



CENTROTEC

HOCHLEISTUNGSKUNSTSTOFFE AG

1. Business developments remain positive in 3rd quarter of 2001

The sales trend for CENTROTEC, the German-Dutch specialist for high-temperature plastic components for industrial applications and plastic gas flue systems, was once again very good in the first nine months of 2001. Compared with the corresponding prior-year period, sales were boosted by 16% to EUR 56.4 million. This increase is to a very large extent attributable to organic growth.

Growth in gas flue systems

As expected, CENTROTEC once again recorded a very high rate of increase for its plastic gas flue systems for innovative condensing boiler technology in Germany. The expansion in business volume of EUR 5.1 million enabled us to strengthen our position as market leader. The highest monthly sales figure on record for plastic gas flue systems was achieved in October. The strategy of developing broad-based market and technological expertise in this sector is consequently yielding rich rewards, in spite of the generally difficult economic situation. Various growth trends are contributing towards this success. The substitution of aluminium gas flue systems with plastic gas flue systems is progressing at a rapid pace. The market for economical, environmentally friendly condensing boilers is moreover enjoying continuous growth, which is also being bolstered by the drive to cut CO₂ emissions. This positive trend will continue in forthcoming reporting periods. Additional customer groups were accessed with further developed CENTROTEC products for plastic gas flue technology which reflected the needs of the market; the general trend here is towards multifunctionality and cascade concepts. The same growth prospects can be expected in other major European markets in several years' time, as the market share of condensing boiler technology is still less than 10% of the total market there. The growth rate for the year as a whole is expected to reach 41%, which exceeds the budgeted level.

Second focal point of activities: "systems" – energy-saving climate control

Sales by the Systems Division are rising rapidly, especially in UK and France sales have boosted. Particularly for gas flue systems market shares have been increased in these countries.

A further focal activity is currently the expansion of climate control systems for low-energy houses. Three trends are promoting this technology:

- (1) Along with increasing isolation, buildings are becoming more and more "dense"; this necessitates to install active ventilation.
- (2) Now that the potential for saving energy through heating systems (condensing boiler technology) and insulation has been largely exhausted, the greatest potential for energy savings is now in regulating ventilation and aeration.
- (3) Finally, the awareness of health issues, such as the causes of allergies, is rapidly growing. Air treatment and filtration by means of ventilation systems help to establish a much more healthy atmosphere inside buildings.

GROUP QUARTERLY REPORT

of CENTROTEC Hochleistungskunststoffe AG, Marsberg
at September 30, 2001
Report by the Management Board

CENTROTEC has brought modern energy-saving ventilation systems for regulated, natural climate control onto the market under the Ubbink brand name. These systems have met with a good response. The next step should be to move into the complementary field of heat recovery technology, which would represent a genuine “quantum leap” in energy efficiency. Along with the scheduled acquisition of Brink (see section 3), CENTROTEC would acquire a leading position as a comprehensive systems supplier in this area.

Engineering Plastics stable – new product developments under way

The business progress of Engineering Plastics remained stable throughout the first three quarters of 2001, despite the difficult economic situation. The order situation for technical parts for special applications in the fields of machinery and plant equipment, medical technology and food processing remains highly satisfactory. A slight decline in the level of orders for semi-finished products was registered particularly in the summer months, above all in Germany, as a result of the economic conditions. However, the positive trend was re-established in September, primarily thanks to the intensification of activities in Scandinavia by the subsidiary RS Industri Plast A/S.

We expect the field of high-strength, super-light composites to provide a fresh impetus before the end of the year. A new product for the sport industry has been brought to production maturity and will be appearing on the market later on this year.

2. CENTROTEC at the K'2001 exhibition

The world's largest plastics exhibition, K'2001, provided CENTROTEC with an ideal forum at which to present the quantum leaps it has made in its portfolio of technologies and services since K'1998 to a broad, international specialist audience. In addition to its expertise in the field of production of semi-finished products out of technical and high-temperature thermoplastics, as already demonstrated in 1998, CENTROTEC is now also able to offer its customers technological expertise, including market and customer oriented service, in the following areas:

- Production of assemblies and systems
- Injection moulding technology
- Vacuumforming methods
- Double belt press technology
- High-speed pressure forming

Despite its significantly extended portfolio of services and skills, the company has maintained its ability to respond rapidly and flexibly to diverse customer requests, despite its more challenging range of products and services.

The double belt press technology developed by the CENTROTEC affiliated company Bond Laminates was demonstrated for the first time; this enables composites (high-strength, lightweight carbon, Kevlar® and fibre reinforced plastics) to be produced at 90% lower processing costs. The plant required, which has been developed by the company

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itself, is currently being erected at CENTROTEC's Brilon location. The favourable cost structure means that the extremely lightweight but strong material can be used for a wide range of applications in aerospace, automotive engineering, the sports industry and electronics.

3. Scheduled takeover of the Dutch company Brink Climate Systems

CENTROTEC has signed a letter of intent on the takeover of Brink Climate Systems, of Staphorst, The Netherlands. Brink is, among other things, European market leader for heat recovery systems for low-energy houses. Following the takeover, which is still subject to a due diligence process, CENTROTEC will easily cross the threshold of EUR 100 million sales in the next financial year, with the acquisition of Brink bolstering sales by EUR 25 million.

Earnings per share will likewise benefit significantly from the acquisition, though more precise details remain to be calculated as part of the due diligence process. A portion of the purchase price will be paid in shares. This will strengthen CENTROTEC's equity capital base without necessitating a capital increase for cash. Through this latest acquisition, CENTROTEC is making further progress with its systematic strategy of expansion in highly promising segments of environmental technology. The company has already been successful with this approach in the field of plastic gas flue systems for condensing boilers.

4. Development of result

Net income as at the end of the third quarter totalled EUR 3.2 million (previous year EUR 2.1million), an increase of 49% on the corresponding period of 2000. As in previous years, CENTROTEC has thus demonstrated that it is likewise capable of handling steep growth internally.

CENTROTEC's earnings before interest and taxes (EBIT) rose by 17% to EUR 5.7million. Personnel costs and depreciation developed aquivalentin relation to sales. Direct material costs have been reduced from 48% to 47%.

Within the CENTROTEC Group, interest expenditure has been further reduced thanks to the gradual repayment of loans and the positive level of market interest rates.

5. Post-merger management at RS

Only two quarters after the takeover of RS Industri Plast A/S, Kolding, Denmark in March 2001, CENTROTEC is already successfully exploiting the synergy benefits for technology and sales in the field of engineering plastics. The three areas of expertise engineering and assembly, production of technical semi-finished products and chip-removal production can be combined successfully for customer-specific all-round concepts, and secure CENTROTEC the position of market leader in Scandinavia.

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6. Expectations for 2001 as a whole: despite economic uncertainty, stable business progress at Centrotec

The sales forecast for the current year is EUR 74 million. A slowdown in the economy has been evident for some time now. Although this has led to lower growth than expected in certain sectors, it is outweighed by the growth impulses in most other sectors, which are demonstrably continuing to grow thanks to their technological lead and advantageous position, despite the adverse economic climate. The good results for the first three quarters, the fact that we now generate the bulk of our sales outside Germany, our successful entry into the Scandinavian market and our continuing succession of innovations underpin our expectation that CENTROTEC will actually surpass its sales forecasts for 2001. We expect to achieve an increase of 25% in terms of net profit after tax and this corresponds to the CENTROTEC planning at the end of the financial year.

Marsberg, November 2001

The Management Board

KEY FIGURES GROUP

of CENTROTEC Hochleistungskunststoffe AG, Marsberg

at September 30, 2001

in thousand EUR

	30.09.2001	30.09.2000	Change
Total sales	56.430	48.623	16,1%
Engineering Plastics	12.589	9.635	30,7%
Plastic Systems	41.768	35.506	17,6%
Others	3.379	4.283	-21,1%
Less intercompany sales	(1.306)	(801)	63,1%
Earnings			
Cash flow I (net income and depreciation/amortization)	6.414	5.226	22,7%
EBIT (adjusted*)	6.396	5.430	17,8%
EBIT	5.725	4.887	17,1%
Net income (adjusted*)	3.872	2.689	44,0%
Net income	3.200	2.146	49,2%
Earnings per share (basic, adjusted*)	0,54	0,37	44,0%
Earnings per share (basic)	0,44	0,30	49,2%
Earnings per share (diluted)	0,44	0,29	52,5%
Weighted average shares outstanding (basic)	7.197.264	7.199.261	0,0%
Weighted average shares outstanding (diluted)	7.197.264	7.359.548	-2,2%
Employees			
Total (FTE)	395	340	16,2%
Personnel expenses	12.262	10.125	21,1%
Capital structure			
Equity	17.194	12.638	36,0%
Total capital	59.625	53.710	11,0%
Equity ratio	28,8%	23,5%	22,6%
Investments/depreciation and amortization			
Investments in tangible assets	2.908	6.364	-54,3%
Depreciation of tangible assets and intangible assets (excluding goodwill)	2.542	2.538	0,2%
Amortization of goodwill	671	543	23,6%

* Amortization of goodwill eliminated

Courtesy Translation

This report is a courtesy translation. Legally valid is only the original German text.
CENTROTEC is not liable for mistakes due to the translation.

CONSOLIDATED BALANCE SHEET

of CENTROTEC Hochleistungskunststoffe AG, Marsberg

at September 30, 2001

in EUR

ASSETS

	30.09.2001	30.09.2000
Current assets		
Cash and cash equivalents	1.214.761,71	1.276.223,14
Short-term Investments / Marketable securities	0,00	99.244,90
Trade account receivables	10.462.782,40	10.218.661,22
Accounts receivable due from related companies	0,00	0,00
Inventories	11.338.991,58	9.902.480,03
Deferred tax	0,00	474.726,35
Prepaid expenses and other current assets	2.309.004,52	603.679,25
	25.325.540,21	22.575.014,90
Noncurrent assets		
Property, plant and equipment	20.829.379,90	19.347.850,72
Intangible assets	636.248,53	852.118,47
Financial investments	406.813,51	436.814,05
Notes receivable / loans	565.449,86	702.792,11
Goodwill	11.486.244,16	9.795.551,52
Deferred tax	375.749,64	0,00
Other assets	0,00	0,00
	34.299.885,60	31.135.126,87
	59.625.425,81	53.710.141,77

CONSOLIDATED BALANCE SHEET

of CENTROTEC Hochleistungskunststoffe AG, Marsberg

at September 30, 2001

in EUR

EQUITY AND LIABILITIES

	30.09.2001	30.09.2000
Current liabilities		
Current portion of capital lease obligation	118.116,34	0,00
Short term debt and current portion of long-term debt	10.915.813,48	7.292.402,03
Trade accounts payable	4.741.979,34	5.528.954,90
Advance payments received	77.084,55	0,00
Accrued expenses	1.393.040,08	1.233.988,75
Deferred revenues	0,00	0,00
Income tax payable	1.221.340,65	2.035.890,92
Deferred tax	0,00	245.763,66
Other current liabilities	6.244.760,51	5.310.451,74
	24.712.134,96	21.647.452,00
Noncurrent liabilities		
Long-term debt less current portion	15.884.607,62	18.595.776,62
Capital lease obligations less current portion	257.315,71	0,00
Deferred revenues	0,00	0,00
Deferred tax	729.026,58	0,00
Pension accrual	848.053,99	811.935,67
Minority interest	0,00	16.757,20
	17.719.003,90	19.424.469,49
Shareholders` equity		
Share capital	7.222.000,00	7.200.000,00
Additional paid-in-capital	6.036.033,32	5.895.453,32
Treasury stock	(112.394,90)	0,00
Retained earnings / accumulated deficit	848.364,44	(2.602.865,98)
Accumulated consolidated income / loss	3.200.284,08	2.145.632,94
	17.194.286,94	12.638.220,28
	59.625.425,81	53.710.141,77

CONSOLIDATED INCOME STATEMENT

of CENTROTEC Hochleistungskunststoffe AG, Marsberg

for the period from January 1 to September 30, 2001

in EUR

INCOME STATEMENT

	01.01.2001 - 30.09.2001	01.01.2000 - 30.09.2000
Revenues	56.430.297,81	48.623.478,41
Other operating income	1.335.704,11	455.082,25
Changes in inventories of finished goods and work in progress	(13.542,36)	390.018,17
Production for own fixed assets capitalized	29.648,54	623,78
Cost of purchased materials and services	(26.298.165,82)	(23.818.805,62)
Personnel expenses	(12.261.759,90)	(10.125.406,00)
Depreciation and amortization	(3.213.428,70)	(3.080.754,81)
Other operating expenses	(10.283.567,51)	(7.557.053,03)
Operating income/loss	5.725.186,17	4.887.183,14
Interest income and expenses	(869.654,95)	(1.128.861,30)
Income from investments and participations	0,00	0,00
Income / expense from associated companies	0,00	0,00
Foreign currency exchange gains / losses	0,00	0,00
Other income / expenses	0,00	0,00
Result before income taxes (and minority interest)	4.855.531,22	3.758.321,85
Income tax	(1.655.247,14)	(1.595.931,71)
Extraordinary income / expenses	0,00	0,00
Result before minority interest	3.200.284,08	2.162.390,14
Minority interest	0,00	(16.757,20)
Net income / loss	3.200.284,08	2.145.632,94

EARNINGS PER SHARE

Earnings per share (basic, adjusted*)	0,54	0,37
Earnings per share (basic)	0,44	0,30
Earnings per share (diluted)	0,44	0,29
Weighted average shares outstanding (basic)	7.197.264	7.199.261
Weighted average shares outstanding (diluted)	7.197.264	7.359.548

* Amortization of goodwill eliminated

CONSOLIDATED INCOME STATEMENT

of CENTROTEC Hochleistungskunststoffe AG, Marsberg

for the period from July 1 to September 30, 2001

in EUR

INCOME STATEMENT

	01.07.2001 - 30.09.2001	01.07.2000 - 30.09.2000
Revenues	18.159.874,61	17.269.236,85
Other operating income	489.834,45	(106.637,96)
Changes in inventories of finished goods and work in progress	(243.786,56)	474.243,65
Production for own fixed assets capitalized	(204,52)	0,00
Cost of purchased materials and services	(7.406.239,46)	(8.616.707,91)
Personnel expenses	(4.207.322,49)	(3.490.749,46)
Depreciation and amortization	(1.101.266,52)	(1.066.860,12)
Other operating expenses	(3.761.611,47)	(2.610.257,71)
Operating income/loss	1.929.278,04	1.852.267,33
Interest income and expenses	(152.547,04)	(402.267,19)
Income from investments and participations	0,00	0,00
Income / expense from associated companies	0,00	0,00
Foreign currency exchange gains / losses	0,00	0,00
Other income / expenses	0,00	0,00
Result before income taxes (and minority interest)	1.776.731,01	1.450.000,14
Income tax	(459.277,19)	(295.268,01)
Extraordinary income / expenses	0,00	0,00
Result before minority interest	1.317.453,81	1.154.732,13
Minority interest	0,00	(762,35)
Net income / loss	1.317.453,81	1.153.969,78

CONSOLIDATED CASH FLOW STATEMENT AND CHANGES IN EQUITY

of CENTROTEC Hochleistungskunststoffe AG, Marsberg

at September 30, 2001

in thousand EUR

CASH FLOW STATEMENT

	01.01.2001 - 30.09.2001	01.01.2000 - 30.09.2000
Cash flow from operating activities		
Net Income before taxation and interest	5.725	4.887
Adjustment for depreciation, change in provisions, deferred taxes and gains losses from disposals of assets	4.296	3.276
Operating income before working capital changes	10.021	8.163
Change in working capital	(2.745)	(1.131)
Cash generated from operations before taxation and interest	7.276	7.032
Interest and income taxes paid	(3.736)	(1.642)
Net cash from operating activities	3.540	5.390
Cash flow from investing activities		
Acquisition of subsidiaries net of cash acquired	(1.850)	0
Net change in fixed assets	(2.603)	(6.214)
Net cash from investing activities	(4.452)	(6.214)
Cash flow from financing activities		
New long-term borrowings and change in equity	3.711	0
Repayment of lease and bank liabilities	(7.038)	2.765
Net cash from financing activities	(3.327)	2.765
Net increase/decrease in cash and cash equivalents	(4.239)	1.942
Cash and cash equivalents at beginning of period	(5.511)	(7.958)
Cash and cash equivalents at the end of period	(9.750)	(6.016)

STATEMENT OF CHANGES IN EQUITY

in thousand Euro

	Share capital	Addit. paid- in capital	Treasury stock	Retained earnings	Accumulated income	Consolidated equity
December 31, 2000/ January 01, 2001	7.200	5.895	(112)	817		13.800
Consolidated income / loss					3.200	3.200
Currency translation				31		31
Changes in cause of the exercise of stock options	22	141				163
September 30, 2001	7.222	6.036	(112)	848	3.200	17.194

GROUP QUARTERLY REPORT

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Explanatory notes

1. Rendering of accounts

This Quarterly Report has been drawn up in accordance with the International Accounting Standards (IAS) and the guidelines of Deutsche Börse AG on "Structured Quarterly Reports". Until the start of this year, the consolidated financial statements were prepared in accordance with German HGB and supplemented by IAS reconciliation accounts. The prior-year figures needed to be adjusted accordingly to take account of the change. The changes affecting equity and income for the previous year are also evident from the reconciliation accounts for that year. Certain individual items on the balance sheet and income statement have moreover been reclassified.

2. Changes in the composition of the company's structure

Following the full consolidation of RS Industri Plast A/S, Kolding, Denmark (100%) at 15.03.2001, the assets on the reporting date totalled EUR 2.9 million.

3. Contingent liabilities

There has been no significant change in contingent liabilities since the balance sheet date.

4. Details of dividend payments and equity measures

The equity has risen slightly as a result of the exercising of employee options. No other effects as a result of §34 Para. 16 e) IAS materialised. No dividend payment is envisaged for the reporting period.

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5. Reportable security holdings

Name	Shares / numbers	Options / numbers *
Board of directors		
Hans-Lothar Hagen	54.000	102.000
Dr. Gert-Jan Huisman	500	92.000
Dr. Alexander Kirsch	9.000	102.000
Martin Beijer	700	90.000
Supervisory board		
Guido A. Krass	1.200.000	0
Dr. Bernhard R. Heiss	0	0
Hans Thomas	1.800	0
Centrotec		
Own shares**	6.040	0

* Shown are maximum achievable numbers; the actual options that may be exercised are dependent on the achievement of individual targets.

** According to § 160 pr. 1 and 5 AktG

6. Employees

The number of employees at the reporting date for the interim reporting period was 395, representing an increase of 55 on the corresponding date in 2000.

7. Composition of Supervisory Board and Management Board

There were no changes to the members of the Supervisory Board and Management Board in the reporting period.

8. General business progress

Sales of EUR 56.4 million were generated in the reporting period, with an EBIT margin of 17 % before goodwill.

The operative cash flow at the interim reporting date is lower, as working capital traditionally reaches its lowest level at the end of the year.

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The materials ratio is 47% compared with 48% on the corresponding date in 2000. (See also the Report of the Management Board for further details on this and on the following statement.)

9. Segmental reporting

The company is organised into the "Engineering Plastics" and "Systems" segments.

in thousand EUR	Engineering plastics	Systems	Other	Total segments	Consoli- dation	Group consolidated
Income	13.286	41.602	3.963	58.850	(1.862)	56.988
Expenses	(12.513)	(38.403)	(4.782)	(55.698)	1.911	(53.788)
Net Profit	773	3.199	(820)	3.152	48	3.200

10. Events of particular significance after the end of the 3rd quarter

CENTROTEC has signed a letter of intent on the takeover of Brink Climate Systems, of Staphorst, The Netherlands. The company currently has sales in the order of EUR 25 million.

11. Research and development activities

Research and development activities in the reporting period concentrated primarily on the areas of plastic gas flue systems, double belt press technology, pressure forming technology for thermoplastic composites, and combined customer-specific all-round concepts which draw upon various areas of expertise. These include plastic gas flue technology further developed specifically in line with the needs of the market, with a general trend towards multifunctionality and cascade concepts.

12. Investment

A total of EUR 2.9 million was invested in the reporting period. The construction of a new production hall to handle future growth in the field of engineering plastics accounted for EUR 0.8 million of this total.

13. Outlook for the year as a whole

GROUP QUARTERLY REPORT
of CENTROTEC Hochleistungskunststoffe AG, Marsberg
at September 30, 2001
Explanatory notes

The sales volume forecast for 2001 is in the order of EUR 74 million. We expect to achieve an increase of 25% in terms of net profit after tax and this corresponds to the CENTROTEC planning at the end of the financial year.



CENTROTEC

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