

INTERMEDIATE REPORT

1 January to 31 March 2006



PVA  **TePla**

BE EQUIPPED FOR TOMORROW'S MATERIALS

At a glance

	I/2006 EUR '000	I/2005 EUR '000
Revenues	14,239	10,714
Vacuum Systems	6,579	6,890
Crystal Growing Systems	4,892	1,097
Plasma Systems	2,768	2,727
Gross profit	3,994	2,192
In % of sales revenues	28.0	20.5
R&D expenses	357	234
Operating result (EBIT)	678	-412
In % of sales revenues	4.8	-3.8
Consolidated net income/ loss for the period	456	-231
In % of sales revenues	3.2	-1.6
Earnings per share (EPS), in EUR	0.02²⁾	-0.01¹⁾
Capital expenditures	161	89
Total assets	52,260	49,007³⁾
Equity ratio	44.3	46.3 ³⁾
Employees as of 31.03.	282	246
Incoming orders	20,123	11,793
Order backlog	38,790	22,269
Book to bill ratio	1.4	1.1
Cash flow from operating activities	5,357	572
Free cash flow	5,196	483

1) Shares outstanding as at March 31, 2005: 21,449,998

2) Shares outstanding as at March 31, 2006: 21,749,998

3) As at 31.12.2005

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Foreword by the Board of Management

Dear Shareholders, Business Associates and Employees of PVA TePla AG,

The first quarter of 2006 has clearly shown that we are well on our way to achieving our ambitious goals for this fiscal year. Group sales in the current fiscal year have already increased by 33% compared to the same quarter of the previous year.

In the first quarter of 2006, we generated clearly positive earnings following negative results in previous years' quarters. This too shows that we are well on our way to achieving our forecasts for the current year.

Incoming orders have almost doubled year-on-year. Booked business is now once again at a record level of almost € 39 million. These encouraging results and the book-to-bill ratio of 1.4 clearly show that the PVA TePla Group is on course for growth.

Sales in the Vacuum Systems division remained at a high level. It is encouraging that 70% of sales were generated abroad, something that can be seen as clear proof of the international competitive capability of our products. This year, the Group's growth will be driven by the Crystal Growing Systems division. This will largely be due to the rapid development of photo-voltaics as well as the technology change towards 300 mm wafers currently taking place in the semiconductor industry. As a master of a large number of industrial crystal growing applications, PVA TePla is excellently positioned on global markets through its subsidiary CGS, and can afford to be highly optimistic about the future. Sales in the Plasma Systems division remained constant year-on-year. The slight increase in incoming orders and booked business as well as the significant increase in sales in the semi-

conductor industry all point to a gradual recovery of business in this sector. In April of this year, we acquired the business operations and technology of ASYNTIS GmbH, Putzbrunn. We believe that this will allow us to strengthen our global market position in plasma applications for the semiconductor industry, particularly for 300 mm wafer technology.

We have witnessed a great deal of interest in PVA TePla shares from institutional investors at roadshows and in individual talks with potential investors over the past few months. We hope to both continue and further intensify this dialog with the capital market in future.

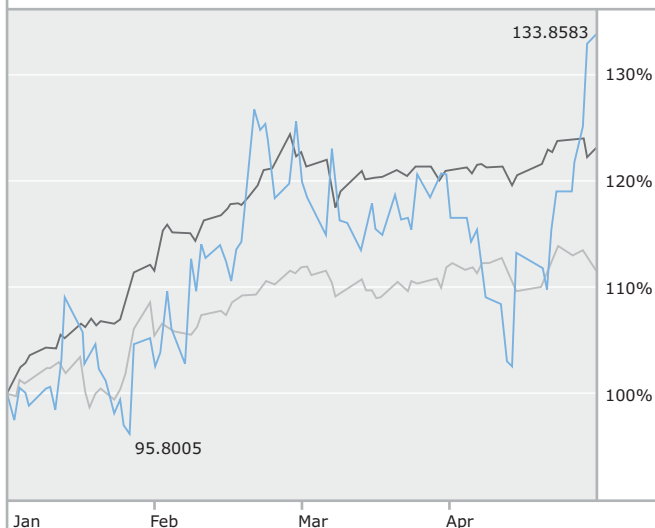
On behalf of my colleague on the Management Board, Arnd Bohle, our division managers and all our employees, I would like to thank you for the confidence you have shown in our Company and your commitment to us. We look forward to welcoming you, dear shareholders, at our Annual General Meeting on June 27 at Wetzlar Town Hall, when we will have the opportunity to tell you more about the further prospects of the PVA TePla Group.

Peter Abel

Chairman of the Management Board

PVA TePla shares

The shares of PVA TePla AG have continued their positive development this year, with the share price rising by 36.7% from € 3.73 at the end of 2005 to € 5.10 at the end of April 2006. Thus, PVA TePla AG shares outperformed the "Technology All Share" and "Advanced Industrial Equipment" indices of the Prime Standard.



— PVA TePla AG
— Tec Dax All Share
— Prime IG Advanced Industrial Equipment

The analysts' and accounts press conference held in April at DZ Bank shortly after the publication of the annual figures for 2005 was well attended and met with keen interest from analysts. The Management Board presented PVA TePla AG's strategy and prospects to analysts and institutional investors at roadshows held in London, Zurich and Frankfurt in the opening months of 2006.

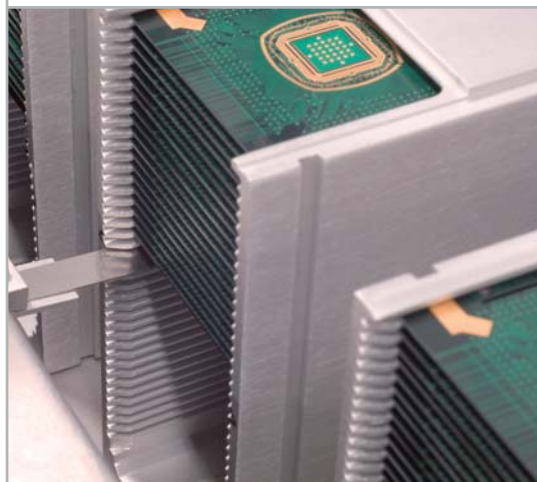
Shareholdings and stock options held by executive officers

Management Board

	Shares		Options	
	31.03.2006	31.12.2005	31.03.2006	31.12.2005
Peter Abel	6,001,275	5,991,275	0	0
Arnd Bohle	0	0	0	0

Supervisory Board

	Shares		Options	
	31.03.2006	31.12.2005	31.03.2006	31.12.2005
Alexander von Witzleben	0	0	0	0
Dr. Peter Friedemann	0	300	0	0
Prof. Dr. Günter Bräuer	0	0	0	0



Business development

1. Revenues

In the first three months of 2006, Group revenues amounted to € 14.2 million, an increase of 33% on a year-on-year basis (Q1 2005: € 10.7 million).

The **Vacuum Systems** division recorded sales of € 6.6 million (Q1 2005: € 6.9 million). At 46%, this division accounted for the largest share of Group sales. At € 4.9 million (Q1 2005: € 1.1 million), the **Crystal Growing division** contributed 34% of total sales. The significant increase in sales at Group level is therefore due to the performance of this division, where sales increased more than fourfold compared to the same period of the previous year. At € 2.8 million, sales in the **Plasma Systems division** in the first quarter of 2006 were on a par with sales for the same period of the previous year.

Revenue by division	I/2006 EUR '000	I/2005 EUR '000
Vacuum Systems	6,579	6,890
Crystal Growing Systems	4,892	1,097
Plasma Systems	2,768	2,727
Total revenue	14,239	10,714

Revenue by region	I/2006 EUR '000	I/2005 EUR '000
Germany	6,695	2,948
Europe	2,591	1,326
North America	999	1,135
Asia	3,698	4,873
Other	241	484
Consolidation	15	-52*
Total revenue	14,239	10,714

* In order to further enhance the transparency of presentation, the consolidation amount shown as a total figure in the previous year's report has been reallocated to individual regions as far as possible so as to present sales by region for this period in line with the method used to prepare the 2005 annual financial statements and the Q1 2006 figures.

2. Order book

The PVA TePla Group continued its growth course in the first three months of 2006. Incoming orders increased significantly to € 20.1 million, a rise of 71% compared to the previous year (€ 11.8 million). The book-to-bill ratio also improved further, climbing to the very high level of 1.4 (Q1 2005: 1.1).

Business development

Incoming orders in the **Vacuum Systems division** increased to € 9.3 million (Q1 2005: € 7.0 million). However, the **Crystal Growing division** recorded the highest level of growth. Incoming orders rose fourfold from € 1.8 million in the same period of the previous year to the current value of € 7.4 million. The **Plasma Systems divisions** generated a slight increase of € 0.3 million to € 3.4 million (Q1 2005: € 3.1 million).

In the first quarter of 2006, the order backlog – consolidated and after deduction of the share of sales already recognized in accordance with the percentage of completion method – amounted to €38.8 million, € 16.5 million higher than the previous year's figure of € 22.3 million. € 13.3 million (Q1 2005: € 17.0 million) of this related to the **Vacuum Systems division**. Despite this decline compared to the first quarter of the previous year, this figure is higher than the long-term trend and reflects the excellent order book. In the **Crystal Growing Systems division**, booked business was almost ten times higher than the previous year at € 21.8 million (Q1 2005: € 2.2 million). The **Plasma Systems division** posted a slight increase in booked business, recording a rise from € 3.1 million in the previous year to € 3.6 million in the first quarter of 2006.

3. Research and development

In the first three months of 2006, research and development expenditure in the PVA TePla Group amounted to € 0.4 million (Q1 2005: € 0.2 million). It should be noted that new developments in the Vacuum Systems division generally occur in the context of specific orders from customers and are therefore not reported separately as R&D expenditure.

The Vacuum Systems division also made further progress towards consolidating its position as world market leader. At the end of February, plant tests of the world's largest pressure sintering system with a usable length of three meters were successfully carried out. Soon afterwards, the first systems were delivered to customers. The building of this type of system in various sizes is the one of the Company's core competencies. Ensuring precise control and monitoring of processes for safe productive operation and complex and meticulous temperature control in several temperature regulated zones to provide optimum product quality demands high levels of technological expertise. The division's process expertise therefore represents a particular strategic success factor in this area. In further enlarging the usable volume, the new system has achieved an unprecedented level of efficiency for pressure sintering systems.

The system for vertical gradient freezing (VGF) of polycrystalline solar silicon, which was developed as part of an internal research and development project, was completed in the first quarter of 2006. This stage is now being followed by a process optimization phase for freezing silicon.

Business development

Together with the Fraunhofer Institut in Erlangen, Crystal Growing Systems GmbH (CGS), which is part of the Crystal Growing Systems division, grew monocrystalline sapphire crystals in a new kind of EFG (edge-defined film-fed growth) crystal growing system. Sapphire sheets measuring 6 x 40 x 300 mm have already been manufactured using this system. What sets this growing method apart from others is the high level of efficiency it provides for users. Unlike conventional manufacturing methods, the crystals pulled no longer have to undergo extensive finishing processes and the loss of materials is minimized. As well as providing economic benefits for industrial users, in future this method will also make it possible to grow crystals with different geometries, such as sheets, tubes and rods.

The Plasma Systems division successfully launched its new development, the Plasma System PS80, which has met with high demand from customers. This new kind of inline system offers fast and effective microwave-aided cleaning of substrates without causing any damage to surfaces. This system also allows for particularly fast cycle times while maintaining the same effect of plasma treatment, thereby enabling a high level of efficiency for customers. The division's US subsidiary has also developed an innovative high frequency plasma process for treating compression plates (masters) for manufacturing CDs and DVDs that avoids optical flaws on the surface structure.

4. Investments

There were no notable individual investments in the first quarter of 2006. The total amount of investments was € 0.2 million (Q1 2005: € 0.1 million).

5. Assets and financial position

At € 52.3 million, total assets at March 31, 2006 were € 3.3 million higher than at the balance sheet date of December 31, 2005 (€ 49.0 million)

The cash and cash equivalents item on the assets side of the balance sheet rose substantially to € 6.2 million (December 31, 2005: € 1.8 million). This was primarily due to downpayments received in the first quarter of 2006 for systems on order.

Inventories decreased from € 6.3 million as at December 31, 2005 to the current value of € 5.5 million. Future receivables from manufacturing contracts rose to € 8.4 million (December 31, 2005: € 7.1 million) due to the higher level of preprocessing and the increased order book. The decline in receivables from € 9.7 million to the current value of € 8.3 million is largely due to the reduction in trade receivables. There were no notable changes in non-current assets as against December 31, 2005.

The most significant change on the equity and liabilities side of the balance sheet related to payments received on orders. Owing to the further improvement in the order situation, this figure rose once again and is currently € 8.1 million (December 31, 2005: € 5.2 million).

Business development

Shareholders' equity increased further to € 23.1 million (December 31, 2005: € 22.7 million) as a result of the net income generated for the period. The equity ratio fell slightly due to the increase in total assets, and is currently 44.3% (December 31, 2005: 46.3%).

Cash flow also developed very encouragingly in the first quarter of 2006. The operating cash flow was € 5.4 million (Q1 2005: € 0.6 million). This significant increase is primarily due to downpayments received for new contracts. The cash flow from investment activities was minus € 0.1 million (Q1 2005: minus € 0.1 million). The cash flow from financing activities was minus € 0.9 million as a result of the scheduled repayment of both long- and short-term loans (Q1 2005: minus € 0.7 million).

The total cash flow in the first quarter of 2006 including exchange rate related changes was +€ 4.3 million (Q1 2005: minus € 0.2 million). The free cash flow was +€ 5.2 million (Q1 2005: € 0.5 million). The PVA TePla Group's liquidity situation therefore improved significantly once again.

6. Result of operations

With EBIT of € 0.7 million (Q1 2005: minus € 0.4 million) and consolidated net income for the period of € 0.5 million (Q1 2005: minus € 0.2 million), results improved significantly in the first quarter of 2006. The EBIT margin also clearly improved compared to the previous year, climbing from -3.9% to 4.8%. The return on sales improved from minus 1.6% in the previous year to 3.2% as at March 31, 2006.

This improvement in results is primarily due to the increase in gross profit. With consolidated sales rising to € 14.2 million (Q1 2005: € 10.7 million), gross profit amounted to € 4.0 million (Q1 2005: 2.2 million). The gross margin is currently 28.0% (Q1 2005: 20.5%).

Selling and administrative costs increased less steeply than sales to € 1.5 million (Q1 2005: € 1.3 million) and € 1.1 million (Q1 2005: € 1.0 million) respectively. The fall in net other operating income and other operating expenses is primarily due to the reduction in the scope of internal transfer pricing following the change in management structure and the reorganization of the Investor Relations function at the Group's head office in Aßlar.

In terms of individual segments, the improvement in results compared to the previous year is due in particular to increased business volumes and the improved gross margin in the Vacuum Systems and Crystal Growing divisions. In the Plasma Systems division, both sales and the gross profit were in line

Business development

with the previous year. Here, the deterioration in results is primarily due to increased selling costs resulting from higher commission charges and the realization of exchange rate losses following the prolongation of a currency forward. As a rule, the amount of commission depends in particular on whether sales in the relevant markets are made through representatives or agencies.

Operating result (EBIT) by division	I/2006 EUR '000	I/2005 EUR '000
Vacuum Systems	987	105
Crystal Growing Systems	17	-507
Plasma Systems	-326	-10
Operating result	678	- 412

Income taxes of minus € 0.2 million (Q1 2005: minus € 0.1 million) relate to the recognition of tax provisions for the branch in Denmark and subsidiaries in Germany. Deferred taxes amount to minus € 0.1 million on account of the improvement in results (Q1 2005: € 0.3 million).

7. Personnel development

As at the reporting date of March 31, 2006, the Group employed a total of 282 employees (December 31, 2005: 275 employees). The number of employees in the Vacuum Systems division increased by a total of six as a result of the favorable business situation. The increase in the number of employees in the Crystal Growing division (+4) is primarily due to extra staff employed in connection with the Joint Venture in China, Xi'an HuaDe CGS Ltd.

8. Developments since March 31, 2006 and outlook

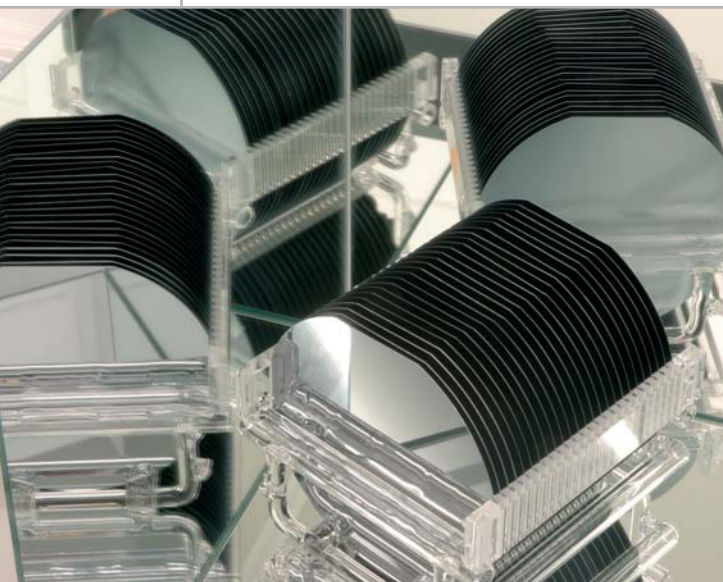
On April 1, 2006, Plasma Systems GmbH, a wholly owned subsidiary of the PVA TePla Group, acquired the business operations, technology and six members of staff employed in the core areas of research & development, production, servicing and sales at ASYNTIS GmbH, Putzbrunn. ASYNTIS develops, builds and sells remote plasma systems used in different production steps in the semiconductor industry. The PVA TePla Group expects the acquisition of ASYNTIS Technologie to result in a further reinforcement of its global market position in the area of plasma applications for the semiconductor industry, in particular for the manufacture of ultrathin 300 mm wafers for chip and MEMS production.

In April, CGS GmbH, a 100% subsidiary of PVA TePla AG, acquired a contract to supply Crystal Growing systems for solar wafers worth around € 20 million from ASi Industries GmbH, a subsidiary of ErSol AG. Delivery of these systems will commence in the second half of the year and will be concluded by the end of 2007. The photovoltaic market, which

Business development / Consolidated Income Statement

is currently enjoying strong growth, together with the technological change towards 300mm wafers currently taking place in the semiconductor industry will significantly increase growth in the PVA TePla Group this year.

The high level of booked business (€ 38.8 million) at the end of the first quarter of the year supports the 30% year-on-year increase in sales forecast for 2006 at the end of the last fiscal year. The EBIT margin of 4-6% forecast for the current fiscal year is also confirmed and is being sustained by the current business situation.



Consolidated Income Statement* (IAS/IFRS) in EUR '000	01.01.2006- 31.03.2006	01.01.2005- 31.03.2005
Revenue	14,239	10,714
Cost of sales	- 10,245	-8,523
Gross profit	3,994	2,192
Selling expenses	-1,531	-1,321
General administration expenses	-1,122	-981
Research and development expenses	-357	-234
Other operating expenses and income	-306	-68
Operating profit (EBIT)	678	- 412
Interest income	11	6
Interest expense	-36	-27
Net income from associated companies	73	24
Net interest income and income from associated companies	48	3
Earnings before tax (EBT)	727	- 409
Taxes on income	-166	-107
Deferred taxes	-105	286
Consolidated net income/loss for the period	456	-231
Of which		
Share attributable to shareholders in PVA TePla AG	467	-167
Minority interest	-11	-64
Consolidated net income/loss for the period	456	-231
Earnings per share (undiluted), (in EUR)	0.02	-0.01
Earnings per share (diluted), (in EUR)	0.02	-0.01
Average number of shares in circulation (undiluted)	21,749,988	21,449,988
Average number of shares in circulation (diluted)	21,749,988	21,449,988

* unaudited

Consolidated Balance Sheet* (IAS/IFRS)

Assets in EUR '000	31.03.2006	31.12.2005
Non-current assets		
Intangible assets	8,005	8,052
Goodwill	7,584	7,584
Other intangible assets	421	468
Tangible assets	8,926	9,079
Land, land rights and buildings, including buildings on third-party land	5,775	5,823
Plant and machinery	2,397	2,480
Other facilities, operating and office equipment	720	742
Advance payments and assets under construction	34	34
Financial assets	375	374
Shares in associated companies	350	348
Other receivables	25	26
Deferred tax assets	6,276	6,510
Total non-current assets	23,582	24,015
Current assets		
Inventories and production orders	5,537	6,255
Raw materials and operating supplies	4,121	3,729
Work in progress	700	1,708
Finished products / goods	716	818
Future receivables from manufacturing contracts	8,439	7,141
Trade and other receivables	8,291	9,709
Trade receivables	6,042	7,217
Receivables from associated companies	166	169
Other receivables	2,083	2,323
Tax refund claims	5	6
Cash and cash equivalents	6,157	1,820
Prepaid expenses	250	61
Total current assets	28,679	24,992
Total assets	52,260	49,007

* unaudited

Equity and Liabilities in EUR '000	31.03.2006	31.12.2005
Shareholder's equity		
Share capital	21,750	21,750
Consolidated balance sheet profit	1,531	1,066
Accumulated other comprehensive income	-278	-242
Minority interest	122	130
Total shareholders' equity	23,126	22,704
Special item relating to investment grants	1,650	1,702
Non-current liabilities		
Non-current financial liabilities	3,010	3,244
Other liabilities	12	13
Provisions for pensions	6,249	6,108
Deferred tax liabilities	1,038	1,152
Other provisions	275	363
Total non-current liabilities	10,584	10,880
Current liabilities		
Current financial liabilities	740	1,384
Trade payables	2,161	2,251
Payables to associated companies	0	0
Advance payments received on orders	8,062	5,169
Other liabilities	805	920
Provisions for taxes	409	247
Other provisions	4,722	3,750
Deferred income	1	0
Total current liabilities	16,900	13,721
Total liabilities	52,260	49,007

* unaudited

Consolidated Cash Flow Statement* (IAS/IFRS)

Consolidated Cash Flow Statement	01.01.2006- 31.03.2006 in EUR '000	01.01.2005- 31.03.2005 in EUR '000
Consolidated net income/loss for the period	456	-231
<i>Adjustments to consolidated net income for the period for transition to cash flow from operating activities:</i>		
Income tax expense	271	-179
Interest income	-11	-6
Interest expense	36	27
Operating profit	751	-325
- Income tax payments	0	11
+ Depreciation	343	328
- Net income from associated companies	-72	-24
-/+ Profit/loss from the disposal of tangible assets	-4	0
+/- Other cash-neutral expenses/income	-324	-266
	694	-340
-/+ Increase/decrease in inventories, trade receivables and other assets	840	338
+/- Increase/decrease in provisions	1,187	978
+/- Increase/decrease in the special item relating to investment grants	-52	-33
+/- Increase/decrease in trade payables and other liabilities	2,688	-371
= Cash flow from operating activities	5,357	572

* unaudited

	01.01.2006- 31.03.2006 in EUR '000	01.01.2005- 31.03.2005 in EUR '000
+ Proceeds from disposals of financial assets	0	0
- Payments for investments in financial assets	0	0
+ Proceeds from associated companies	64	0
+ Proceeds from disposals of intangible assets and tangible assets	0	0
- Payments for investments in intangible assets and tangible assets	-161	-89
+ Interest proceeds	11	6
= Cash flow from investing activities	-86	-83
+ Proceeds from new loans	0	0
- Payments for redemption of loans	-234	-93
+/- Change in current bank liabilities	-644	-567
- Interest payments	-36	-27
= Cash flow from financing activities	-913	-687
Net change in funds with impact on cash	4,358	-198
+/- Net effect of changes in exchange rates on funds	-21	40
+/- Changes in funds due to first time consolidations	0	0
+ Funds at beginning of period	1,820	3,456
= Funds at end of period	6,158	3,298

* unaudited

Development of Shareholders' Equity* (IAS/IFRS)

Statement of changes in shareholders' equity	Share issued		Capital reserve EUR '000	Balance sheet profit/loss EUR '000	Accum. other comp. income EUR '000	Minority interest EUR '000	Total shareholders' equity EUR '000
	Number	EUR '000					
Status 01.01.2005	21,449,988	21,450	0	36	- 504	341	21,323
Capital increase	300,000	300	921				1,221
Foreign currency differenes					262		262
Minority acquisitions			-921	- 303			- 1,224
Consolidated net income for the period				1,333		- 211	1,122
Status 31.12.2005	21,749,988	21,750	0	1,066	- 242	130	22,702
Status 01.01.2006	21,749,988	21,750	0	1,066	- 242	130	22,702
Foreign currency differenes					-36		-36
Other changes				-2		3	4
Consolidated net income for the period				467		-11	456
Status 31.03.2006	21,749,988	21,750	0	1,531	- 278	122	23,126

* unaudited

Notes

Selected disclosures of PVA TePla AG contained in the notes to the Q1 2006 report**A. General information and basis of presentation**

PVA TePla AG is a stock corporation in accordance with German law. The Company is entered in the Commercial Register of the Wetzlar Local Court under HRB 4827. The Company's registered office is Emeliusstrasse 33, 35614, Aßlar, Germany.

This interim financial report was prepared in accordance with International Financial Reporting Standards (IFRSs). The interim financial report thus also complies with IAS 34 (Interim Financial Reporting). This interim financial report has not been audited.

Reporting currency and currency translation

The principles applied in respect of reporting currency and currency translation are the same as those used for the 2005 financial statements. The material exchange rates of countries outside the euro zone included in the consolidated financial statements are as follows:

Closing rate at reporting date 31.03. (= EUR 1):

	2006	2005
USA (USD)	1.20748	1.29610
China (CNY)	9.70360	10.70284

Average rate 01.01. – 31.03. (= EUR 1):

	2006	2005
USA (USD)	1.20208	1.31175
China (CNY)	9.68761	10.87526

Scope of consolidation

These consolidated financial statements of PVA TePla include both fully consolidated subsidiaries as well as at equity associates. The following companies were fully consolidated in the consolidated financial statements as at March 31, 2006:

Surname	Domicile	Capital share
PVA TePla AG (parent company)	Aßlar, Germany	
PVA TePla America Inc.	Corona, CA, USA	100.00%
UV Systec Gesellschaft für UV-Strahler und Systemtechnik mbH	Jena, Germany	100.00%
PVA Vakuum-Anlagenbau Jena GmbH	Jena, Germany	100.00%
Crystal Growing Systems GmbH	Aßlar, Germany	100.00%
Xi'an HuaDe CGS Ltd.	Xi'an, PR China	51.00%
PVA Löt- und Werkstofftechnik GmbH	Jena, Germany	100.00%
PVA Control GmbH	Aßlar, Germany	100.00%

Notes

The consolidated financial statements also include the associate PVA MIMtech LLC, Cedar Grove, NJ, USA, in which PVA TePla AG holds a 50% interest.

There have thus been no changes to the scope of consolidation as against December 31, 2005.

Principles of consolidation

The principles of consolidation applied in this quarterly report are the same as those used in the consolidated financial statements as at December 31, 2005. In accordance with IAS 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries), the financial statements of enterprises included in the quarterly financial statements are prepared using uniform accounting policies.

Accounting policies

The accounting policies used in this interim financial report as at March 31, 2006 are the same as those used in the consolidated financial statements as at December 31, 2005.

B. Notes on selected balance sheet items

Non-current assets

Changes in non-current assets as against the consolidated financial statements prepared as at December 31, 2005 primarily relate to scheduled depreciation and amortization on these assets.

Inventories/receivables

In accordance with IAS 11.42, the gross amount due from customers for construction contracts is recognized as an asset. The IFRSs do not specify whether these amounts are to be reported as inventories or receivables, and the correct treatment is also disputed in literature on the subject.

In the 2005 fiscal year, we reported this item separately under inventories, as this treatment is similar to that adopted for costs incurred for uncompleted contracts reported under work in progress.

For the 2006 fiscal year, we have adopted the prevailing view that these items are essentially receivables in nature, due to the fact that a partial recognition of sales has already taken place for these items.

In future we will therefore report these items separately as "future receivables from manufacturing contracts".

Notes

Provisions for pensions

The increase in pension provisions was made on the basis of information on the expected pension provisions as at December 31, 2006 contained in the actuarial valuations used to prepare the consolidated financial statements as at December 31, 2005.

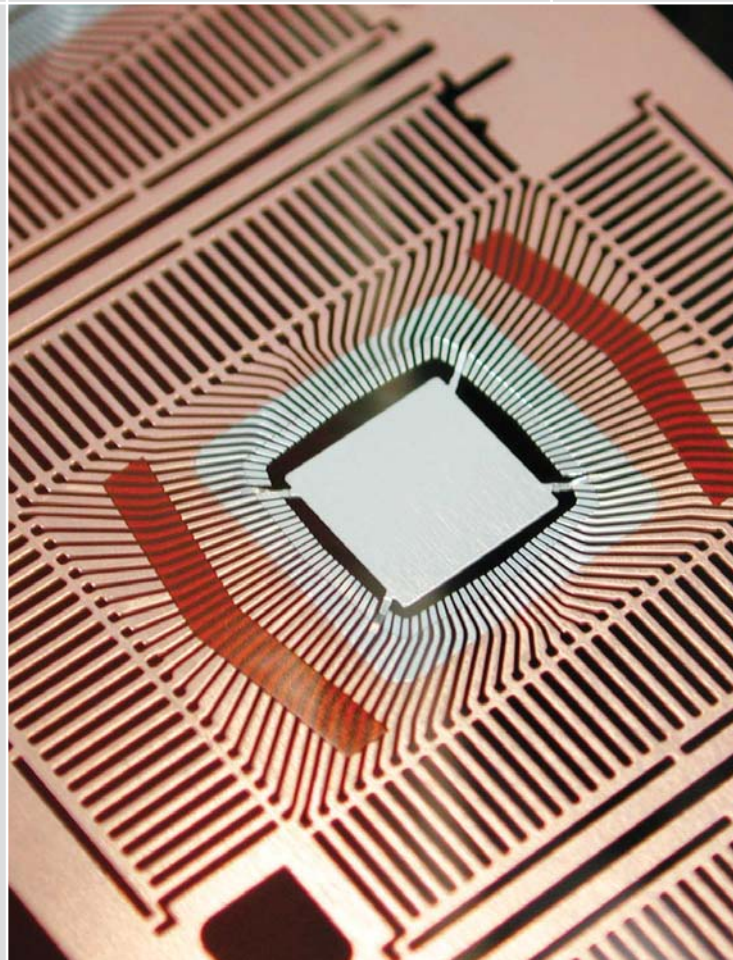
Short-term financial liabilities

The reported short-term financial liabilities primarily relate to the short-term portions of long-term financial liabilities (€ 0.6 million, December 31, 2005; also € 0.6 million). Short-term bank liabilities totaled € 0.1 million (Q1 2005: € 0.8 million).

C. Notes on the cash flow statement

The cash flow statement was prepared using the same principles used to prepare the 2005 consolidated financial statements and adapted to suit the classification criteria used in these.

In a change to the policies adopted in the preparation of the quarterly reports for 2005, the net income/loss for the period was calculated excluding minority interests, and interest received and interest paid were allocated to investment activities and financing activities respectively.



Financial calendar 2006

27. June 2006	Annual Shareholders' Meeting, Stadthalle Wetzlar
11. Aug 2006	Publication of the Q2 Report
14. Nov 2006	Publication of the Q3 Report
27. Nov 2006	German Equity Forum

Publication Notes

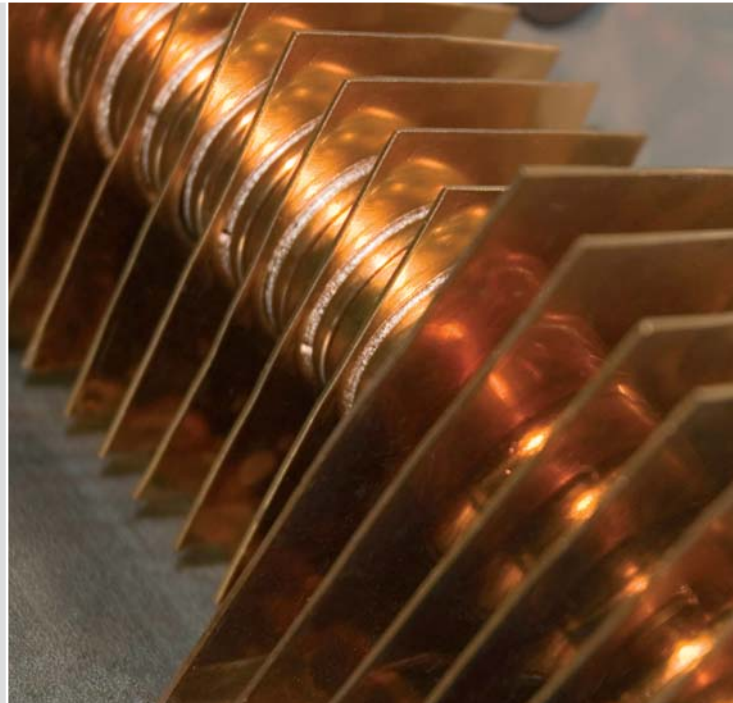
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