



Group Quarterly Report

Q1/2012

Highlights

- > Consolidated revenue grows 10.2 % to EUR 123.7 million, organic growth of 6.4 %
 - Climate Systems segment the growth driver, enjoying a good position in the German heating market and in the European market for climate control and ventilation technology, market position for controlled home ventilation further strengthened
 - Revenue for Gas Flue Systems segment on a par with previous year despite restructuring of portfolio
 - Medical Technology & Engineering Plastics segment maintains high level of revenue

- > First-quarter earnings:
 - Climate Systems with profitable growth
 - Gas Flue Systems weaker due to cyclical factors, measures continue to focus portfolio and are expected to show positive effects later on in year
 - Medical Technology & Engineering Plastics shows noticeable improvement in earnings following adjustment of portfolio
 - Commodity prices remain high
 - EBITDA of EUR 9.2 million (previous year EUR 8.6 million) and
 - EBIT of EUR 4.1 million (previous year EUR 4.0 million) slightly up on prior-year figures
 - Earnings per share (EPS) of EUR -0.01 (previous year EUR +0.09) undermined by CENTROSOLAR investment result of EUR -0.08

- > Robust economic environment in Germany but weaker overall economic conditions in major international markets, especially in Southern European countries and in the European new-build market outside Germany

- > Very high energy prices, with upward tendency, coupled with growing environmental awareness and tougher regulatory requirements, strengthen the basis for energy-saving solutions for buildings.

- > An established, steadily improved portfolio of solutions and expanded sales structures will help to build on the existing market position.

Despite more difficult overall economic conditions in certain respects for the 2012 financial year – provided there is no fundamental deterioration in the economic conditions – a year-on-year increase in revenue and EBIT approaching the record-breaking 2010 level is achievable

Consolidated Key Figures

	31/03/2012 [EUR '000]	31/03/2011 [EUR '000]	Changes [Percent]
Total revenue	123,731	112,262	10.2
Climate Systems	88,857	76,535	16.1
Gas Flue Systems	24,583	24,981	(1.6)
Medical Technology & Engineering Plastics	10,291	10,746	(4.2)
Earnings			
EBITDA	9,236	8,626	7.1
EBIT	4,113	4,017	2.4
EBIT yield (in %)	3.3	3.6	
EBT	1,256	2,633	(52.3)
EAT	(421)	1,344	(131.3)
EPS (in EUR; basic)	(0.01)	0.09	(115.9)
Balance sheet structure*			
Balance sheet total	416,346	425,690	(2.2)
Shareholders' equity	157,014	157,453	(0.3)
Equity ratio (%)	37.7	37.0	
Property, plant and equipment	93,934	95,180	(1.3)
Intangible assets	45,948	46,765	(1.7)
Goodwill	69,736	69,738	(0,0)
Net financial liabilities	75,611	60,113	25.8
Net working Capital	74,329	56,030	32.7
Cash flow statement			
Cash flow I (EAT & depreciation/ amortisation)	4,702	5,953	(21.0)
Cash flow from operating activities	(12,585)	(8,986)	40,0
Cash flow from investing activities	(2,824)	(3,711)	(23.9)
Employees			
Total (in FTE)	2,871	2,734	5.0
Shares			
Number of shares**/**	17,280	17,164	
Highest quotation***	14.30	24.00	
Lowest quotation***	10.75	16.11	
Quarterly-end quotation***	13.09	22.16	

* Previous period is related to 31/12/2011

** Weighted average shares outstanding (basic; in thousand)

*** Quotation in EUR

01

Full range of heating systems

Oil and gas condensing boilers / biomass systems / heat pumps

Modern heating systems use fossil fuels such as gas and oil in high-efficiency condensing boiler systems, capture the sun's energy by means of solar thermal systems, run on biomass or incorporate heat pumps. Our aim is to combine comfort and convenience with maximum energy efficiency and ease of operation. That includes such aspects as user-friendly operation, starting-up and servicing.



Interim Group Management Report

Development in revenue and earnings

In the first quarter of the 2012 financial year, the revenue of the CENTROTEC Group – hereinafter also referred to as CENTROTEC – grew to EUR 123.7 million (previous year EUR 112.3 million). This represented a 10.2 % improvement on the previous record high for a first quarter, which had been established in the previous year. Growth was driven by a variety of factors in the individual segments and markets, with the core segment of Climate Systems – including the subsidiary Dreyer & Bosse consolidated in Q3 2011 – enjoying a 16.1 % rise in revenue thanks to its innovative, energy-efficient system solutions. In a number of international markets, business in the Gas Flue Systems segment was weaker due to the economic environment, or had a smaller revenue base than in 2011 as a result of the discontinuation of certain operations. In the Medical Technology & Engineering Plastics segment, revenue was in line with expectations but was slightly down on the very strong prior-year quarter.

Revenue	Q1 2012	Q1 2011	Change
by segment	EUR million	EUR million	in %
Climate Systems	88.9	76.5	16.1 %
Gas Flue Systems	24.6	25.0	-1.6 %
Medical Technology & Engineering Plastics	10.3	10.7	-4.2 %
Total	123.7	112.3	10.2 %

The 16.1 % first-quarter revenue growth of the Climate Systems segment, which contributes more than two-thirds of consolidated revenue, also included revenue of EUR 7.4 million for the subsidiary Dreyer & Bosse Kraftwerke GmbH, which was not yet consolidated in the prior-year period. The Climate Systems segment nevertheless still achieved organic growth of 6.4 % in the quarter under review. Revenue for the Gas Flue Systems segment was down 1.6 % on the corresponding figure for the prior-year period due to cyclical factors and as a result of the shedding of peripheral activities from the product portfolio in 2011. The smallest of the three corporate segments, Medical Technology & Engineering Plastics, contracted by 4.2 % compared with the very strong prior-year quarter following the restructuring of the portfolio. The markets served by CENTROTEC through the two core segments Climate Systems and Gas Flue Systems fundamentally experienced sharply contrasting overall economic conditions. For example, while growth in Germany is slowing down somewhat, it is still very sound; this contrasts with the very difficult and, in some cases, recessionary developments in most Western and Southern European countries. Meanwhile the economic development of Central and Eastern European countries has been positive in almost every case.

Alongside these developments at the market end, high commodity prices continued to weigh on consolidated earnings for the first quarter of 2012. Although the purchased materials ratio fell slightly to 48.2 % (previous year 49.1 %) after having risen sharply in 2011, this was still

relatively high compared with the 2010 level of 46.0 %. The group succeeded in avoiding a further rise through such measures as its ongoing profitability improvement and optimisation programmes. In addition, there have been significant changes to the product mix in recent months; these, too, have had an impact on the materials ratio, sometimes to its benefit and sometimes to its detriment. For the year as a whole, commodity prices are expected to ease somewhat at the market end, and this should have a correspondingly positive impact on the gross profit ratio.

The relative stability of the remaining items of expenditure meant that the operating earnings indicators at group level improved. For example EBITDA rose by 7.1 % to EUR 9.2 million (previous year EUR 8.6 million). EBIT of EUR 4.1 million climbed by 2.4 % compared with the prior-year figure of EUR 4.0 million. The lower rise in EBIT compared with EBITDA is attributable to the increase in depreciation and amortisation to EUR 5.1 million (previous year EUR 4.6 million) as a result of recent years' high investment spending e.g. on product development and IT as well as from depreciation on the purchase price allocation for Dreyer & Bosse. With the interest result remaining constant at EUR 1.3 million (previous year EUR 1.3 million), the EUR 1.4 million fall in the investment result to EUR 1.5 million halved earnings before tax to EUR 1.3 million (previous year EUR 2.6 million). The high tax expense of EUR 1.7 million (previous year EUR 1.3 million), which is not especially meaningful in the first half of the year due to non-recurrent effects and high seasonal variation, produced slightly negative earnings after tax (EAT) of EUR 0.4 million (previous year EUR +1.3 million). This led to earnings per share (EPS) of EUR -0.01 (previous year EUR +0.09).

Typically, the earnings figures of the first quarter and to some extent for the entire first half only provide a limited indication of the business performance over the full year in view of the strong seasonal pattern to CENTROTEC's core business for heating, climate control and ventilation solutions. In particular, it does not make sense to extrapolate percentage changes in earnings over the full year because the typically weaker first half in the industry, occasionally with substantial fluctuations in business, means that minor changes in absolute terms amount to high variation in percentage terms. Furthermore, in the course of the year earnings will increasingly benefit now that measures have been taken to restructure the portfolio.

Development of the segments

Climate Systems

By some distance the largest segment of the CENTROTEC Group, generating more than two-thirds of revenue, Climate Systems increased this performance indicator by 16.1 % to EUR 88.9 million (previous year EUR 76.5 million) in the first three months of 2012. This figure includes revenue for the subsidiary Dreyer & Bosse, which has been consolidated since the third quarter of 2011, with the result that organic revenue growth amounted to 6.4 %. EBITDA for the segment showed slightly overproportional growth of 18.3 % to EUR 7.1 million (previous year EUR 6.0 million) compared with the first quarter of the previous year; EBIT, too, grew at a slightly higher rate than revenue of 17.8 % to EUR 3.8 million (previous year EUR 3.2 million).

Key figures	Q1 2012	Q1 2011	Change
Climate Systems	EUR '000	EUR '000	Percent
Revenue from third parties	88,857	76,535	16.1 %
Revenue from other segments	384	277	
Changes in inventories	(1,824)	573	
Cost of purchased materials	(42,691)	(38,731)	10.2 %
Personnel expenses	(26,017)	(22,895)	13.6 %
Other income and expense	(11,655)	(9,796)	19.0 %
EBITDA	7,054	5,963	18.3 %
Depreciation and amortisation	(3,233)	(2,719)	18.9 %
EBIT	3,821	3,244	17.8 %

The Climate Systems segment maintained the positive progress of recent years in the first three months of the current financial year. As in previous years, this took place largely independently of the performance of individual markets.

In 2012 to date, the German heating market has been subdued following a healthy development in the previous year. The very weak performance of certain international markets prompted more intense competition in Germany. The German market for climate control technology in particular continues to grow, as in 2011, but features increasing pressure of competition. As was already the case to some extent last year, the international markets proved to be very challenging in certain countries, reflecting the difficult overall economic situation. All in all, export business has put in a mixed performance in recent quarters and has proven especially difficult in many traditional markets. The first quarter of 2012, too, brought falling revenue in the Netherlands, France, Spain and Italy, whereas revenue was boosted for example in Austria, Switzerland, Poland, the Baltic states and Russia. Specifically in Russia and Poland this can be attributed to the stronger market presence now that the company has its own subsidiaries there. The companies in the Climate Systems segment succeeded in improving their position in major international target markets, though this did not automatically go hand in hand with revenue growth in markets that were contracting. In some cases the very difficult overall economic situation in a number of target countries and the resulting impact on the construction industry had a direct impact on demand for heating, climate control and ventilation solutions, with the result that the revenue share outside the German domestic market put in a very mixed performance.

The revenue growth achieved from stable profit margins especially in the German heating market, in what was again a difficult environment, reflects the strong market position enjoyed by CENTROTEC solutions. The previous year's healthy development was maintained specifically in the areas of condensing boiler technology, solar thermal solutions and heat pumps, which the company has been developing and manufacturing itself since 2010. Business for combined heat and power plants (CHP) likewise contributed to the positive revenue and profit performance; further growth is expected in the second half of the year once the regulatory-related reluctance to invest in the biogas and co-generation market is overcome

both in Germany and increasingly on an international scale, too.

With its competitive product portfolio and its further optimised sales structures nationally and internationally, the Climate Systems segment is well-placed to maintain the positive progress of recent years, despite a difficult overall environment. The basis for this progress was broadened in the first quarter of 2012 through further capital expenditure of EUR 1.7 million (previous year EUR 1.6 million). Over the year as a whole, revenue should therefore again exceed the market average, with profit margins slightly up.

Gas Flue Systems

Revenue for the Gas Flue Systems segment, which represents around one-fifth of the consolidated figure, came to EUR 24.6 million for the first three months of 2012, 1.6 % below the figure for the corresponding prior-year period (EUR 25.0 million). EBITDA reached only EUR 0.8 million and was therefore 47.3 % down on the prior-year figure or EUR 1.5 million. EBIT for the first quarter, with the volume of depreciation and amortisation virtually constant at EUR 1.3 million (previous year EUR 1.3 million) was negative at EUR -0.6 million (previous year EUR +0.2 million).

Key figures	Q1 2012	Q1 2011	Change
Gas Flue Systems	EUR '000	EUR '000	Percent
Revenue from third parties	24,583	24,981	(1.6 %)
Revenue from other segments	1,210	868	
Changes in inventories	652	1,057	
Cost of purchased materials	(14,198)	(14,382)	(1.3 %)
Personnel expenses	(7,203)	(7,123)	1.1 %
Other income and expense	(4,266)	(3,926)	8.7 %
EBITDA	778	1,475	(47.3 %)
Depreciation and amortisation	(1,337)	(1,289)	3.7 %
EBIT	(559)	186	

As already the case in the previous year, the general business performance in the first three months of the 2012 financial year was characterised to some degree by opposing developments in the target markets. For example, the new build market remained at a very low level in Southern and Western Europe, especially in the Netherlands. By contrast, the renovation market kept up the trend of recent years and continued to grow. The companies in the Gas Flue Systems segment identified this trend at an early stage and are addressing it with corresponding product solutions. Following the restructuring of the portfolio and the decision to focus business on gas flue and air ducting systems together with group products, gas flue systems for the renovation and replacement market for single and multiple occupancy homes and for industrial applications will make a much bigger contribution to the future revenue and profit growth of the Gas Flue Systems segment than was previously the case.

The measures taken in 2011 to adjust the portfolio and focus more closely on gas flue and air ducting systems as well as components for sustainable buildings were successfully continued in the past quarter. The restructuring and reorganisation of the continuing operations is progressing according to plan and will already make a positive contribution towards improving the result for the segment in the course of this financial year. However, compared to the prior-year quarter the streamlining of the product portfolio means that the revenue base is smaller than in 2011; this therefore temporarily restricts the scope for comparing the segment's figures. On top of that, there are the usual early-season fluctuations in demand from major OEM customers and for trade business, with the result that the virtually constant revenue for the quarter compared with Q1 2011 actually represents growth for the core business area of the Gas Flue Systems segment.

With the refocusing of the product range and the slimming-down and optimisation of all business processes, as well as more concerted sales campaigns, the necessary measures have been taken to restore the Gas Flue Systems segment to the profitable growth of recent years. Investment in the first quarter of 2012 came to around EUR 0.7 million, approximately half of the previous year's figure (EUR 1.4 million) which was inflated by non-recurrent effects. Revenue for the Gas Flue Systems segment is expected to stabilise for the 2012 financial year as a whole. Based on the refocusing of business and the profit enhancement measures taken, a positive operating profit margin (EBIT) and a correspondingly positive contribution to consolidated earnings should be possible for 2012 as a whole, assuming the revenue performance remains stable and there is no further deterioration in the overall economic environment. In the medium term, this segment too should enjoy more vigorous revenue growth and yield much higher profit margins.

Medical Technology & Engineering Plastics

The smallest segment of the CENTROTEC Group, Medical Technology & Engineering Plastics, accounts for just under 10 % of revenue. In the first quarter of 2012, the segment's revenue of EUR 10.3 million was slightly down on the previous year's record figure (-4.2 % compared with EUR 10.7 million in previous year) due to the termination of Swiss spinal implants business. The withdrawal from the Swiss business activities had a markedly positive impact on the operating result. EBITDA improved by 15 % to EUR 1.4 million (previous year EUR 1.2 million) and EBIT rose by more than one-third to EUR 0.9 million (previous year EUR 0.6 million).

Key figures	Q1 2012	Q1 2011	Change
Medical Technology & Engineer. Plastics	EUR '000	EUR '000	Percent
Revenue from third parties	10,291	10,746	(4.2 %)
Revenue from other segments	59	114	
Changes in inventories	657	140	
Cost of purchased materials	(4,134)	(4,053)	2.0 %
Personnel expenses	(3,899)	(3,901)	(0.1 %)
Other income and expense	(1,541)	(1,799)	(14.3 %)
EBITDA	1,433	1,247	15.0 %
Depreciation and amortisation	(553)	(601)	(7.9 %)
EBIT	880	646	36.3 %

The Medical Technology & Engineering Plastics segment put in a fundamentally positive business performance despite the slight overall decline in revenue in the first quarter in both the Medical Technology and Engineering Plastics areas. In addition to the positive impact of the termination of Swiss manufacturing activities in the field of spinal implants, the more flexible structures tailored to reflect customer requirements and the innovative product portfolio in the Engineering Plastics area also helped to strengthen the market position, paving the way for a long-term profitable performance in an area that is cyclically sensitive. The Medical Technology area is moreover benefiting from the concentration of operations at the Fulda production location, which has undergone improvements in recent years and is now geared up to the needs of cutting-edge, efficient medical technology development and production.

In the course of bringing on the business area, a total of EUR 0.6 million (previous year EUR 0.9 million) was invested in property, plant and equipment and in intangible assets in the first quarter of 2012. Revenue growth for 2012 as a whole, too, is expected to be slightly down on the figures achieved in previous years. The EBIT margin is expected to rise by a high single-digit figure. The medium-term goals remain steady organic revenue growth in the high single-digit figures, and an EBIT margin back up at the level of before the financial crisis.

Development of investments

The minority interest of currently 26.14 % which CENTROTEC has held in CENTROSOLAR Group AG – hereinafter also referred to as CENTROSOLAR – since CENTROSOLAR's IPO in 2005 represents the most significant investment of the CENTROTEC Group that is not comprehensively consolidated. The investee is listed in the Prime Standard of Deutsche Börse. CENTROTEC also has a 24.95 % interest in Bond Laminates GmbH; furthermore it acquired a 38.00 % interest in Industrial Solar GmbH in August 2011. All investments are carried on the assets side of the CENTROTEC balance sheet as associated companies accounted for using the equity method.

In the first three months of the current 2012 financial year CENTROSOLAR generated revenue of EUR 56.5 million. This represents a fall of around one-quarter in revenue compared with the

prior-year figure of EUR 71.1 million, mainly due to the continuing sharp decline in the prices of photovoltaic solar modules. Despite its very flexible procurement policy and the further optimisation of its organisational structure, CENTROSOLAR reported an EBIT-level loss of EUR 4.8 million (previous year profit of EUR 0.3 million) in the first three months of 2012, amid a still very difficult and highly competitive market environment.

As a result of the remeasurement of the investment in CENTROSOLAR Group AG in the 2011 financial year and the non-cash losses to be booked pro rata, the value of this investment has been correspondingly reduced to EUR 6.0 million; this figure simultaneously represents the maximum – though non-cash – risk from the CENTROSOLAR investment.

For more detailed information on the development of CENTROSOLAR Group AG, please refer to that group's reports, which can be found on the CENTROSOLAR homepage (<http://www.centrosolar-group.de/>).

Net worth and financial position

The balance sheet total of the CENTROTEC Group came to EUR 416.3 million at the end of the first quarter of the current financial year, and thus contracted by 2.2 % compared with the end of 2011 (EUR 425.7 million).

The main reduction on the assets side in this snapshot view at the reporting date was in cash and cash equivalents, which were down by around one-quarter, or EUR 13.0 million, at EUR 35.2 million. That aside, taking the balance sheet as a whole there were no major decreases in individual balance-sheet items. As in the first quarter of the previous year, the rise in trade receivables was the only significant change on the assets side. These receivables were up 11.2 % on the end of the previous year at EUR 70.9 million. As a result of these developments, net working capital (NWC = current assets less cash and cash equivalents, less current non-interest-bearing liabilities) was almost one-third up on the end of 2011 at EUR 74.3 million. Compared with the same point of the previous year, however, this seasonal rise was only 1.3 % and therefore well below the group's rate of revenue growth.

As a result of an almost balanced result for Q1 2012, CENTROTEC's shareholders' equity at March 31, 2012 came to EUR 157.0 million or 37.7 %, as against EUR 157.5 million and 37.0 % at the end of the previous financial year. Compared with the figures for Q1 2011 – EUR 163.0 million and 40.5 % – there was a slight fall.

At March 31, 2012 the CENTROTEC Group's borrowings were up slightly by 2.3 % to EUR 110.8 million compared with the end of the previous year; taking into account the reduced cash and cash equivalents, net borrowings were 25.8 % higher at EUR 75.6 million. However, both figures were significantly lower than the prior-year figures despite the acquisitions that took place in 2011.

Consolidated cash and cash equivalents of the CENTROTEC Group came to EUR 35.2 million at the end of the quarter under review, having been EUR 48.1 million at the end of the previous year and EUR 31.4 million at the corresponding point in 2011. Together with the unutilised credit lines, CENTROTEC therefore continues to have adequate cash and cash equivalents.

Cash flow from operating activities fell to EUR -12.6 million (previous year EUR -9.0 million)

mainly as a result of the significant reduction in trade liabilities in the opening months of the current financial year. The deficit in cash flow from investing activities of EUR -2.9 million was slightly reduced compared with the previous year (EUR -3.8 million). Cash flow from financing activities, which has been consistently negative at CENTROTEC in recent years following the marked reduction in the credit volume, was again negative in the first quarter of 2012 at EUR 1.6 million (previous year EUR -1.4 million).

Employees

At the end of the first quarter of 2012 the fully consolidated companies of the CENTROTEC Group employed 2,979 individuals (previous year 2,846). This equated to 2,871 full-time equivalents (FTE) (previous year 2,734). The total represents an increase of 165 FTE on the prior-year quarter, including the effects of consolidation. On the other hand compared with the end of the preceding quarter, the FTE total was down by 35 due to seasonal factors. The averages for the year to date were therefore 2,895 (previous year 2,818) individuals or 2,792 (previous year 2,704) FTE.

The increase in the employee total is attributable to the acquisition of Dreyer & Bosse and the expansion of business operations in the Climate Systems segment. In the remaining segments there was a slight fall in the employee figures because growth in certain business areas up until the end of 2011 was then more than cancelled out by the adjustments that were made to the portfolio.

Personnel expenses at group level in the first three months of 2012 rose by 9.4 % to EUR 37.1 million (previous year EUR 33.9 million); this item increased by a slightly slower rate than revenue, but slightly more steeply than the aggregate operating performance. Because the personnel expenses ratio is expressed in relation to the latter, it edged up to 30.1 % (previous year 29.7 %). However, seasonal factors meant that there was a substantial rise compared with the preceding quarter. As the year continues, the ratio is scheduled to come back down along with the seasonal rise in the business volume.

Shares

Over the first three months of the current financial year the trading price of CENTROTEC shares gained approx. 17 % to close the quarter on EUR 13.09, having started 2012 on EUR 11.35. Throughout the entire first quarter, the CENTROTEC share price virtually tracked the performance of the SDAX, which also rose by around 17 % over the first quarter of 2012. The low of EUR 10.75 for the first three months of 2012 was touched in early January. From that point on, the trading price climbed to EUR 14.30 at the end of February, then ending the quarter on EUR 13.09. This development, along with the predominantly sideways shift in the trading price since the end of the quarter, largely mirrored the performance of the SDAX, in which CENTROTEC shares have been included since 2007. The trading volume over the first three months of the current year at all German stock exchanges was approximately on a par

with the previous year, at well over 40,000 shares traded daily; this is a fitting reflection of CENTROTEC shares' high liquidity, as repeatedly confirmed in the relevant publications of Deutsche Börse over the past few years. This liquidity, which is derived from the trading volume, along with market capitalisation, dictates inclusion in a particular index; in CENTROTEC's case this indicator has been higher than that of comparable shares for many years.

Although the end-of-quarter trading price of just over EUR 13 represents a substantial fall compared with the year-highs of more than EUR 24 in 2011, in the long-term view – which is logical considering the equally long-term horizon of the CENTROTEC business model – there has been clear growth in the trading price. The average annual growth since the IPO in 1998 has been over 10 %, easily outstripping all benchmark indices. The long-term development is a crucial criterion for assessing the CENTROTEC Group in terms of both business operations and the trading price of its shares. The ownership structure, which has been stable for many years, and the fundamental continuity in its corporate management also provide outward visible evidence of how this long-term strategy is being implemented. The fundamentally longer evaluation horizon of course also includes short-term reappraisals of decisions and does not mask the need to consider current developments and respond accordingly.



CENTROTEC share price performance (Xetra) compared with SDAX from January to Mai 2012; source: www.ariva.de

As at the end of the first quarter of 2012, there were 17,291,820 no-par value ordinary shares outstanding of CENTROTEC Sustainable AG approved for stock exchange trading; the position thus remained unchanged from the end of the previous financial year; of this total, 12,080 were held by the company. The total number of shares multiplied by the end-of-quarter

trading price of EUR 13.09 at March 31, 2012 produced market capitalisation of EUR 226 million for the CENTROTEC Group.

After the period under review, the total number of shares outstanding rose by 2,500 through the exercise of stock options, to 17,294,320 shares.

CENTROTEC is not aware of any major developments affecting its share ownership structure compared with the end of the 2011 financial year. The family of Supervisory Board Chairman Guido A Krass has remained the principal shareholder of CENTROTEC Sustainable AG since the IPO. That group aside, there are no indications that other shareholders hold a percentage interest in CENTROTEC running into double figures. However, there was one report of an institutional investor moving below the 3 % reporting threshold pursuant to Section 26 (1) of German Securities Trading Law during the year to date. Detailed information of such changes is regularly updated and is available on the homepage of CENTROTEC Sustainable AG at (<http://www.centrotec.de/investor-relations/aktie/veroeffentl-26-abs-1-wphg.html>).

Opportunities and risks

There have been no materially significant changes in the period under review compared with the 2011 Annual Report published in March 2012 and the position presented there. Nor did the assessments, the methods of risk identification and the measures derived from them for the controlling of risks change materially compared with the view presented in the 2011 Group Management Report.

Expectations

Thanks to the satisfactory revenue and earnings achieved in Q1 2012 in the face of difficult overall economic conditions in various key countries for the group companies, especially in the Climate Systems segment, CENTROTEC expects to make positive progress in the 2012 financial year as a whole. In the Gas Flue Systems segment, the implementation of a comprehensive raft of measures to refocus and restructure business activities following the streamlining of the portfolio in Q4 2011 is progressing according to schedule and is expected to lift the operating result within the course of this financial year. In the Medical Technology & Engineering Plastics segment, previous adjustments to the portfolio already yielded significant improvements to earnings in the first quarter of 2012. The potential for improving earnings that these measures sought to address and the positive trend in consolidated revenue and earnings already achieved in 2012 in the traditionally weak first quarter provide a sound basis for a significant improvement in the operating result in the 2012 financial year. On that basis – provided there is no fundamental deterioration in the economic conditions – a year-on-year increase in revenue and EBIT approaching the record-breaking 2010 level are achievable.

The risks from the CENTROSOLAR investment have moreover been clearly limited now that the value of the investment has been reduced, with the result that earnings after tax, too, should rise significantly in 2012. Achieving these short-term goals does, however,

fundamentally depend on there being a stable overall economic environment in the relevant markets; the economic fortunes of a number of countries, especially in Southern and Western Europe, are currently very difficult to forecast due to the prevailing recessionary tendencies there.

In the medium to long term, the core business involving energy-saving solutions for buildings will fundamentally be bolstered by energy prices that remain high and will continue to rise, by internationally tougher regulatory requirements on the energy efficiency of buildings, and by the increasingly pressing need to save energy and protect our planet's climate. Against the backdrop of this long-term international trend and based on a highly efficient, comprehensive, well-established range of solutions for heating, climate control and ventilation technology plus renewables, and with its advanced international sales structure, CENTROTEC believes it is in a position to benefit overproportionally from the megatrend of energy saving and climate protection in the years ahead.

Brilon, May 2012

The Management Board

02

Energy-saving systems that maximise energy efficiency and protect the climate

Solar thermal – at the heart of modern heating systems

Innovative solar thermal systems with highly effective solar collectors, a well-insulated hot water tank and an intelligent control system are at the very heart of a modern heating system. By harnessing the sun's energy, and with no climate-harming emissions, they can cover as much as 60 % of the annual energy requirements for hot water.



Consolidated Statement of Financial Position

Assets in EUR thousand	31/03/2012	31/12/2011
Non-current assets		
Goodwill	69,736	69,738
Intangible assets	45,948	46,765
Property, plant and equipment	93,934	95,180
Financial investments accounted for using the equity method	9,944	11,458
Loans and investments	1,471	1,433
Other financial assets	204	206
Other assets	1,185	1,156
Deferred tax assets	1,370	1,711
	223,792	227,647
Current assets		
Inventories	74,912	74,837
Trade Receivables	70,882	63,740
Income tax receivable	2,219	2,400
Cash and cash equivalents	35,174	48,146
Other financial assets	4,964	4,156
Other assets	4,403	4,764
	192,554	198,043
Assets	416,346	425,690

Equity and Liabilities in EUR thousand	31/03/2012	31/12/2011
Shareholders' equity		
Share Capital	17,292	17,292
Capital reserves	30,866	30,866
Treasury stock	(112)	(112)
Retained earnings and profit carryforward	107,007	116,401
Profit attributable to shareholders of CENTROTEC Sustainable AG	(248)	(9,376)
	154,805	155,071
Non-controlling interests	2,209	2,382
	157,014	157,453
Non-current liabilities		
Pension provisions	23,812	23,485
Other provisions	15,218	14,493
Financial liabilities	65,474	66,592
Other financial liabilities	10,127	11,358
Other liabilities	385	376
Deferred tax liabilities	15,953	16,399
	130,969	132,703
Current liabilities		
Other provisions	2,185	3,076
Income tax payable	6,350	6,082
Financial liabilities	45,312	41,667
Trade liabilities	33,757	41,879
Other financial liabilities	11,980	11,032
Other liabilities	28,779	31,798
	128,363	135,534
Equity and Liabilities	416,346	425,690

Consolidated Income Statement

in EUR thousand	01/01/2012 31/03/2012	01/01/2011 31/03/2011
Revenues	123,731	112,262
Other income	1,997	2,547
Changes in inventories of finished goods and work in progress	(515)	1,770
Production for own fixed assets capitalised	864	454
Cost of purchased materials and services	(59,399)	(55,966)
Personnel expenses	(37,119)	(33,919)
Other expenses	(20,323)	(18,522)
EBITDA	9,236	8,626
Depreciation and amortisation	(5,123)	(4,609)
Operating income (EBIT)	4,113	4,017
Interest income	41	45
Interest expense	(1,384)	(1,345)
Result from investments	(1,514)	(84)
Result before income taxes (EBT)	1,256	2,633
Income taxes	(1,677)	(1,289)
Net income (EAT)	(421)	1,344
Profit or loss attributable to non-controlling interests	(173)	(144)
Profit or loss attributable to shareholders of CENTROTEC Sustainable AG	(248)	1,488
EPS (Earnings per share in EUR)		
Earnings per share (basic)	(0.01)	0.09
Earnings per share (diluted)	(0.01)	0.09
Weighted average shares outstanding (in thousand units; basic)	17,280	16,950
Weighted average shares outstanding (in thousand units; diluted)	17,379	17,054

Consolidated Statement of Comprehensive Income

in EUR thousand	01/01/2012 31/03/2012	01/01/2011 31/03/2011
Net income (EAT)	(421)	1,344
Exchange Rate differences on translation	(193)	11
Derivative financial instruments	119	789
Income tax relating to components of other comprehensive income	16	(193)
Other comprehensive income, net of tax	(58)	607
Total comprehensive income	(479)	1,951
Attributable to:		
Non-controlling interests	(173)	(116)
Shareholders of CENTROTEC Sustainable AG	(306)	2,067

Consolidated Statement of Cash Flows

in EUR thousand	01/01/2012 31/03/2012	01/01/2011 31/03/2011
Net income before interest and taxes (EBIT)	4,113	4,017
Depreciation and amortisation	5,123	4,609
Gain/ loss on disposal of fixed assets	9	27
Other non-cash items	(761)	74
Increase/ decrease in provisions	162	(15)
Increase/ decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(7,689)	(13,369)
Increase/ decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	(11,297)	(2,117)
Interest paid	47	117
Interest received	(1,106)	(1,394)
Income tax paid	(1,186)	(935)
Cash flow from operating activities	(12,585)	(8,986)
Purchase of property, plant and equipment/ intangible assets/ investments/ financial assets/ loans receivable	(2,918)	(3,781)
Proceeds from disposal of property, plant and equipment/ intangible assets/ investments/ financial assets/ loans receivable	94	70
Cash flow from investing activities	(2,824)	(3,711)
Proceeds from issuance of shares	0	0
Proceeds from financial liabilities	768	710
Repayment of financial liabilities	(2,347)	(2,078)
Cash flow from financing activities	(1,579)	(1,368)
Change in financial resources*	(16,988)	(14,065)
Foreign currency exchange gain/ loss of the financial resources	21	(45)
Financial resources at the beginning of the financial year	25,530	24,611
Financial resources at the end of the period	8,563	10,501

* Cash and cash equivalents deducted of credits current account

Consolidated Statement of Changes in Equity

in EUR thousand	Share Capital	Capital reserve	Treasury stock	Stock option reserve	Income tax relating to components of other comprehensive income	Exchange Rate differences on translation	Derivative financial instruments	Retained earnings and profit carryforward	Sum other retained earnings and profit carryforward	Profit attributable to shareholders of CENTROTEC Sustainable AG	Total capital to shareholders of CENTROTEC Sustainable AG	Non controlling interest presented within equity	Consolidated equity
January 1, 2012	17,292	30,866	(112)	2,604	387	(86)	(1,347)	114,843	116,401	(9,376)	155,071	2,382	157,453
Transfer to revenue reserves								(9,376)	(9,376)	9,376			
Change from exercise of options													
Stock option plan				40					40		40		40
Net income (EAT)										(248)	(248)	(173)	(421)
Other comprehensive income, net of tax					16	(193)	119		(58)		(58)	0	(58)
Total comprehensive income					16	(193)	119		(58)	(248)	(306)	(173)	(479)
Other changes													
March 31, 2012	17,292	30,866	(112)	2,644	403	(279)	(1,228)	105,467	107,007	(248)	154,805	2,209	157,014
January 1, 2011	16,962	27,014	(112)	2,481	540	(35)	(2,144)	90,790	91,632	25,748	161,244	(428)	160,816
Transfer to revenue reserves								25,748	25,748	(25,748)			
Change from exercise of options													
Stock option plan				250					250		250		250
Net income (EAT)										1,488	1,488	(144)	1,344
Other comprehensive income, net of tax					(193)	(17)	789		579		579	28	607
Total comprehensive income					(193)	(17)	789		579	1,488	2,067	(116)	1,951
Other changes													
March 31, 2011	16,962	27,014	(112)	2,731	347	(52)	(1,355)	116,538	118,209	1,488	163,561	(544)	163,017

Consolidated Segment Reporting

Segment Structure in EUR thousand	Climate Systems		Gas Flue Systems		Medical Technology & Engineering Plastics		Consolidation		TOTAL	
	01/01/2012 31/03/2012	01/01/2011 31/03/2011	01/01/2012 31/03/2012	01/01/2011 31/03/2011	01/01/2012 31/03/2012	01/01/2011 31/03/2011	01/01/2012 31/03/2012	01/01/2011 31/03/2011	01/01/2012 31/03/2012	01/01/2011 31/03/2011
Income Statement										
Revenue from third parties	88,857	76,535	24,583	24,981	10,291	10,746	0	0	123,731	112,262
Revenue from other segments	384	277	1,210	868	59	114	(1,653)	(1,259)	0	0
Changes in inventories of finished goods and work in progress	(1,824)	573	652	1,057	657	140	0	0	(515)	1,770
Cost of purchased materials	(42,691)	(38,731)	(14,198)	(14,382)	(4,134)	(4,053)	1,624	1,200	(59,399)	(55,966)
Personnel expenses	(26,017)	(22,895)	(7,203)	(7,123)	(3,899)	(3,901)	0	0	(37,119)	(33,919)
Other expenses and income	(11,655)	(9,796)	(4,266)	(3,926)	(1,541)	(1,799)	0	0	(17,462)	(15,521)
EBITDA	7,054	5,963	778	1,475	1,433	1,247	(29)	(59)	9,236	8,626
Depreciation and amortisation	(3,233)	(2,719)	(1,337)	(1,289)	(553)	(601)	0	0	(5,123)	(4,609)
Segment result (EBIT)	3,821	3,244	(559)	186	880	646	(29)	(59)	4,113	(4,017)
Interest income	37	39	150	138	1	3	(147)	(135)	41	45
Interest expense	(743)	(676)	(615)	(607)	(173)	(197)	147	135	(1,384)	(1,345)
Result from investments	(129)	0	(1,385)	(84)	0	0	0	0	(1,514)	(84)
EBT	2,986	2,607	(2,409)	(367)	708	452	(29)	(59)	1,256	2,633
Income taxes									(1,677)	(1,289)
Net income (EAT)									(421)	1,344
Profit or loss attributable to non controlling interest									(173)	(144)
Profit or loss attributable to shareholders CENTROTEC Sustainable AG									(248)	1,488
Balance sheet key figures*										
Assets**	266,326	270,156	94,745	99,827	40,410	38,813	(138)	(108)	401,342	408,688
Financial investments accounted for using the equity method	2,278	2,408	7,666	9,050	0	0	0	0	9,944	11,458
Loans and investments	1,458	1,421	12	12	0	0	0	0	1,470	1,433
Entitlement to income tax rebates***									3,589	4,111
Liabilities	98,495	103,840	21,187	26,529	6,561	7,128	0	0	126,243	137,497
Financial liabilities									110,786	108,259
Income tax payable***									22,303	22,481
Investments										
Total investments in property, plant, equipment and intangible assets****	1,734	1,596	673	1,359	632	913	0	0	3,039	3,868

* Previous year is related to December 31, 2011

** Excl. financial investments accounted for using the equity method, loans and investments as well as entitlement to income tax rebates ***

*** Including deferred tax

**** Incl. goodwill and figures out of business combinations

03

A healthy interior climate that requires little energy Controlled ventilation with heat recovery

To save energy and reduce CO₂ emissions, both new and renovated buildings are being made increasingly well insulated and airtight.

Depending on how heavily the rooms are used, an air exchange rate of between 0.3 and 0.7 times per hour is needed to keep the interior conditions agreeable for occupants, so heat losses during ventilation can easily mean the benefits of investing in insulation are negated.

That is where controlled ventilation comes in. It maintains the quality of the air inside a building but also achieves a very high standard of energy efficiency with heat recovery rates of up to 95 %.



Notes to the Consolidated Financial Statements

Corporate information

The CENTROTEC Group – hereinafter also referred to as CENTROTEC – is an international group focusing on the development, manufacturing and sale of system solutions that promote energy efficiency and use renewable energies in buildings. In addition to its existing business activities, CENTROTEC regards its business purpose as including the establishment and acquisition of new business areas and companies.

The group parent, CENTROTEC Sustainable AG with registered office in Brilon, is listed in the Prime Standard in the SDAX index under the stock exchange codes CEV, WKN 540750 and ISIN DE 0005407506 of the Frankfurt Stock Exchange. It is entered on the Commercial Register of the Local Court of Arnsberg, Germany, under the number HRB 2161. The company's head office is located at Am Patbergschen Dorn 9, 59929 Brilon, Germany. CENTROTEC Sustainable AG is not part of a superordinate group, and is the ultimate parent company of the group presented in these interim financial statements. Further financial and corporate information on CENTROTEC is available from the above address, or on the homepage www.centrotec.de.

Accounting standards and policies

These Quarterly Financial Statements at March 31, 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS) for interim financial reporting issued by the International Accounting Standards Board (IASB), as applicable within the European Union (EU), taking account of Section 315a (1) of German Commercial Code. All IFRS standards, and in particular IAS 34 (Interim Financial Reporting), that were valid at the reporting date and the application of which was mandatory at that date, have been applied. The accounting policies explained in the Consolidated Financial Statements for 2011 have likewise been applied in this Quarterly Report, except in the case of amendments to standards to be applied for the first time, and apply correspondingly. The Quarterly Report should therefore be read in conjunction with the audited Consolidated Financial Statements at December 31, 2011. These Quarterly Financial Statements and the Quarterly Management Report have not been audited in accordance with Section 317 of German Commercial Code, nor have they been subjected to any scrutiny by an independent auditor.

The reporting date for the quarter for all companies included in the Quarterly Consolidated Financial Statements is March 31, 2012. The financial statements have been prepared in euros; unless otherwise indicated, the amounts quoted refer to thousand euros (EUR thousand). For mathematical reasons, there may be rounding differences of +/- one unit.

The Management Board points out that the future-related statements made in the Quarterly Financial Statements are based on current expectations, assumptions and estimates. These statements are not to be interpreted as guarantees that the forecasts made will prove correct. Rather, future developments and occurrences are dependent on a wide range of factors that are subject to risks and uncertainties, the influencing factors of which may lie outside the sphere of influence of CENTROTEC. Actual developments may therefore depart from any implicit or explicit future-related statements made.

Corporate and investment structure

All direct and indirect subsidiaries of the parent company and group parent are included in the Consolidated Financial Statements of CENTROTEC. There have been no materially significant changes in consolidation since the annual financial statements at December 31, 2011. EnEV-Air GmbH, Ahaus, and Brink Climate System Deutschland GmbH, Ahaus, merged to form Brink Climate System Deutschland GmbH, Ahaus, in the first quarter.

The business activities of CENTROTEC are classified according to the segments Climate Systems, Gas Flue Systems, and Medical Technology & Engineering Plastics.

Detailed information on the CENTROSOLAR Group, which is accounted for by the equity method, is contained in its Quarterly Report at March 31, 2012. That report is available at www.centrosolar.com.

Notes on the Quarterly Financial Statements

- Recognition and measurement aspects

Detailed notes on the income statement, balance sheet and cash flow statement can be found in the section "Development in revenue and earnings" and the section "Net worth and financial position" of the Interim Management Report of the group.

- Related party disclosures

Within CENTROTEC, goods and services are purchased by a large number of business partners. They are also supplied by or to persons or companies who can be classified as related parties. Transactions with these persons or companies are conducted at arm's length. Transactions with related parties were presented comprehensively in the Consolidated Financial Statements for 2011. All reciprocated services such as the use of infrastructure are billed on generally accepted market terms (arm's length principle). The same applies to service relationships between CENTROTEC and companies which are accounted for using the equity method.

- Reportable security holdings and options

The totals of reportable shares and stock options at March 31, 2012 are shown in the following table.

Management Board	Shares	Options*
Dr Gert-Jan Huisman	57,443	258,976
Anton Hans	0	76,221
Dr Christoph Traxler	0	134,126
Supervisory Board	Shares	Options*
Guido A Krass	2,400,000	0
Dr Bernhard Heiss **	45,550	0
Mag. Christian C. Pochtler	0	0
CENTROTEC	Shares	Options*
Ordinary shares	17,291,820	0
Treasury stock	12,080	0

* The maximum attainable number of options has been indicated. How many options can actually be exercised depends on the attainment of specified targets.

** Dr Heiss acquired a total of 31,790 shares in April 2012. His share total has increased accordingly from 45,550 to 77,340 shares.

- Contingent liabilities

There has been no significant change in contingent liabilities since the balance sheet date of December 31, 2011.

- Dividend payments

A dividend payment for the 2011 financial year of EUR 0.10 per share will be proposed to the Shareholders' Meeting taking place on May 22, 2012.

Significant events occurring after the reporting date for the quarter

- Change in the capital stock and the number of shares

2,500 options were exercised in April on the basis of the stock options scheme. As a result, the capital stock rose by a further EUR 2,500 or 2,500 shares at the start of the second quarter, to a present EUR 17,294,320, divided into 17,294,320 ordinary shares.

- Other significant events occurring after the reporting date for the quarter

There were no other events of material significance after the reporting date for the quarter.

Management Board and Supervisory Board

- The members of the Management Board at the reporting date were:

Dr Gert-Jan Huisman, Nijkerk, Netherlands, merchant, CEO

Anton Hans, Apeldoorn, Netherlands, merchant, CFO

Dr Christoph Traxler, Fulda, Germany, physicist

- The members of the Supervisory Board at the reporting date were:

Guido A Krass, Oberwil-Lieli, Switzerland, entrepreneur (Chairman)

Dr Bernhard Heiss, Munich, Germany, entrepreneur

Christian C Pochtler, MA, Vienna, Austria, entrepreneur

Other particulars

- Corporate Governance Code

The Management Board and Supervisory Board of CENTROTEC Sustainable AG have, pursuant to Section 161 of German Stock Corporation Law, declared the extent to which they have complied with and will comply with the recommendations of the Government Commission on the German Corporate Governance Code. The regularly submitted declarations and explanations are permanently available on the website of CENTROTEC Sustainable AG.

Brilon, May 15, 2012

04

Energy-focused refurbishment

Passive-house system – efficient heating technology combined with heat recovery

There is huge potential for saving energy through the energy-focused refurbishment of the building stock. Yet realising those savings usually involves much upheaval for the occupants. That need not be the case, as demonstrated by the Kroeven refurbishment project in Rosendaal, the Netherlands. In this instance 134 single-family terraced houses were renovated to passive-house standard, and there was no need for the occupants to move out during the building work, which took only one week. The passive-house compact system made by ventilation specialist Brink Climate Systems was used.



Responsibility Statement by the Management

In accordance with German Securities Trading Law (WpHG) in conjunction with German Commercial Code (HGB), the Management Board declares:

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

The Management Board

Brilon, May 15, 2012

05

Renewable power from biogas

Comprehensive range of biogas systems

In Germany, more power is already generated using biogas than with photovoltaics. Combined heat and power (CHP) plants efficiently and non-centrally generate power and heat by means of co-generation. If they are run on biogas, CHP units operate in a climate-neutral way, on renewable energies and with a closed CO₂ circuit. The energy sources thus produce an overall energy efficiency of up to 90 % cutting primary energy consumption by more than one-third. With biogas purification and biogas treatment systems for feeding biomethane into the natural gas grid, they cover the entire value chain on energy recovery from biogas.



Financial Calendar 2012

May 15	Publication of Q1 2012 Quarterly Report
May 22	Shareholders' Meeting, Brilon, Kolpinghaus
August 14	Publication of Q2 2012 Quarterly Report
November 13	Publication of Q3 2012 Quarterly Report
November 19 – 21	German Equity Forum, Frankfurt am Main

CENTROTEC Sustainable AG

Am Patbergschen Dorn 9

D-59929 Brilon

Phone +49 (0) 2961-96 631 - 111

Fax +49 (0) 2961-96 631-100

ir@centrotec.de

www.centrotec.de