

Quarterly Report Q3/2006
of CENTROTEC Sustainable AG



Our Earth in Focus

GROUP QUARTERLY REPORT

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Report of the Management Board

Highlights

- CENTROTEC first complete supplier of all energy-saving systems for buildings. The integration of the Wolf Group makes CENTROTEC the first company to focus systematically on energy-saving technology and offer it for every key area of installations technology
- CENTROTEC is in particular in the unique position of combining expertise in heating technology with ventilation technology, which is becoming increasingly important in highly insulated houses. It moreover has solar, biomass and other energy-saving products in its range.
- Following several years of expansion through takeovers, the emphasis is now on integrating all parts of the group and on organic growth through bringing together the resources of all group companies
- Revenue after nine months of 2006 risen to EUR 231.5 million (2005: EUR 100.9 million); Solar Systems segment accounts for EUR 117.8 million of this total; revenue growth averaging 14 % in the remaining segments
- Increase in EBITDA of 28.5 % to EUR 21.4 million and in EBIT of EUR 1.6 million to EUR 14.8 million; earnings burdened by revenue growth, with margins still slightly below average
- Net earnings (EAT) up sharply to EUR 17.9 million (previous year EUR 7.7 million) including one-off effects (capital increases of CENTROSOLAR AG) amounting to EUR 9.9 million
- Rise in EPS (earnings per share) to EUR 2.04 (previous year EUR 0.98), of which EUR 1.22 attributable to one-off effects
- Equity ratio remains at high level of 45.7 % (December 31, 2005: 47.6 %)
- EUR 30.4 million rise in working capital since start of year to EUR 62.2 million primarily as a result of consolidation of new companies and seasonal buildup of inventories in Solar Systems segment
- Rise in net financial liabilities in third quarter to EUR 78.3 million particularly as a result of the rise in working capital

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Outlook

- As a result of the takeover of the Wolf Group at the start of October, CENTROTEC will be able to expand both the product portfolio and its international spread quite significantly. With revenue in excess of EUR 200 million from the Wolf Group, CENTROTEC would be reporting pro forma revenue of more than EUR 550 million for 2006, based on consolidation for the full year
- Group-wide integration programme to dovetail all functions in the Climate Systems segment following the consolidation of the Wolf Group. Important costs burden from integration is to be determined in the fourth quarter of 2006
- In 2007, Wolf is expected to make a profit contribution of around EUR 0.40 per share.
- A healthy level of orders and high demand in virtually all areas are likely to lead to high revenue in the fourth quarter; in keeping with typical industry trends, the Solar group in particular is expecting high revenue between now and the end of the year
- The revenue forecasts for the Gas Flue Systems, Climate Systems, Solar Systems and Medical Technology & Engineering Plastics segments are proving accurate; the revenue of the Wolf Group to be consolidated in the fourth quarter will be in excess of EUR 60 million
- Due to the first-time consolidation of the Wolf Group in the fourth quarter, the one-off expenses still expected in connection with the acquisition and the earnings effects of the purchase price allocation, the forecast for the full year is being revised
- Plans to expand the Medical Technology area and to hive it off into a separate stock corporation are advancing

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New dimension for CENTROTEC: first complete supplier of energy-saving technology

CENTROTEC is now the first complete supplier that systematically provides all energy-saving systems for buildings. The integration of the Wolf Group since the start of October makes CENTROTEC the first company to focus entirely on energy-saving technology and offer it for every key area of installations technology

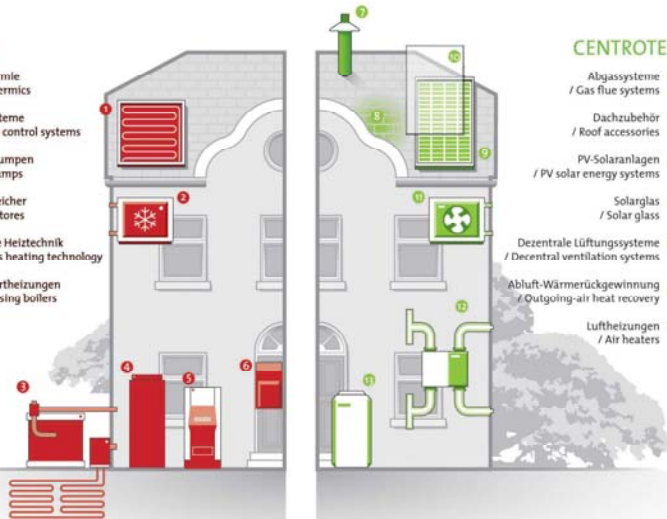
CENTROTEC is in particular in the unique position of combining expertise in heating technology with ventilation technology. Exchanging the air is becoming increasingly important in highly insulated houses. Although an uncontrolled exchange of air can cancel out the savings achieved by modern heating systems, traditional boiler manufacturers have hitherto barely paid much attention to this area. By bringing together Wolf's expertise in heating and climate control technology with the expertise of Brink and Ned Air in heat recovery, CENTROTEC now takes up a leading position in the emerging process of integration between these areas of technology.

As well as heating and climate control technology, the CENTROTEC product range includes solar thermal, biomass, photovoltaics and other energy-saving products. CENTROTEC is consequently a comprehensive complete supplier of all relevant energy-saving technologies for houses. CENTROTEC regards itself as the driving force behind the developing of all-encompassing integrated systems that pave the way for the zero-energy house.

Das Systemhaus für alle Energiesparlösungen
/ The system supplier for every energy-saving solution

WOLF

- 1 Solarthermie
/ Solarthermics
- 2 Klimasysteme
/ Climate control systems
- 3 Wärmepumpen
/ Heat pumps
- 4 Pufferspeicher
/ Buffer stores
- 5 Biomasse Heiztechnik
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CENTROTEC

- 7 Abgassysteme
/ Gas flue systems
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Following several years of expansion through takeovers in the areas of heating accessories, climate control systems, and solar and heating technology, the emphasis is now on integrating all parts of the group and on organic growth through bringing together the resources of all group companies. The European presence and strong brand of the Wolf Group offers the ideal basis for dovetailing all parts of the group to create an integrated supplier of everything from a single source.

This task has already been started in the form of a joint integration project involving all group companies. The integration process will take several years. Nevertheless, the aim is to build the non-recurring charges for integration into the costs for 2006 as far as possible. This development of a dynamic entity covering all energy-saving skills will start to provide initial impetus for growth from next year. Initial project results have already been achieved e.g. in the domains of solar sales activities, in domestic ventilation and in joint purchasing activities, and are already being implemented.

1. Consolidated entities

The structure and extent of consolidation of the CENTROTEC Group have not changed in these quarterly accounts compared with the position at June 30, 2006. The Wolf Group, which has belonged to CENTROTEC since the start of October, will be fully consolidated for the first time at the end of the year, naturally with a significant effect on both the structures of the annual financial statements and the associated expectations.

The Wolf Group

On October 5, Wolf GmbH, based in Mainburg, was acquired in full from TUI AG and Wolf Beteiligungs GmbH. It will consequently be comprehensively consolidated for the first time in the fourth quarter.

Wolf GmbH is a systems supplier in the areas of climate control and ventilation systems, heating systems and solar thermal. It achieved revenue of EUR 192 million in 2005, with EBITDA in excess of EUR 15 million. Wolf employs over 1,200 people in Germany, 350 (including representatives) internationally, and enjoys a presence in 45 countries. Particularly the entities in Spain, Greece, Eastern Europe, France and the United Kingdom will be developed as part of this international expansion, and their market penetration increased. Gas and oil heating systems, which are among the most modern, technologically advanced condensing boiler systems available, account for slightly less than half of revenue. Climate control systems are a further mainstay of revenue. In this domain, Wolf is the market leader for energy-saving climate control systems in Europe, with the focus on larger systems for office and commercial buildings. Over 13 % of revenue is achieved with modern heating systems based on renewable energies such as solar thermal and biomass.

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2. Development in revenue and earnings

CENTROTEC posted revenue of EUR 231.5 million in the first nine months of the year. Revenue for the third quarter of EUR 89.4 million was well up on the previous year (EUR 34.4 million) and broadly tallied with our expectations. The Solar Systems segment accounted for the major portion of revenue growth. Without the contribution of the Solar Systems segment, revenue after nine months would have been up 14 % at EUR 113.7 million (previous year EUR 99.5 million). This confirms our strategy of focusing on energy-saving in the field of technology for residential buildings. The following table shows the cumulative revenue (from third parties) for the first nine months:

Revenue (in EUR million)	Q3 / 2006 cum	Q3 / 2005 cum	Year-on-year change
Gas Flue Systems	56.5	51.9	9.0 %
Climate Systems	32.3	27.7	16.6 %
Solar Systems	117.8	1.4	> 100 %
Med. Technology & EP	24.8	19.9	24.6 %
Total	231.5	100.9	129.3 %

Revenue (in EUR million)	Q3/2006	Q3/2005	Year-on-year change
Gas Flue Systems	20.2	18.4	9.8 %
Climate Systems	9.9	9.3	6.7 %
Solar Systems	50.8	0.8	> 100 %
Med. Technology & EP	8.5	6.0	41.4 %
Total	89.4	34.4	159.8 %

The rise in revenue stems predominantly from organic growth. The figures include acquisition-driven revenue of EUR 3 million overall for the Medical Technology & Engineering Plastics segment (Centroplast UK) and the Climate Systems segment (Innosource and EnEV-Air).

Taking account of non-recurring charges, the earnings for the third quarter are approximately on a par with the previous year. For example, as a result of the extensive activities in the context of the Wolf acquisition, initial expenses have already been incurred particularly in the Climate Systems segment. In anticipation of the takeover of Wolf, the integration of Innosource into the Brink organisation was accelerated; this prompted additional one-off expenditure in the order of EUR 0.4 million. The process of integration was speeded up to enable operational collaboration with Wolf's Climate Division to start swiftly.

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The one-off expenses for the switch by CENTROSOLAR AG to the Prime Standard of Deutsche Börse (approx. EUR 0.6 million) and continuing internationalisation and intensive development of new products likewise diminished earnings quite significantly.

The return on earnings reflects above all the consolidation of CENTROSOLAR, which has led to a marked change in gross income (net revenue less direct material costs) due to its lower degree of manufacturing penetration. The gross margin for the group correspondingly fell from 58.0 % in the previous year to a present 34.6 %. There is evidence of a fall in gross margins in the other segments, too. This is attributable not only to price rises for the direct costs of materials, but also to the successful revenue growth from new products that have not yet currently achieved the margins level that would otherwise be expected.

EBITDA rose to EUR 21.4 million (previous year EUR 16.7 million) in the first nine months. Earnings before interest and taxes (EBIT) for the CENTROTEC Group were EUR 1.6 million up on the figure for the prior-year period, at EUR 14.8 million. This in turn includes amortisation amounting to some EUR 1.8 million on the intangible assets to be reported in the context of the purchase price allocation process for the Solar Systems segment.

The acquisitions of Solara (in Q1), Biohaus (in Q1) and of the minority interest (33 %) in Solarstocc (in Q3) in the Solar Systems segment, realised in part through the issue of new shares and a capital increase for cash (Q1), had a dilutive effect on the interest in CENTROSOLAR AG for the shareholders of CENTROTEC. This reduction in the ownership interest was reflected in the income statement, as in the financial statements for 2005 (modified parent model). The differences arising as a result of the reduction in the proportion of ownership interest in CENTROSOLAR AG were booked to income and determined from the difference in the shareholders' equity of the CENTROSOLAR sub-group that was allocable to CENTROTEC at the respective reporting dates before and after the date on which dilution occurred. This effect amounted to EUR 9.9 million at September 30, 2006. The profit from transactions with minority interests is represented as a positive effect in the net earnings before taxes (EBT). As this effect is not shown in the EBIT and the results for the segment, operational transparency is assured.

At a starting figure before taxes (EBT) which rose from EUR 14.1 million at June 30, 2006 to EUR 21.9 million at September 30, 2006 (previous year EUR 11.7 million), the figure after taxes (EAT) for the third quarter is EUR 17.9 million (previous year EUR 7.7 million).

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Earnings per share (EPS) consequently rose to EUR 2.04 (previous year EUR 0.98) at an average number of shares of 8,112 thousand. Without the effect described above from the capital increases at CENTROSOLAR, EPS would have been EUR 0.82 as a result of the non-recurring charges.

3. Development of the segments

3.1. Gas Flue Systems

In the Gas Flue Systems segment, revenue rose by 9 % since the start of the year to EUR 56.5 million (previous year EUR 51.9 million). Of this total, the third quarter accounted for EUR 20.2 million (previous year EUR 18.4 million) (10 % growth). The result for the segment is only marginally lower than in the previous year, despite the significantly higher direct costs of materials and non-recurring charges (e.g. in connection with international expansion).

Key figures (in EUR '000)	Q3/2006	Q3/2005
Revenue from third parties	20,158	18,357
Revenue from other segments	645	1
Change in inventories of finished goods and work in progress	142	96
Cost of materials	(10,440)	(8,605)
Employee benefit costs	(4,155)	(3,955)
Depreciation and amortisation	(753)	(616)
Other income and expense	(2,765)	(2,312)
EBIT	2,833	2,966

There has been a pleasing rise in demand in Germany following a weaker first half that is typical for the industry. Volume has been well up on the previous year since the third quarter. More intensive sales activities in this area are moreover beginning to bear fruit. The growth rate compared with the previous year has continued to increase in recent months. The establishment of a production plant in Brilon is progressing according to schedule and should be fully operational by the start of next year.

Revenues in the Netherlands and France have likewise progressed positively. The rise in France has been promoted by the fact that the market share for plastic gas flue systems, in which CENTROTEC specialises, has grown in recent months. This development has been bolstered by improved brand awareness and by focusing on the trade sales channel, in which good profit margins can be achieved. The drive for international expansion has moreover brought further success. For example, relations with a customer in the USA have been consolidated and further expanded.

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Following technical difficulties with the production start and the resulting delay in appearing on the market, the lead substitute product "UBIFLEX" is now delivering the anticipated positive impact on sales. Revenue should be doubled over the coming year, to more than one million euros. This product will now be marketed both in conjunction with roof duct components of gas flue systems and as a stand-alone product.

The procurement costs for certain materials and purchased parts have risen further and are burdening gross profit compared with the previous year. It was necessary to make price concessions on certain articles for which specific stock levels were not sufficient. As well as collectively negotiated pay increases, the establishment and expansion of international business and the associated recruitment of additional personnel have prompted a rise in personnel costs. The other expenses also include additional items for sales and marketing. EBIT for the third quarter was therefore down EUR 0.1 million on the prior-year figure.

As a result of the takeover of the Wolf Group, which manufactures e.g. heating systems with condensing boiler technology, the segment's product and marketing strategy will not fundamentally change. The individual businesses will be developed independently of each other.

The Gas Flue Systems segment expects a strong fourth quarter, with the result that the forecast annual revenue of EUR 79 to 81 million can definitely be confirmed and may even be exceeded. Especially in Germany – probably due to the forthcoming rise in the VAT rate at the start of next year – the level of incoming orders is temporarily extremely high, with the resulting possibility of delivery bottlenecks, though this does not restrict the development in revenue.

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3.2. Climate Systems

Total revenue in the Climate Systems segment after three quarters had grown by more than 17 % compared with the corresponding prior-year period to EUR 32.3 million (previous year EUR 27.7 million). After elimination of the revenues of the acquisitions Innosource and EnEV-Air, growth for the third quarter was 6 %.

Key figures (in EUR '000)	Q3/2006	Q3/2005
Revenue from third parties	9,922	9,295
Revenue from other segments	111	10
Change in inventories of finished goods and work in progress	28	88
Cost of materials	(4,524)	(4,067)
Employee benefit costs	(2,821)	(2,532)
Depreciation and amortisation	(251)	(184)
Other income and expense	(1,195)	(539)
EBIT	1,270	2,072

In view of the exceptionally high comparative figures for the previous year, this growth still ranks as satisfactory. However, the Innosource Group fell well short of its revenue budget by the end of the quarter. The reasons include the transfer of location and certain delays in launches of new products. In particular, the planned growth from the innovative non-central ventilation system ACC has been put well back. The main reason for this is that the lead time between their sale in the context of project plans and their actual delivery is now very long.

The export revenue of the segment, on the other hand, made highly positive progress, which will be further bolstered by the establishment and expansion of additional sales channels. These include the establishment of the new sales subsidiary Ned Air Austria, and Ned Air UK in Manchester. There have also been notable successes in Germany. For instance the activities of EnEv-Air, acquired at the end of 2005 and now relocating to Ahaus, have commenced successfully. It will achieve revenue of around EUR 1.5 million by the end of the year from its independent product range, which differs from the items in the OEM product family for key accounts. This figure also includes revenue for heat pumps and solar thermal. Even though EnEv-Air's earnings will not yet be positive in 2006, the company is now growing rapidly and will be profitable in the medium term.

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The third-quarter earnings for the segment were reduced by further unanticipated restructuring costs which arose in connection with the mergers of production locations in the Netherlands. In the third quarter, expenses amounting to a further EUR 0.4 million (approx. EUR 0.8 million in Q1 and Q2) were incurred by the centralisation of production, warehousing and distribution. Particularly the reduction in the number of employees at Lisse led to unscheduled expenses.

The development of integrated climate control systems that are suitable specifically for passive houses is being promoted. The project conducted in this field together with Cologne University is yielding good results. A further project involves the development of a combined device that can integrate different energy sources such as ventilation systems with heat recovery, gas heating, heat pumps and solar technology into a single unit and be used to provide heating, cooling, climate control and also hot water. CENTROTEC perceives a new, rapidly expanding market for these systems and is working on the development of pioneering systems based on a modular principle. Various Wolf components and control technology (Wolf Operating System) can be used here. Many possible forms of technological collaboration with Wolf will be investigated in the coming months.

There was a change in the segment's management during November. Norbert Vroege has left the Management Board of CENTROTEC to establish a new, innovative business for control technology for ventilation systems outside the CENTROTEC Group. He will in future be a supplier of products to the Climate Systems segment. The segment's management will shortly be reorganised to incorporate the management of Wolf, as the Wolf Group will come under the Climate Systems segment. Herr Gaffal, who is joining the Management Board of CENTROTEC, will take charge of running the Climate Systems segment.

It is our expectation that demand for integrated complete systems with heat recovery and energy-saving ventilation systems for residential buildings will continue to rise. Revenue for the companies consolidated since the start of the year is expected to reach EUR 46 to 48 million in 2006, as planned (previous year EUR 39.6 million). In view of the non-recurring charges described, however, it will not be possible to achieve the target rate of return for the year as a whole. The consolidation of the Wolf Group from the start of October will, however, significantly alter all key figures for the segment.

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3.3. Solar Systems

The rapidly growing Solar Systems segment achieved revenue of EUR 50.8 million in the third quarter, and therefore a cumulative figure of EUR 117.8 million for the year to date. Of this total, EUR 33.5 million was achieved outside Germany, with the result that the export share has risen from 26.5 % mid-way through the year to a present 28.4 %. In Germany, the principal market segment for CENTROSOLAR of photovoltaic systems for private houses likewise grew vigorously. The anticipated record level of revenue for the fourth quarter will mean that the full-year revenue of EUR 200 million will be achieved.

Key figures (in EUR '000)	Q3/2006	Q3/2005
Revenue from third parties	50,825	739
Revenue from other segments	0	0
Change in inventories of finished goods and work in progress	7,210	0
Cost of materials	(48,816)	(456)
Employee benefit costs	(3,125)	(48)
Depreciation and amortisation	(960)	(1)
Other income and expense	(3,327)	(66)
EBIT	1,806	169

The Integrated Systems segment (in the main ready-to-fit complete systems) accounts for around 80 % of revenue. However, the Key Components segment likewise posted considerable growth and showed a marked improvement in profitability particularly in the area of nano-coated antireflective glass. Organic growth across all Solar Systems companies averaged in excess of 60 %.

Due to the market-driven price cuts for end customers of Integrated Solar Systems, the gross margin in this area has fallen. The welcome rise in revenue of the Key Components segment was, however, achieved thanks to a continuing rise in rates of return. The most significant operating earnings figure for these segments, EBITDA (EBIT includes amortisation from purchase price allocation under IFRS rules, e.g. of supplier and customer relationships, brands and own fixed assets capitalised), amounts to EUR 6.9 million after nine months (adjusted for IPO costs), or 5.9 % of revenue. This earnings figure does not include the one-off expenditure for the completed switch to the Prime Standard of Deutsche Börse, at a cost of around EUR 0.6 million, and the depreciation and amortisation of assets acquired in the context of the takeovers completed in 2005 and 2006 and to be recognised at EUR 1.8 million according to IFRS 3.

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At the procurement end, the price for cells and modules has been falling since April and has now stabilised at a lower level. From the summer, CENTROSOLAR was able to shift the emphasis of its sources towards lower-priced suppliers, and since September has been benefiting from Solarsquare as a new procurement source with lower procurement prices. CENTROSOLAR expects that the price reduction will prompt a fall in end prices of approximately the same degree in Germany, the highest-revenue market, from the start of 2007.

The net working capital showed an increase of around EUR 8 million at the end of the quarter, principally due to accumulated stocks of finished goods (predominantly solar modules), whose reach corresponds to approximately one month's revenue. The build up of stocks reflects the seasonal pattern of business, with the highest demand experienced in the closing months of the year. CENTROSOLAR expects the year-end stock level to be substantially lower than the current level, which is attributable to seasonal factors.

In September the remaining shares in Solarstoc AG, Durach (previously 67 % interest) were acquired in exchange for the issue of new shares. The company was already fully consolidated. The acquisition of the 33 % interest has a positive earnings effect of EUR 2.0 million within CENTROTEC as a result of recognition in the income statement according to the modified parent model.

The future collaboration with the Wolf Group will open up new scope for expansion for the Solar Systems segment. The product range will thus be steadily expanded, with the addition of solar thermal in particular, and the scope of technological partnerships extended. The widespread presence enjoyed by the Wolf Group in 45 different countries also provides opportunities for the Solar Systems segment, paving the way for further sales approaches for Solar Systems.

The outlook in the Solar Systems segment remains optimistic because the market for smaller systems, particularly for private houses, continues to offer considerable potential both in Germany and internationally. CENTROSOLAR is planning to continue establishing and expanding its international sales activities at a rapid pace. The high revenues expected in the fourth quarter and the higher capacity utilisation will also improve the margins.

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3.4. Medical Technology & Engineering Plastics

The Medical Technology & Engineering Plastics segment achieved a relatively high rate of revenue growth (as an "established" segment) of more than 40 % in the third quarter, to EUR 8.5 million, coupled with a sharp rise in earnings. Apart from EUR 0.2 million (acquisition of Centroplast UK in 06/2005), this is attributable solely to organic growth, in particular of the Advanced Composites area (processing and machining of fibre composites).

Key figures (in EUR '000)	Q3/2006	Q3/2005
Revenue from third parties	8,523	6,027
Revenue from other segments	345	389
Change in inventories of finished goods and work in progress	248	115
Cost of materials	(3,391)	(2,063)
Employee benefit costs	(3,315)	(3,048)
Depreciation and amortisation	(362)	(341)
Other income and expense	(1,145)	(808)
EBIT	904	271

The pleasing growth in revenue stemmed in the main from our self-developed medical technology products and from the production contract for the automotive industry. After start-up losses in the first half of the year, the break-even point was reached in the third quarter. With further enquiries already on file, there is scope for further expansion of this area over the next few months. As capacity utilisation is currently particularly good the EBIT margin, which is now over 10 %, cannot however automatically be assumed to remain at this level in the future.

The Engineering Plastics area successfully maintained its long-term strategy of adapting the product range and specialising further in market niches in the third quarter.

The Medical area will continue to develop new products intensively and invest considerable time and resources in positioning them in the market. This area now has three employees for its own sales activities for neurosurgical products. The "LiquoGuard", a recently developed high-end liquor drainage system for neurosurgery, has now been officially approved and has been in use in reference projects since September. Other medical technology (neurosurgical) products are undergoing development. International expansion in this area is also being promoted, with plans to establish a new sales subsidiary in Switzerland in the fourth quarter.

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Although the earnings for the quarter were a pleasing EUR 0.9 million and well up on the previous year, the EBIT return in the first three months is less than 5 % and is not yet satisfactory. Costly product development activities in the sphere of medical technology that will only boost earnings in the medium to long term will continue to undermine the rate of return for the time being.

Thanks to the positive development in revenue in the Engineering Plastics area, as matters stand the revenue target for the segment of EUR 30 million will be achieved. The EBIT margin will continue to rise in the fourth quarter, meaning that the target result for the year will likewise be achieved.

The systematic development of the Medical Technology area will be promoted and expanded with the addition of new lines of business, with the aim of going public with a strong group of companies. The renaming of Centrotec Medizintechnik GmbH as CENTROMEDICAL AG and the transfer of its registered offices from Brilon to Munich have already been completed.

4. Financial position

The balance sheet total has risen by around 50 % since the start of the year, to EUR 324.6 million. This extension of the balance sheet is attributable primarily to the consolidation of Solara (Q1) and the Biohaus Group (Q2). Over the same period, shareholders' equity rose by 44.3 % and totalled EUR 148.2 million at the end of the quarter, with the result that the equity ratio fell slightly to 45.7 % (December 31, 2005: 47.6 %; June 30, 2006: 45.9 %).

Current assets rose from EUR 81.4 million at the start of the year to EUR 139.0 million (June 30, 2006: EUR 118.1 million). Over 54 % of this figure (EUR 75.7 %) stems from the Solar Systems segment. Due to seasonal factors and as a result of acquisition activity, the inventories of the Solar Systems segment rose to EUR 35.7 million, thus accounting for almost 59 % of the total inventories for the Group (overall value: EUR 60.8 million). As a result of seasonal factors, trade accounts receivable showed a rise of EUR 16.5 million since the start of the year, to EUR 43.7 million.

The group had considerable cash and cash equivalents of EUR 17.7 million and additional unutilised credit lines at the end of the quarter.

Within non-current assets, the acquisition of all Solarstoc shares has added too goodwill, which is now put at EUR 102.3 million at September 30, 2006 (after first half: EUR 93.8 million). Conversely, the investments recognised using the equity method fell by EUR 7.4 million to EUR 1.8 million largely as a result of the comprehensive consolidation of Solara. Overall, non-current assets rose to EUR 185.7 million (December 31, 2005: EUR 134.1 million).

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Net working capital (current assets – cash and cash equivalents – current, non-interest-bearing financial liabilities) rose from EUR 31.8 million (December 31, 2005) to EUR 62.2 million (June 30, 2006: EUR 54.5 million) above all as a result of the rise in inventories. Of this total, EUR 32.7 million is attributable to the Solar Systems segment alone.

The total current and non-current financial liabilities, representing 29.6 % of the balance sheet total (after first half 28.2 %; at December 31, 2005 29.0 %), has changed only marginally. The net financial liabilities (current and non-current loans less cash and cash equivalents) have risen further in recent months to EUR 78.3 million (EUR 73.1 million at June 30, 2006), primarily as a result of the increased business volume. Whereas a sum of EUR 7.9 million was repaid, new financial liabilities totalling EUR 25.4 million and not allocable to financial resources were entered into.

Cash flow I (EAT plus depreciation and amortisation) after nine months was well up on the prior-year figure of EUR 11.2 million at EUR 24.5 million, as a result of the high net earnings. Cash flow from operating activities fell by EUR 2.7 million to EUR -17.0 million in the third quarter (June 30, 2006: EUR -14.4 million) (cash outflow). This also includes the rise in working capital from the Solar Systems segment of EUR -21.5 million (EUR 6.1 million in the third quarter).

The cash flow from investing activities rose to EUR -13.7 million (June 30, 2006: -11.1 million; previous year: EUR -10.7 million), with this key figure again dominated by the Solar Systems segment, accounting for EUR -10.2 million.

5. Capital expenditure

The total volume of all capital expenditure after nine months, inclusive of goodwill and additions to fixed assets from acquisitions, was EUR 66.3 million. The figure attributable solely to acquisitions was EUR 55.7 million (comprising in essence Solara, Solarstocc, Biohaus) and was generated almost exclusively by the Solar Systems segment. The addition to goodwill of EUR 47.4 million since the start of the year (previous year EUR 2.6 million) is attributable to the same source.

Spending on property, plant and equipment and on intangible assets that was not attributable to acquisitions amounted to EUR 10.2 million at the nine-month mark (previous year EUR 4.8 million); the total of EUR 3.7 million exclusively for Q3 (previous year EUR 2.7 million) is comprised as follows:

GROUP QUARTERLY REPORT

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Report of the Management Board

Capital expenditure (in EUR million)	Q3/2006	Q3/2005
Gas Flue Systems	1.9	1.2
Climate Systems	0.5	1.2
Solar Systems	0.5	0.0
Med. Technology & Eng. Plastics	0.8	0.3
Total	3.7	2.7

A large portion of capital expenditure (excluding acquisitions) was allocable to property, plant and equipment. The biggest investment projects are the construction of the new logistics centre in Belgium and the extensions to the premises at Brilon and Doesburg, which are to be considered buildings. Other major new facilities and additions to technical equipment include new turning centres at Rolf Schmidt in Kolding, Denmark, and extended technical facilities for the logistics and IT infrastructure at Staphorst. In addition to the investment projects mentioned, minor capital expenditure at the operating plants focused on the maintenance and extension of plant and machinery.

6. Development in employees

The number of employees expressed as full-time equivalents (FTE) rose by 84 FTE in the third quarter alone to 1,415 FTE (previous year 977 FTE). The marked increase on the previous year of 374 employees is attributable to the consolidation of the Solar Systems segment. Despite the expansion of business, the number of employees fell by 10 FTE as a result of centralisation of the Climate Systems segment at the Staphorst location. The employee total remained broadly constant in the other segments.

The employee total (expressed as individuals) was 1,479 on September 30 (previous year 1,029). The almost 40 % rise in the number of employees has also meant that personnel expenses have risen substantially. However, in the first nine months this latter figure rose by a slightly lower rate than the number of employees to EUR 39.9 million. Personnel expenses thus amounted to 17.2 % of revenue (previous year 28.4 %).

The proportion of employees based in Germany (as an FTE total) had risen from 35 % in the previous year to 53 % at the reporting date (in particular as a result of Solar Systems). The proportion based in the Netherlands fell correspondingly to less than 35 %, compared with 49 % in the previous year. The employee structure has shifted only slightly; the proportion of industrial employees at September 30, 2006 was 66 % (previous year 62 %).

GROUP QUARTERLY REPORT

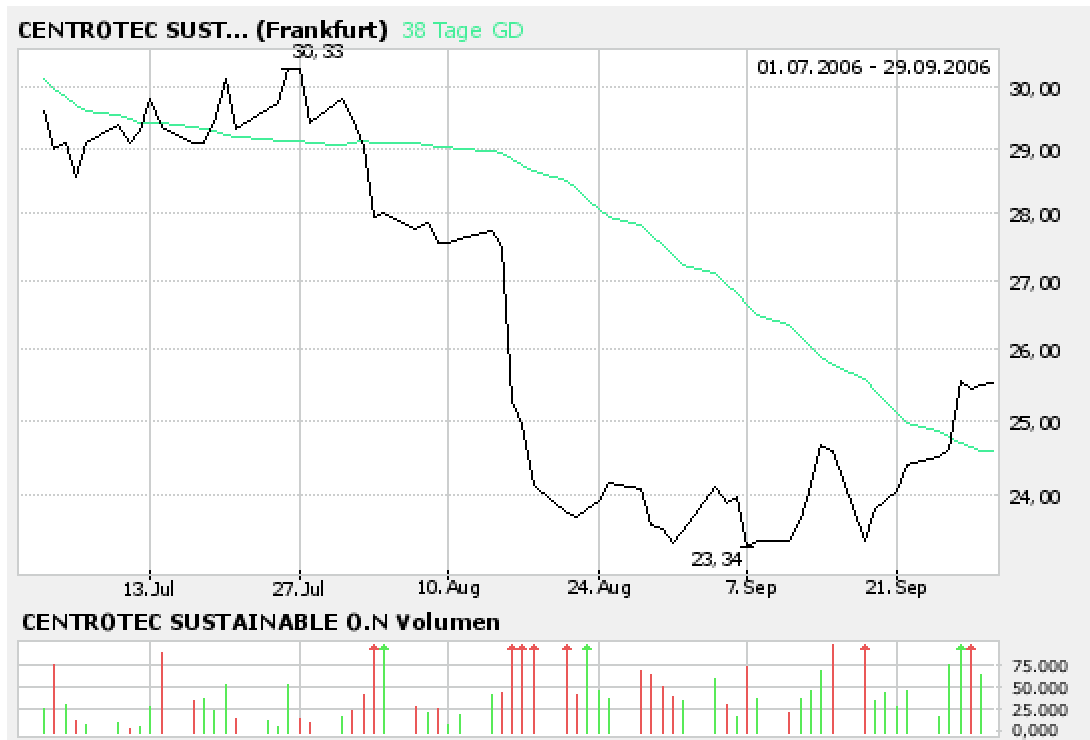
of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Report of the Management Board

7. Share price developments

The CENTROTEC share price continued to rise in the first few weeks of the quarter from EUR 29.61 (July 3, 2006) to a quarterly high of EUR 30.33 on July 26, 2006. Along with the general slide in share prices in August, the price of CENTROTEC shares likewise fell to EUR 23.34 (September 7). The price recovered to EUR 25.50 at the end of the quarter.



Source: www.ariva.de

Based on a total of some 8.2 million shares, market capitalisation at the end of the reporting period was EUR 210 million.

GROUP QUARTERLY REPORT

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Report of the Management Board

8. Opportunities and risks

There have been no fundamental changes in the assessment of opportunities and risks in the core areas of business compared with the position outlined in the Annual Report. Cyclical influences and changes to the customer and competitor structure therefore remain the principal risks.

In the solar sector, increased international spread has brought improved opportunities in the procurement and sales market. The relatively rapid changes on the procurement market, which can also have an impact on price levels in the sales market, continue to represent a relatively high risk.

The acquisition of Wolf entails both opportunities and risks. The balance sheet and financial structures, for example, will change significantly. As the acquisition has been financed to a high degree by borrowing, the equity ratio for the group will fall and consequently restrict its further scope for financing. This will increase the sensitivity of EBT to changes in market interest rates. The risk of medium-term rises in interest rates will be countered by the use of interest rate derivatives. The integration of the Wolf Group also harbours other types of risk and can effect existing risks in their likelihood and the extent of potential losses. Although not currently expected, the competitive situation in individual areas could moreover change.

9. Expectations for 2006

Following hesitant business progress in the first half of the year, revenue for the third quarter lived up to our high expectations. The earnings for the quarter were, however, diminished by unscheduled one-off effects. The management expects a high level of revenue for the fourth quarter in the established segments, with higher profit contributions from operations than in the previous year.

As indicated in the company's official announcements, the takeover of the Wolf Group is having a significant impact on expectations for 2006. For the fourth quarter, this development will entail non-recurring charges in the form of one-off costs associated with this transaction and IFRS depreciation and amortisation that is expected in the context of the purchase price allocation (PPA). Although the precise impact of these effects has not yet been established at the time of compiling this report, currently they are estimated to have a negative earnings effect (before taxes) of around EUR 5 to 7 million.

GROUP QUARTERLY REPORT

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Report of the Management Board

Because of this, CENTROTEC has therefore adjusted the forecasts for the 2006 financial year (previous key figures: revenue EUR 330 to 360 million; EBITDA EUR 44 to 48 million; EBIT EUR 32 to 36 million; operating EPS EUR 1.85 to 1.95). Including Wolf, the forecasts at December 31, 2006 are as follows, based on current estimates (more precise figures to be published in December): revenue: EUR 410 to 420 million, EBITDA: EUR 41 to 44 million, EBIT: EUR 24 to 26 million and EPS of EUR 2.15 to 2.35 as well as operating EPS of EUR 0.95 to 1.15 (including non-recurring charges from the integration of the Wolf Group and excluding non-recurring profit from transactions with minority interests).

The development of the segments will already be more positive in 2007, with organic growth reaching double figures. The nascent but increasingly intensive collaboration with the Wolf Group in selected areas will moreover prove beneficial. More precise forecast figures will traditionally be announced after the conclusion of the budget process in December or early January. However, thanks to good business progress revenue can definitely be expected to exceed EUR 600 million and operating EPS to exceed EUR 2.00.

We are confronted with the perpetual risks of cyclical and customer-specific uncertainties in our principal sales markets, as well as the supply situation in the solar sector; these factors could potentially have an adverse effect on attainment of our targets.

Brilon, November 2006

The Management Board

KEY FIGURES GROUP

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

in thousand EUR

KEY FIGURES

	30.09.2006	30.09.2005	Changes
Total revenue	231.513	100.944	129,3%
Medical Technology & Engineering Plastics	24.842	19.944	24,6%
Climate Systems	32.306	27.702	16,6%
Gas Flue Systems	56.547	51.878	9,0%
Solar Systems	117.818	1.420	>100%
Earnings			
EBITDA	21.447	16.688	28,5%
EBIT	14.821	13.216	12,1%
EBIT Yield (in %)	6,4%	13,1%	
EBT	21.901	11.691	87,3%
EAT	17.851	7.745	130,5%
EPS (in EUR; basic)	2,04	0,98	108,2%
Capital Structure ***			
Balance sheet total	324.630	215.572	50,6%
Shareholders' equity	148.195	102.673	44,3%
Equity ratio (in %)	45,7%	47,6%	
Property, plant and equipment	47.396	41.766	13,5%
Intangible Assets	27.025	24.977	8,2%
Goodwill	102.292	55.310	84,9%
Net financial liabilities	78.269	46.328	68,9%
Net Working Capital	62.190	31.793	95,6%
Cash Flow Statement			
Cash flow I (EAT & depreciation/amortisation)	24.477	11.217	118,2%
Cash flow from operating activities	(17.008)	4.855	-450,3%
Cash flow from investing activities	(13.707)	(10.702)	28,1%
Employees			
Total (in FTE)	1.415	977	44,8%
Shares*			
Number of shares**	8.112	7.936	2,2%
Share price 01.01.	25,15	21,90	
Year-high	35,70	31,00	
Year-low	23,34	19,85	
Share price 30.09.	25,50	30,58	

* Quotation in EUR

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

*** Previous period is related to December, 31 2005

CONSOLIDATED BALANCE SHEET

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

in thousand EUR

ASSETS

	30.09.2006	31.12.2005
Current assets		
Cash and cash equivalents	17.717	16.203
Short-term Investments / Marketable securities	0	1.560
Trade account receivables	43.706	27.205
Inventories	60.769	29.525
Other assets	15.370	5.790
Income tax receivable	1.389	1.159
	138.951	81.442
Non current assets		
Property, plant and equipment	47.396	41.766
Intangible assets	27.025	24.977
Goodwill	102.292	55.310
Loans and participations accounted for using the at cost method	2.812	137
Financial investments accounted for using the equity method	1.861	9.227
Deferred tax	4.180	2.652
Other assets	113	61
	185.679	134.130
Assets	324.630	215.572

CONSOLIDATED BALANCE SHEET

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

in thousand EUR

EQUITY AND LIABILITIES

	30.09.2006	31.12.2005
Current liabilities		
Financial liabilities and current portion of non-current financial liabilities	40.913	22.234
Trade accounts payable	28.042	16.091
Other accruals	877	827
Income tax payable	3.245	1.144
Other liabilities	26.880	15.384
	99.957	55.680
Non current liabilities		
Financial liabilities	55.073	40.297
Deferred tax	8.545	5.262
Pension accruals	1.395	1.225
Other accruals	4.373	2.621
Other liabilities	7.092	7.814
	76.478	57.219
Shareholders` equity		
Share capital	8.204	8.033
Additional paid-in-capital	24.025	21.987
Treasury stock	(112)	(112)
Share benefit reserve	460	533
Deferred tax reserve	409	943
Currency translation differences in shareholders' equity and fair value adjustment of interest rate derivatives	(413)	(375)
Retained earnings	44.367	26.409
Profit attributable to share capital holders of the CENTROTEC Sustainable AG	16.582	17.958
Minority interest	54.673	27.297
	148.195	102.673
Equity and Liabilities	324.630	215.572

CONSOLIDATED INCOME STATEMENT

of CENTROTEC Sustainable AG, Brilon

from January 1 to September 30, 2006

in thousand EUR

INCOME STATEMENT

	01.01.2006 30.09.2006	01.01.2005 30.09.2005
Revenues	231.513	100.944
Other operating income	4.304	2.336
Changes in inventories of finished goods and work in progress	15.860	847
Production for own fixed assets capitalized	636	324
Cost of purchased materials and services	(160.606)	(43.002)
Personnel expenses	(39.879)	(28.672)
Depreciation and amortisation	(6.626)	(3.472)
Other operating expenses	(30.381)	(16.089)
Operating income (EBIT)	14.821	13.216
Interest income and expenses	(2.903)	(1.525)
Profit from transactions with minorities	9.872	0
Result of investments accounted for using the equity method	111	0
Result before income taxes (EBT)	21.901	11.691
Income tax	(4.050)	(3.946)
Net income (EAT)	17.851	7.745
Profit or loss attributable to minority interest	1.269	(12)
Profit attributable to share capital holders of CENTROTEC Sustainable AG	16.582	7.757

EPS (Earnings per share in EUR)

Earnings per share (basic)	2,04	0,98
Earnings per share (diluted)	1,99	0,93
Weighted average shares outstanding (in numbers; basic)	8.112.313	7.935.674
Weighted average shares outstanding (in numbers; diluted)	8.340.318	8.255.624

CONSOLIDATED INCOME STATEMENT

of CENTROTEC Sustainable AG, Brilon

from July 1 to September 30, 2006

in thousand EUR

INCOME STATEMENT

	01.07.2006 30.09.2006	01.07.2005 30.09.2005
Revenues	89.428	34.419
Other operating income	1.318	1.186
Changes in inventories of finished goods and work in progress	7.629	269
Production for own fixed assets capitalized	378	301
Cost of purchased materials and services	(66.071)	(14.746)
Personnel expenses	(13.416)	(9.532)
Depreciation and amortisation	(2.325)	(1.142)
Other operating expenses	(10.128)	(5.308)
Operating income (EBIT)	6.813	5.447
Interest income and expenses	(1.097)	(536)
Profit from transactions with minorities	2.008	0
Result of investments accounted for using the equity method	79	0
Result before income taxes (EBT)	7.803	4.911
Income tax	(1.708)	(1.639)
Net income (EAT)	6.095	3.272
Profit or loss attributable to minority interest	775	(3)
Profit attributable to share capital holders of CENTROTEC Sustainable AG	5.320	3.275

CONSOLIDATED CASH FLOW STATEMENT

of CENTROTEC Sustainable AG, Brilon

from January 1 to September 30, 2006

in thousand EUR

CASH FLOW STATEMENT

	01.01.2006 30.09.2006	01.01.2005 30.09.2005
Net income before taxes and interest (EBIT)	14.821	13.216
Depreciation	6.626	3.472
Gain/loss on disposal of non-current assets	(645)	4
Other non-cash items	659	982
Increase/decrease in provisions	217	(980)
Increase/decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(40.586)	(6.140)
Increase/decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	9.616	(1.519)
Interest paid	(2.600)	(1.346)
Income taxes paid	(5.116)	(2.834)
Cash Flow from operating activities	(17.008)	4.855
Acquisition of share in participations - net of cash acquired and outstanding earn outs to be paid	(9.961)	(6.778)
Transactions with Minorities - cash received	5.182	(3.764)
Purchase of property, plant and equipment/ intangible assets/ investments/ financial assets	(10.481)	(160)
Proceeds from disposal of property, plant and equipment/ intangible assets/ investments/ financial assets	1.553	0
Cash Flow from investing activities	(13.707)	(10.702)
Proceeds from issuance of shares	1.221	697
Proceeds from borrowings repayment of borrowings	17.507	1.227
Cash Flow from financing activities	18.728	1.924
Change in liquid funds	(11.987)	(3.923)
Liquid funds at the beginning of the financial year	5.556	(1.193)
Liquid funds at the end of the period	(6.431)	(5.116)

STATEMENT OF MOVEMENTS IN EQUITY

of CENTROTEC Sustainable AG, Brilon

from January 1 to September 30, 2006

in thousand EUR

STATEMENT OF MOVEMENTS IN EQUITY

	Share capital	Additional paid-in capital	Treasury stock	Stock option reserve	Deferred tax reserve	Re-valuation reserves	Retained earnings and profit carry-forward	Profit attributable to share capital holders of CENTROTEC	Minority interest presented within equity	Consolidated equity
December 31, 2004	7.889	11.849	(112)	405	860	(359)	16.274	10.135	26	46.966
Payment into revenue reserves							10.135	(10.135)		0
Change from the exercise of options	144	686								830
Share option plan		615		128	83					826
Changes due to acquisition activities derivatives		8.837							27.276	36.113
Correction IAS 8										(21)
Currency translation differences										(21)
Profit attributable to shareholders of CENTROTEC AG										(33)
Currency translation differences										5
Profit attributable to shareholders of CENTROTEC AG										5
Profit or loss attributable to minority interest										17.991
Profit or loss attributable to minority interest										17.991
December 31, 2005	8.033	21.987	(112)	533	943	(375)	26.409	17.958	27.297	102.673
Payment into revenue reserves							17.958	(17.958)		0
Change from the exercise of options	171	1.050								1.221
Share option plan		988		(73)	(534)					381
Changes due to acquisition activities derivatives										40
Currency translation differences										(78)
Profit attributable to shareholders of CENTROTEC AG										16.582
Profit or loss attributable to minority interest										1.268
Profit or loss attributable to minority interest										1.268
September 30, 2006	8.204	24.025	(112)	460	409	(413)	44.367	16.582	54.673	148.195

SEGMENT REPORT

of CENTROTEC Sustainable AG, Brilon

from January 1 to September 30, 2006

in thousand EUR

SEGMENT REPORT

Segment Structure in EUR '000	Medical Technology & Engineering Plastics		Climate Systems		Gas Flue Systems		Solar Systems		Consolidation		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Statement of Earnings												
Revenue from third parties	24.842	19.944	32.306	27.703	56.547	51.877	117.818	1.420	0	0	231.513	100.944
Revenue from other segments	801	786	204	88	1.484	99	0	0	(2.489)	(973)	0	0
Chang. in invent. of finished goods and work in progress	409	411	198	551	392	(115)	14.861	0	0	0	15.860	847
Cost of purchased materials	(9.755)	(7.068)	(14.528)	(11.894)	(28.305)	(23.951)	(110.507)	(1.062)	2.489	973	(160.606)	(43.002)
Employee benefits costs	(10.338)	(9.226)	(8.962)	(7.864)	(12.450)	(11.501)	(8.129)	(81)	0	0	(39.879)	(28.672)
Depreciation and amortisation	(1.073)	(1.031)	(795)	(490)	(2.190)	(1.948)	(2.568)	(3)	0	0	(6.626)	(3.472)
Other income and expenses	(3.787)	(3.025)	(4.181)	(2.212)	(9.769)	(8.037)	(7.704)	(155)	0	0	(25.441)	(13.430)
EBIT	1.099	791	4.242	5.882	5.709	6.424	3.771	119	0	0	14.821	13.216
Interest result											(2.903)	(1.525)
Profit from transactions with minorities											9.872	0
Result of investments accounted for using the equity method					56		55				111	0
EBT											21.901	11.691
Income tax											(4.050)	(3.946)
Net income (EAT)											17.851	7.745
Profit or loss attributable to minority interest											1.269	(12)
Profit attributable to shareholders											16.582	7.757
Balance Sheet Key Figures*												
Assets	27.196	23.307	43.739	42.952	78.356	64.971	166.097	71.167	0	0	315.388	202.398
method	0	0	0	0	697	669	1.164	8.558	0	0	1.861	9.227
Loans and participations accounted for using the at cost method	0	0	137	137	0	0	2.675	0	0	0	2.812	137
Entitlement to income tax rebates**											5.569	3.810
Total liabilities	5.439	5.117	7.505	7.647	12.580	12.725	43.135	18.473	0	0	68.659	43.962
Financial liabilities											95.986	62.531
Income tax payable**											11.789	6.406
Investments												
Total costs of acquired property, plant, equipment and intangible assets	1.983	1.171	1.281	8.538	5.639	2.329	53.591	0	0	0	62.494	12.038

* Previous year is related to December, 31 2005

** Including deferred tax

*** Incl. Goodwill and values out of business combinations; year to date

GROUP QUARTERLY REPORT

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Explanatory Notes

1. Accounting standards and policies

This Quarterly Report has been drawn up in accordance with the International Financial Reporting Standards (IFRS) and the guidelines of Deutsche Börse AG on "Structured Quarterly Reports". The accounting standards published by the IASB (International Accounting Standards Board) have been applied. The accounting policies explained in the annual financial statements have likewise been applied in this Quarterly Report.

2. Changes in the third quarter

– Change in company and investment structure

The corporate and balance sheet structure changed compared with the financial statements for the first half of 2006 as a result of the acquisition of Solarstocc AG in full on September 21, 2006 and the establishment of Centrosolar Fotovoltaico Hispania S.L. (both in the Solar Systems segment) as well as the establishment of Wolf Holding GmbH. All business activities of CENTROTEC continue to be allocated to the segments Medical Technology & Engineering Plastics, Climate Systems, Solar Systems, and Gas Flue Systems/Other.

CENTROSOLAR AG acquired the remaining shares in Solarstocc AG, Durach (previously 66.52 %) on September 21, 2006. The acquisition was paid for by the issue of 883,948 new shares in CENTROSOLAR AG. This further diluted the interest of CENTROTEC Sustainable AG in CENTROSOLAR AG from 36.0 % at June 30, 2006 to the present 33.7 %. On the basis of the existing voting trust agreement, CENTROSOLAR AG remains fully consolidated within CENTROTEC Sustainable AG.

The company Centrosolar Fotovoltaico Hispania S.L. was reported for entry on the commercial register by deed of July 4, 2006 and entered on the commercial register on July 27, 2006 with a share capital of EUR 50,000. The principal purpose of this company is the sale of the Centrosolar Group's solar products in the rapidly growing Spanish solar market.

Blitz 06-156 GmbH, with a share capital of EUR 25,000 (registered office in Munich), was purchased on September 22. The company was renamed Wolf Holding GmbH on October 23, 2006.

In the third quarter, the increase in the share capital of Centrotec Medizintechnik GmbH, Brilon, EUR 9,600,000 to EUR 9,700,000 by contribution in kind in the form of the transfer of loan agreements was reported for entry on the commercial register, along with the change to the Management Board and the transfer of the company's registered offices to Munich.

GROUP QUARTERLY REPORT

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Explanatory Notes

– Notes on accounting position

As Solarstocc AG was already fully consolidated prior to the acquisition of the additional shares and all assets and liabilities are already included in the consolidated financial statements of CENTROTEC, no remeasurement was performed at September 21, 2006. The Centrosolar shares issued were measured at the market price and the amount in excess of the minority interest acquired recognised as goodwill.

– Change in composition of Supervisory Board and Management Board

There were no changes in the composition of the Supervisory Board or Management Board of CENTROTEC Sustainable AG at September 30, 2006 compared with the reporting date for the first half.

– Reportable security holdings

The totals of reportable shares and stock options at September 30, 2006 are shown in the following table:

	Total shares	Total options*
Management Board		
Dr. Gert-Jan Huisman	21,016	64,473
Martin Beijer	1,500	31,500
Dr. Alexander Kirsch	16,450	102,644
Norbert Vroege	0	0
Dr. Christoph Traxler	0	48,722
Supervisory Board		
Guido A. Krass	1,200,000	0
Dr. Bernhard Heiss	0	0
Christian C. Pochtler	0	0
CENTROTEC		
Ordinary shares	8,203,894	0
Treasury stock	6,040	0

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

90,750 new options were issued on September 13. Between July 1, 2006 and September 30, 2006, a total of 24,000 new shares were created through the exercising of options during the exercise period, with the result that the current total number of shares at the end of September is 8,203,894. The number of options at September 30, 2006 is 410,988, of which 220,238 could be exercised.

– Notices pursuant to Section 25 (1) of German Securities Trading Law (WpHG)

Merrill Lynch Investment Managers Limited, 33 King William Street, London EC4R 9A5, England, has notified us pursuant to Section 21 (1) of German WpHG that its share of voting rights in our company fell below the threshold of 5 % on September 22, 2006 and is now 4.91 % of the total of 8,203,894 authorised shares. Of these, 100 % are allocable to the company pursuant to Section 22 (1) 1st sentence No. 6 of German WpHG.

GROUP QUARTERLY REPORT

of CENTROTEC Sustainable AG, Brilon

at September 30, 2006

Explanatory Notes

Contingent liabilities

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

– Dividend payments

No dividend payment was made for the 2005 financial year, nor is such a payment envisaged for the current financial year.

3. Significant events occurring after the reporting date

The acquisition of the Wolf Group, completed on October 5, 2006, was the major development of note after the end of the quarter. With annual revenue for 2006 in excess of 200 million and over 1,500 employees in Germany and internationally, it will bring substantial change to CENTROTEC's structures, such as the key data, as can be seen from the last annual financial statements.

Key data for Wolf at December 31, 2005 (IFRS)	EUR million
Fixed assets	49.7
Current assets	48.8
Liabilities (incl. all accrued expenses)	62.9
Revenues	192.8
EBITDA	15.4
EBIT	7.6

The purchase price of the shares including additional expenses is approximately EUR 80 million.

On October 2, Ned Air Holding B.V. acquired the trading company Ned Air UK Ltd., Manchester (UK) (2 employees).

Ned Air Austria GmbH, with registered office in Höchst (Austria), was established on October 16. It is a fully owned subsidiary of Ned Air B.V. and will support and promote sales in Austria.

CENTROSOLAR AG, whose shares were still being traded on the Regulated Unofficial Market at the end of the quarter, switched to the Regulated Market of the Frankfurt Stock Exchange on October 16, in the market segment with additional admission obligations (Prime Standard)

The renaming of Centrotec Medizintechnik GmbH as CENTROMEDICAL AG and the transfer of its registered offices to Munich were reported for entry on the commercial register on October 16. Dr. Christoph Traxler and Peter Längle have been appointed as Management Board members.

