PVA TePla

INTERMEDIATE REPORT 1 JANUARY - 31 MARCH 2007

BE EQUIPPED FOR TOMORROW´S MATERIALS.

VACUUM SYSTEMS | CRYSTAL GROWING SYSTEMS | PLASMA SYSTEMS

CONSOLIDATED FIGURES AT A GLANCE

In EUR `000	Q1 2007	Q1 2006
Sales Revenues	15,430	14,239
Vacuum Systems	6,425	6,576
Crystal Growing Systems	4,813	4,895
Plasma Systems	4,192	2,768
Gross profit	3,587	3,994
In % of sales revenues	23.2	28.0
R&D expenses	447	357
Operating result (EBIT)	-85	678
In % of sales revenues	-0,6	4.8
Consolidated net income/loss for the period	48	456
In % of sales revenues	0.3	3.2
Earnings per share (EPS), in EUR*	0.0	0.02
Investments in non-current assets	2,435	161
Total assets	73,374	60,047 **
Equity ratio in %	33.7	41.1 **
Employees as of 31.12.	347	282
Incoming orders	37,833	20,123
Order backlog	123,390	38,790
Book to bill Ratio	2.5	1.4
Cash Flow from operating activities	1,930	5,357
Free Cash Flow	-505	5,196

* Average shares outstanding in the first quarter of 2007: 21,749,998

** As at the balance sheet date 31.12.2006

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FOREWORD BY THE BOARD OF MANAGEMENT

Dear PVA TePla AG shareholders,
dear colleagues and business partners,

In the first three months of 2007, incoming orders for our globally established Group again developed extraordinarily well, rising to €37.8 million. This high increase is primarily due to an order in the semiconductor industry and specifically from our long-standing cooperation partner Siltronic. This order again confirms the level of trust that we enjoy on the semiconductor market, even for highly complex crystal growing systems. The book-to-bill ratio of almost 2.5 shows that the PVA TePla Group is still on course for strong growth.

Sales in the Vacuum Systems division are still at a high level. The incoming orders and sales performance to date both point to an fiscal year 2007. The delivery of a new high-temperature system for cleaning graphite and insulating felt for the semiconductor industry has opened up the opportunity to also tap this area of the semiconductor market for Vacuum Systems products in future. One particularly interesting detail is the high share of sales outside Germany: more than two-thirds of sales are being generated abroad, particularly in Asia. The Crystal Growing Systems division, which is currently our Company‘s biggest growth driver, matched the sales level for the same period of the previous year. The major orders in this area from Ersol Wafers and Siltronic Samsung have not yet been recognized in sales, as the planning phase of these orders continued until the end of the first quarter as scheduled. Incoming orders in this division were largely influenced by a further major order in the semiconductor industry from our long-standing customer Siltronic. In a large number of project talks with potential customers, we have felt the enormous significance being associated with crystal growing in the established markets, as well as in future markets such as LEDs. The sales situation in the Plasma Systems division performed positively. The restructuring measures implemented in the US will certainly bear fruit in terms of both this and earnings over the course of the year. This will also be helped by new products and a new sales organization.

Overall, 2007 will be a year of growth for us, and of handling the activities that this growth requires. In addition to the new production facilities at Jena, which began construction in 2006 and the first phase of which will soon be completed, we recently announced that the capacity at the Company‘s headquarters also require significant expansion. The construction of the new assembly halls – particularly for Vacuum Systems – and offices will be beginning shortly in Wettenberg.

Naturally, we will also need further energetic employees to process these orders. We have created a large number of new jobs. However, these measures will first result in cost increases as, for example, new employees first require training and induction. New structures and processes for major international projects will also have to be introduced and implemented. This impacted the weak result for the first quarter which is in line with our planning – also with regard to achieving our stated targets for the year.

Naturally, the capital market has also enjoyed particular attention. At a roadshow in Zurich at the beginning of the year and at a number of one-on-one talks with investors in recent months, we are still seeing a great deal of interest in PVA TePla AG among institutional investors. The start of coverage by BHF Bank, the third bank to do so, which provides PVA TePla with corporate analyses, also documents the steady growth in the capital market's interest in our Company. We will also continue our intensive dialog with the capital market in future.

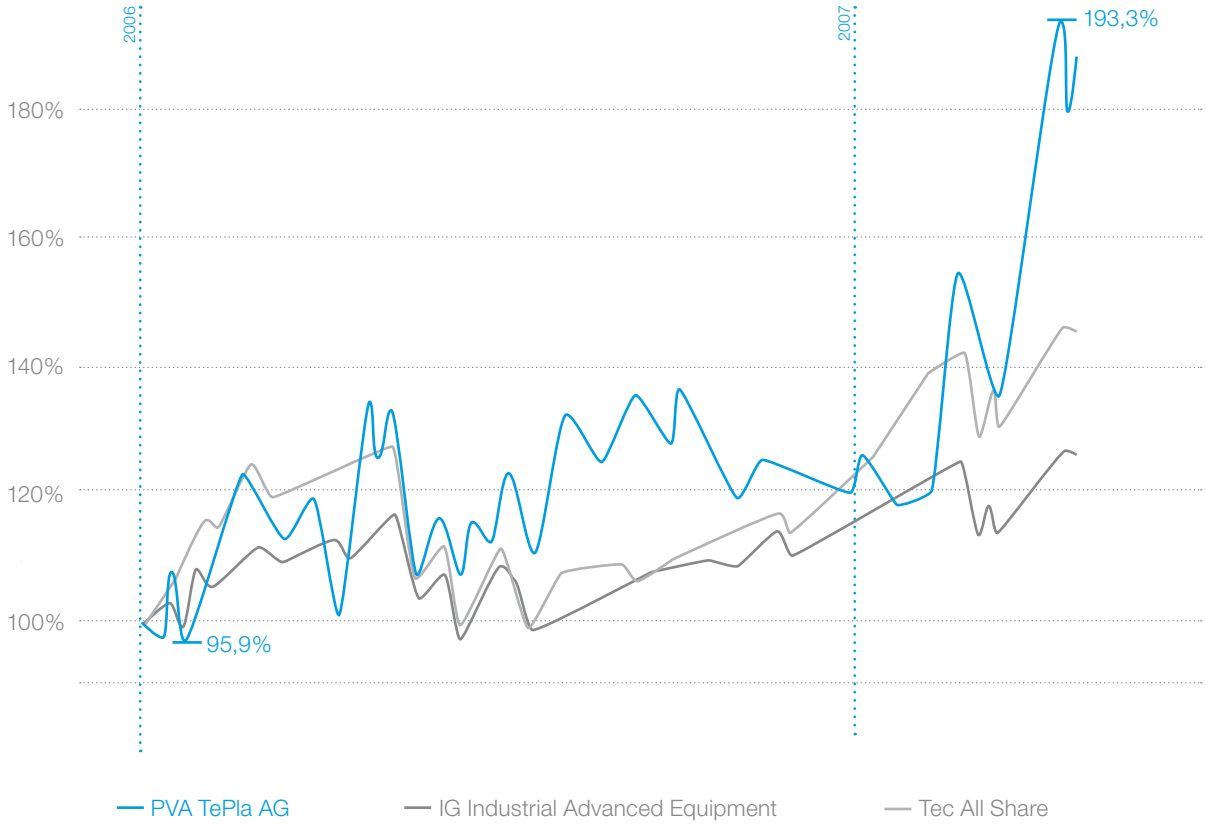
We would like to thank you on behalf of ourselves, our division leaders and all our employees for the trust and commitment you have shown to our Company. We look forward to welcoming you, our shareholders, at our Annual General Meeting on June 15, 2007 at Wetzlar Town Hall, when we will have the opportunity to explain you more about the further prospects of the PVA TePla Group.

Peter Abel
Chief Executive Officer

Arnd Bohle
Chief Financial Officer

PVA TEPLA SHARES

The performance on PVA TePla AG shares was extraordinarily positive in the first four months of 2007, with their value rising by around 60% from €4.65 at the end of 2006 to €7.70 on May 2, 2007. PVA TePla AG shares significantly outperformed the „Technology All Share“ und „Advanced Industrial Equipment“ indices of the Prime Standard.



As in the previous year, the analysts‘ and accounts press conference held at DZ Bank on March 30, the day of the publication of the annual figures for 2006, was well attended. There, the Management Board explained the figures and the course of fiscal 2006 to the analysts in attendance. PVA TePla AG‘s strategy and growth prospects were described in detail at various meetings with analysts and institutional investors and a roadshow in Zurich in the opening months of the year. BHF Bank began its coverage of PVA TePla at the end of April and is now the third bank to analyze the company.

Shareholdings and subscription rights of executive body members

Management Board	Shares 31.03.2007	Shares 31.12.2006	Subscription rights 31.03.2007	Subscription rights 31.12.2006
Peter Abel	6,001,275	6,001,275	0	0
Arnd Bohle	0	0	0	0

Supervisory Board	Shares 31.03.2007	Shares 31.12.2006	Subscription rights 31.03.2007	Subscription rights 31.12.2006
Alexander von Witzleben	0	0	0	0
Dr. Peter Friedemann	0	0	0	0
Prof. Dr. Günter Bräuer	0	0	0	0

1. Revenue

In the first three months of 2007, Group revenue amounted to €15.4 million (previous year: €14.2 million), an increase of 8.5% year-on-year.

The Vacuum Systems division generated revenue of €6.4 million (previous year: €6.6 million). With 42% of total revenue, this division once again contributed the largest share of Group sales. At €4.8 million (previous year: €4.9 million), the Crystal Growing Systems division contributed 31% of total revenue. Despite the strong rise in incoming orders, revenue in this division remained steady year-on-year. As anticipated, last year's major orders from Ersol Wafers and Siltronic Samsung were still in the planning phase in the first quarter, as a result of which they did not make any notable contribution to revenue. At €4.2 million, the Plasma Systems division generated significantly higher sales than in the previous year (€2.8 million), thus contributing 27% of Group sales. Both PVA TePla America and the German branch together with PlaTeG GmbH based in Siegen contributed to this revenue growth.

Revenue by division	Q1 2007 EUR `000	Q1 2006 EUR `000
Vacuum Systems	6,425	6,576
Crystal Growing Systems	4,813	4,895
Plasma Systems	4,192	2,768
Total revenue	15,430	14,239

Revenue by region	Q1 2007 EUR `000	Q1 2006 EUR `000
Germany	7,063	6,695
Europe	2,805	2,591
North America	1,127	999
Asia	3,946	3,698
Rest of world	603	241
Consolidation	-114	-15
Total revenue	15,430	14,239

2. Order situation

The order book continued to develop very well for the PVA TePla Group in the first quarter of 2007. Incoming orders increased to €37.8 million, a rise of 88.1% compared to the previous year (€20.1 million). As a result, the book-to-bill ratio rose further to its current level of 2.5 (previous year: 1.4).

The Vacuum Systems division generated incoming orders of €8.9 million (previous year: €9.3 million), thereby almost matching the excellent figures for the previous year. However, the Crystal Growing division recorded the highest level of growth. At €26.6 million after €7.4 million in the same period of the previous year, incoming orders more than trebled. The level of incoming orders was primarily due to an order from Siltronic AG in the first quarter to provide crystal growing systems for silicon monocrystals with a 300 mm diameter for the semiconductor industry worth around €22 million. The Plasma Systems division generated incoming orders of €2.3 million (previous year: €3.4 million).

In the first quarter of 2007, order backlog – consolidated and after deduction of the share of revenue already recognized in accordance with the percentage of completion method – amounted to €123.4 million, considerably higher than the previous year's figure of €38.8 million. €20.9 million (previous year: €13.3 million) of this related to the Vacuum Systems division. In the Crystal Growing Systems division, booked business was up to €100.7 million as against the previous year (previous year: €21.8 million). The Plasma Systems division posted order backlog of €1.8 million as against €3.6 million in the first quarter of 2006, whereas the figures for the previous year included a major, long-term order.

3. Research and development

In the first three months of 2007, research and development expenditure in the PVA TePla Group amounted to €0.4 million (previous year: €0.4 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.

In the first quarter of 2007, work was done on a high-temperature system for cleaning graphite and insulating felt as part of a customer order. These materials, which are used in crystal growing systems for monocrystaline crystals (ingots) for the semiconductor and photovoltaics market and contaminated with silicon during use, are annealed silicon free in our system, i.e. all traces of silicon residue are removed. Silicon is evaporated in a vacuum with a slight current of inert gas at temperatures of up to 2,000°C. Thanks to this method, the costly and – in future – scarce material of graphite can be used without losses and without impairing silicon monocrystal production.

Also, the ongoing optimization of the process for multicrystalline silicon ingots for photovoltaic wafers in a VGF (vertical gradient freeze) facility was continued with customer support. Development of the system concept was also ongoing with the aim of cutting costs and the safety concept – several accidents with similar system types from other manufacturers had recently occurred at solar wafer manufacturers – for safe operation and production using our systems was again reviewed.

In the Crystal Growing Systems division, intensive work was carried out in the area of control station technology. Using this control station technology, all communication and safety systems for a range of crystal growing systems can be controlled from a uniform interface. For companies in the semiconductor and photovoltaics industry, which often use a large number of systems in their plants, this new kind of control system is an efficient and cost-effective control and optimization system, coupled with the utmost levels of user friendliness and adapted to respective individual requirements. A cooperation agreement was concluded with an American company to develop a new and unique VGF system, which can be used to produce crystals for high brightness LEDs. For a number of markets, such as the lighting or automotive industries, LED technology will play a key role in future on account of its energy efficiency.

In the first quarter, the new PS 210 microwave laboratory plasma system from the Plasma Systems division was launched for international sale. This system is constructed by our subsidiary in the US and will replace the current predecessor model. The basic components of the system are based on model types that are already available and which PVA TePla America has been producing for several years for the industrial and medical business segments. This satisfies the demand for modularity in particular and can therefore be offered with a delivery time of just one month in future. This system will primarily be ordered by universities and institutions as well as smaller companies for pilot productions. Typical industrial applications for the PS 210 include reliability tests on prepackaged chips, which can be opened again in microwave plasma using this system, and the market for LEDs in Asia.

4. Investments

The total value of investments in the first quarter of 2007 was €2.4 million (previous year: €0.2 million). This increase relates mostly (€1.9 million) to the construction of the new production facilities in two stages at the Jena location. A further key individual measure was the extension of the CAD system in connection with the necessary capacity expansion in Engineering.

5. Net asset and financial position

At €73.4 million, total assets as at March 31, 2007 were higher than at the balance sheet date of December 31, 2006 (€60.0 million).

The biggest change on the assets side of the balance sheet is the rise in advance payments to €11.3 million (December 31, 2006: €2.4 million). This increase is essentially due to the rise in business volume in the Crystal Growing Systems division and the procurement of corresponding long-term purchased parts for major orders. Primarily as a result of increased input VAT refund claims in connection with the growth in procurement volume, other receivables rose to €2.1 million (December 31, 2006: €0.8 million). Trade receivables were reduced from €9.5 million as at December 31, 2006 to currently €6.8 million.

Cash and cash equivalents rose further to €14.3 million (December 31, 2006: €12.1 million). In particular, this is due to further payments received for systems on order.

Inventories rose from €6.8 million as at December 31, 2006 to the current value of €8.0 million. This is essentially due to the rise in raw materials or supplies in connection with materials management for the orders on hand. The value of future receivables from construction contracts declined slightly to €4.5 million (December 31, 2006: €5.1 million). The large orders in the Crystal Growing Systems division have not yet made a notable contribution here.

The inflow of materials and assembly just began at the end of the first quarter of 2007 or will commence in the months of April and May. As a result of the investments described above, non-current assets rose as against December 31, 2006 from €23.2 million to currently €25.7 million.

The most significant change on the equity and liabilities side of the balance sheet related to down payments received on orders. Owing to the further improvement in the order situation, the value of obligations from construction contracts rose once again and is currently €20.7 million (December 31, 2006: €11.9 million).

As a result of the financing of construction activities in Jena, non-current financial liabilities rose to €5.5 million (December 31, 2006: €3.1 million). This is offset by the scheduled repayment of loans.

Short-term financial liabilities primarily relate to short-term portions of long-term financial liabilities. Given the good liquidity situation, there were no particular short-term financial liabilities in the first quarter of 2007. The significant rise in procurement volume for processing the high level of booked business resulted in an increase of trade payables to €3.6 million (December 31, 2006: €2.2 million).

Equity was unchanged at €24.7 million (December 31, 2006: also €24.7 million). The equity ratio fell slightly due to the increase in total assets, and is currently 33.7% (December 31, 2006: 41.1%).

Cash flow development also continued positively in the first quarter of 2007. The operating cash flow was €+1.9 million (previous year: €+5.4 million). This further positive figure is primarily due to payments received for new contracts. The cash flow from investing activities was €-2.3 million (previous year: €-0.1 million). As a result of borrowing activities to finance construction in Jena and the opposing effect of the scheduled repayment of loans, cash flow from financing activities amounted to €2.6 million (previous year: €-0.9 million).

The total cash flow in the first quarter of 2007 including exchange rate related changes was €2.2 million (previous year: €4.3 million). The free cash flow was €-0.5 million (previous year: €+5.2 million). Thus, the liquidity situation of the PVA TePla Group remains positive.

6. Result of operations

The first quarter of 2007 was marked by the intensive work on the high level of booked business and the expansion of structures and capacity this required. In particular, the addition of new employees together with their training and incorporation resulted in higher costs. As anticipated, the new major orders were still in the planning phase in the first quarter, and thus they have not yet made any appreciable contribution to sales or therefore to earnings.

With EBIT of €-0.1 million (previous year: €0.7 million) and consolidated net income for the period of €0.05 million (previous year: €0.5 million), earnings were weak in the first quarter of 2007. At –0,6%, the EBIT margin was also down significantly on the previous year's figure of 5.1%. The return on sales was 0,3% as against 3.2% in the previous year.

The reduction of gross profit to €3.6 million (previous year: €4.0 million) and thereby of the gross margin to 23.2% (previous year: 28.0%) is also essentially due to the effects described above, as the majority of capacity development is happening in the Production and Engineering areas. There were also non-recurring effects in the Vacuum Systems division. There, delivery delays with several new suppliers resulted in delays in our customer orders. These delays led to further internal costs and, in some cases, the payment of damages for default. These problems are now being countered by improved monitoring and supervision of the suppliers.

Selling and administrative costs rose slightly stronger than the business volume to €1.7 million (previous year: €1.5 million) and €1.3 million (previous year: €1.1 million) as the higher order volume in this area required the expansion of capacity and the adjustment of structures.

The segment analysis presents a varied picture. As a result of the additional costs due to the expansion of capacity described above and the expenses due to delivery delay, the Vacuum Systems division generated a negative operating result. With sales almost constant as against the same period of the previous year, the operating result generated by the Crystal Growing Systems division was positive albeit down on the previous year. A key factor here were the additional costs relating to the capacity expansion. A positive factor was the significant improvement in results at the Plasma Systems division as a result of the rise in sales volume. The divisional result was negatively impacted by start-up costs at Plasma Systems GmbH.

Operating profit (EBIT) by division	Q1 2007 EUR `000	Q1 2006 EUR `000
Vacuum Systems	-199	+687
Crystal Growing Systems	+82	+317
Plasma Systems	+32	-326
Total operating profit	-85	678

Net financial income improved further as against the previous year as a result of the good liquidity situation. As in the previous year, the associated company PVA MIMtech LLC generated an earnings contribution of €0.1 million.

The income taxes of €0.01 million (previous year: €-0.3 million) consist of current tax expenses of €-0.12 million (previous year: €-0.2) – primarily as a result of the recognition of tax provisions for subsidiaries in Germany – and deferred taxes of €0.13 million (previous year: €-0.1 million).

7. Personnel development

As at the reporting date of March 31, 2007, the Group employed a total of 347 employees (March 31, 2006: 282, December 31, 2006: 330). The rise in the number of employees is due to the excellent order situation in the Vacuum Systems and particularly the Crystal Growing Systems divisions. In future, the subsidiary PVA Vakuum-Anlagenbau Jena will exclusively produce systems for this division, with the result that a greater number of employees will be hired there thanks to the good order situation.

8. Developments since March 31, 2007 and outlook

As a result of the outstanding order situation and the expected further growth, all the departments of PVA TePla AG at its headquarters in Aßlar – including, of course, Production in particular – are visibly pushing against their boundaries. Over the course of the next twelve months, we will therefore significantly expand our capacity. New production and office buildings will be built in Wettenberg, close to the current location in Aßlar. Construction is scheduled to begin in mid-May 2007. The investment volume for the new buildings is around €18 million. This step was already reported at the end of April.

An exclusive, several-year agreement on the development of a crystal growing system has been signed with a company in the US. This system will grow crystals at very high pressures and high temperatures for high-performance LEDs, which will, for example, be used in the main head lamps of cars. In the long term, this type of highly efficient LED (light emitting diode) will also replace conventional electric light bulbs.

The ongoing growth of the market of the semiconductor and photovoltaics industry also offers great opportunities to PVA TePla‘s business in 2007 and beyond. The current worldwide discussion of the threat of climate change will lead to a shift in thinking among informed consumers and therefore to a sustainable boost in materials technologies. PVA TePla Group is excellently prepared for this with its systems and services. We are therefore assuming that the business volume of the PVA TePla Group will continue to grow.

The forecast of an expected sales increase to around €120 million and an EBIT margin of 5-7% in 2007 is hereby confirmed.

GROUP FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET *

1 January - 31 March 2007

Assets	31.03.2007 EUR `000	31.12.2006 EUR `000
NON-CURRENT ASSETS		
Intangible assets	7,132	7,018
• Goodwill	6,634	6,634
• Other intangible assets	497	384
Property, plant and equipment	11,965	10,073
• Land, property rights and buildings, including buildings on third party land	5,567	5,634
• Plant and machinery	2,603	2,696
• Other plant and equipment, fixtures and fittings	1,232	1,079
• Advance payments and assets under construction	2,563	664
Non-current investments	478	442
• Investments in associates	457	420
• Other receivables	21	22
Deferred tax assets	6,123	5,684
Total non-current assets	25,698	23,217
CURRENT ASSETS		
Inventories and construction contracts	7,952	6,827
• Raw materials and operating supplies	4,454	3,452
• Coming receivables	2,072	1,974
• Finished products and goods	1,426	1,401
Coming receivables on construction contracts	4,499	5,052
Trade and other receivables	20,423	12,749
• Trade receivables	6,787	9,473
• Amounts owed by associates	150	151
• Payments in advance	11,376	2,363
• Other receivables	2,110	762
Tax repayments	176	16
Cash and cash equivalents	14,322	12,077
Prepaid and deferred expenses	304	109
Total current assets	47,676	36,830
Total assets	**73,374**	**60,047**

* unaudited

Liabilities and shareholders´ equity	31.03.2007 EUR `000	31.12.2006 EUR `000
SHAREHOLDERS‘ EQUITY		
Share capital	21,750	21,750
Consolidated retained earnings	3,335	3,279
Accumulated other reserves	-370	-351
Minority interest	18	26
Total shareholders‘ equity	24,734	24,704
DEFERRED INVESTMENT GRANTS FROM PUBLIC FUNDS	1,638	1,677
NON-CURRENT LIABILITIES		
Non-current financial liabilities	5,504	3,103
Other liabilities	13	12
Retirement pension provisions	6,761	6,667
Deferred tax liabilities	1,497	1,187
Other provisions	366	377
Total non-current liabilities	14,141	11,346
CURRENT LIABILITIES		
Short-term financial liabilities	938	664
Trade payables	3,587	2,185
Obligations on construction contracts	20,690	11,885
Advance payments received on orders	929	381
Other liabilities	664	1,343
Provisions for taxes	808	943
Other provisions	5,244	4,914
Deferred income	1	5
Total current liabilities	32,861	22,320
Total liabilities	**73,374**	**60,047**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD*

1 January - 31 March 2007

	01.01.07 - 31.03.07 EUR `000	01.01.06 - 31.03.06 EUR `000
REVENUE	15,430	14,239
Cost of sales	-11,844	-10,245
GROSS PROFIT	3,587	3,994
Selling and distribution expenses	-1,660	-1,531
General administrative expenses	-1,317	-1,122
Research and development expenses	-447	-357
Other operating income	278	222
Other operating expenses	-527	-528
OPERATING PROFIT (EBIT)	-85	678
Interest income	105	11
Interest expense	-65	-36
Share of profits from associates	82	73
NET INTEREST AND SHARE OF PROFITS FROM ASSOCIATES	122	48
NET PROFIT BEFORE TAX	36	726
Income taxes	11	-271
CONSOLIDATED NET PROFIT FOR THE PERIOD	48	455
OF WHICH ATTRIBUTABLE TO:		
Shareholders of PVA TePla AG	56	466
Minority interest	-8	-11
CONSOLIDATED NET PROFIT FOR THE PERIOD	48	455
EARNINGS PER SHARE(BASIC/DILUTED)		
Earnings per share (basic) in EUR	0,00	0,02
Earnings per share (diluted) in EUR	0,00	0,02
Average number of shares in circulation (basic)	21,749,988	21,749,988
Average number of shares in circulation (diluted)	21,749,988	21,749,988

* unaudited

CONSOLIDATED CASH FLOW STATEMENT*

1 January - 31 March 2007

		01.01. - 31.03.07 EUR `000	01.01. - 31.03.06 EUR `000
	Consolidated net profit for the period	48	456
	Adjustments to the consolidated net profit for the period to the cash flow from operating activities		
-/+	Income tax expense	-11	271
-	Interest income	-105	-11
+	Interest expense	65	36
	Operating profit	-3	752
-	Income tax payments	-434	0
+	Amortization and depreciation	410	343
-	Share of profits from associates	-82	-72
-/+	Gains/losses on disposals of non-current assets	2	-4
+/-	Other non-cash expenses (income)	-181	-324
		-288	695
-/+	Increase/decrease in inventories, trade receivables and other assets	-8,267	840
+/-	Increase/decrease in provisions	419	1,187
+/-	Increase/decrease in deferred investment grants from public funds	-38	-52
+/-	Increase/decrease in trade payables and other liabilities	10,105	2,688
=	Cash flow from operating activities	1.930	5.358
+	Receipts from associates	41	64
+	Proceeds from disposals of intangible assets and property, plant and equipment	11	0
-	Acquisition of intangible assets and property, plant and equipment	-2,435	-161
+	Interest receipts	105	11
=	Cash flow from investing activities	-2,278	-86

		01.01. - 31.03.07 EUR `000	01.01. - 31.03.06 EUR `000
	Amount carried forward		
=	Cash flow from investing activities	-2,278	-86
+	Proceeds from taking up loans	2,580	0
-	Payments for the redemption of loans	-206	-234
+/-	Change in short-term bank borrowings	297	-644
-	Payments of interest	-65	-36
=	Cash flow from financing activities	2,606	-914
	Net change in cash and cash equivalents	2,258	4,358
+/-	Effect of exchange rate fluctuations on cash and cash equivalents	-13	-21
+	Cash and cash equivalents at the beginnning of the year	12,077	1,820
=	Cash and cash equivalents at the end of the year	14,322	6,157

* unaudited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

1 January - 31 March 2007

	Shares issued		share premium	Retained earnings	Accumulated other reserves	Minority interest	Total shareholders´ equity
	Number	EUR `000	EUR `000	EUR `000	EUR `000	EUR `000	EUR `000
AS AT JANUARY 01, 2006	21,749,988	21,750	0	1,066	-242	130	22,704
Foreign currency differences					-109		-109
Net profit for the period				2,213		-104	2,109
AS AT DECEMBER 31, 2006	21,749,988	21,750	0	3,279	-351	26	24,704
AS AT JANUARY 01, 2007	21,749,988	21,750	0	3,279	-351	26	24,704
Foreign currency differences					-19		-19
Net profit for the period				56		-8	48
AS AT MARCH 31, 2007	**21,749,988**	**21,750**	**0**	**3,335**	**-370**	**18**	**24,734**

* unaudited

Selected disclosures of PVA TePla AG contained in the notes to the Q1 2007 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 HRB4827. The Company's registered office is Emmeliusstrasse 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 2006 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 (EUR = 1):

	31.03.2007	31.12.2006
USA (USD)	1.33350	1.32027
China (CNY)	10.32260	10.32098

AVERAGE RATE 1.1 – 31.03 (EUR = 1):

	2007	2006
USA (USD)	1.31044	1.20208
China (CNY)	10.18365	9.68761

Scope of consolidation

The consolidated financial statements of PVA TePla presented here include both fully consolidated subsidiaries as well as an at equity associated company. The following companies were fully consolidated in the consolidated financial statements as at March 31, 2007:

Name	Registered office	Shareholding
PVA TePla AG (parent company)	Aßlar, Germany	
PVA TePla America Inc.	Corona/CA, USA	100 %
UV Systec Gesellschaft für UV-Strahler und Systemtechnik mbH	Jena, Germany	100 %
PVA Vakuum-Anlagenbau Jena GmbH	Jena, Germany	100 %
Crystal Growing Systems GmbH	Aßlar, Germany	100 %
Xi'an HuaDe CGS Ltd.	Xi'an, VR China	51 %
PVA Löt- und Werkstofftechnik GmbH	Jena, Germany	100 %
PVA Control GmbH	Aßlar, Germany	100 %
Plasma Systems GmbH	Feldkirchen, Germany	100 %
PlaTeG GmbH	Siegen, Germany	100 %

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, 2006.

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, 2006. 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, 2007 are the same as those used in the consolidated financial statements as at December 31, 2006.

B. Notes on selected balance sheet items

Non-current assets

The changes in non-current assets as against the annual financial statements as at December 31, 2006 are primarily due to the depreciation and amortization of these assets and the effects on the investment in the new assembly facilities at the Jena location.

Inventories/receivables

In accordance with IAS 11.42, the gross amount due from customers for construction contracts is recognized as an asset. We report these items separately as "future receivables from construction contracts". As a result of the sharp rise in advance payments in light of the increased procurement volume in connection with the major orders, this item was extracted from other receivables and reported separately. The comparative figures as at December 31, 2006 have been adjusted accordingly.

Derivative financial instruments

In the PVA TePla Group, derivative financial instruments are used exclusively to hedge risks. In particular, these include exchange risks from sales in foreign currencies and interest rate risks.

As the majority of sales are conducted in the respective currency of the supplying country (euro in the euro zone, USD in the US), exchange risks only arise in a limited number of cases. As at March 31, 2007, there were no such cases and therefore no corresponding hedges.

To hedge the interest risk for the financing of the planned investments in the new buildings at the Wettenberg location, two interest hedges with a volume of €5 million each were concluded. The fair value of these instruments as at March 31, 2007 was €40 thousand (previous year: €0) and is reported under other receivables in line with IAS 39. The income was recognized as interest income.

Provisions for pensions

The increase in pension provisions was made on the basis of information on the expected pension provisions as at December 31, 2007 contained in the actuarial valuations used to prepare the consolidated financial statements as at December 31, 2006.

Short-term financial liabilities

The reported short-term financial liabilities primarily relate to the short-term portions of long-term financial liabilities (€0.9 million, December 31, 2006: €0.7 million). Short-term bank liabilities totaled €0.0 million (previous year: €0.1 million).

C. Notes on segment reporting

As a result of the high level of booked business in the Crystal Growing Systems division and the adjustment in production structures this entailed, the PVA Vakuumanlagenbau Jena GmbH subsidiary now only works for the Crystal Growing Systems division. In order to reflect this in segment reporting, from January 1, 2007, this subsidiary has no longer been assigned to the Vacuum Systems division (as it was until December 31, 2006) and is now assigned to the Crystal Growing Systems division. The figures for the previous year have been adjusted accordingly.

D. Notes on the cash flow statement

The cash flow statement was prepared in line with the same principles as in the annual financial statements 2006 and is structured in the same way.

FINANCIAL CALENDAR / IMPRINT

Financial calendar for 2007

June 15	Annual Shareholders' Meeting, Wetzlar Town Hall
August 10	Q2/2007 report
November 12	German Equity Forum
November 13	Q3/2007 report

Imprint

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