

# Q02

## Quarterly Report Q2/2011

Group Quarterly Report of  
CENTROTEC Sustainable AG, Brilon



# Highlights

- > Record revenue also for first half, up 7.7 % to EUR 234.3 million for the group
  - Further gains in revenue and market shares in the German heating market along with growth in most European markets
  - A strong corresponding quarter in 2010 and weak solar components business, especially in due to short term regulatory changes in France, means a renewed fall in revenue for the Gas Flue Systems segment compared with the previous year.
  - Revenue for Medical Technology & Engineering Plastics segment yet again exceeds the previous record level from 2008
  
- > First-half result down on previous year's record figure:
  - Higher earnings for Climate Systems segment, weaker performance of Gas Flue Systems segment especially due to short term declining business in the solar components business in France and in particular start-up losses for the energy-roof
  - Reduced gross margins from delay in compensating for commodity price rises
  - EBITDA of EUR 17.4 million (previous year EUR 19.1 million; decrease of 9 %)
  - EBIT falls by 19 % to EUR 8.2 million (previous year EUR 10.1 million)
  - Earnings per share (EPS) of EUR 0.12 (previous year EUR 0.46) severely undermined by negative CENTROSOLAR component of EUR -0.09 (previous year EUR +0.20)
  
- > Average energy prices for the year remain above record level from 2008 despite current dip; further significant price increases forecast for medium to long term
  
- > Ongoing energy debate and the latest political decisions throughout Europe mean even brighter prospects for energy-saving solutions in buildings
  
- > Growth expected for the Gas Flue segment in the second half of 2011
  
- > CENTROTEC continues to build on market position, in particular by strengthening sales structures and through minor strategic acquisitions
  
- > Full-year forecast fundamentally confirmed as follows:
  - Revenue: EUR 520 to 535 million
  - EBIT: EUR 40 to 42 million
  - Earnings per share (EPS) likely to be in the region of EUR 1.35 to 1.45 (previously EUR 1.70 to 1.80) because of the reduced CENTROSOLAR contribution

# Consolidated Key Figures

	30/06/2011 [EUR '000]	30/06/2010 [EUR '000]	Changes [Percent]
<b>Total revenue</b>	<b>234,328</b>	<b>217,668</b>	7.7
Climate Systems	161,381	144,513	11.7
Gas Flue Systems	51,801	56,022	(7.5)
Medical Technology & Engineering Plastics	21,146	17,133	23.4
<b>Earnings</b>			
EBITDA	17,361	19,090	(9.1)
EBIT	8,190	10,118	(19.1)
EBIT yield (in %)	3.5	4.6	
EBT	4,149	10,817	(61.6)
EAT	1,896	7,686	(75.3)
EPS (in EUR; basic)	0.12	0.46	(73.9)
<b>Balance sheet structure*</b>			
Balance sheet total	401,241	399,561	0.4
Shareholders' equity	166,194	160,816	3.3
Equity ratio (%)	41.4	40.2	
Property, plant and equipment	92,667	91,946	0.8
Intangible assets	38,695	39,265	(1.5)
Goodwill	61,339	61,074	0.4
Net financial liabilities	86,267	71,123	21.3
Net working Capital	78,410	57,572	36.2
<b>Cash flow statement</b>			
Cash flow I (EAT & depreciation/ amortisation)	11,067	16,658	(33.6)
Cash flow from operating activities	(7,626)	(4,053)	88.2
Cash flow from investing activities	(8,048)	(8,850)	(9.1)
<b>Employees</b>			
Total (in FTE)	2,783	2,698	3.2
<b>Shares</b>			
Number of shares**	17,047	16,750	
Half-yearly-high quotation***	24.25	13.81	
Half-yearly-low quotation***	16.11	9.15	
Half-yearly-end quotation***	21.15	12.86	

\* Previous period is related to 31/12/2010

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

\*\*\* Quotation in EUR

CENTROTEC home ventilation systems with heat recovery with an efficiency of up to 95 % maintain consistently high standards of interior air quality while using energy with maximum efficiency. Energy losses through ventilation are cut by up to two-thirds in highly insulated buildings. Condensing boiler systems for oil and gas make optimum use of these fuels, thus helping to preserve scant resources.



# Interim Group Management Report

## Development in revenue and earnings

Revenue for the CENTROTEC Group – hereinafter also referred to as CENTROTEC – in the second quarter of the current financial year was again a substantial 6.5 % up on the record figure from the previous year. For the entire first half, revenue has therefore risen by 7.7 % to EUR 234.3 million (previous year EUR 217.7 million). As already in the preceding quarters, the largest segment Climate Systems accounted for the greater part of the group's growth thanks to further strengthening its market position. Its extremely competitive product range of integrated system solutions for energy saving and for the use of renewable energies in buildings provided the basis for revenue growth in both domestic and international markets. But the steepest growth in percentage terms was again achieved by the smallest of the three corporate segments, Medical Technology & Engineering Plastics.

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Revenue by segment	Q2 2011 EUR million	Q2 2010 EUR million	Change in %	Q1 - Q2 2011 EUR million	Q1 - Q2 2010 EUR million	Change in %
Climate Systems	84.8	77.3	9.7	161.4	144.5	11.7
Gas Flue Systems	26.8	28.7	(6.4)	51.8	56.0	(7.5)
Medical Technology & Engineering Plastics	10.4	8.6	20.7	21.1	17.1	23.4
<b>Total</b>	<b>122.1</b>	<b>114.6</b>	<b>6.5</b>	<b>234.3</b>	<b>217.7</b>	<b>7.7</b>

Revenue growth for the Climate Systems core segment, which brings in over two-thirds of consolidated revenue, was 11.7 % compared with the corresponding period of the previous year. The growth rate for Q2 2011 was thus only marginally down on the previous quarter. By contrast the second-largest segment, Gas Flue Systems, which accounts for slightly more than one-fifth of consolidated revenue, saw its revenue for the first six months fall back by 7.5 % compared with the previous year's record revenue total. Principally you find this as a result of a sharp fall in business for solar components in the French market owed to the short term regulatory changes. The steepest revenue growth within the group of 23.4 % was achieved by the smallest segment, Medical Technology & Engineering Plastics, which generates just under ten percent of total revenue. The proportion of revenue originating from outside the core markets Germany and the Netherlands was 36.6 % (previous year 36.7 %) in the first six months of 2011.

The sharp rise in commodity prices since the start of the year had a marked impact on earnings, because there will be some time lag in compensating for this effect. In the first half of 2011 as a whole, as previously in the first quarter, the cost of purchased materials ratio climbed to 49.4 % (previous year 47.8 %). This ratio reflects the change in the product mix especially for business in France, along with the substantial rise in materials purchase prices brought on by economic growth; the latter have nevertheless largely been passed on or

compensated for in the shape of price adjustments and earnings enhancement programmes, albeit with a certain time lag. The gap with the prior-year figures will narrow as the year progresses because major effects were already evident in the second half of 2010. The reduction in the personnel expenses ratio to 29.2 % (previous year 29.8 %) illustrates the improvement in productivity and partly compensates for the higher materials ratio.

In addition, expenses for the further expansion of new business areas, the development of new products and further internationalisation weighed on the operating result for the first half of 2011. As a consequence of these patterns, EBITDA of EUR 17.4 million was 9.1 % down on the prior-year figure of EUR 19.1 million. An investment-led rise in depreciation and amortisation reduced EBIT by 19.1 % to EUR 8.2 million (previous year EUR 10.1 million). Earnings before tax (EBT) were almost two-thirds down on the previous year's figure of EUR 10.8 million despite a further improvement in the interest result, in particular because of the negative impact of the CENTROSOLAR investment result, which temporarily fell well short of expectations. The negative but non-cash earnings contribution of the investment result for the first half of 2011 was EUR -1.2 million, in a reversal from EUR +3.5 million in the equivalent prior-year period. As in the previous quarter, an unusually high effective tax rate that again reflected non-recurring effects at smaller companies produced earnings after tax (EAT) of EUR 1.9 million (previous year EUR 7.7 million). There is the prospect of the effective tax rate for the full year coming down again. The above effects meant that the resulting earnings per share of EUR 0.12 were well below the record figure of EUR 0.46 achieved in the corresponding period of 2010.

As in previous years, the highly seasonal nature of CENTROTEC's core business in the current financial year means that it is not simply a straightforward matter of extrapolating the results for the first two quarters over the full year, because the period under review is typically weaker in this industry.

## Development of the segments

### Climate Systems

The Climate Systems segment generated revenue of EUR 161.4 million in the first half of 2011, representing a rise of 11.7 % on the first half of 2010 (EUR 144.5 million). This growth yet again stemmed from the steadily increasing market shares in the German heating market. The operating results for this segment were EBITDA of EUR 12.1 million (previous year EUR 10.8 million) and EBIT of EUR 6.7 million (previous year EUR 5.7 million), in both cases a significant improvement on an already strong 2010. The rises in materials purchase prices, which were quite marked in certain cases, could not always be passed onto the market or compensated for without a time lag. The renewed rises in EBITDA (+11.7 %) and EBIT (+16.3 %) therefore underscore the segment's outstanding position and the results of the ongoing optimisation of operational processes.

Key figures	Q1 – Q2 2011	Q1 – Q2 2010	Change
Climate Systems	EUR '000	EUR '000	Percent
<b>Revenue from third parties</b>	<b>161,381</b>	<b>144,513</b>	<b>11.7</b>
Revenue from other segments	591	245	
Change in inventories	(758)	(15)	
Cost of purchased materials	(82,141)	(69,812)	17.7
Personnel expenses	(46,376)	(44,818)	3.5
Other income and expense	(20,623)	(19,299)	6.9
<b>EBITDA</b>	<b>12,074</b>	<b>10,814</b>	<b>11.7</b>
Depreciation and amortisation	(5,401)	(5,075)	6.4
<b>EBIT</b>	<b>6,673</b>	<b>5,739</b>	<b>16.3</b>

In all key heating technology divisions, the sales trend outstripped the average for the German heating market. The fundamentally positive development in the climate control and ventilation areas provided a lift here, despite the intense pressure on prices in certain product areas. The same applies to international business, which has made essentially positive progress in the year to date and contributed a slightly higher proportion of the segment's revenue.

Demand for the group's energy-efficient solutions will continue to develop positively over the long term and show a generally upward trend. Furthermore, in the short term the current debate about a sea change on energy will increasingly shift the focus onto refurbishing buildings for energy efficiency. In light of the backlog of renovation projects especially in Germany, energy prices remaining high, incentive programmes under discussion and already approved, and the slight rise in the number of new buildings, the market environment thus remains fundamentally very positive. The high growth rates for newly launched or fundamentally reengineered products such as the company's own range of highly efficient heat pumps, the now-extended multiple-award-winning COB oil condensing boiler range, the innovative CWL heat recovery unit, the highly modularised heat recovery units in the EveryLine range and the integrated energy roof illustrate just how well the CENTROTEC companies in the Climate Systems are positioned, both now and in terms of potential. Other strategic partnerships for development and sales activities both within and outside the group offer additional options for growth on top of that.

In order to exploit existing trends and the bright future prospects, the companies in the Climate Systems segment invested the record amount of EUR 3.5 million (previous year EUR 3.4 million) in the first half of the year. On that basis, CENTROTEC expects it will comfortably achieve the forecast full-year revenue of EUR 350 to 360 million. Including in the light of sharply higher commodity prices, the result for the segment is expected to rise in proportion to revenue because the increased materials purchase prices can be passed onto the market or partly counterbalanced by group-wide measures to improve earnings. In the medium term CENTROTEC expects organic growth of 8 to 10 % for the segment, with an EBIT margin of 8 to 9 %.

## Gas Flue Systems

Continuing the pattern of the first quarter, the segment's revenue in Q2 2011 again showed a marked fall compared with the exceptionally strong prior-year period. One major factor behind this drop was the unexpected, temporally limited sales boom in the French market last year, prompted by regulatory changes in that country. On the other hand business in the core area of systems for gas flues continued to make positive progress. The high base level for the previous year prompted by the special boom up until mid-2010 led to a 7.5 % downturn in revenue to EUR 51.8 million (previous year EUR 56.0 million) for the Gas Flue Systems segment in the first half of 2011.

A number of new business areas were also further expanded in the first half of 2011, including especially the energy roofs, through the acquisition of the assets of the now-bankrupt Systaic AG. The company also invested in the expansion of international sales channels e.g. in the USA, Eastern Europe, the UK and Italy, burdening the operating result for the first half of 2011. Because of the lower revenue and the further expansion of business operations, the earnings figures were likewise well down on the previous year at EUR 2.8 million (previous year EUR 6.5 million) for EBITDA and EUR 0.2 million (previous year EUR 3.8 million) for EBIT.

Key figures	Q1 – Q2 2011	Q1 – Q2 2010	Change
Gas Flue Systems	EUR '000	EUR '000	Percent
<b>Revenue from third parties</b>	<b>51,801</b>	<b>56,022</b>	<b>(7.5)</b>
Revenue from other segments	1,872	1,066	
Change in inventories	555	2,969	
Cost of purchased materials	(28,096)	(31,331)	(10.3)
Personnel expenses	(14,413)	(13,747)	4.8
Other income and expense	(8,882)	(8,478)	4.8
<b>EBITDA</b>	<b>2,837</b>	<b>6,501</b>	<b>(56.4)</b>
Depreciation and amortisation	(2,621)	(2,701)	(3.0)
<b>EBIT</b>	<b>216</b>	<b>3,800</b>	<b>(94.3)</b>

As previously in the first quarter of 2011, the positive trend in the British and Irish markets held up in the second quarter. The business relationship with a recently acquired key account there was taken to the next level, and offers the prospect of a positive revenue performance in the short and medium terms. Rising revenue in the US market likewise reflects a fundamentally positive performance in a new but promising market for CENTROTEC, even if it comes relatively late in the day. Appropriate measures are being taken to counter the high exchange rate fluctuations that are negatively impacting business in the UK and the USA in specific. These positive developments were not sufficient to compensate for the temporarily downturns in revenue in the Belgian and especially the French markets in the first half, but are increasingly expected to do so in the second half.

The change to the product mix in the Gas Flue Systems segment brought about in previous quarters with a view to shifting the focus onto technical roof products continued in the second quarter, as did the intensification of sales activities in both new and existing markets. In addition, the wide-ranging measures implemented specifically by the French subsidiary to optimise costs further will begin to bite in the second half of the year. These, along with extensive capital expenditure and targeted acquisitions and investments focusing on the technical portfolio and the sales network, improved the basis for a return to the highly profitable growth enjoyed in previous years. The modest outlay in the second quarter for the acquisition of key assets of Systaic AG, which is renowned for aesthetically high-calibre energy roofs, opens up further scope in this respect. In the Kenyan company Ubbink East Africa Ltd., which started manufacturing a few months ago, and the acquisition of a 60 % interest in Solar23 at the start of the year, the Gas Flue Systems segment furthermore now has two footholds on the African continent, which offers excellent prospects in the medium to long term. As well as the business opportunities that Africa affords in the sphere of solar technology, these moves constitute a form of corporate social responsibility because resource-saving, sustainable development is being promoted in situ. Solar23's business performance is healthy and it is expected to make its first positive contribution to earnings very soon. Nevertheless, these fledgling ventures and various product developments at an early phase of development are still necessitating start-up costs that temporarily diminish the operating result for the Gas Flue Systems segment.

Against this backdrop, and underpinned by capital expenditure of EUR 3.5 million for the year to date (previous year EUR 3.2 million), CENTROTEC views the Gas Flue Systems segment as primed for a successful future and expects in the second half of the year growth in sales and earnings. But for 2011 itself believes that the lower threshold of the full-year forecast will be very difficult to achieve because of the difficult first half figures. For the medium term, the segment's aim remains average organic revenue growth of 10 to 12 % with a double-digit EBIT margin.

### Medical Technology & Engineering Plastics

The Medical Technology & Engineering Plastics segment is the smallest of the three corporate segments, with revenue of EUR 21.1 million (previous year EUR 17.1 million) in the first half of 2011, but it again delivered the highest revenue growth of 23.4 %. The strong, easily overproportional growth rates for earnings were likewise the highest in the group, with EBITDA rising 47.6 % to EUR 2.6 million (previous year EUR 1.7 million) and EBIT up 165.3 % to EUR 1.4 million (previous year EUR 0.5 million).

The strong growth of the past two years is reflected in the successful market position of the Medical Technology & Engineering Plastics segment that operates under the umbrella of the parent company medimondi AG, which has its headquarters in Fulda and has other production locations in Germany, Denmark and Switzerland. The core medical technology skills of neurosurgery, aesthetic medicine and blood transfusion will continue to be developed, decisively bolstering the segment's growth. The Engineering Plastics area, too, demonstrates

the segment's lucrative, enduring growth prospects with a distinctly positive business performance. As a fitting reflection of this trend, capacity is currently being significantly increased in this area. In keeping with CENTROTEC's buy and build strategy, it is fundamentally both pursuing a technology-led acquisitions strategy and promoting steady organic growth. To achieve specifically the latter, it invested the record volume of EUR 2.6 million (previous year EUR 1.5 million) in the first six months of the current year.

Key figures	Q1 – Q2 2011	Q1 – Q2 2010	Change
Medical Technology & Engineer. Plastics	EUR '000	EUR '000	Percent
<b>Revenue from third parties</b>	<b>21,146</b>	<b>17,133</b>	<b>23.4</b>
Revenue from other segments	150	259	
Change in inventories	436	153	
Cost of purchased materials	(8,169)	(6,002)	36.1
Personnel expenses	(7,718)	(7,326)	5.3
Other income and expense	(3,309)	(2,498)	32.4
<b>EBITDA</b>	<b>2,537</b>	<b>1,719</b>	<b>47.6</b>
Depreciation and amortisation	(1,149)	(1,196)	(3.9)
<b>EBIT</b>	<b>1,387</b>	<b>523</b>	<b>165.3</b>

The forecast for 2011 as a whole of organic revenue growth to EUR 35 to 37 million coupled with a substantial rise in the EBIT margin should be readily attainable for the Medical Technology & Engineering Plastics segment, bearing in mind the healthy current business performance. The medium-term target for average organic revenue growth is an annual 10 %. The EBIT margin should fundamentally be in high single figures or low double figures.

### Development of investments

The 26.16 % investment which CENTROTEC holds in the listed CENTROSOLAR Group AG – hereinafter also referred to as CENTROSOLAR – represents the most significant investment of the CENTROTEC Group that is not comprehensively consolidated.

In the first half of the year, revenue was down 28 % at EUR 150.5 million (previous year EUR 209.3 million) as a result of sharper than expected price reductions. This produced negative EBIT of EUR -4.9 million (previous year EUR +21.1 million). In proportion to the ownership interest of 26.16 %, an amount of EUR -1.5 million (previous year EUR +3.4 million) is therefore incorporated into the CENTROTEC Group's earnings before tax with no effect on liquidity.

CENTROSOLAR has issued a new, downgraded revenue forecast for 2011 as a whole of EUR 330 to 380 million (previously EUR 420 to 450 million). EBIT is expected to remain in positive territory; an EBIT margin of four to six percent had previously been targeted.

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

As at June 30, 2011 there were merely minor changes in the balance sheet of the CENTROTEC Group compared with the end of the 2010 financial year; the balance sheet total was reported as EUR 401.2 million. This represents a rise of EUR 0.4 % on the end of 2010. Likewise compared with the previous quarter and the prior-year quarter, both the balance sheet volume and the balance sheet structure changed only marginally.

Seasonal factors prompted an asset-side rise in current assets such as inventories (up 5.1 % to EUR 67.8 million), trade receivables (up 21.6 % to EUR 70.1 million) and other assets (up 29.2 % to EUR 11.8 million). This development, along with the slight increase in current liabilities, pushed up net working capital (NWC = current assets less cash and cash equivalents, less current non-interest-bearing liabilities) by EUR 20.8 million or 36.2 % compared with the end of 2010, to EUR 78.4 million. Compared with the same point in the previous year, the rise was EUR 7.3 million or 10.3 % and therefore broadly in line with the increased volume of business.

As was already the case in preceding quarters, the EUR 5.4 million rise in equity was the most significant change on the equity and liabilities side of the balance sheet. Equity was up EUR 25.9 million on the corresponding point in 2010, at EUR 166.2 million. The equity ratio of 41.4 % at June 30, 2011 was therefore at its highest level since the acquisition of Wolf almost five years ago. The ratio was 40.2 % at the end of 2010 and 36.5 % at June 30, 2010.

Borrowings were reduced further to EUR 111.6 million, compared with EUR 112.2 million at the end of 2010. Because of the seasonal fall in cash and cash equivalents to EUR 25.3 million (EUR 41.1 million at end of 2010), net borrowings rose from EUR 71.1 million to EUR 86.3 million. However, the figure is EUR 12.8 million lower than at June 30, 2010. Within borrowings, the progressive shortening of maturities meant that an amount of slightly more than EUR 6 million was reclassified from non-current borrowings (EUR 71.9 million) to current borrowings (EUR 39.7 million).

Consolidated cash and cash equivalents of the CENTROTEC Group reached EUR 25.3 million at the end of the first half of 2011. At the end of 2010 this item was EUR 41.1 million, EUR 15.8 million higher, due to seasonal factors. On the other hand in mid-2010 it was one-third lower at EUR 18.9 million. The cash and cash equivalents and unutilised credit lines ensure that CENTROTEC has ample liquidity.

The cash flow from operating activities amounted in the first half of 2011 to EUR -7.6 million as a result of increased working capital from the further expansion in business volume (previous year EUR -4.1 million).

Cash flow from investing activities amounted to EUR -8.0 million in the first quarter of 2011 (previous year EUR -8.9 million). It should be noted in this respect that investment in the form of leases is not included in these cash flow figures and that the figures reported here differ from the investment figures shown in the individual segment reports.

The cash flow from financing activities came to EUR -5.7 million in the first three months of the current financial year, compared with EUR -3.0 million in the corresponding prior-year period. Herein the first time paid dividend of EUR 1.7 million is included. Additional payment of EUR 3.3 million from exercise prices from the stock option program is also included. Overall, the

cash flow statement shows a decrease in financial resources of EUR 21.4 million during the first six months of 2011. In the first half of the previous year this decrease was EUR 16.0 million.

## Employees

At the end of the first half of 2011 the comprehensively consolidated companies of the CENTROTEC Group employed a total of 2,907 people (previous year 2,811). Expressed as full-time equivalents (FTE), the figure was 2,783 (previous year 2,698). As well as this rise of 85 FTE or 3.1 % compared with the prior-year figure, it was also significantly higher than in the previous quarter. These below-average growth rates in the number of employees compared with revenue are attributable to the seasonal rise in business activity and, to a lesser extent, to the acquisitions made. The CENTROTEC Group employed on average 2,847 persons (previous year 2,701) over the first half of the year. This was equivalent to 2,728 FTE (previous year 2,593).

All three segments saw a slight rise in the personnel total year on year, including in the Gas Flue Systems segment, where acquisitions were consolidated in the first half and where in addition various pioneering new product developments will be ready for the market in the medium term.

Personnel expenses for the first six months of the current year rose by 4.0 % to EUR 68.5 million (previous year EUR 65.9 million), pushing the personnel expenses ratio down to 29.2 % (previous year 29.8 %). This ratio will probably come down further over the full year along with the further rise in the volume of business as the year progresses.

## Shares

The market performance of CENTROTEC shares means the prospects for the medium to long term remain fundamentally positive, despite a slight dip in the trading price during the second quarter. For all review periods of more than half a year, the shares have easily outperformed their benchmark indices. Since the IPO in 1998, CENTROTEC shares have increased almost seven-fold in value, whereas the values of all benchmark indices have improved at best three-fold over the same period. After starting the year on EUR 16.00, the shares reached EUR 21.15 by the end of the second quarter, having been predominantly in the range of EUR 20 to 21 since the start of May. This is equivalent to a price gain of more than 30 % during the first half of 2011. By comparison, the SDAX rose by approx. 3 % over that period. Highs of more than EUR 24 in March and April were reached during the first six months of the current year, also representing all-time highs for CENTROTEC shares. The trading volume of the shares over the period under review averaged more than 50,000 daily. This meant that CENTROTEC shares with an average value of more than one million euros were traded daily on German stock markets.

After the period under review the share price remained largely stable until mid-July, then experienced marked losses taking it down below EUR 17 in the wake of negative news from

the photovoltaic industry, which also affected the group's own investment subsidiary CENTROSOLAR. During the dramatic losses at all stock exchanges worldwide in the beginning of August the CENTROTEC shares lost again and noted on a level between 14 and 15 EUR.



CENTROTEC share price performance (Xetra) compared with SDAX from January to August 2011; source: [www.ariva.de](http://www.ariva.de)

17,291,820 no-par value ordinary shares outstanding of CENTROTEC Sustainable AG were approved for trading on the stock exchange as at the end of the second quarter. The change in the number of shares compared with the end of the previous year stems from stock options exercised by employees and Management Board members. Based on an end-of-quarter trading price of EUR 21.15, this total number of shares gives CENTROTEC Sustainable AG market capitalisation of EUR 366 million as at June 30, 2011.

During the course of the second quarter, after the Shareholders' Meeting, a dividend of EUR 0.10 per share for the 2010 financial year was distributed to shareholders – for the first time ever in the history of CENTROTEC. This is intended as an initial step towards a continuous pattern of dividends. The greater part of profit will nevertheless continue to be ploughed back into the business and invested to bring the group both organic and acquisition-led corporate growth.

CENTROTEC is not aware of any major changes in its share ownership structure during the year to date. 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. In the year to date, investors did however report several instances of

exceeding or moving below the 3 % and 5 % reporting thresholds pursuant to Section 26 (1) of German Securities Trading Law. Detailed information of such changes is available on the homepage of CENTROTEC Sustainable AG on the link (<http://www.centrotec.de/investor-relations/aktie/veroeffentl-26-abs-1-wphg.html>).

CENTROTEC maintains a timely, open-handed, partnership-based dialogue with shareholders, potential investors and other interested financial market players in an effort to support all these interest groups. Roadshows, telephone conferences and ongoing personal contact with the Management Board members and the Investor Relations department, as well as the regular financial reports and an always up-to-date IR area on the website, are the cornerstones of a trusted, long-term communication and investment relations strategy.

### Opportunities and risks

No material changes to the opportunities and risks for the group as presented for the 2010 financial year occurred during the period under review. 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 2010 Group Management Report.

### Expectations

Expectations with regard to further business progress in the 2011 financial year and beyond have changed only minimally for CENTROTEC compared with the Annual Report published at the end of March and the view presented in the Q1 2011 report, which appeared at the end of May.

The fundamentally positive environment for energy-saving solutions and systems for renewable energies in buildings has continued to improve over the past few months. As well as the constantly high, steadily rising energy prices, the political debate about how to induce a “sea change on energy” has raised the awareness of broad sections of the population of the need to save energy, with the scope for achieving this in buildings coming increasingly into focus. Because space heating and domestic hot water account for almost 40 % of total energy consumption in Germany, this area is of key importance for saving energy, a fact that is now reflected in the increasing availability of financial incentives and research funding. In addition, realising short-term energy savings in this area with a moderate investment outlay can be leveraged especially easily because a large number of buildings are heated by technically obsolete systems, the replacement of which can easily yield energy savings of 30 %. Nor has the potential for renewable energies in this area by any means been exhausted, and the latest regulatory changes and updated financial incentives pick up on that fact. The companies that make up the CENTROTEC Group address all key areas with their energy-efficient system solutions, and thanks to having substantially improved their market position in recent years they stand to benefit disproportionately from the market’s anticipated growth.

On this basis, the revenue performance of the CENTROTEC Group has been fundamentally

positive in the 2011 financial year to date; the forecast full-year bandwidth of EUR 520 to 535 million for consolidated revenue therefore appears to be readily attainable. The operating result (EBIT) could still realistically achieve the lower end of the range forecast at the start of the year of EUR 40 to 42 million, though the contrasting performance of the two main corporate segments means a shift in emphasis between the Gas Flue Systems and Climate Systems segments is expected.

On the other hand the earnings contribution of the investment in CENTROSOLAR Group AG, which is not fully consolidated, has fallen well short of the original forecast. Earnings per share (EPS) expectations must therefore be scaled back to the lower range of EUR 1.35 to 1.45 (previously EUR 1.70 to 1.80). Beyond the current financial year, however, CENTROTEC believes that its operating units are very well positioned in a steadily growing market and expects the group as a whole to maintain the positive business performance of past years over the medium and long term.

Brilon, August 2011

**The Management Board**

**Climate control solutions** from CENTROTEC are configured along modular lines for various different applications – ranging from office blocks to event complexes, sports stadiums and clinics – and feature intelligent control for an optimum interior climate that uses energy in the most efficient way possible.



# Consolidated Statement of Financial Position

<b>Assets</b> in EUR thousand	<b>6/30/2011</b>	<b>12/31/2010</b>
<b>Non-current assets</b>		
Goodwill	61,339	61,074
Intangible assets	38,695	39,265
Property, plant and equipment	92,667	91,946
Financial investments accounted for using the equity method	26,897	28,144
Loans and investments	1,969	2,019
Other assets	1,458	1,471
Deferred tax assets	2,589	2,906
	<b>225,614</b>	<b>226,825</b>
<b>Current assets</b>		
Inventories	67,819	64,521
Trade Receivables	70,050	57,629
Income tax receivable	634	298
Cash and cash equivalents	25,286	41,123
Other assets	11,838	9,165
	<b>175,627</b>	<b>172,736</b>
<b>Assets</b>	<b>401,241</b>	<b>399,561</b>

<b>Equity and Liabilities</b> in EUR thousand	<b>6/30/2011</b>	<b>12/31/2010</b>
<b>Shareholders' equity</b>		
Share Capital	17,292	16,962
Capital reserves	30,667	27,014
Treasury stock	(112)	(112)
Retained earnings and profit carryforward	116,400	91,632
Profit attributable to shareholders of CENTROTEC Sustainable AG	2,125	25,748
	<b>166,372</b>	<b>161,244</b>
Minority interest presented within equity	(178)	(428)
	<b>166,194</b>	<b>160,816</b>
<b>Non-current liabilities</b>		
Pension provisions	23,434	22,864
Other provisions	11,879	12,027
Financial liabilities	71,885	78,720
Other liabilities	2,247	3,081
Deferred tax liabilities	14,003	14,486
	<b>123,448</b>	<b>131,178</b>
<b>Current liabilities</b>		
Other provisions	1,805	2,112
Income tax payable	2,985	7,264
Financial liabilities	39,668	33,526
Trade liabilities	30,819	32,467
Other liabilities	36,322	32,198
	<b>111,599</b>	<b>107,567</b>
<b>Equity and Liabilities</b>	<b>401,241</b>	<b>399,561</b>

# Consolidated Income Statement

in EUR thousand	01/04/2011 30/06/2011	01/04/2010 30/06/2010	01/01/2011 30/06/2011	01/01/2010 30/06/2010
<b>Revenues</b>	<b>122,066</b>	<b>114,591</b>	<b>234,328</b>	<b>217,668</b>
Other income	1,586	1,906	4,133	4,045
Changes in inventories of finished goods and work in progress	(1,537)	578	233	3,107
Production for own fixed assets capitalised	666	859	1,120	1,531
Cost of purchased materials and services	(59,914)	(56,948)	(115,880)	(105,519)
Personnel expenses	(34,588)	(33,322)	(68,507)	(65,891)
Other expenses	(19,546)	(17,920)	(38,066)	(35,851)
<b>EBITDA</b>	<b>8,733</b>	<b>9,744</b>	<b>17,361</b>	<b>19,090</b>
Depreciation and amortisation	(4,563)	(4,742)	(9,171)	(8,972)
<b>Operating income (EBIT)</b>	<b>4,170</b>	<b>5,002</b>	<b>8,190</b>	<b>10,118</b>
Interest income	114	76	158	146
Interest expense	(1,606)	(1,619)	(2,952)	(2,982)
Result from equity investments	(1,163)	2,284	(1,247)	3,535
<b>Result before income taxes (EBT)</b>	<b>1,515</b>	<b>5,743</b>	<b>4,149</b>	<b>10,817</b>
Income taxes	(963)	(1,221)	(2,253)	(3,131)
<b>Net income (EAT)</b>	<b>552</b>	<b>4,522</b>	<b>1,896</b>	<b>7,686</b>
Profit or loss attributable to minority interest	(85)	(13)	(229)	(41)
Profit or loss attributable to shareholders of CENTROTEC Sustainable AG	637	4,535	2,125	7,727
<b>EPS (Earnings per share in EUR)</b>				
Earnings per share (basic)	0.04	0.27	0.12	0.46
Earnings per share (diluted)	0.04	0.27	0.12	0.46
Weighted average shares outstanding (in thousand units; basic)	17,055	16,730	17,047	16,717
Weighted average shares outstanding (in thousand units; diluted)	17,320	17,027	17,223	16,902

# Consolidated Statement of Comprehensive Income

in EUR thousand	01/04/2011 30/06/2011	01/04/2010 30/06/2010	01/01/2011 30/06/2011	01/01/2010 30/06/2010
<b>Net income (EAT)</b>	<b>552</b>	<b>4,522</b>	<b>1,896</b>	<b>7,686</b>
Exchange Rate differences on translation	(49)	(55)	(38)	24
Derivative financial instruments	474	(33)	1,263	(804)
Income tax relating to components of other comprehensive income	(148)	19	(341)	193
<b>Other comprehensive income, net of tax</b>	<b>277</b>	<b>(69)</b>	<b>884</b>	<b>(587)</b>
<b>Total comprehensive income</b>	<b>829</b>	<b>4,453</b>	<b>2,780</b>	<b>7,099</b>
Attributable to:				
Minority interest	(109)	(38)	(225)	(82)
Shareholders of CENTROTEC Sustainable AG	938	4,491	3,005	7,181

# Consolidated Statement of Cash Flows

in EUR thousand	01/01/2011 30/06/2011	01/01/2010 30/06/2010
Net income before interest and taxes (EBIT)	8,190	10,118
Depreciation and amortisation	9,171	8,972
Gain/ loss on disposal of fixed assets	8	22
Other non-cash items	151	(231)
Increase/ decrease in provisions	86	781
Increase/ decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(17,326)	(16,536)
Increase/ decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	1,460	(1,716)
Interest paid	(2,861)	(2,758)
Interest received	315	204
Income tax paid	(6,820)	(3,048)
<b>Cash flow from operating activities</b>	<b>(7,626)</b>	<b>(4,192)</b>
Purchase of property, plant and equipment/ intangible assets/ investments/ financial assets/ loans receivable	(8,647)	(9,026)
Proceeds from disposal of property, plant and equipment/ intangible assets/ investments/ financial assets/ loans receivable	599	176
<b>Cash flow from investing activities</b>	<b>(8,048)</b>	<b>(8,850)</b>
Proceeds from issuance of shares	3,309	144
Proceeds from financial liabilities	1,277	3,916
Repayment of financial liabilities	(8,589)	(7,039)
Dividend payment	(1,695)	0
<b>Cash flow from financing activities</b>	<b>(5,698)</b>	<b>(2,979)</b>
<b>Change in financial resources*</b>	<b>(21,372)</b>	<b>(16,021)</b>
Foreign currency exchange gain/ less of the financial resources	111	139
Financial resources at the beginning of the financial year	24,610	19,716
Financial resources at the end of the period	3,349	3,834

\* 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	Deferred tax reserve	Currency translation differences in shareholders' equity	Fair Value adjustment of 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	Minority interest presented within equity	Consolidated equity
<b>January 1, 2011</b>	<b>16,962</b>	<b>27,014</b>	<b>(112)</b>	<b>2,481</b>	<b>540</b>	<b>(35)</b>	<b>(2,144)</b>	<b>90,790</b>	<b>91,632</b>	<b>25,748</b>	<b>161,244</b>	<b>(428)</b>	<b>160,816</b>
Transfer to revenue reserves								25,748	25,748	(25,748)			
Change from exercise of options	330	2,979									3,309		3,309
Stock option plan		675		(195)					(195)		479		479
Dividend payment								(1,695)	(1,695)		(1,695)		(1,695)
Comprehensive income					(341)	(42)	1,263		880	2,125	3,005	(225)	2,780
Other changes								30	30		30	475	505
<b>June 30, 2011</b>	<b>17,292</b>	<b>30,668</b>	<b>(112)</b>	<b>2,286</b>	<b>199</b>	<b>(77)</b>	<b>(881)</b>	<b>114,873</b>	<b>116,400</b>	<b>2,125</b>	<b>166,372</b>	<b>(178)</b>	<b>166,194</b>
<b>January 1, 2010</b>	<b>16,716</b>	<b>25,302</b>	<b>(112)</b>	<b>2,076</b>	<b>663</b>	<b>(237)</b>	<b>(2,315)</b>	<b>85,390</b>	<b>85,577</b>	<b>5,400</b>	<b>132,883</b>	<b>(209)</b>	<b>132,674</b>
Transfer to revenue reserves								5,400	5,400	(5,400)			
Change from exercise of options	34	136									170		170
Stock option plan				323					323		323		323
Dividend payment													
Comprehensive income					193	65	(804)		(546)	7,727	7,181	(82)	7,099
Other changes													
<b>June 30, 2010</b>	<b>16,750</b>	<b>25,438</b>	<b>(112)</b>	<b>2,399</b>	<b>856</b>	<b>(172)</b>	<b>(3,119)</b>	<b>90,790</b>	<b>90,754</b>	<b>7,727</b>	<b>140,557</b>	<b>(291)</b>	<b>140,266</b>

# Consolidated Segment Reporting

Segment Structure in EUR thousand	Climate Systems		Gas Flue Systems		Medical Technology & Engineering Plastics		Consolidation		TOTAL	
	01/01/2011 30/06/2011	01/01/2010 30/06/2010	01/01/2011 30/06/2011	01/01/2010 30/06/2010	01/01/2011 30/06/2011	01/01/2010 30/06/2010	01/01/2011 30/06/2011	01/01/2010 30/06/2010	01/01/2011 30/06/2011	01/01/2010 30/06/2010
<b>Income Statement</b>										
Revenue from third parties	161,381	144,513	51,801	56,022	21,146	17,133	0	0	234,328	217,668
Revenue from other segments	591	245	1,872	1,066	150	259	(2,613)	(1,570)	0	0
Changes in inventories of finished goods and work in progress	(758)	(15)	555	2,969	436	153	0	0	233	3,107
Cost of purchased materials	(82,141)	(69,812)	(28,096)	(31,331)	(8,169)	(6,002)	2,526	1,626	(115,880)	(105,519)
Personnel expenses	(46,376)	(44,818)	(14,413)	(13,747)	(7,718)	(7,326)	0	0	(68,507)	(65,891)
Other expenses and income	(20,623)	(19,299)	(8,882)	(8,478)	(3,308)	(2,498)	0	0	(32,813)	(30,275)
<b>EBITDA</b>	<b>12,074</b>	<b>10,814</b>	<b>2,837</b>	<b>6,501</b>	<b>2,537</b>	<b>1,719</b>	<b>(87)</b>	<b>56</b>	<b>17,361</b>	<b>19,090</b>
Depreciation and amortisation	(5,401)	(5,075)	(2,621)	(2,701)	(1,149)	(1,196)	0	0	(9,171)	(8,972)
<b>Segment result (EBIT)</b>	<b>6,673</b>	<b>5,739</b>	<b>216</b>	<b>3,800</b>	<b>1,388</b>	<b>523</b>	<b>(87)</b>	<b>56</b>	<b>8,190</b>	<b>10,118</b>
Interest income	145	118	291	133	4	2	(282)	(107)	158	146
Interest expense	(1,604)	(1,550)	(1,231)	(1,223)	(399)	(316)	282	107	(2,952)	(2,982)
Result from equity investments	0	0	(1,247)	3,535	0	0	0	0	(1,247)	3,535
<b>EBT</b>	<b>5,214</b>	<b>4,307</b>	<b>(1,971)</b>	<b>6,245</b>	<b>993</b>	<b>209</b>	<b>(87)</b>	<b>56</b>	<b>4,149</b>	<b>10,817</b>
Income taxes									(2,253)	(3,131)
<b>Net income (EAT)</b>									<b>1,896</b>	<b>7,686</b>
Profit or loss attributable to minority interest									(229)	(41)
Profit or loss attributable to shareholders CENTROTEC Sustainable AG									2,125	7,727
<b>Balance sheet key figures*</b>										
Assets**	229,603	228,090	99,297	101,617	40,344	36,492	(92)	(5)	369,152	366,194
Financial investments accounted for using the equity method	0	0	26,897	28,144	0	0	0	0	26,897	28,144
Loans and investments	919	982	1,050	1,037	0	0	0	0	1,969	2,019
Entitlement to income tax rebates***									3,223	3,204
Liabilities	79,321	75,812	20,883	24,178	6,302	4,759	0	0	106,506	104,749
Financial liabilities									111,553	112,246
Income tax payable***									16,988	21,750
<b>Investments</b>										
Total investments in property, plant, equipment and intangible assets****	3,511	3,362	3,458	3,228	2,570	1,528	0	0	9,539	8,118

\* Previous year is related to December 31, 2010

\*\* 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

Innovative **solar thermal systems** use highly effective solar collectors to capture the sun's energy and heat the water for the hotel – entirely without any climateharming emissions.

### **Combined heat and power plants**

generate power and heat at the point of use, cutting primary energy demand by over one-third – and when run on biogas they are actually entirely climate-neutral.



# 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 quarterly financial statements. Further financial and corporate information on CENTROTEC is available from the above address, or on the homepage [www.centrotec.de](http://www.centrotec.de).

## Accounting standards and policies

These Quarterly Financial Statements at June 30, 2011 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 2010 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, 2010. 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 June 30, 2011. 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 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. One company has been newly included in consolidation compared with the annual financial statements at December 31, 2010. Solar23 GmbH was consolidated within the Gas Flue Systems segment for the first time. In March 2011, a 60 % stake in the company was acquired through a capital increase. The capital increase amounted to EUR 0.9 million. Solar23 contributed EUR 1.4 million to consolidated revenue. If Solar23 had been part of the group from the start of the financial year, the contribution to consolidated revenue would have been EUR 1.9 million. The balance sheet total of Solar23 is approximately EUR 2.1 million.

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 June 30, 2011. That report is available at [www.centrosolar.com](http://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 2010. 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. In the first half the CENTROSOLAR Group procured goods and services to the value of approx. EUR 18 thousand from CENTROTEC, and CENTROTEC procured goods and services to the value of around EUR 1,175 thousand from the CENTROSOLAR Group.

- Reportable security holdings and options

The totals of reportable shares and stock options at 30.06.11 are shown in the following table.

<b>Management Board</b>	<b>Shares</b>	<b>Options*</b>
Dr Gert-Jan Huisman	35,704	258,976
Anton Hans	0	82,593
Jacko van der Stege	0	40,515
Dr Christoph Traxler	0	134,126

<b>Supervisory Board</b>	<b>Shares</b>	<b>Options*</b>
Guido A Krass	2,400,000	0
Dr Bernhard Heiss	45,550	0
Christian C Pochtler, MA	0	0

<b>CENTROTEC</b>	<b>Shares</b>	<b>Options*</b>
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.

- Contingent liabilities

There has been no significant change in contingent liabilities since the balance sheet date of December 31, 2010.

- Dividend payments

A dividend of EUR 0.10 per share was distributed in the second quarter.

## Significant events occurring after the reporting date for the quarter

### - Change in the capital stock and the number of shares

329,859 options were exercised in the second quarter on the basis of the stock options scheme. As a result, the capital stock rose by EUR 329,859 or 329,859 shares to a present EUR 17,291,820, divided into 17,291,820 ordinary shares.

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

There were no events of 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  
Jacko van der Stege, Voorthuizen, Niederlande, graduate engineer.  
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, August 11, 2011

## 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, August 11, 2011

**Innovations** for sustainable energy-saving solutions in buildings. CENTROTEC's comprehensive product range combines heating, climate control and ventilation technology as well as renewable energies into integrated system solutions that provide more comfort while using less energy.



## Financial Calendar 2011

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August 11

Publication of Q2 2011 Quarterly Report

November 10

Publication of Q3 2011 Quarterly Report

November 21 – 23

German Equity Forum, Frankfurt am Main

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