

Corporate News

CENTROSOLAR accelerates efforts to reorganise through protective shield proceedings while retaining control – provisional results for third quarter

Munich, October 18, 2013

The Management Board of the group holding company, CENTROSOLAR Group AG, as well as the management boards and directors of the individual companies CENTROSOLAR AG and CENTROSOLAR Sonnenstromfabrik GmbH have taken the decision to accelerate their efforts to reorganise the operations of the CENTROSOLAR Group. To that end the relevant officers have applied to the Local Court of Hamburg, the court responsible in this instance, for the opening of protective shield proceedings which will enable them to retain control.

“Over the past few months we have been working very hard to clear the debt and reconstruct CENTROSOLAR’s balance sheet through continuing operations. Our financiers, employees and business partners have supported us in this,” commented the CEO of CENTROSOLAR Group AG, Dr Alexander Kirsch. However the basis for the restructuring of operations that was announced in parallel was an improvement in the market conditions specifically from CENTROSOLAR’s perspective, following the shedding of overcapacity in the market. The introduction of anti-dumping regulations by the EU in the course of this summer is likewise expected to provide a positive impetus. “But the recovery is happening later than originally expected. That is why we have reached the conclusion that we need to accelerate and promote the reorganisation of individual group companies by making use of protective shield proceedings, along with the broader scope this approach offers,” added Dr Kirsch.

According to provisional calculations CENTROSOLAR achieved revenue of EUR 27.5 million in the third quarter of 2013. This figure was 40 percent down on the corresponding figure for the previous year – EUR 46.1 million – and above all fell short of the expectations on which the restructuring plan was based. For the first nine months CENTROSOLAR thus achieved a

provisional revenue total of EUR 85.0 million (previous year EUR 145.0 million). In line with the weaker revenue, the result too fell short of expectations. According to initial calculations, third-quarter earnings before interest, taxes, depreciation and amortisation (EBITDA) came to EUR -4.4 million (previous year EUR -3.1 million), totalling EUR -18.2 million for the first nine months (previous year EUR -7.0 million). The operating results especially of the group companies in the “Integrated Systems” segment were well short of expectations.

Pending court approval of the protective shield proceedings, the management of the aforementioned companies will remain in the hands of the people who are already in office. Business operations at the Hamburg, Paderborn, Kempten and Munich sites will continue without restriction. The same applies to production operations at the Sonnenstromfabrik plant in Wismar. All other domestic and international subsidiaries will equally continue to operate without restrictions and will not be part of the proceedings. There is no need whatsoever for protective shield proceedings for the subsidiaries, in particular Renusol GmbH, CENTROSOLAR America Inc. and CENTROPLAN GmbH, because they are operating profitably or close to profitability, are fully financed and have no material borrowings from third parties.

During the “protective shield” phase, which is limited to three months, the CENTROSOLAR companies covered by these arrangements are protected against execution and enforcement measures by creditors and remain fully able to act. In that phase a reorganisation plan will be prepared in partnership with the court-appointed administrator, with the purpose of identifying core operations that can be operated profitably. Following on from the protective shield proceedings there will be a short implementation phase, again with creditor protection, which can then be implemented very rapidly, leading to the companies being discharged from this protective phase. The goal of the Management Board and directors is to clear CENTROSOLAR’s debt and to focus on its profitable core areas. The management believes that following the successful clearance of its debt CENTROSOLAR will have very good prospects of consolidating its position as one of the last European photovoltaics businesses in a streamlined market context. Dr. Alexander Kirsch: “We continue to see demand for CENTROSOLAR modules improve. Especially our new Vision module, with a substantially increased operating life, is generating a great deal of interest.”



About CENTROSOLAR Group AG:

The listed company CENTROSOLAR Group AG, Munich, (stock exchange code ISIN DE000A1TNS13) is one of the leading suppliers of photovoltaic (PV) systems for roofs and key components, with over 700 employees in Europe and North America and annual revenue of EUR 189 million (2012) for the continuing operations. Its product range comprises solar integrated systems, modules, inverters and mounting systems. Over two-thirds of revenue is generated internationally. There are CENTROSOLAR branches such countries as Italy, France, Greece, Switzerland, the Netherlands, the UK, Canada and the USA. CENTROSOLAR manufactures modules at a plant in Wismar (Germany). The module production plant certified to DIN ISO 9001:2008 is one of the largest and most efficient such plants in Europe, with an annual capacity of 350 MWp.

For further information, visit: www.centrosolar-group.com.

For more information, please contact:

MetaCom GmbH

Georg Biekehör

tel.: +49 (0)6181 9828030

e-mail: g.biekehoer@go-metacom.de