

## Corporate News

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### **centrotherm photovoltaics AG files for Chapter 11-type proceedings under its own administration**

- **Company to consistently pursue reorganization path**
- **Reorganization expert Tobias Hoefler appointed to Management Board to support company's own administration**

*Blaubeuren, July 10, 2012* – centrotherm photovoltaics AG has today submitted an application to the relevant District Court of Ulm for the launching of insolvency protection proceedings (pursuant to the German Act Relating to the Further Simplification of the Reorganization of Companies [ESUG], and Section 270b of the German Insolvency Directive [InsO]), and for the opening of insolvency proceedings under its own administration in connection with this application. With the help of these proceedings, the company aims to consistently pursue the reorganization path that it has already adopted. The application includes the subsidiaries centrotherm thermal solutions GmbH & Co. KG and centrotherm SiTec GmbH. The activities of the companies centrotherm management services GmbH & Co. KG and centrotherm cell & module GmbH are to be prospectively bundled within the parent company as part of the reorganization. All other subsidiaries both in Germany and abroad will continue to operate as previously, and will not participate in the insolvency protection proceedings.

The German Act Relating to the Further Simplification of the Reorganization of Companies (ESUG), an instrument to provide protection to companies in insolvency proceedings, and an act which did not come into force until March 1, 2012, allows companies to restructure themselves based on a coordinated reorganization and future concept. During the "protective" phase, which is limited to three months, the company is largely protected from creditors' enforcements and sanctions, and can remain fully operational.

The Management and Supervisory boards of centrotherm photovoltaics AG are convinced that this step is the best option in the company's current difficult situation to successfully conclude the Group's reorganization (which has already started), in the interests of employees, customers, suppliers, shareholders and creditors, and to thereby secure the Group as a going concern.

To support these moves, the Supervisory Board of centrotherm photovoltaics AG has appointed reorganization expert Tobias Hoefler to the Management Board with effect as of July 11, 2012. Tobias Hoefler, a specialist insolvency lawyer, specializes in highly complex corporate reorganizations. His most notable reorganizations include internationally operating groups AKsys and Robert Sihn (automotive supply companies), ATS (rim manufacturer), and NDT Systems & Services (ultrasound testing systems).

#### **Protection proceedings create scope for sustainable future concept**

"Given the insolvency protection proceedings, I see my new role as being a moderator of the interests of all parties involved in the proceedings. The joint objective of all these parties must be to maintain centrotherm as a company despite the serious market slump,

and to lead it to a successful future. All will benefit if we succeed in this endeavor. The insolvency protection proceedings offer the best opportunities to achieve this, and I believe that my more than 15 years of experience as a corporate reorganizer, and as an insolvency administrator, can be of use in the necessary settlement of interests," Tobias Hofer underscored.

#### **Business operations continue as usual**

Business operations at centrotherm photovoltaics AG and the other Group companies are currently continuing as usual. "Our customers continue to receive the same first-class quality engineering and services, technology and products from centrotherm to which they are accustomed," emphasizes CEO Robert M. Hartung.

"The protection provided by the ESUG creates the necessary scope to realize a balanced and sustainable future concept that lies in the interests of all participants in the proceedings. At the same time, centrotherm photovoltaics AG continues to be able to manage its operations itself. Since we remain solvent, we can both process customer orders to schedule, and also pay our suppliers," notes Robert M. Hartung. Liabilities that were originated before the application for the insolvency protection proceedings was filed cannot be satisfied during the protection proceedings, however. They are nevertheless to be satisfied as best as possible as part of the reorganization concept coordinated with creditors.

#### **Core elements of the reorganization of the centrotherm photovoltaics Group**

Concentration on technological strengths and core business areas, such as mechanical engineering for the energy and high-tech industry areas, are to form the cornerstones of the future concept which is to be elaborated further over the coming weeks. "We were, and are, world market leaders in thermal equipment and related technologies. We must, and will, invest further in this expertise, in order to maintain our technological and competitive league," as Robert M. Hartung made clear.

He went on to note that, with its products, centrotherm can be a technology and efficiency motor for the global energy revolution, and realize so-called grid parity, in other words, make photovoltaic electricity competitive with conventional energy sources. For this reason, centrotherm photovoltaics is experiencing high demand, particularly on new markets such as the MENA region (Middle East and North Africa). He commented that this development offers great potentials for the future. By contrast with its previous approach, the company would nevertheless now contribute only its expertise and products as a technology partner in major projects when tapping such potentials, in order to thereby limit risks, according to Robert M. Hartung.

Further capacity adjustments and cost reductions are required, however, given the slump in the solar industry over recent months, and the resultant decline in orders and sales. "We require further structural adjustments in order to secure our company's continued existence in the future. This will allow us to maintain centrotherm's competitiveness in a difficult market situation," emphasized Jan von Schuckmann, Management Board member responsible for restructuring. "In parallel, we will continue to invest in research & development, and extend our extraordinary market position."

**About centrotherm photovoltaics AG**

centrotherm photovoltaics AG, which is based at Blaubeuren, Germany, is a globally leading technology and equipment provider for the photovoltaics sector. The company equips well-known solar companies and new sector entrants with turnkey production lines and single equipment to manufacture silicon, and crystalline solar cells and modules. As a consequence, the Group possesses a broad and well-founded technological basis, as well as key equipment at practically all steps of the photovoltaics value chain. centrotherm photovoltaics guarantees its customers important performance parameters such as production capacity, efficiencies, and completion deadlines. The Group employed around 1,900 staff as of the December 31, 2011 reporting date, and operates globally in Europe, Asia and the USA. centrotherm photovoltaics achieved revenue in the 2011 financial year of around EUR 700 million. The company is listed in the Prime Standard on the Frankfurt Stock Exchange.

centrotherm photovoltaics AG

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