010	01.01- 30.06.2011	01.01.- 30.06.2010
Chinese Renminbi (CNY)	<b>0.11</b>	0.11	<b>0.11</b>	0.11
Singapore Dollar (SGD)	<b>0.56</b>	0.58	<b>0.57</b>	0.54
Taiwan Dollar (TWD)	<b>0.02</b>	0.03	<b>0.02</b>	0.02
US Dollar (USD)	<b>0.69</b>	0.75	<b>0.71</b>	0.75

#### 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.-30.06.2011			
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	33,895	382,043	12,690	<b>428,628</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>33,895</b>	<b>382,043</b>	<b>12,690</b>	<b>428,628</b>
<b>EBITDA</b>	<b>-11,788</b>	<b>88,495</b>	<b>-10,229</b>	<b>66,478</b>
<b>EBITDA as % of revenue</b>	<b>-34.8</b>	<b>23.2</b>	<b>-80.6</b>	<b>15.5</b>
<b>EBIT</b>	<b>-15,833</b>	<b>81,667</b>	<b>-12,601</b>	<b>53,233</b>
<b>EBIT as % of revenue</b>	<b>-46.7</b>	<b>21.4</b>	<b>-99.3</b>	<b>12.4</b>

in TEUR	01.04.-30.06.2011			
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	4,598	227,133	7,588	<b>239,319</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>4,598</b>	<b>227,133</b>	<b>7,588</b>	<b>239,319</b>
<b>EBITDA</b>	<b>-16,031</b>	<b>66,071</b>	<b>-7,553</b>	<b>42,487</b>
<b>EBITDA as % of revenue</b>	<b>-348.7</b>	<b>29.1</b>	<b>-99.5</b>	<b>17.8</b>
<b>EBIT</b>	<b>-18,075</b>	<b>62,388</b>	<b>-8,752</b>	<b>35,561</b>
<b>EBIT as % of revenue</b>	<b>-393.1</b>	<b>27.5</b>	<b>-115.3</b>	<b>14.9</b>

The loss incurred by the Silicon & Wafer segment in the first six months of 2011 results primarily from lower revenues. The segment result was also burdened by litigation expenses connected with satisfying obligations based on master agreements.

In the Thin Film Module division, segment earnings in the first six months of 2011 were primarily burdened by costs for the further technical development of second-generation equipment. Furthermore, additionally anticipated costs that will be incurred to optimize production were also taken into account. In overall terms, the segment kept within the scope of the costs that were budgeted at the start of the year. Together with our partner Sunshine, we succeeded in boosting both efficiency and production throughput over the last six months. In June 2011, the second-generation selenium coating system was successfully tested at our Blaubeuren site, and was pre-accepted.

The following tables show the figures for the previous year:

### Segment reporting 2010

in TEUR	01.01.-30.06.2010			
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	90,720	180,345	7,244	<b>278,309</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>90,720</b>	<b>180,345</b>	<b>7,244</b>	<b>278,309</b>
<b>EBITDA</b>	<b>12,085</b>	<b>48,002</b>	<b>-14,234</b>	<b>45,853</b>
<b>EBITDA as % of revenue</b>	<b>13.3</b>	<b>26.6</b>	<b>-196.5</b>	<b>16.5</b>
<b>EBIT</b>	<b>7,783</b>	<b>42,230</b>	<b>-16,158</b>	<b>33,855</b>
<b>EBIT as % of revenue</b>	<b>8.6</b>	<b>23.4</b>	<b>-223.1</b>	<b>12.2</b>

in TEUR	01.04.-30.06.2010			
	Silicon & Wafer	Solar Cell & Module	Thin Film Module	centrotherm Group
Third party revenue	47,411	112,156	3,467	<b>163,034</b>
Revenue with other segments	0	0	0	<b>0</b>
<b>Segment revenue</b>	<b>47,411</b>	<b>112,156</b>	<b>3,467</b>	<b>163,034</b>
<b>EBITDA</b>	<b>3,390</b>	<b>33,863</b>	<b>-6,192</b>	<b>31,061</b>
<b>EBITDA as % of revenue</b>	<b>7.1</b>	<b>30.2</b>	<b>-178.6</b>	<b>19.1</b>
<b>EBIT</b>	<b>787</b>	<b>30,555</b>	<b>-7,331</b>	<b>24,011</b>
<b>EBIT as % of revenue</b>	<b>1.7</b>	<b>27.2</b>	<b>-211.5</b>	<b>14.7</b>

Revenues by regions are as follows:

in TEUR	01.01.- 30.06.2011	01.01.- 30.06.2010	01.04.- 30.06.2011	01.04.- 30.06.2010
Germany	<b>20,570</b>	16,588	<b>4,768</b>	9,626
Other Europe	<b>16,526</b>	19,582	<b>7,701</b>	11,416
Asia	<b>385,391</b>	238,234	<b>224,993</b>	141,505
ROW	<b>6,141</b>	3,905	<b>1,857</b>	487
<b>Total</b>	<b>428,628</b>	<b>278,309</b>	<b>239,319</b>	<b>163,034</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 June 30, 2010.

### 5 | Sales revenue

Sales revenue amounted to TEUR 428,628 in the first half-year of 2011 (comparable period of previous year: TEUR 278,309), TEUR 983 of which was attributable to related companies (comparable period of previous year: TEUR 2,885).

### 6 | Capitalized services rendered to own account

Own work capitalized of TEUR 5,007 (comparable period of previous year: TEUR 9,020) mainly relates to own work capitalized in connection with development projects.

### 7 | Other operating income

The other operating income of TEUR 15,158 (comparable period of previous year: TEUR 9,388) particularly contains income of TEUR 7,314 from damage compensation claims, and income totaling TEUR 4,072 from the reversal of specific and lump-sum valuation adjustments.

### 8 | Cost of materials

The materials expenses for the period January 1 to June 30, 2011 of TEUR 284,543 (comparable period of previous year: TEUR 161,978) is composed as follows:

in TEUR	<b>01.01.- 30.06.2011</b>	01.01.- 30.06.2010	<b>01.04.- 30.06.2011</b>	01.04.- 30.06.2010
Expenses for raw materials and supplies, and for procured goods	<b>267,103</b>	145,415	<b>141,921</b>	80,007
Expenses for procured services	<b>17,440</b>	16,563	<b>11,781</b>	10,577
<b>Total</b>	<b>284,543</b>	<b>161,978</b>	<b>153,702</b>	<b>90,584</b>

Of the expenses for raw materials and supplies, procured goods, and services procured, TEUR 8,136 (comparable period of previous year: TEUR 5,942) was attributable to related companies.

### 9 | Personnel expenses

Personnel expenses amounted to TEUR 54,312 in the first six months of 2011 (comparable period of previous year: TEUR 37,311). This amount includes TEUR 7,060 (comparable period of previous year: TEUR 4,783) of expenses for social contributions and expenses for pensions and benefits; of which TEUR 216 (comparable period of previous year: TEUR 167) is attributable to pension expenses.

A total of 1,899 members of staff were employed in the Group as of the reporting date (previous year: 1,338 members of staff). The average number of employees was 1,749 in the first six months of 2011 (comparable period of previous year: 1,202 members of staff).

**10 | Other operating expenses**

Other operating expenses of TEUR 89,118 (comparable period of previous year: TEUR 52,645) are composed as follows:

in TEUR	<b>01.01.- 30.06.2011</b>	01.01.- 30.06.2010	<b>01.04.- 30.06.2011</b>	01.04.- 30.06.2010
Freight and packaging	<b>15,906</b>	5,499	<b>8,298</b>	3,169
Write-downs to trade receivables and receivables relating to construction orders	<b>11,178</b>	4,963	<b>8,899</b>	92
Litigation costs and contractual penalties	<b>9,105</b>	3,571	<b>2,000</b>	3,001
Third-party services	<b>7,023</b>	3,254	<b>4,873</b>	2,622
Sales commissions	<b>6,921</b>	7,101	<b>2,279</b>	4,413
Travel expenses	<b>6,902</b>	4,825	<b>3,561</b>	2,724
Legal and general consultancy	<b>6,403</b>	2,816	<b>3,388</b>	1,297
Temporary help	<b>5,379</b>	1,641	<b>2,502</b>	1,252
Premises expenses	<b>2,352</b>	1,899	<b>1,189</b>	977
Employee benefit costs	<b>1,760</b>	1,129	<b>853</b>	587
Bank charges	<b>1,555</b>	968	<b>905</b>	314
Advertising costs	<b>1,523</b>	1,402	<b>664</b>	895
Increase in obligation for services yet to be rendered	<b>1,482</b>	2,641	<b>1,055</b>	2,313
Insurance and contributions	<b>1,350</b>	844	<b>651</b>	343
Research and development	<b>1,041</b>	904	<b>588</b>	736
Telephone and communication	<b>1,037</b>	718	<b>564</b>	471
Passenger vehicle costs	<b>788</b>	563	<b>404</b>	284
Guarantee	<b>736</b>	403	<b>454</b>	295
Foreign-exchange losses	<b>370</b>	413	<b>96</b>	376
Asset disposals	<b>272</b>	3	<b>1</b>	-72
Other services	<b>86</b>	72	<b>34</b>	37
Management services	<b>74</b>	3,798	<b>20</b>	859
Write-downs to inventories	<b>18</b>	218	<b>-9</b>	213
Miscellaneous	<b>5,857</b>	3,000	<b>3,391</b>	1,514
<b>Total</b>	<b>89,118</b>	<b>52,645</b>	<b>46,660</b>	<b>28,712</b>

Other operating expenses include services with a value of TEUR 738 (comparable period of previous year: TEUR 4,822) that were sourced from related companies.

## 11 | Financial result

The financial result is composed as follows:

in TEUR	01.01.- 30.06.2011	01.01.- 30.06.2010	01.04.- 30.06.2011	01.04.- 30.06.2010
Financial income	1,326	329	1,050	174
Financial expenses	-1,539	-1,098	-1,099	-758
<b>Financial result</b>	<b>-213</b>	<b>-769</b>	<b>-49</b>	<b>-584</b>

## 12 | 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.- 30.06.2011	01.01.- 30.06.2010	01.04.- 30.06.2011	01.04.- 30.06.2010
Deferred tax	-6,483	1,873	-2,233	617
Actual income tax	21,311	8,022	12,173	6,270
<b>Total</b>	<b>14,828</b>	<b>9,895</b>	<b>9,940</b>	<b>6,887</b>

## 13 | Earnings attributable to non-controlling interests

The share of earnings attributable to non-controlling interests amounted to TEUR 672 (comparable period of previous year: TEUR 274).

## 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.- 30.06.2011	01.01.- 30.06.2010	01.04.- 30.06.2011	01.04.- 30.06.2010
Consolidated earnings	37,428,534	22,916,820	25,179,914	16,290,999
Weighted average number of shares	21,162,382	21,162,382	21,162,382	21,162,382
<b>Earnings per share</b>	<b>1.77</b>	<b>1.08</b>	<b>1.19</b>	<b>0.77</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 36,861). The other intangible assets item contains particularly contains assets (technologies and customer relationships) arising from purchase price allocations performed in 2008 (TEUR 57,762). Other intangible assets also include software patents of limited useful life.

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

### 16 | Property, plant and equipment

Property, plant and equipment of TEUR 108,549 (December 31, 2010: TEUR 83,258) relates primarily to land and buildings of TEUR 60,056 (December 31, 2010: TEUR 45,638) and machinery of TEUR 12,429 (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 3,048) 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 470 of which has already been invoiced. The residual obligation consequently amounts to TEUR 4,230 as of June 30, 2011.

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

## 17 | Investments

Financial investments amounted to TEUR 3,244 as of June 30, 2011 (December 31, 2010: TEUR 7,096). These are composed as follows:

in TEUR	30.06.2011	31.12.2010
alpha Verwaltungs GmbH, Blaubeuren	25	0
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	1,160	0
Changers GmbH, Berlin (former: Vaayuu Energy Systems GmbH)	1,725	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>3,244</b>	<b>7,096</b>

The interest in Sunshine PV Corp., Hsinchu Industrial Park, Taiwan, in an amount of TEUR 11,007 (December 31, 2010: TEUR 5,425) 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.

## 18 | Investments accounted for using the equity method

Investments accounted for using the equity method amounted to TEUR 11,007 as of June 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 valuation of the carrying amount of the interest in Sunshine PV Corp. changed as follows:

in TEUR	<b>01.04.- 30.06.2011</b>
Carrying amount 01.04.2011	11,175
Annual profit or loss	-91
Currency difference	-77
<b>Carrying amount 30.06.2011</b>	<b>11,007</b>

## 19 | Inventories

The reported inventory is composed as follows:

in TEUR	<b>30.06.2011</b>	31.12.2010
Raw materials and supplies	<b>90,715</b>	48,499
Semi-finished goods and services	<b>67,906</b>	24,865
Finished goods/products	<b>25,491</b>	22,874
<b>Total</b>	<b>184,112</b>	<b>96,238</b>

## 20 | Receivables relating to construction orders

Receivables from construction contracts amounted to a total of TEUR 581,413 gross, before offsetting with prepayments received (December 31, 2010: TEUR 516,069). This item includes total impairments of TEUR 18,357 particularly due to costs that have been exceeded (December 31, 2010: TEUR 10,250). Impairments expensed in the year under review amounted to TEUR 8,303.

Collateral retentions received from customers for construction orders amounted to TEUR 3,116 as of June 30, 2011 (December 31, 2010 TEUR 3,525).

Net amounts are reported under the receivables or payables arising from construction orders items (please refer also to note 32).

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	<b>30.06.2011</b>	31.12.2010
Receivables relating to construction orders (gross)	<b>374,409</b>	351,546
Offset with advance payments received	<b>-289,643</b>	-260,966
<b>Total</b>	<b>84,766</b>	<b>90,580</b>

**21 | Trade receivables**

in TEUR	30.06.2011	31.12.2010
Trade receivables (gross)	119,709	65,503
Specific adjustments	-3,706	-3,969
General adjustments	-1,110	-589
<b>Total</b>	<b>114,893</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.

**22 | 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	30.06.2011	31.12.2010
centrotherm Sud Europe SAS, France	1,146	1,275
centrotherm Elektrische Anlagen GmbH & Co. KG	283	111
centrotherm clean solutions GmbH & Co. KG	68	118
Other	0	2
<b>Total</b>	<b>1,497</b>	<b>1,506</b>

**23 | Advance payments made**

Advance payments made of TEUR 29,348 as of June 30, 2011 (December 31, 2010: TEUR 8,217) have a residual term of up to one year. As of June 30, 2011, there were no advance payments rendered to related companies (December 31, 2010: TEUR 56). The advance payments made were primarily rendered for inventories and production orders.

**24 | Other current assets**

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

in TEUR	30.06.2011	31.12.2010
VAT receivables	31,456	14,391
Accruals item	1,129	1,092
Foreign tax receivables	1,104	1,330
Credit accounts in debit	794	343
Receivables due from staff	290	185
Receivables related to subsidies	270	0
Receivables related to loan	54	53
Other	970	810
<b>Total</b>	<b>36,067</b>	<b>18,204</b>

**25 | Securities**

Primarily shares in money market and investment funds are reported among securities totaling TEUR 112 (December 31, 2010: TEUR 10,813). Significant parts of securities were sold as of June 30, 2011.

**26 | Cash and cash equivalents**

in TEUR	30.06.2011	31.12.2010
Cash and currency holdings	52	46
Bank deposits	65,891	37,274
Short-term investments	87,937	143,282
<b>Total</b>	<b>153,880</b>	<b>180,602</b>

**27 | Equity**

The individual components of equity in the January 1 to June 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 June 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 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) 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 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 contributions, 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 -207 (December 31, 2010: TEUR -44).

### **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.

### **28 | Finance debt**

Finance debt amounted to TEUR 43,071 as of June 30, 2011 (December 31, 2010: TEUR 30,227). This primarily relates to a subsidy loan of TEUR 8,571 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 714 were performed as of June 30, 2011. The last redemption installment on the loans is due on December 31, 2018. The non-current portion of the loans amounts to TEUR 25,714 (December 31, 2010: TEUR 7,857), and is reported among non-current financial liabilities, TEUR 8,571 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.

Current finance debt also includes the purchase price liabilities arising from the purchase of the SolMic in an amount of TEUR 14,500, which are due on May 31, 2012.

### **29 | Other non-current liabilities**

Other non-current liabilities amounted to TEUR 1,158 as of June 30, 2011 (December 31, 2010: TEUR 1,258). This item primarily comprises public-sector subsidies of TEUR 926 (December 31, 2010: TEUR 980).

### **30 | Provisions for taxes**

Tax provisions amounted to TEUR 33,649 as of June 30, 2011 (December 31, 2010: TEUR 15,481). These comprise mainly income tax liabilities that have been incurred but not yet paid.

### **31 | Other current provisions**

Other current provisions amounted to TEUR 29,214 as of June 30, 2011 (December 31, 2010: TEUR 22,775). These provisions relate primarily to follow-up costs of TEUR 14,887 for orders that have been delivered (December 31, 2010: TEUR 7,776), guarantee provisions of TEUR 8,386 (December 31, 2010: TEUR 8,038), and provisions for litigation costs of TEUR 5,876 (December 31, 2010: TEUR 6,919). 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.

**32 | 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 June 30, 2011 there were liabilities arising from construction contracts outstanding of TEUR 65,006 (December 31, 2010: TEUR 42,594):

in TEUR	30.06.2011	31.12.2010
Receivables relating to construction orders (gross)	207,004	164,523
Offset with advance payments received	-272,010	-207,117
<b>Total</b>	<b>65,006</b>	<b>42,594</b>

**33 | Trade payables**

The total amount of trade payables of TEUR 101,528 is due within one year (December 31, 2010: TEUR 54,648).

**34 | Advance payments received**

Prepayments received amounting to TEUR 173,960 (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.

**35 | 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	30.06.2011	31.12.2010
centrotherm Elektrische Anlagen GmbH & Co. KG	1,399	1,209
Other	13	109
<b>Total</b>	<b>1,412</b>	<b>1,318</b>

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

**36 | Other current liabilities**

Other current liabilities are composed as follows:

in TEUR	30.06.2011	31.12.2010
Personnel liabilities	16,737	11,137
Obligations arising from commissions	12,183	9,217
VAT liabilities	6,198	1,334
Insurance premiums outstanding	536	436
Travel and entertainment expenses	437	313
Credit accounts in debit	280	539
Deferred income	27	21
Other	1,307	695
<b>Total</b>	<b>37,705</b>	<b>23,692</b>

**Other notes****37 | Guarantees**

As of June 30, 2011, there were guarantees of TEUR 135,754 (December 31, 2010: TEUR 128,197).

**38 | 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 397 in the first six months of 2011.
- As of June 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 7,828.
- 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 six months of 2011 centrotherm Elektrische Anlagen GmbH & Co. KG had rendered total lease-purchase installments of TEUR 48.

- 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 13 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 344 was rendered in the first six 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 95 were paid to the centrotherm photovoltaics AG in the first six months of 2011.
- In the first six months of 2011, the company generated revenue from service and supply of replacement parts of TEUR 983 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 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.

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

No major 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.

### **40 | Corporate bodies**

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

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

### **41 | Approval of the interim consolidated financial statements for publication**

The Management Board has approved this set of interim consolidated financial statements for publication as the result of the resolution of August 3, 2011.

### **Assurance of the legal representatives**

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

Blaubeuren, August 2011

centrotherm photovoltaics AG

The Management Board

Robert M. Hartung

Hans Autenrieth

Dr. Peter Fath

Dr. Dirk Stenkamp

Dr. Thomas Riegler

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

### **To centrotherm photovoltaics AG**

We have reviewed the condensed consolidated interim financial statements - comprising the statement of income, the consolidated statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of changes in cash flow and selected explanatory notes - and the interim group management report of centrotherm photovoltaics AG for the period from January 1 to June 30, 2011 which are part of the half-year financial report pursuant to Article 37w of the German Securities Trading Act (WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the legal representatives of the company. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Berlin, August 4, 2011

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Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Helmut Schuhmann  
Independent Auditor

Udo Heckeler  
Independent Auditor

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Financial calendar of centrotherm photovoltaics AG

August 18, 2011

Annual General Meeting 2011

November 10, 2011

Publication of the 3<sup>rd</sup> interim report