



Group Quarterly Report

Q2/2012

Highlights

- > Consolidated revenue increased by 5.3 % to EUR 246.7 million
 - Climate Systems segment continues to grow despite generally more difficult market conditions throughout Europe; expansion of 9.9 % in first half (organic growth 3.0%)
 - Gas Flue Systems segment: revenue performance slightly down on prior-year level following restructuring of portfolio
 - Revenue for Medical Technology & Engineering Plastics segment slightly down on prior-year period's very strong figure

- > First-half result:
 - Climate Systems continues to grow profitably
 - Gas Flue Systems benefits from positive effects of a clearer focus, amid very challenging wider conditions
 - Medical Technology & Engineering Plastics delivers stable profit performance in a more demanding market environment
 - Purchased materials ratio improves thanks to ongoing progress with the optimisation of processes and falling commodity prices
 - EBITDA of EUR 19.3 million (previous year EUR 17.4 million) and
 - EBIT of EUR 9.0 million each around 10 % up on previous year (EUR 8.2 million)
 - Earnings per share (EPS) of EUR 0.02 (previous year EUR 0.12) again sharply diminished by CENTROSOLAR investment result of EUR -0.16

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

- > Outlook for 2012: in a challenging overall economic environment, a year-on-year increase in revenue along with EBIT in the bandwidth of EUR 35 to 40 million are attainable for 2012 as a whole, therefore making it comparable to the previous record year of 2010

Consolidated Key Figures

	30/06/2012 [EUR '000]	30/06/2011 [EUR '000]	Changes [Percent]
Total revenue	246,744	234,328	5.3
Climate Systems	177,298	161,381	9.9
Gas Flue Systems	49,391	51,801	(4.7)
Medical Technology & Engineering Plastics	20,055	21,146	(5.2)
Earnings			
EBITDA	19,327	17,361	11.3
EBIT	9,016	8,190	10.1
EBIT yield (in %)	3.7	3.5	
EBT	3,072	4,149	(26.0)
EAT	(122)	1,896	(106.4)
EPS (in EUR; basic)	0.02	0.12	(83.8)
Balance sheet structure*			
Balance sheet total	402,398	425,690	(5.5)
Shareholders' equity	155,646	157,453	(1.1)
Equity ratio (%)	38.7	37.0	
Property, plant and equipment	93,386	95,180	(1.9)
Intangible assets	44,933	46,765	(3.9)
Goodwill	69,738	69,738	(0.0)
Net financial liabilities	74,550	60,113	24.0
Net working Capital	73,667	56,030	31.5
Cash flow statement			
Cash flow I (EAT & depreciation/ amortisation)	10,189	11,067	(7.9)
Cash flow from operating activities	(6,398)	(7,626)	(16.1)
Cash flow from investing activities	(6,263)	(8,048)	(22.2)
Employees			
Total (in FTE)	2,963	2,783	6.5
Shares			
Number of shares**	17,283	17,164	
Highest quotation***	14.30	24.25	
Lowest quotation***	10.75	16.11	
Quarterly-end quotation***	12.99	21.15	

* 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 half of 2012, the revenue of the CENTROTEC Group – hereinafter also referred to as CENTROTEC – was up 5.3 % on the equivalent prior-year period at EUR 246.7 million (previous year EUR 234.3 million). This growth to the highest-ever revenue total for a first half stems from a variety of developments in the individual segments and markets. The core segment Climate Systems, with its innovative and energy-efficient system solutions for the heating, climate control and ventilation sector, again enjoyed organic revenue growth of 3.0 %; including the subsidiary Dreyer & Bosse, which has been fully consolidated within this segment since the second half of 2011, it achieved overall growth of 9.9 %. Business in the Gas Flue Systems segment was weaker in a number of international markets for cyclical reasons; furthermore the revenue base was narrowed by the restructuring of the portfolio, with the result that there was a decline of 4.7 % in the first half. As expected, first-half revenue for the Medical Technology & Engineering Plastics segment was down slightly by 5.2 % on the record level achieved in the very strong previous year, among other reasons following the restructuring of the portfolio in Q4 2011, but fundamentally put in a positive performance.

Revenue	Q2 2012	Q2 2011	Change	Q1 - Q2	Q1 - Q2	Change
by segment	EUR million	EUR million	in %	2012 EUR million	2011 EUR million	in %
Climate Systems	88.4	84.8	4.2	177.3	161.4	9.9
Gas Flue Systems	24.8	26.8	(7.5)	49.4	51.8	(4.7)
Medical Technology & Engineering Plastics	9.8	10.4	(6.1)	20.1	21.1	(5.2)
Total	123.0	122.1	0.8	246.7	234.3	5.3

As was already the case in the first quarter, CENTROTEC was again active in markets that exhibited highly contrasting trends in the second quarter of 2012 through its two core segments Climate Systems and Gas Flue Systems. The still stable albeit less dynamic overall economic development in Germany and the largely positive development in Eastern Europe contrasted with very difficult general conditions in almost all Southern and Western European markets. At the level of the various product areas, too, individual countries in many cases revealed opposing developments.

With regard to materials prices, the slight easing of recent months continued in the second quarter. The purchased materials ratio came down from the record levels of 2011 to 48.3 % in the first half of 2012 (previous year 49.4 %) and is thus gradually approaching the level of earlier years. This development is driven by the group-wide optimisation programmes coupled with a drop in commodity prices following a slowdown in the global economy, though they are still relatively high. However, the recent months' changes in the product mix make any comparison with previous years less meaningful. All in all, lower materials purchase prices over the full year should translate into a further improvement in the gross profit ratio.

Further expansion of sales and development activities in the Climate Systems segment, combined with wage and salary increases, pushed up the personnel expenses ratio to 30.2 % (previous year 29.2 %). Together with the clearly below-average increase in other expenses, this brought a double-digit rise of 11.3 % in the EBITDA operating result to a total of EUR 19.3 million (previous year EUR 17.4 million), while EBIT climbed 10.1 % to EUR 9.0 million (previous year EUR 8.2 million). The slightly higher depreciation and amortisation stems from the high investment volume of previous years especially in the areas of product development area and the consolidation of acquisitions. The further deterioration in the investment result to EUR 3.1 million (previous year EUR 1.2 million), even though its effect is non-cash, and the virtually constant interest result of EUR -2.9 million (previous year EUR 2.8 million) reduced earnings before tax (EBT) by 26.0 % to EUR 3.1 million (previous year EUR 4.1 million). The high effective tax rate – though significantly lower than in Q1 and not especially meaningful due to non-recurrent effects and the high seasonal variation in CENTROTEC’s business – led to earnings after tax (EAT) of EUR -0.1 million (previous year EUR +1.9 million). Taking minority interests into account, this therefore produces positive earnings per share (EPS) of EUR 0.02 (previous year EUR 0.12).

The earnings figures of the first half typically 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.

Development of the segments

Climate Systems

The Climate Systems segment, the largest of the CENTROTEC Group and accounting for a 72 % revenue share, increased its revenue by 9.9 % to EUR 177.3 million in the first half of 2012 (previous year EUR 161.4 million). The performance was given a lift of EUR 11.0 million by the inclusion of the fully consolidated subsidiary Dreyer & Bosse Kraftwerke GmbH from the third quarter of 2011, with the result that the segment’s organic growth came to 3.0 %. The segment’s EBITDA for the first half rose by 14.4 % to EUR 13.8 million (previous year EUR 12.1 million) and EBIT by 9.4 % to EUR 7.3 million (previous year EUR 6.7 million).

Key figures	Q1 – Q2 2012	Q1 – Q2 2011	Change
Climate Systems	EUR '000	EUR '000	Percent
Revenue from third parties	177,298	161,381	9.9
Revenue from other segments	743	591	
Changes in inventories	(3,269)	(758)	
Cost of purchased materials	(86,919)	(82,141)	5.8
Personnel expenses	(51,845)	(46,376)	11.8
Other income and expense	(22,193)	(20,623)	7.6
EBITDA	13,815	12,074	14.4
Depreciation and amortisation	(6,516)	(5,401)	20.6
EBIT	7,299	6,673	9.4

In the first half of 2012, the companies of the Climate Systems segment again made a crucial contribution towards the group's growth in revenue and earnings. This growth even bucked the trend in the individual markets, most of which are currently experiencing acute difficulties; this again served to underline the strong competitive position of the segment's companies in terms of quality, delivery service and innovativeness.

The overall situation was difficult in the relevant markets for heating, climate control and ventilation solutions, which are predominantly in Europe, though the development by product group and region was highly varied. As previously in the first quarter, the traditionally significant Western European markets proved to be extremely challenging because of their financial and real economic problems. On the other hand most Eastern European markets put in a broadly positive performance, though the volume of these markets was lower. The German market, which is particularly important for this segment, again achieved sound volume growth in the first half of 2012. The positive business performance of the past two years in Germany, the most important national market, was maintained in the first half of 2012 with prices at a stable level, underpinned by high product quality, an excellent delivery service and outstanding innovation. However as a result of the generally weak international markets, it witnessed increasingly intense competition. Appropriate action to address these challenges was taken early on throughout the entire group, and despite isolated temporary difficulties the segment's companies have made steady progress in the year to date.

Renewable energies, the fastest-growing product segment of late, exhibited slower growth while the area of gas condensing boiler technology posted substantial growth. The area of climate control and ventilation solutions has made steady overall progress. In the field of co-generation, domestic demand was subdued in the first half of the year but export orders were on the increase, and investment spending here is expected to pick up in the second half of the year, especially for biogas CHP systems.

With a competitive product portfolio and its steadily optimised sales structures both nationally and internationally, the Climate Systems segment is well-placed overall to build on the positive development of recent years despite the more difficult overall economic environment. The amount of EUR 3.7 million (previous year EUR 3.5 million) invested mainly in product development in the first half of 2012 will help to consolidate the basis. For 2012 as a whole and beyond, growth is consequently expected to be above the market average and profit margins should display a slight upward tendency.

Gas Flue Systems

Revenue for the Gas Flue Systems segment, which now focuses on the core areas of gas flue and air ducting technology alongside components for sustainable building, came to EUR 49.4 million in the first half of the current financial year; this was 4.7 % down on the total of EUR 51.8 million achieved in the previous year prior to the restructuring of the portfolio. However the operating result already revealed the initial effects of the systematic restructuring measures; EBITDA of EUR 3.0 million (previous year EUR 2.8 million) and EBIT of EUR 0.4

million (previous year EUR 0.2 million) were both slightly up on the prior-year figures.

Key figures	Q1 – Q2 2012	Q1 – Q2 2011	Change
Gas Flue Systems	EUR '000	EUR '000	Percent
Revenue from third parties	49,391	51,801	(4.7)
Revenue from other segments	2,372	1,872	
Changes in inventories	1,278	555	
Cost of purchased materials	(27,302)	(28,096)	(2.8)
Personnel expenses	(14,444)	(14,413)	0.2
Other income and expense	(8,252)	(8,882)	(7.1)
EBITDA	3,043	2,837	7.3
Depreciation and amortisation	(2,661)	(2,621)	1.5
EBIT	382	216	76.9

The markets of Western and Southern Europe that are very important for the Gas Flue Systems segment fundamentally continued to experience difficult conditions in the second quarter of 2012, with the new-build market specifically in the Netherlands, France, Spain and Italy at an all-time low. In the Netherlands, the renovation market too suffered a marked downturn. Business was equally unsatisfactory yet again in the UK, necessitating far-reaching restructuring measures. The drop in revenue in these markets was only partly offset by the steady performance in the German and Belgian markets in the core areas of gas flue and air ducting systems. The decision to concentrate on gas flue and air ducting systems alongside components for sustainable building as the core areas furthermore narrowed the segment's revenue base. The expansion of business in North America continues to progress according to schedule; French business, which is significant for the Gas Flue Systems segment, was at a reduced but profitable level following the adjustments of the past few months.

The optimised product range together with the slimming-down and ongoing improvement of all business processes are the basis for returning to the profitable growth of recent years. For example administrative personnel at the Dutch manufacturing location was reduced by 30 %; this will lead to an improvement in earnings of around EUR one million annually in the course of the year. Initial improvements in the operating result, achieved amid extremely difficult market conditions, demonstrate just how successful the measures to realign business are proving, and will lead to a further improvement in the result for the segment as the year advances, confirming the viability of this area of business. For the 2012 financial year as a whole, revenue for the Gas Flue Systems segment is expected to stabilise at the previous year's level. On this basis, assuming there is no further deterioration in the overall economic environment a positive operating profit margin (EBIT) can be expected, along with a correspondingly positive contribution to consolidated earnings. In the medium term, the segment is targeting stronger revenue growth and much higher profit margins.

Medical Technology & Engineering Plastics

Mainly as a result of its withdrawal from spinal implants business in Switzerland, the Medical Technology & Engineering Plastics segment experienced a slight fall in revenue compared with the previous year's high level. First-half revenue for 2012 of EUR 20.1 million (previous year EUR 21.1 million) was 5.2 % down on the all-time best achieved in 2011. EBITDA of EUR 2.5 million (previous year EUR 2.5 million) and EBIT of EUR 1.4 million (previous year EUR 1.4 million) remained steady despite the change in basis, thus effectively amounting to a year-on-year improvement in the operating profit margin.

Key figures	Q1 – Q2 2012	Q1 – Q2 2011	Change
Medical Technology & Engineer. Plastics	EUR '000	EUR '000	Percent
Revenue from third parties	20,055	21,146	(5.2)
Revenue from other segments	105	150	
Changes in inventories	951	436	
Cost of purchased materials	(7,716)	(8,169)	(5.5)
Personnel expenses	(7,815)	(7,718)	1.3
Other income and expense	(3,035)	(3,308)	(8.3)
EBITDA	2,546	2,537	0.4
Depreciation and amortisation	(1,135)	(1,149)	(1.2)
EBIT	1,411	1,388	1.7

The development of Medical Technology & Engineering Plastics as CENTROTEC's smallest segment was again fundamentally positive in the first half of 2012, with both the Medical Technology and Engineering Plastics areas contributing to this success. In both areas, revenue and earnings were maintained at the previous year's high levels. The slight drop in revenue for Engineering Plastics is attributable to exceptionally high market demand in the previous year. In the Medical Technology area, there was likewise a fundamentally positive development in the continuing operations, underpinned by revenue growth for such areas as diagnostics and cannulae for human medicine. The foundations for profitable growth in the global growth market of medical technology are already in place in the shape of the innovative product range, the systematically expanded sales structure and the central development, production and sales base in Fulda, which has been optimised in recent years.

To safeguard and build on the segment's good position, a total of EUR 1.7 million (previous year EUR 2.6 million) was invested in the first six months of the current financial year.

Revenue for 2012 as a whole is expected to be slightly down on the figures achieved in previous years. It is realistic to expect the EBIT margin 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 a pre-financial crisis level.

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 the IPO of the latter 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; it furthermore 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.

CENTROSOLAR posted revenue of EUR 119.9 million (previous year EUR 150.5 million) in the first half of 2012, a fall of 20.3 %. Bearing in mind that the prices of photovoltaic solar modules have fallen by almost 40 %, this nevertheless represents volume growth compared with the previous year. Thanks to its flexible procurement policy and the further optimisation of its organisational structure, CENTROSOLAR's EBIT-level loss in the first six months of 2012 was kept down to EUR -8.9 million (previous year of EUR -4.9 million), a distinctly modest reversal compared with most competitors, also bearing in mind that the market environment is still very difficult and highly competitive. With its focus on roof systems, its strong sales position and its financing remaining sound, CENTROSOLAR's management expects to emerge from this process of consolidation as one of the winners.

As a result of the remeasurement of the investment in CENTROSOLAR Group AG in the past 2011 financial year and the non-cash losses to be booked pro rata, the value of this investment was correspondingly reduced to EUR 4.6 million; this figure simultaneously represents the maximum 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

At the end of the first half of 2012 the balance sheet total of the CENTROTEC Group was down 5.5 % or EUR 23.3 million on the position at the end of 2011, at EUR 402.4 million (year-end EUR 425.7 million). At the corresponding point in 2011, the balance sheet total was the similar amount of EUR 401.2 million.

In line with both the underlying and the seasonal growth in the volume of business, the rise in net working capital (NWC, current assets less cash and cash equivalents, less non-interest-bearing current liabilities) to EUR 73.7 million (year-end EUR 56.0 million) was the major change on CENTROTEC's balance. However, when measured against the prior-year figure of EUR 78.4 million it reveals a 6.0 % fall in this important indicator for business management. Within the individual items, the most significant changes on the assets side are the fall of EUR 3.1 million in financial assets recognised using the equity method to EUR 8.4 million for the year to date, the EUR 6.5 million rise in trade receivables to EUR 70.2 million and the targeted,

seasonal reduction in cash and cash equivalents by EUR 22.0 million to EUR 26.1 million.

On the equity and liabilities side, shareholders' equity was almost unchanged from the end of 2011 at EUR 155.6 million (year-end EUR 157.5 million) and a ratio of 38.7 %, but because of the negative prior-year result this was EUR 10.5 million or 2.7 % points down on the corresponding figure for the previous year.

Financial liabilities were 7.0 % lower than at year-end and 9.7 % down on the position at June 30, 2011 at EUR 100.7 million. Taking account of the seasonal fall in cash and cash equivalents for the year to date, net borrowings were up 24.0 % to EUR 74.6 million. Compared with June 30, 2011, however, net borrowings were 13.6 % or EUR 11.7 million lower, despite the extensive investments and acquisitions in the latter half of 2011.

The consolidated cash and cash equivalents of the CENTROTEC Group of EUR 26.1 million at June 30, 2012 were EUR 22.0 million down on figure at the end of the last financial year, but EUR 0.8 million above the position at June 30, 2011. Together with the unutilised credit lines, CENTROTEC therefore continues to have adequate cash and cash equivalents at group level.

The cash flow from operating activities for the first half of 2012 showed an increase of EUR 1.2 million on the prior-year period, to EUR -6.4 million (EUR -7.6 million). This slight improvement in a figure that, for seasonal reasons, is fundamentally low in the first half was mainly attributable to the improved operating result and the higher depreciation and amortisation in the first six months of the current year. The equally pronounced, albeit opposite, changes in inventories and receivables on the one hand and trade payables on the other largely cancelled each other out. The negative cash flow from investing activities of EUR -6.3 million for the first six months of 2012 was lower than in the previous year (EUR -8.0 million). The constantly high capital repayments and the dividend distribution resulted in a year-on-year rise in the negative cash flow from financing activities to EUR -8.2 million (previous year EUR -5.7 million), because very high payments of EUR 3.3 million had been received for the exercising of stock options in the previous year, whereas such payments were virtually nil in 2012.

Employees

At the end of the first half of 2012 the total number of employees at the fully consolidated companies of the CENTROTEC Group was 3,076 (previous year 2,907). Expressed as full-time equivalents (FTE), the figure was 2,963 (previous year 2,783). More than half of this increase of 180 FTE was prompted by the comprehensive consolidation of Dreyer & Bosse Kraftwerke GmbH since the second half of 2011. Other reasons for the rise in the personnel total were the increased business volume of the Climate Systems segment, along with expanded capacity and the strengthening of the development team in the Medical Technology & Engineering Plastics segment. On the other hand the number of employees in the Gas Flue Systems segment fell slightly as a result of the restructuring measures. The personnel expenses of the CENTROTEC Group in the first half of 2012 rose to EUR 74.1 million (previous year EUR 68.5 million) as a result of the higher employee total and wage and salary increases due this financial year. This slightly overproportional rise of 8.2 % compared to revenue is mainly due to investment in further business expansion. Compared with the

preceding quarter, the personnel expenses ratio remained constant at 30.2 %, but was one percentage point up on the prior-year period. The personnel expenses ratio will fall in the remaining part of the year along with the seasonal increase in business volume in the second half, and as the restructuring measures in the Gas Flue Systems segment begin to filter through into earnings.

Shares

In the year to June 30, 2012 the trading price of CENTROTEC shares (WKN 540 750 or ISIN DE0005407506) rose by around 16 %, closing the first half of the year on EUR 12.99 on June 29. This development largely tracked the movement of the SDAX, the performance of which was just outstripped by CENTROTEC shares. Since the end of the first quarter, the shares remained within a relatively narrow bandwidth of EUR 12 to 13. The trading price only temporarily broke out of this corridor following the publication of the figures for the first quarter of 2012, to reach EUR 14 for a while. On the basis of this predominantly sideways shift from low trading volumes, the first quarter's high and low marks of EUR 10.75 at the start of January and EUR 14.30 at the end of February were likewise the highs and lows for the entire first half. The shares' trading volume declined quite sharply in the second half in parallel with the general level of trade, and was well down on the corresponding figures for the past two years. This development is true of both the total units and the trading volume in euros. No significant change has been observed in how the trading volume is split between the various stock markets, though there are clear indications that in common with many other shares, a sharply rising volume is being traded on unregulated markets.



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

Although the end-of-quarter trading price of just under EUR 13 represents a substantial fall compared with the previous year's absolute highs of more than EUR 24, in the long-term view – which is fitting 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 corporate management also provide outward visible evidence of how this long-term strategy is being implemented. The fundamentally longer evaluation horizon of course includes short-term reappraisals of decisions, without being allowed to mask the need to consider current developments and respond accordingly.

At the end of the first half of 2012, 17,305,466 no-par value ordinary shares outstanding of CENTROTEC Sustainable AG were approved for trading at Deutsche Börse, of which 12,080 were held by the company. The rise of 13,646 shares compared with the total of 17,291,820 shares at the end of 2011 is attributable exclusively to the exercising of stock options by employees of the CENTROTEC Group. The total number of shares multiplied by the end-of-half trading price of EUR 12.99 at June 29, 2012 produced market capitalisation of EUR 225 million for the CENTROTEC Group.

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. In the year to date, institutional investors did however report 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 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

The sound performance in the first half of the 2012 financial year, against a backdrop of widespread economic difficulties, establishes a good basis for future business development in the 2012 financial year. At the same time, the first-half results show the importance of the recent months' systematically implemented measures to refocus and restructure a number of areas of the group. As a result of terminating loss-making business activities in the Gas Flue Systems and Medical Technology & Engineering Plastics segments through restructuring the portfolio in the fourth quarter of 2011 and implementing further restructuring measures in the Gas Flue Systems segment, key opportunities for improving profitability were seized; some of the measures taken have already filtered through into the results, while others will take effect as the financial year progresses. In connection with the withdrawal from photovoltaic activities, the interest in Solar23 was disposed of after the reporting date.

The strong market position now achieved by the principal group companies will continue to be developed thanks to an existing portfolio of solutions that is undergoing steady improvement, as well as through expanded sales structures. As a result, CENTROTEC will benefit over the odds from growth in energy efficiency as an increasingly important market of the future. This market growth will continue to be underpinned by energy prices, which – despite the current slight downward trend – are already high and are expected to rise yet again substantially in the medium term. Along with growing worldwide environmental awareness and increasingly tough regulatory requirements, energy prices remain the main drivers of business in energy-saving solutions and of the switch to renewables in buildings. CENTROTEC is adhering to its long-term corporate strategy of shaping its entrepreneurially independent component companies into a cooperative group offering a comprehensive range of solutions in the field of energy-efficient building services engineering. It will continue to exploit synergies by stepping up collaboration between the group companies.

Taking into account the market position already achieved, and in an overall economic environment that will remain challenging, for the current 2012 financial year CENTROTEC expects to post a year-on-year increase in revenue; with the springboard of profitability improvements, it is moreover targeting EBIT in the range of EUR 35 to 40 million, which will come close to the previous record-breaking year of 2010.

Brilon, August 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	30/06/2012	31/12/2011
Goodwill	69,738	69,738
Intangible assets	44,933	46,765
Property, plant and equipment	93,386	95,180
Financial investments accounted for using the equity method	8,389	11,458
Loans and investments	1,427	1,433
Other financial assets	201	206
Other assets	1,178	1,156
Deferred tax assets	1,422	1,711
	220,674	227,647
Current assets		
Inventories	74,103	74,837
Trade Receivables	70,195	63,740
Income tax receivable	1,650	2,400
Cash and cash equivalents	26,131	48,146
Other financial assets	4,008	4,156
Other assets	5,637	4,764
	181,724	198,043
Assets	402,398	425,690

Equity and Liabilities in EUR thousand	30/06/2012	31/12/2011
Shareholders' equity		
Share Capital	17,305	17,292
Capital reserves	31,011	30,866
Treasury stock	(112)	(112)
Retained earnings and profit carryforward	105,226	116,401
Profit attributable to shareholders of CENTROTEC Sustainable AG	336	(9,376)
	153,766	155,071
Non-controlling interests presented within equity	1,880	2,382
	155,646	157,453
Non-current liabilities		
Pension provisions	24,078	23,485
Other provisions	15,065	14,493
Financial liabilities	60,265	66,592
Other financial liabilities	8,993	11,358
Other liabilities	391	376
Deferred tax liabilities	15,618	16,399
	124,410	132,703
Current liabilities		
Other provisions	2,213	3,076
Income tax payable	2,339	6,082
Financial liabilities	40,416	41,667
Trade liabilities	33,510	41,879
Other financial liabilities	14,043	11,032
Other liabilities	29,821	31,798
	122,342	135,534
Equity and Liabilities	402,398	425,690

Consolidated Income Statement

in EUR thousand	01/04/2012 30/06/2012	01/04/2011 30/06/2011	01/01/2012 30/06/2012	01/01/2011 30/06/2011
Revenues	123,013	122,066	246,744	234,328
Other income	2,158	1,586	4,155	4,133
Changes in inventories of finished goods and work in progress	(525)	(1,537)	(1,040)	233
Production for own fixed assets capitalised	718	666	1,582	1,120
Cost of purchased materials and services	(59,395)	(59,914)	(118,794)	(115,880)
Personnel expenses	(36,985)	(34,588)	(74,104)	(68,507)
Other expenses	(18,893)	(19,546)	(39,216)	(38,066)
EBITDA	10,091	8,733	19,327	17,361
Depreciation and amortisation	(5,188)	(4,563)	(10,311)	(9,171)
Operating income (EBIT)	4,903	4,170	9,016	8,190
Interest income	57	114	98	158
Interest expense	(1,588)	(1,606)	(2,972)	(2,952)
Result from equity investments	(1,556)	(1,163)	(3,070)	(1,247)
Result before income taxes (EBT)	1,816	1,515	3,072	4,149
Income taxes	(1,517)	(963)	(3,194)	(2,253)
Net income (EAT)	299	552	(122)	1,896
Profit or loss attributable to non controlling interest	(285)	(85)	(458)	(229)
Profit or loss attributable to shareholders of CENTROTEC Sustainable AG	584	637	336	2,125
EPS (Earnings per share in EUR)				
Earnings per share (basic)	0.03	0.04	0.02	0.12
Earnings per share (diluted)	0.03	0.04	0.02	0.12
Weighted average shares outstanding (in thousand units; basic)	17,286	17,055	17,283	17,047
Weighted average shares outstanding (in thousand units; diluted)	17,669	17,320	17,524	17,223

Consolidated Statement of Comprehensive Income

in EUR thousand	01/04/2012 30/06/2012	01/04/2011 30/06/2011	01/01/2012 30/06/2012	01/01/2011 30/06/2011
Net income (EAT)	299	552	(122)	1,896
Exchange Rate differences on translation	(88)	(49)	(281)	(38)
Derivative financial instruments	3	474	122	1,263
Income tax relating to components of other comprehensive income	(3)	(148)	13	(341)
Other comprehensive income, net of tax	(88)	277	(146)	884
Total comprehensive income	211	829	(268)	2,780
Attributable to:				
Non controlling interest	(329)	(109)	(502)	(225)
Shareholders of CENTROTEC Sustainable AG	540	938	234	3,005

Consolidated Statement of Cash Flows

in EUR thousand	01/01/2012 30/06/2012	01/01/2011 30/06/2011
Net income before interest and taxes (EBIT)	9,016	8,190
Depreciation and amortisation	10,311	9,171
Gain/ loss on disposal of fixed assets	(43)	8
Other non-cash items	(1,821)	151
Increase/ decrease in provisions	303	86
Increase/ decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(6,462)	(17,326)
Increase/ decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	(9,562)	1,460
Interest received	127	315
Interest paid	(2,714)	(2,861)
Income tax paid	(5,553)	(6,820)
Cash flow from operating activities	(6,398)	(7,626)
Purchase of property, plant and equipment/ intangible assets/ investments/ financial assets/ loans receivable	(6,436)	(8,647)
Proceeds from disposal of property, plant and equipment/ intangible assets/ investments/ financial assets/ loans receivable	173	599
Cash flow from investing activities	(6,263)	(8,048)
Proceeds from issuance of shares	116	3,309
Proceeds from financial liabilities	1,945	1,277
Repayment of financial liabilities	(8,552)	(8,589)
Dividend payment	(1,728)	(1,695)
Cash flow from financing activities	(8,219)	(5,698)
Change in financial resources*	(20,880)	(21,372)
Foreign currency exchange gain/ loss of the financial resources	41	111
Financial resources at the beginning of the financial year	25,530	24,610
Financial resources at the end of the period	4,691	3,349

* Cash and cash equivalents deducted of credits current account

Consolidated Statement of Changes in Equity

in EUR thousand	Share Capital	Capital reserve	Treasury stock	Income tax relating to components of other comprehensive income						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
				Stock option reserve	Income tax	Exchange Rate differences on translation	Derivative financial instruments	Retained earnings and profit carryforward	Income tax					
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	13	103									116		116	
Stock option plan		42		31					31		73		73	
Dividend payment								(1,728)	(1,728)		(1,728)		(1,728)	
Net income (EAT)										336	336	(458)	(122)	
Other comprehensive income, net of tax					13	(237)	122		(102)		(102)	(44)	(146)	
Total comprehensive income					13	(237)	122		(102)	336	234	(502)	(268)	
Other changes														
June 30, 2012	17,305	31,011	(112)	2,635	400	(323)	(1,225)	103,739	105,226	336	153,766	1,880	155,646	
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	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)	
Net income (EAT)										2,125	2,125	(229)	1,896	
Other comprehensive income, net of tax					(341)	(42)	1,263		880		880	4	884	
Total comprehensive income					(341)	(42)	1,263		880	2,125	3,005	(225)	2,780	
Other changes								30	30		30	475	505	
June 30, 2011	17,292	30,668	(112)	2,286	199	(77)	(881)	114,873	116,400	2,125	166,372	(178)	166,194	

Consolidated Segment Reporting

Segment Structure in EUR thousand	Climate Systems		Gas Flue Systems		Medical Technology & Engineering Plastics		Consolidation		TOTAL	
	01/01/2012	01/01/2011	01/01/2012	01/01/2011	01/01/2012	01/01/2011	01/01/2012	01/01/2011	01/01/2012	01/01/2011
	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011
Income Statement										
Revenue from third parties	177,298	161,381	49,391	51,801	20,055	21,146	0	0	246,744	234,328
Revenue from other segments	743	591	2,372	1,872	105	150	(3,220)	(2,613)	0	0
Changes in inventories of finished goods and work in progress	(3,269)	(758)	1,278	555	951	436	0	0	(1,040)	233
Cost of purchased materials	(86,919)	(82,141)	(27,302)	(28,096)	(7,716)	(8,169)	3,143	2,526	(118,794)	(115,880)
Personnel expenses	(51,845)	(46,376)	(14,444)	(14,413)	(7,815)	(7,718)	0	0	(74,104)	(68,507)
Other expenses and income	(22,193)	(20,623)	(8,252)	(8,882)	(3,034)	(3,308)	0	0	(33,479)	(32,813)
EBITDA	13,815	12,074	3,043	2,837	2,546	2,537	(77)	(87)	19,327	17,361
Depreciation and amortisation	(6,516)	(5,401)	(2,661)	(2,621)	(1,134)	(1,149)	0	0	(10,311)	(9,171)
Segment result (EBIT)	7,299	6,673	382	216	1,412	1,388	(77)	(87)	9,016	8,190
Interest income	86	145	267	291	1	4	(256)	(282)	98	158
Interest expense	(1,536)	(1,604)	(1,314)	(1,231)	(378)	(399)	256	282	(2,972)	(2,952)
Result from investments	(238)	0	(2,832)	(1,247)	0	0	0	0	(3,070)	(1,247)
EBT	5,611	5,214	(3,497)	(1,971)	1,035	993	(77)	(87)	3,072	4,149
Income taxes									(3,194)	(2,253)
Net income (EAT)									(122)	1,896
Profit or loss attributable to non controlling interest									(458)	(229)
Profit or loss attributable to shareholders CENTROTEC Sustainable AG									336	2,125
Balance sheet key figures*										
Assets**	257,261	270,156	91,230	99,827	41,206	38,813	(187)	(108)	389,510	408,688
Financial investments accounted for using the equity method	2,170	2,408	6,219	9,050	0	0	0	0	8,389	11,458
Loans and investments	1,415	1,421	12	12	0	0	0	0	1,427	1,433
Entitlement to income tax rebates***									3,072	4,111
Liabilities	99,030	103,840	22,614	26,529	6,471	7,128	0	0	128,115	137,497
Financial liabilities									100,681	108,259
Income tax payable***									17,957	22,481
Investments										
Total investments in property, plant, equipment and intangible assets****	3,744	3,511	1,245	3,458	1,664	2,570	0	0	6,653	9,539

* 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 June 30, 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 June 30, 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 changes in consolidation since the annual financial statements at December 31, 2011.

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, 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 June 30, 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	77,340	0
Christian C Pochtler, MA	0	0

CENTROTEC	Shares	Options*
Ordinary shares	17,305,466	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, 2011.

- Dividend payments

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

- Change in the capital stock and the number of shares

13,646 options were exercised in the second quarter on the basis of the stock options scheme. As a result, the capital stock rose by EUR 13,646 or 13,646 shares to a present EUR 17,305,466, divided into 17,305,466 ordinary shares.

Significant events occurring after the reporting date for the quarter

- Change in consolidated companies

The company Brink Climate Systems Ltd., Ireland, is being closed. This company's business will be taken over by Ubbink UK Ltd., England. In addition, our 60 % interest in Solar 23 GmbH, Ulm, was sold in July 2012.

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, August 14, 2012

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 14, 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.



Financial Calendar 2012

August 14	Publication of Q2 2012 Quarterly Report
November 13	Publication of Q3 2012 Quarterly Report
November 12 – 14	German Equity Forum, Frankfurt am Main

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.



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