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CENTROTEC Group

- _ Interview with the new deputy member of the Management Board Pieter van der Poel
- _ Shareholders' Meeting in Brilon

The CEO writes:

Trend towards integrated climate control systems

Ventilation is like the internet! The digital age has brought together the previously distinct markets for consumer electronics, telecommunications, PCs and content in a single, giant market for digital information. We are about to witness a similar development in climate control. There is already tangible evidence of this trend in ultra-energy-friendly passive houses. Houses that are climate-controlled from a single platform. Heating, cooling, ventilation, filtering, humidity regulation etc. are all governed by one integrated system. Not because it is technically possible, but because there is customer demand for it. Naturally with solar backup, because keeping the running costs down is also important. The enticing prospect for CENTROTEC is that ventilation is the infrastructure – the broadband network, so to speak. The fresh air that is in any case needed is a suitable transport medium for supplying the occupants with the right level of heating or cooling. A sizeable new market is emerging. Read more about the systems we are developing for it on page 3.

Dr. Gert-Jan Huisman
[Chief Executive Officer]



CENTROTEC captures top spot in the Capital IR Award!

CENTROTEC Sustainable AG was presented with the Capital IR Award on June 21 in the SDAX companies category for its outstanding investor relations (IR) work. The company came top with a score of 452 out of a maximum possible 500 points, ahead of companies such as CeWe Color and Takkt. At the traditional event held in Frankfurt's Städel museum, CENTROTEC Management Board Chairman Dr. Gert-Jan Huisman took receipt of the award in the presence of leading representatives of German industry such as Adidas, MAN and Haniel.

The Capital IR Award is one of the most prestigious prizes for finance communication by German and

selected European companies. It is sponsored jointly by the magazine Capital and the German Association of Financial Analysis and Asset Management (DVFA). The awards were based on surveys of around 400 analysts, fund managers and financial journalists who are familiar with the field of some 200 contending companies from their day-to-day work, and are therefore in a good position to assess their finance communication. This year, the specialists paid particular attention to target group orientation, transparency, track record (the continuity and topicality of reports) and extra financial reporting (credible information on corporate governance as well as on social and community topics).

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Gas Flue Systems

Gas Flue Systems

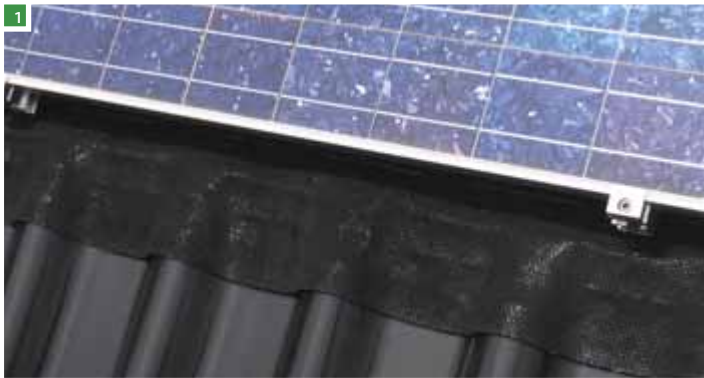
Our newly established trading company KORRI*BAT, which supplies trading items specifically to DIY markets in France, is helping to increase the use of energy-saving products.

New company building for Ubbink Belgium

The vigorous business expansion of Ubbink in Belgium meant that the infrastructure of the previous company building was increasingly outdated. It was high time to build a new office and operations building that reflected the more exacting requirements. Precisely such a building, with a volume of 33,000 m³ including offices, is currently being constructed on a site covering some 6,000 m² in Gentbrugge. As well as a central store housing 4,440 m² of floor space and an

additional covered outdoor area, the complex will incorporate an office zone and showrooms.

All the group's heating, climate control and ventilation products will be suitably displayed there, to emphasise the group's high technical potential to visitors being shown round. The investment project, costing just under EUR 3 million, will be completed very shortly.



1. *Ubiflex – the "eco lead flashing". Mass production of "UBIFLEX" material, which was delayed for production reasons, has now started*

2. *The new Ubbink building in Belgium*

3. *The Ubbink team among the leading contenders: first in the Tour of Belgium, and now in the Ronde van Holland*

KORRI*BAT The new DIY market product line in France

KORRI*BAT is the name of the new company established by Ubbink France that has specialised in trading items for the DIY market segment. The company name alludes to Korrigans, the nimble mythological spirits from Irish folklore that are considered to be busy and practical – just like KORRI*BAT's products.

KORRI*BAT trades in products that aid the DIY enthusiast. They are all quick and easy to install, and are sold as complete package solutions with assembly instructions, particularly via DIY markets.

The range comprises a diverse selection of products such as EASY ROLL (roller-shutter cupboard doors), KORRIROLL (sliding door fittings), ZÉPHIR (plastic roof lights and tilting wall windows), KORRIZIP (room partitioning sheets with zip openings), MILLIMAX (assembly aids), BUTISTRÏP (adhesive tapes for repairs), KORRIFLEX (flexible sealing tapes), KORRIMUR (laminated ducts and brackets) and KORRILUX (lighting ducts).

The list of individual products is growing by the day, and with it market interest. The KORRI*BAT range was presented for the first time at a special show for DIY store articles near Paris. Four of these products captured awards at the very first attempt for their ingenuity.



*One of the most successful products from KORRI*BAT for DIY markets: KORRIZIP*

New climate control systems for the "closed greenhouse"

Until now, greenhouses have often been real "energy guzzlers". To boost the supply of oxygen to the plants, it is common practice to heat the interiors vigorously from below, with the ventilation flaps in the roof open. Ned Air has now joined forces with the Econcern company Innogrow to develop a "closed greenhouse" that acts as its own energy source. In the cooling mode, excess heat is fed into the ground with the aid of a heat pump, stored there and used in the heating mode. This

cuts the level of heating energy required by up to 35 %. If there is surplus heat, it is diverted to a different consumer such as a traditional greenhouse. Closed greenhouses not only save energy; they also cut water consumption (-50 %) and the use of pesticides (-30 %). Above all, by permitting precisely controlled temperatures and humidity and CO₂ levels, they promote plant growth (by between 20 and 40 %). Corresponding climate control devices for closed green-houses, for simultaneous

Climate Systems

The segment has a new representative on the Management Board and on the Board of Directors of Brink Climate Systems: Norbert Vroege, previously Managing Director of Innosource, is the successor to Rob Slemmer.

heating, cooling and controlled ventilation, were recently successfully commissioned by Ned Air in a 30,000 m² greenhouse in the Netherlands.



4_ Assembly of the new climate control system in a 30,000 m² "closed greenhouse" in the Netherlands

5_CENTROTEC energy-saving products play a pivotal role in modern building concepts such as passive houses and low-energy houses

6_Rob Slemmer – "Mr. Brink" for the past 20 years

Under development: a new integrated heating concept for passive houses

CENTROTEC and its subsidiary Brink Climate Systems, together with the Cologne University of Applied Science and consultants Ecofys, are developing an entirely new, very low-priced compact device of a very energy-conscious design for heating, ventilation and hot water. This modular system is to be configured for the extremely low heating energy requirements (15 kWh/m²) of passive houses, but also for other types of house such as low-energy houses. This pioneering heating system is being subsidised by the North Rhine-Westphalia Solar Study Group.

The new assembly will be based on gas or oil as its energy source, also incorporating solarthermics as a renewable energy source.

The basis of the building's heating system will be an air heater that can also be used to heat water for domestic use with the aid of solar collectors. An integral ventilation system with heat recovery unit supplies fresh air, thus maintaining a comfortable and healthy interior climate. These plastic heat exchangers, developed by Brink, extract the heat from stale air with a recovery rate of approx. 95 % and use it to heat up the fresh air. This permits an extremely low energy balance.

The first prototype of the integral assembly will be installed in a passive house in North Rhine-Westphalia in the course of the year and tested in a measuring phase spanning several months.

Rob Slemmer takes his retirement

Rob Slemmer officially left the Management Board of CENTROTEC Sustainable AG on March 21, and the Board of Directors of Brink Climate Systems a few days later. He has now entered retirement.

In his farewell address, Gert-Jan Huisman paid tribute to Rob Slemmers for over 20 years of service at Brink and above all for his indefatigable commitment, his steady stream of well thought-out ideas, his methodical working approach and his approachable manner in dealing with employees and colleagues.

CENTROTEXT, too, takes this opportunity to thank Rob for all that he has done for the company over the years and wishes him, his wife Bettie and his children and grandchildren all the best!

CENTRODAL POM C black conforms to FDA requirements

CENTROPLAST Engineering Plastics GmbH recently started supplying POM semi-finished plastic products (rods, sheets, hollow rods and films) made from black polyoxymethylene copolymer (similar to RAL 9017) which are approved for use with foodstuffs according to the US American

standard FDA. Black-coloured products have hitherto obtained their colour from dyes containing carbon black and their use has therefore not been possible for applications in the foodstuffs or medical technology areas (without colour additives).

The new POM C semi-finished plastic products with FDA approval for use with foodstuffs



Centrotec Composites: series of major orders from the automotive industry

Centrotec Composites had already received an order from Blaupunkt for volume production of loudspeaker cones for fitting in the VW Touareg and the Porsche Cayenne at the end of 2005. This was followed shortly afterwards by a further major order from the automotive industry for components for the Ford Galaxy; the latter contract extends over several years and has an annual revenue volume of EUR 1.5 to 2.5 million. Now a third order has been clinched, this time for car components for the new Ford S-MAX.

Investments for the Prefabricated Parts Division

Over the past few months, CENTROPLAST has made important investments in the Machining Division. Alongside investing in replacements for various standard systems, the most interesting new acquisition is undoubtedly a 4-axial OKUMA turning centre LU 400 (Fig. 1). The two-revolver, 22-tool plant with larger main spindle (chucks of up to 450 mm diameter) and a special 100 mm version of hollow clamping element mean that time savings of between 40 and 60 % can be realised for particularly complex, precision applications. In acquiring this plant, CENTROPLAST is building up its business in the machining of complex parts for the automotive industry and medical technology.

The investment in a complex six-axial articulated measuring arm system (Fig. 2) for a measuring range of up to 1500 mm is to be viewed in the same context. The device is currently the most advanced system for checking and ISO-standard documentation of measurements on the finished part. All the relevant data is very rapidly established and documented online to the nearest hundredth of a unit. The device can also be used for assisting with designs or approving data when producing parts from patterns.

1_ The new 4-axial turning centre transforms semi-finished articles into prefabricated parts with even greater precision and above all faster

2_ The new 6-axial articulated measuring arm system for quality control and design support



LiquoGuard® – the newly developed liquor drainage system from Möller Medical

The central nervous system (CNS) in the human body has no direct contact with the bloodstream; instead, it floats in a special nerve fluid known as "liquor". A healthy human has about 140 ml of liquor, which is constantly being produced and reabsorbed. Liquor reabsorption in people who are ill, have suffered an accident or have undergone an operation, and in those suffering from a tumour may be impaired. The liquor pressure then gradually rises, with potentially life-threatening consequences if it approaches the blood pressure. Until now, medics have only had a primitive drip chamber system at their disposal and have consequently been able to do no more than drain off excess liquor.

Unlike the drip chamber system, the LiquoGuard® is a newly developed system solution from the CENTROTEC subsidiary

Möller Medical that automatically monitors and drains off the liquor. LiquoGuard® is essentially a high-precision pressure and/or volume controlled hose pump with matching consumables that pumps off a volume of liquor in accordance with the intracranial pressure. If the intracranial pressure exceeds a defined upper value, the pump cuts in automatically. Once an adequate volume of liquor has been pumped out, the pump cuts out automatically. LiquoGuard® offers major advantages over passive systems: first, the patient's safety is greatly improved, because the LiquoGuard® has an integrated monitoring, safety and alarm concept. The second major advantage is the cost saving, because many of the procedures and checks that previously had to be carried out by the healthcare personnel are now unnecessary; an intrinsic part of

Medical Technology/ Engineering Plastics

Areas in this segment that have specialised in the production of medical technology components and equipment are to be hived off into an independent stock corporation in the medium term. The composites activities will remain within CENTROTEC.

the LiquoGuard® principle is that it takes pressure readings directly from the patient and records them for a period of many days. Third, precisely this documentation feature provides doctors with additional information for diagnosis and therapy. For instance, the doctor can monitor trends in the pressure more accurately and thus glean additional information that helps to gauge the effectiveness of drugs.

The idea for this new product came from Dr. Hölper, from the Neurosurgical Department of Fulda Hospital. Interestingly, it took just one year from the initial idea to the finished product! This sensationally short development time was achieved thanks to the ideal conditions at Möller: our team of engineers spearheaded by Werner Schröter possessed extensive technical knowledge of hose pumps and systems, medical product licensing, control electronics and documentation software; throughout the entire development period, Möller was in addition able to keep track of the clinical requirements thanks to a very efficient exchange of information with the neurosurgeon. Möller Medical is able to manufacture the new system, including the software, the mechanism and the electronics, entirely itself. LiquoGuard® will appear on the market from September 2006; initial feedback following its presentation at the DGNC and DAC congresses was exceptionally positive, and neurosurgeons and intensive care physicians are showing considerable interest in this new solution.



LiquoGuard®, developed in the space of just one year, now helps patients undergoing treatment of the brain

Solar Systems

CENTROSOLAR

The Solar Systems area, the operations of which have been combined under the umbrella of CENTROSOLAR AG, has two business segments. Solar Key Components develops and sells solar mounting systems and solar glasses. Solar Integrated Systems supplies turnkey plug & play solar energy systems.

New module production line opened in Doesburg

Ubbink Solar Modules B.V. has started up one of the world's most advanced plants for the production of solar modules in Doesburg. The plant and its new production line, completed in January 2006, were built in the space of just three months. Operating three shifts a day, the plant has an annual capacity of around 50,000 solar modules, equivalent to 10 MWp.



The Management Board of CENTROSOLAR AG (from left to right): Dr. A. Müller-Groeling, Dr. A. Kirsch (CEO), Dr. G.-J. Huisman, T. Güntzer

CENTROSOLAR voted Top Deal of the year

Each year the business magazine "Finance" and the association "Bundesverband Mergers & Acquisitions eV." present awards to companies that have excelled in the field of corporate acquisitions. This year, the award for large companies went to Schott AG, and for mid-corporates to CENTROSOLAR, in recognition of both its spectacular and exemplary policy on acquisitions and integration. Spectacular, because CENTROSOLAR – which was only founded mid-way through 2005 – acquired six companies in a veritable marathon of carefully timed individual steps spread over half a year. Exemplary, because the subsequent integration strategy had been agreed for and with each new group company even before their takeover.

CENTROSOLAR now setting its sights on Europe

After a period of rapid external growth involving seven successful corporate acquisitions in just a few months, CENTROSOLAR is currently the fastest-growing company in the German solar market. The company is now aiming to demonstrate its potential for organic growth, too – both in Germany and elsewhere in Europe. The company is at a strategic advantage here, because both CENTROTEC and the group companies of CENTROSOLAR can look back on more than 20 years of experience in international expansion. International expansion will take place above all in Italy and Spain, where state subsidies comparable to the German payments for supplies to the grid were recently introduced. The first major sales successes in Spain have already been reported. Plants with a combined output of 4 megawatt, equivalent to a sales value of around EUR 16 million, were sold there last month.

Nanotechnology glass makes plants grow faster

More and more foodstuffs are now produced using distinctly high-tech methods in a controlled greenhouse atmosphere. For this mega market, Centrosolar Glas and the Jülich Research Institute have developed a type of glazing specifically suitable for plants, comprising a novel combination of glass and film. Centrosolar Glas, which also manufactures solar glasses achieving record levels of light transmission, used nanotechnology to create a type of glass with anti-reflective properties that permits higher light transmission. A highly transparent film-based air cushion on the surface of the glass simultaneously provides thermal insulation. Compared with a conventional single glass pane, the glass and film combination cuts energy consumption by up to 50 %, meanwhile allowing around 15 % more UV light to pass through. The concept recently won an environmental award and has already been applied in practice.



Now the third solar systems supplier in the alliance

Solarstocc AG – plug-and-play integrated systems, installed by local fitters

"Plug and play" is unquestionably the best way to describe the professional systems of Solarstocc AG. The easy-to-install grid-connected solar energy systems are sold to specialist fitters via technical wholesalers, for installation in private houses. For the integrated packages, Solarstocc also uses its own family of converters and electronic hardware and software to enable the user to keep track of the system's profitability.

Solara AG – grid-independent systems for maritime use

Solara AG is the market leader for stand-alone systems, in other words solar energy systems that are not connected to the grid. These "independent" solar energy systems are designed for use above all on boats, yachts, buoys and life-rafts, but also increasingly on mobile homes, weekend homes and pay and display ticket machines. With over 10 years of experience, Solara is among the pioneers of solar technology in Germany.

Biohaus PV Handels GmbH – integrated building solutions

Biohaus represents the third supplier of integrated systems to join the CENTROSOLAR Group. Biohaus supplies attractive photovoltaic concepts for integration into the roof or exterior of a house that look good as well as being very efficient. This visual aspect is becoming increasingly important among discerning homeowners.

Another highlight that Biohaus has introduced into the CENTROSOLAR Group is innovative PV thin-film technology. This technology renders the solar energy system virtually "invisible". This technology moreover necessitates substantially less silicon than conventional solar cells. It is therefore a genuine alternative, especially as silicon is currently in short supply. As well as a network of sales partners throughout Germany and in other European countries, Biohaus maintains very good links with Spain via its partner Isofoton.

"Solar energy? Who are you kidding?"

When we started business over 20 years ago, many people derided what we were doing (including the fitters who we quote in our heading). Today, we can all look forward to a boom in the German market. The specific area we are interested in is BIPV (building integrated photovoltaics), in other words using the shell of a building to generate solar power. Since 2001 we have been the market leader for in-roof solar tiles, which we manufacture ourselves. Our new office building is the best example of how aesthetic building design and solar energy generation are not mutually exclusive.

The merger with the CENTROSOLAR Group in May 2006 was a wise step for us in terms of our future direction. Through CENTROSOLAR, we have strong partners, particularly with a background in roofing/building technology, whose potential we aim to exploit and combine with our solar expertise – an exciting prospect for the future!



*Willi Ernst,
founder and
Managing
Director of
Biohaus PV
Handels GmbH*



1+2_The exhibition stands of Solarstocc and Solara at Intersolar 2006

3_The offices of Biohaus PV Handels GmbH, which won the German Solar Award

CENTROTEC Group

Some 150 shareholders came to the Annual General Meeting of Shareholders on May 23 in Brilon's Kolpinghaus. Brilon also hosted this event in 2005 thanks to its proximity to the head offices and the plants.



Pieter van der Poel (43), deputy Management Board member for Gas Flue Systems

Interview with Pieter van der Poel

Our new International Gas Flue Systems Manager and deputy Management Board member

What is your professional background?

I have spent most of my working life in the USA and Europe, at two multinationals, GE and Philips. At General Electric, I was in charge of product innovation teams, for example. That involved interviewing our customers, analysing their answers and involving them in the product development process at a very early stage. I would also like to incorporate these three elements of a successful product development process in the Gas Flue Systems segment.

What development potential do you see for the Gas Flue Systems segment?

We are already a leading supplier in Western Europe and are making excellent progress in certain countries. I see further potential in the structured collaboration with European boiler manufacturers via a European account management system: having one person who is always the contact for customers, irrespective of sales region. We should also exploit our broad-based expertise to expand the product range in a differentiated way, by price and market segments.

What is your working style?

I believe in teamwork based on the strengths of each individual. I ask a lot of questions and then try to integrate those strengths into the team. I am very

demanding – but my staff know that I will support them throughout. I know that details are important, and keep coming back to them if necessary. And I believe in figures, and like to keep track of them: market shares, revenues, costs, profits. I worked for Six Sigma for a number of years, where everything is based on hard facts. Six Sigma is the renowned continuous improvement programme to which General Electric owes its exceptional operative strength in product and service quality.

And what do you do when not working?

Thank you for asking - I have a wonderful family. We have three children: two sons aged 8 and 15, and a daughter of 13. In August, we will be moving back to the Netherlands after 7 years away. We are looking forward to Doesburg, where we have found a new home. And I love sport, particularly jogging. It helps me clear my head and relax.

What else would you like to add?

I'm really looking forward to working for CENTROTEC now. Everyone here shows such dedication to their work. There are plenty of opportunities for the Gas Flue Systems segment to grow, and I am proud of being able to lead the forthcoming campaign.



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