



QUARTERLY REPORT I / 2006

AT A GLANCE: KEY FIGURES FOR THE QUARTER 1 / 2006

P&C

Turnover	million EUR	11.12
Gross Profit or Loss	million EUR	1.49
EBIT	million EUR	-0.16
EBITDA	million EUR	-0.12
Result of period	million EUR	-0.16

Balance

Total assets	million EUR	47.46
Equity capital	million EUR	35.43
Equity ratio	%	73.39
Capital stock	million EUR	4.65
Goodwill	million EUR	19.93

Cash Flow

Cash Flow from ordinary business activities	million EUR	-0.48
Cash Flow from investment activities	million EUR	-0.10
Cash Flow from financing activities	million EUR	0.87
Cash and equivalents on March 31, 2006	million EUR	4.51

Number of employees (end of period 03/31/2006)	absolute	56
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Share

Earnings per share (Basis 4,65 million shares)	EUR	-0.04
Stock price January 2, 2006 (closing price, Frankfurt)	EUR	14.00
Stock price March 31, 2006 (closing price, Frankfurt)	EUR	21.44
Number of shares	million	4.65

MASTER DATA OF THE SHARES

WKN / ISIN	525070 / DE0005250708
Member Code	HRP
Common Code	022356658
Segment	Prime Standard, Regulated Market in Frankfurt Regulated Market in Düsseldorf
Number of Shares	4.650.000
Type of Shares	no par shares
Designated Sponsors	VEM Aktienbank AG, Munich Close Brothers Seydler AG, Frankfurt on the Main
Opening Month	December 2000

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DEAR SHAREHOLDERS,
DEAR LADIES AND GENTLEMEN,

Approximately one year ago, at the Annual General Meeting that took place on March 18 2005, the shareholders resolved the Company's new start as Reinecke + Pohl Sun Energy AG. As a result, you hold the first Reinecke + Pohl Sun Energy AG Q1-Report for the financial year in hand. In our Annual Report 2005 presented to you in March 2006, we were already able to report the precedent year's success of our business model. As of the first quarter, the operative figures stood strongly under the influence of this past hard winter, cold weather and heavy snowfall impeded the erection of photovoltaic-facilities. In accordance with IFRS, the Company was able to achieve sales revenue of 11.12 million EUR during the period from January 1 to March 31 2006, which also confirmed our cautious plan estimate for this period.

Of course the relatively weak contribution of turnover during the first quarter of the year, as usual in a line of business, had impact on Reinecke + Pohl Sun Energy AG's earnings, which with an EBIT of -0.16 million EUR, did not turn out positively. However, in the first quarter of 2006, further adjustments have been made to the Company's position of points, ensuring its successful future. Besides

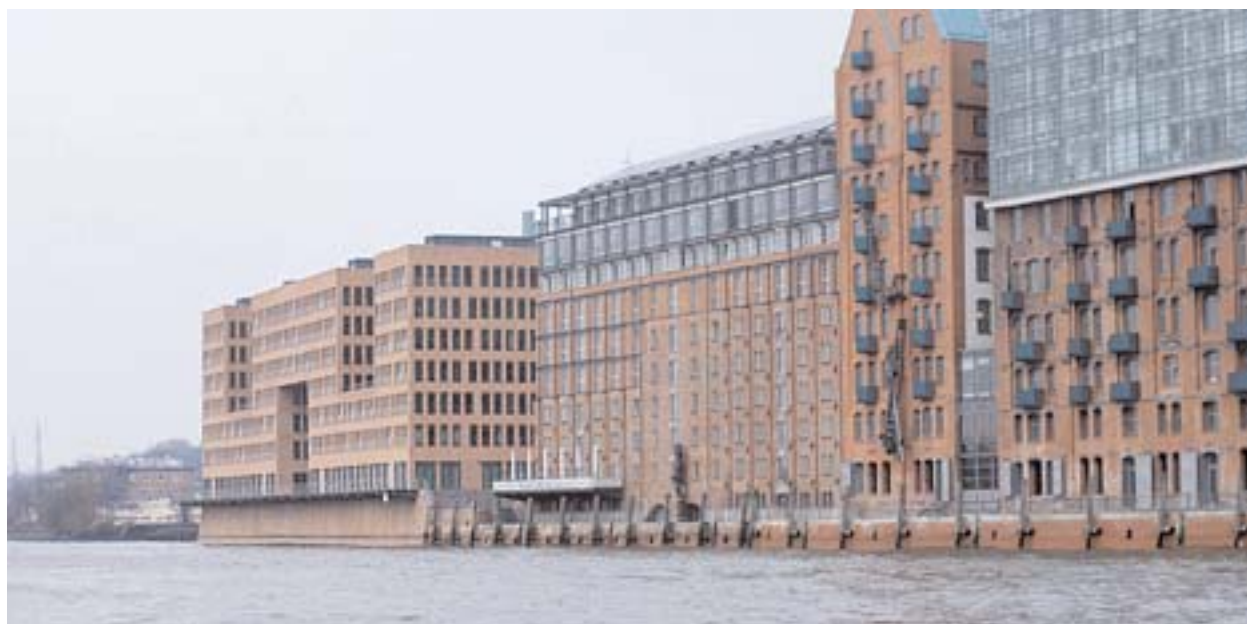
the build-up of our basis comprised of qualified staff members and significant investments for the expansion of our operative business, we have particularly utilized the time to create the prerequisites for further growth through, amongst other things, the closings of long-term module supply contracts. In addition, we continued the build up of our activities in Spain and China and once again increased our volume of orders. Thus, we are able to draw a positive interim balance, in view of the fact that the Company is moving in the right direction in realizing its objectives for the financial year of 2006.

In the future, we have much planned and are convinced, that you, as a current or future shareholder, will be delighted with your investment.

With the very best regards,

Martin Schulz-Colmant
Spokesman of the
Executive Board

Patrick Arndt
Executive Board



Reinecke + Pohl Sun Energy AG / Frankfurt from 04/01/2005 to 03/31/2006



REINECKE + POHL SUN ENERGY WITH A STOCK PRICE PLUS OF 52 PERCENT IN THE FIRST QUARTER 2006

Our stock has positively developed in the first three months of 2006 with an increase from 14.23 EUR at the beginning of the year to 21.60 EUR at the end of the quarter. Particularly eye-catching was the rapid stock price's growth after the market received the announcement on February 21 2006 concerning the interim operative figures for 2005 and the positive outlook for the coming financial year.

In comparison to the Prime IG Renewable Energy Index, which gained 68percent in Q1 2006, the price increase of our stock was somewhat smaller. Whilst reflecting upon the impressive outperformance of our stock during the past periods, we are very content nevertheless.

An impressive increase can be also registered in the turnover of Reinecke + Pohl Sun Energy AG's shares in the first quarter of 2006, with almost 3.6 million EUR of handled shares that followed 3.2 million EUR in the fourth quarter of 2005. In this case, a further increase of interest by investors in Reinecke + Pohl Sun Energy has been reflected. With the switch to the Prime Standard of the German Stock Exchange on April 21 2006, the cornerstone was also laid to enhance the name recognition on the market in the future. Glances at comparable enterprise evaluations show that the considerable potential for our stock remains unaltered.

1. BUSINESS AND GENERAL CONDITIONS

The relevance of renewable energy remains unbowed in 2006. The European Photovoltaic Industry Association (EPIA) has currently identified that in 2005, 645 MWp solar modules were installed in the European Union (EU), hereof 600 MWp (93 percent) alone in Germany. After noting 645 MWp Europe-wide in 2004, this was an increase of 18.3 percent. Thereby, the grid-connected market dominates in the field of application with over 98 percent. As in the past, this growth was restricted by the supply of silicon and thus by the modules. Spain was the second largest market with 20.2 MWp, followed by France with 6.3 MWp and Italy with 5 MWp*. Even in other countries, particularly the USA being a step ahead, the awareness of the energy supply problem is increasing and thus, the demand of renewable energy. In this case, the German Renewable Energy Act (EEG) serves as a model, which is being introduced in comparable forms in many other countries. Of late, the Renewable Energy Act has again been confirmed in Germany: In his status report concerning "Energy Supply for Germany" (Energieversorgung für Deutschland) the Federal Minister for Environment, Mr. Sigmar Gabriel, recently referred to the fact that as of 2020, 25 percent of Germany's electricity can be supplied by renewable energy. According to this status report, the minimum target anchored in the German Renewable Energy Act of a 20 percent renewable energy share in 2020, can clearly be exceeded. The boom of demand in the field of renewable energy has remained unbowed. The photovoltaic industry's order books are still brimming.

However, at the same time, Germany experienced an extremely snowy and long-lasting winter during the first quarter of 2006. The bad weather conditions strongly influenced the usually weakest first quarter of a year for the photovoltaic industry. The majority of all photovoltaic projects in the German area had to be postponed to the second quarter, especially due to the cold and snow loads on the roofs.

* Source: EPIA, EurObservER; April 2006

2. DEVELOPMENT IN THE FIRST QUARTER OF THE FINANCIAL YEAR 2006

"The cold weather has unusually strongly slowed down the German economic growth in the first quarter" Reuters Deutschland, 05/23/06

Development of Turnover and Revenue

In the first quarter of the financial year of 2006, Reinecke + Pohl Sun Energy AG's business development was strongly coined by dominating bad weather. Compared to the previous quarter, the cold weather that led to a significant decrease of the national construction investments also made it impossible to work on several RPSE-Projects. Snowfall and very low temperatures hindered the erection of photovoltaic facilities, individual rooftop constructions were impossible to work on, right up to the middle of March. Due to low expectations in the first quarter, Reinecke + Pohl Sun Energy AG's planning estimates were cautiously assessed. Under these circumstances, the targeted turnover could only be slightly exceeded. The Company turned over sales revenue of 11.11 million EUR in the first three months of the financial year 2006. Through the economic new foundation of the Company in the preceding year, a comparison of first quarter operative figures with the respective previous year's values is not expedient. Compared to fourth quarter 2005 sales revenue (25.53 million EUR); this is equivalent to a decrease of 14.41 million EUR. Turnover declines during the year's first quarter compared to the previous quarter are customary in the line of business. Besides weather influences, they are also based on the fact, amongst other things, that photovoltaic facilities whose mains connections were effected in 2006, are inferior to facilities taken into operation in 2005 through a future reduced annual individual feeder remuneration per kWh. However, the respective decreased minimum remuneration applies as of initial operation and unaltered for the entire period of conveyance.

The RPSE-Group, with its EBIT of -0.16 million EUR in the first quarter of the financial year, was unable to achieve a positive result on the yield side. The result was particularly coined by the reduced volume of turnover, which was not sufficient to be able to balance out the liabilities entered for the realization of the RPSE's commitments concerning its objectives of growth. However, the effected increased numbers of qualified employees as well as the expenditures for the expansion of business operati-

ons are the cornerstones for the fulfillment of the expectations placed on the current financial year of 2006.

As a system provider of photovoltaic facilities as well as project developer, RPSE plans, delivers and installs photovoltaic facilities. These activities belong to the "Projects" segment.

With external sales amounting to 7.71 million EUR, the "Projects" segment's share in the first quarter of the financial year amounted to 69percent of the total company turnover. Particularly the final invoice for the last phase of construction during the Gescher thin layer-project substantially contributed to the noted turnover. For "Projects", the segment's earnings before taxes lay at -0.13 million EUR, which result from the cost basis not being covered by the limited project sales. For the achievement of the growth objectives during the current financial year, the personnel basis has noticeably been reinforced by further qualified employees, amongst other things. The personnel costs as well as the remaining expenditures for business expansion, e.g. the relocation in a new warehouse are thus investments in a successful financial year 2006. In the segment of "Trade", in which the company's departments for procurement and sales of photovoltaic modules and components are comprised, external sales of 3.41 million EUR or 31percent of the company's turnover has been achieved in the first quarter 2006. In this case as well, negative segment earnings of -0.10 million EUR were attained. In the segment of "Trade" the costs once again include significant investments for the future, e.g. for the expansion of the Company's presence within China.

Reinecke + Pohl Sun Energy AG took consequent advantage of the first quarter and sustainably enlarged its position within the procurement market. At the end of the first quarter 2006, the Company was able close several master supply agreements for lengthier periods of up to the year 2011 and thus is in an outstanding purchasing situation. These agreements once again confirm the existing good contacts and supplier relationships to renowned module manufacturers in Asia and the US. In addition, Reinecke + Pohl Sun Energy AG has additionally expanded its position as a system integrator in the innovative field of thin film technology, allowing for further volume increases of thin film projects orders. On the trade side, the Company has been able to record initial success on the Spanish market: In the first quarter, deli-

very agreements for photovoltaic modules have already been closed for Spain with a scope of 600 kWp.

Agreement with Baoding Yingli

Through our subsidiary Maass Regenerative Energien GmbH, we were able to sign a Memorandum of Understanding (MOU) with China's largest photovoltaic manufacturer, Baoding Tianwei Yingli. Based on existing delivery agreements, the relationship between both companies will be extended up to 2010. It has been agreed upon, that additional module capacities of 162-mega watt will be supplied to Reinecke + Pohl Sun Energy-Group during the next five years. The silicon-modules from Baoding Tianwei Yingli are partially intended for delivery to other European foreign markets. First target is Spain, where the Company established a subsidiary last year.

Master Agreement Bangkok Solar

On March 28 2006, Reinecke + Pohl Sun Energy AG and the largest Thai thin film module manufacturer, Bangkok Solar, have expanded their existing collaboration through a master agreement concerning the supply of more than 150 MWp. The volume of module supply agreed upon, such as practically all trade volumes, will be ordered through the subsidiary Maass Regenerative Energien GmbH in Wesel/Germany and is intended for the period from 2007 up to the end of 2010. The supply relationship between the Thai company and Maass GmbH exists since 2004.

3. OCCURRENCES AFTER THE FIRST QUARTER 2006

The spring season and better weather conditions shall allow the speedy reduction of the order backlog, which arose during the first quarter 2006. New projects are already in the making. Due to very high order volumes and our excellent position in the procurement market, Reinecke + Pohl Sun Energy AG's Executive Board is convinced that a growth in turnover of over 100percent and further earning increases will be achieved in 2006.

Negotiations with First Solar

On April 10 2006, Reinecke + Pohl Sun Energy AG closed a further master agreement with First Solar, the largest US-American manufacturer of thin film modules. Based

on the existing contractual relationship, the supply of very comprehensive contingents up to 2011 has been agreed. This makes Reinecke + Pohl Sun Energy AG one of the US-American company's most significant European customers.

Increase of the turnover and earning targets as of 2007

Through the above mentioned closed master supply agreements, Reinecke + Pohl Sun Energy AG was able to generate further turnover potential of over 900 million EUR for the coming years and therefore on April 06 2006, revised its turnover and earning targets clearly upwards.

Emission of a convertible bond

On April 06 2006, the Company's Executive Board announced the emission of a convertible bond with subscription rights covering an emission volume of up to 30 million EUR. It is planned, amongst other things, to ensure funds through the convertible bond for the pre-financing of the above mentioned module deliveries. In addition, the Company's international expansion will be accelerated through the proceeds and the Company's growth strengthened through acquisitions. Details concerning the convertible bonds were publicly communicated on April 18 2006.

Admission of the stock to the Prime Standard

Since April 21 2006, Reinecke + Pohl Sun Energy AG is also listed in the Prime Standard of the Frankfurt Stock Exchange. The Company is thus generating higher attentiveness within the financial market, particularly in the international area.

Relocation of the Company's headquarters

Last year it was foreseeable that at some stage during the current growth of the Company, Reinecke + Pohl Sun Energy AG's premises and thus, room for the employees would not suffice. Therefore, the Company decided to rent new business premises and since the beginning of May 2006, is now located in Hamburg at its new address (Grosse Elbstrasse 45 in D-22767 Hamburg).

Annual General Meeting

On May 19 2006, the Company invited its shareholders to the Annual General Meeting in Hamburg. Besides its successful annual statement for 2005, the Executive Board was also able to present outstanding outlooks for

the future of RPSE AG. Approximately 120 attending shareholders were satisfied with the Executive and Supervisory Board's work and voted for the discharge of the past financial year. Besides that, each further resolution, amongst other things the creation of new authorized capital, were almost unanimously adopted.

4. RISK SITUATION

Since publication of the Annual Report 2005 on March 28 2006, no further new, significant risks have arisen during the first quarter 2006. The detailed presentation of substantial risks for the Company can be found in the Annual Report on page 32 and 33.

In Q2 2006, a complaint was filed in mid May 2006 against Reinecke + Pohl Sun Energy AG before the District Court of Hamburg. The plaintiff is Meridian Solare Energieprojekte GmbH in Hildburghausen. From assigned right, they asserted a claim of 100,000.00 EUR. According to the statement of claim, it concerns a partial sum of an alleged claim for indemnification totaling approximately 8.45 million EUR. The Company could be confronted with a significant claim for indemnification connected with the earlier agreed contribution of Meridian Solare Energieprojekte GmbH. The claim for indemnity is diverted from a lost stock price gain of the Reinecke + Pohl Sun Energy AG shares. The statement of defense is currently being prepared by the Company's attorneys. Both the Executive Board as well as the Supervisory Board is of the opinion, that the complaint is unjustified. The District Court of Hamburg has ordered written preliminary proceedings.



REINECKE + POHL SUN ENERGY AG
CONSOLIDATED INTERIM ACCOUNTS AS OF MARCH 31, 2006
BALANCE SHEET

ASSETS	31. March 2006 EUR	31. December 2005 EUR
A. Long-term Assets		
I. Goodwill	19.927.732,80	19.927.732,80
II. Other intangible assets	28.292,08	20.630,00
III. Tangible assets		
Other equipment, factory and office equipment	333.873,16	282.139,00
IV. Financial assets		
Investments	207.101,25	207.101,25
Total of Long-term Assets	20.496.999,29	20.437.603,05
B. Short-term Assets		
I. Stock value		
1. Work in process	282.002,76	40.375,01
2. Finished goods and merchandise	7.051.747,48	4.900.845,35
3. Advances paid	2.125.611,34	2.460.753,96
II. Trade receivables	7.581.598,30	8.577.885,03
III. Receivables from production orders	4.219.490,46	3.646.232,70
IV. Medium of exchange	4.511.143,01	4.224.889,60
V. Other assets	1.190.128,99	540.524,11
VI. Long-term assets available for sale	0,10	0,10
Total of Short-term Assets	26.961.722,44	24.391.505,86
C. Balance Sheet Total	47.458.721,73	44.829.108,91

REINECKE + POHL SUN ENERGY AG
 CONSOLIDATED INTERIM ACCOUNTS AS OF MARCH 31, 2006
 BALANCE SHEET

PASSIVA	31. March 2006 EUR	31. December 2005 EUR
A. Equity		
I. Subscribed capital	4.650.000,00	4.650.000,00
II. Capital reserves	28.195.483,19	28.195.483,19
III. Retained earnings	2.748.354,49	0,00
IV. Result of Period (previous year: Amount of Balance Sheet Profit)	-162.765,06	2.748.354,49
Total Equity	35.431.072,62	35.593.837,68
B. Liabilities		
I. Long-term liabilities	479.375,00	472.500,00
Total long-term liabilities	479.375,00	472.500,00
II. Short-term liabilities		
1. Reserves	2.333.772,32	2.613.095,87
2. Financial liability	1.455.173,92	587.379,87
3. Customer advances	1.731.288,16	617.698,11
4. Trade payables	5.484.413,02	3.762.495,22
5. Other liabilities	543.626,69	1.182.102,16
Total of short-term liabilities	11.548.274,11	8.762.771,23
Total Liabilities	12.027.649,11	9.235.271,23
C. Balance Sheet Total	47.458.721,73	44.829.108,91

REINECKE + POHL SUN ENERGY AG
CONSOLIDATED INTERIM ACCOUNTS AS OF MARCH 31, 2006
PROFIT AND LOSS STATEMENT

	01.01.-31.03.2006	01.01.-31.03.2005
	EUR	EUR
1. Sales	11.119.453,65	0,00
2. Other operating income	212.076,89	0,00
3. Decrease in finished goods and work in progress	241.627,75	0,00
4. Cost of raw materials, supplies and merchandise	-9.509.142,27	0,00
5. Cost of purchased services	-573.393,71	0,00
6. Gross Profit or Loss	1.490.622,31	0,00
7. Personnel expenses	-724.015,32	0,00
8. Amortization and depreciation	-37.246,02	0,00
9. Other operating expenses	-886.249,89	-28.252,42
10. Earnings before Interest and Taxes (EBIT)	-156.888,92	-28.252,42
11. Interest and other similar income	11.203,53	0,00
12. Write-offs of long-term financial assets	0,00	0,00
13. Other Interest and similar expenses	-24.061,63	0,00
14. Investment- and Financial-Results	-12.858,10	0,00
15. Taxes on income	12.900,95	0,00
16. Other taxes	-5.918,99	0,00
17. Loss of period	-162.765,06	-28.252,42
Results per Share		
Basis 3.01 million Share with IAS 33 / previous year: 2,4 million	-0,04	-0,01

REINECKE + POHL SUN ENERGY AG
 CONSOLIDATED INTERIM ACCOUNTS AS OF MARCH 31, 2006
 CHANGE OF EQUITY

	Capital Stock EUR	Capital Reserve EUR	Retained earnings previous year EUR	accumulated Results EUR	Total EUR
I. Status as of December 31, 2005	4.650.000,00	28.195.483,19	2.748.354,49	0,00	35.593.837,68
1. Result of period				-162.765,06	-162.765,06
II. Status as of March 31, 2006	4.650.000,00	28.195.483,19	2.748.354,49	-162.765,06	35.431.072,62
I. Status as of December 31, 2004	2.400.000,00	0,00	-2.412.862,05	0,00	-12.862,05
1. Result of period				-28.252,42	-28.252,42
II. Status as of March 31, 2005	2.400.000,00	0,00	-2.412.862,05	-28.252,42	-41.114,47

REINECKE + POHL SUN ENERGY AG
CONSOLIDATED INTERIM ACCOUNTS AS OF MARCH 31, 2006
COMPANY EQUITY CASH FLOW STATEMENT

	01.01.-31.03.2006 EUR	01.01.-31.03.2005 EUR
Net Income for the period	-162.765,06	-28.252,42
+ Write-off on fixed assets	37.246,02	0,00
- Reduction of reserves	-279.323,55	0,00
- Increase of stock	-2.057.387,26	0,00
- Increase of trade receivables	423.028,97	0,00
- Increase of other fixed assets	-559.818,60	-3.938,02
- Increase of active deferred income	-89.786,28	0,00
+ Increase of short-term liabilities	2.203.907,38	32.190,44
Cash Flow from normal operational activities	-484.898,38	0,00
- Purchase of fixed intangible assets	-9.437,70	0,00
- Purchase of tangible assets	-97.472,11	0,00
+ Changes in financial assets items	10.267,55	0,00
Cash Flow from Investment Activities	-96.642,26	0,00
+ Increase of bank liabilities	867.794,05	0,00
Cash Flow from Financing Activities	867.794,05	0,00
Stock of cash and cash equivalents at beginning of period	4.224.889,60	17.786,78
+ Take over of stock of cash and cash equivalents from subsidiary companies	0,00	0,00
+ Alteration of the stock of cash and cash equivalents	286.253,41	0,00
= Stock of cash and cash equivalents at end of period	4.511.143,01	17.786,78



REINECKE + POHL SUN ENERGY AG, HAMBURG

EXPLANATORY NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT AS OF MARCH 31, 2006

ACCOUNTING PRINCIPLES

1. THE BASIC PRINCIPLES OF THE ITEMIZATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENT

As of March 31, 2006, the shortend Interim Consolidated Financial Statement (CFS) of Reinecke + Pohl Sun Energy AG in Hamburg (hereafter abbreviated as "RPSE AG" or in connection with the Group "RPSE group") has been adopted and publicized in congruence with the International Account Standard Board (IASB) and prepared pursuant to the International Financial Reporting Standards (IFRS) as well as its interpretation by the International Financial Reporting Interpretations Committee (IFRIC).

The statement in hand concerns a shortened interim CFS for the Period between January 1 and March 31, 2006, with comparative figures for the period between January 1 and December 31, 2005, respectively with comparative figures for the record date of the balance sheet on December 31, 2006.

The previous year's figures, as of March 31, 2005, concern the interim financial statement of the BK Grundbesitz & Beteiligungs AG in Munich. A corporate group did not exist at that point in time and in this respect, the Interim and Consolidated Financial Statements concurred. BK Grundbesitz & Beteiligungs AG are the same. In the Annual General Meeting on March 18, 2005, a Resolution of Continuance was decided upon for the company. Simultaneously, Reinecke + Pohl Sun Energy was re-named and the company's headquarters relocated to Hamburg.

The statement at hand excludes certain explanatory notes required according to IFRS.

The consolidated accounts are outlined in accordance with maturities. The cost-categories-oriented form was chosen for the company profit and loss statement. The group reporting currency is the Euro (EUR). For the reason of simplification, thousand Euros are reported as TEUR.

2. PRINCIPALS OF BALANCE AND EVALUATION

Details concerning the individual reporting and evaluation principles of the Company shall be referred to in RPSE AG's publicized annual statement for the financial year of 2005, which is either available as a download at www.rpse.de or upon your written request to the above mentioned address. No alterations concerning the reporting and evaluation principles took place in the financial year of 2006.

3. BASIS AND PRINCIPLES OF CONSOLIDATION

In the interim CFS as of March 31, 2006, all companies are included, of which RPSE AG has the direct or indirect majority of votes. The companies have been included in the CFS in the period where RPSE AG achieved the possibility of control. From the company's point of view, the subsidiary companies are of minor significance and will be balanced as financial instruments in accordance with IAS 39.

Besides the parent company RPSE AG, the following subsidiary companies have been included in the interim CFS as of March 31, 2005, in the course of the full consolidation:

	Share %
Reinecke + Pohl Solare Energien GmbH in Hamburg	100
Nastro-Umwelttechnik GmbH in Meppen	100
Maaß Regenerative Energien GmbH in Wesel	100

In addition, the wholly owned subsidiary companies Reinecke + Pohl Sun Energy LLC in Portland/OR, USA, and Reinecke + Pohl Sun Energy España S.L. in Madrid, Spain, and the contractually justified but under corporate law not yet legal holding of 30 percent of the capital share of Shanghai Prim-Sola Energy Technology Co. Ltd. in Shanghai, China, have been included neither as affiliated company in the Interim CFS nor in course of full consolidation, due to minor significance.

As of March 31, 2006, a 10 percent-share of BK Bau und Grund GmbH i.L. in Munich also exists. Due to the intended sale of the shares, which have already been completely written-off, the information is shown under long-term assets available-for-sale.

The Interim Statement of Accounts of the companies included in RPSE AG's CFS, shall be consolidated in accordance with the uniform company balance and evaluation methods. The balance sheet key date for all consolidated companies is the same, as the parent company's date.

Income and expenditure, receivables and payables, and reserves between the fully consolidated companies will be eliminated. Interim results from company internal trade payables, which have not been realized through sales to third parties, will be counted out, as long as they are not of minor significance.

EXPLANATION REPORT TO THE FINANCIAL STATEMENT

4. DEVELOPMENT OF THE LONG-TERM ASSETS

The development of the long-term assets can be seen according to the following assets analysis.

Acquisition and Manufacture Expenses

	Status Begin of fiscal year	Additions	Disposals	Status 03/31/06
	TEUR	TEUR	TEUR	TEUR
Goodwill	19.928	0	0	19.928
Other intangible assets	24	10	0	34
Factory and office equipment	364	97	-44	417
Investments	337	0	0	337
	20.653	107	-44	20.716

Write-Offs

	Status Begin of fiscal year	Additions	Disposals	Status 03/31/06	Book Value 03/31/06
	TEUR	TEUR	TEUR	TEUR	TEUR
Goodwill	0	0	0	0	19.928
Other intangible assets	4	2	0	6	28
Factory and office equipment	83	35	-35	83	334
Investments	130	0	0	130	207
	217	37	-35	219	20.497

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Compared to record date of previous year December 31, 2005 (19,928 TEUR), goodwill has not changed.

Upon the other intangible assets, which primarily concerned IT-Software, only scheduled write-offs took place.

6. TANGIBLE ASSETS

The tangible assets primarily concern motor vehicles, factory and office equipment and IT hardware. In the financial year 2006, only scheduled write-offs took place.

7. FINANCIAL ASSETS

The financial assets concern the following listed items:

	03/31/2006	12/31/2005
	TEUR	TEUR
Prim-Sola Energy Technology Co. Ltd., Shanghai, China	181	181
Reinecke Pohl Sun Energy España S.L., Madrid, Spanien	24	24
Reinecke + Pohl Sun Energy LLC, Portland, Oregon, USA	2	2
Total Financial Assets	207	207

Besides the company's financial assets concerning Maass Regenerative Energien GmbH's 30 per cent-share of the Shanghai Prim-Sola Energy Technology Co. Ltd., Shanghai, China (Prima-Sola), which is contractually justified, but under company law not yet effective, the investment (as of the balance sheet key date) of 100 per cent of Reinecke Pohl Sun Energy España SL, Madrid in Spain as well as Reinecke + Pohl Sun Energy LLC, Portland, in Oregon, USA, as shelf companies respectively new foundations, have proven no operative business in the fiscal year. These investments, in accordance with IAS 39, are entered in the balance sheet as long-term assets available-for-sale with the value to be settled according to the balance sheet key date. The investment in Shanghai Prim-Sola Energy Technology Co. Ltd. In Shanghai/China, was value-adjusted by 130 TEUR to the current value to be settled, since the closed contracts are not yet effective under company law. In comparison to the acquisition respectively foundation dates, no alterations of the current values to be settled have been made for the rest of the financial investments.

8. STOCK ASSETS

The unfinished goods, merchandise and work in process as well as finished goods and merchandise are concerned with those acquisition and manufacture costs valuated company stocks, which are primarily photo-voltaic modules and services connected to the projection.

9. TRADE RECEIVABLES

All receivables and other assets have maturity of up to one year. In the fiscal year 2006, no depreciations were carried out on the trade receivables.

10. FUTURE RECEIVABLES FROM PRODUCTION ORDERS

This item includes those realized profits resulting from the application of the partial profit realization for production orders less those customer advances that are included in this connection.

The significant factors that have an impact on the financial situation and position as well as the results situation (without deferred tax effects) from long-term production orders, can be seen from the following statement:

	03/31/2006 TEUR	12/31/2005 TEUR
Order income	2.335	16.587
Order expenses	-1.776	-12.795
Realized Profits	559	3.792
Balance of previously accrued manufacturing costs less received prepayments	506	-146
Future receivables from production orders arising during the financial year of 2006	1.065	0
less the arising trade receivables, which were designated as future receivables in the previous period	-492	0
Changes Future receivables from production orders	573	3.646
Opening balance	3.646	0
Future receivables from production orders on record date	4.219	3.646

11. MEDIUM OF EXCHANGE

The item includes the bank balances of 4.478 TEUR (December 31, 2006: 4.192 TEUR) and cash balance of 33 TEUR (December 31, 2006: 32 TEUR).

12. OTHER ASSETS

Other assets all have maturity of up to one year and are comprised as follows:

	03/31/2006	12/31/2005
	TEUR	TEUR
Short-term liabilities	415	282
Demands for value added tax	220	22
Active deferred income	189	99
Demands for tax on profit	126	32
Remaining	240	106
	1.190	541

13. EQUITY

The separately presented equity development can be seen in the in the equity change calculation:

The company's subscribed capital (authorized capital), as of the company's balance sheet key date, amounts to 4,650 TEUR (previous year 4.650 TEUR) and is divided amongst 4,650,000 no par shares. The stock concerns bearer shares.

14. LONG-TERM LIABILITIES

The company acquisition information shown concerns the long-term liabilities in full (discounted remainder purchase price liabilities) with maturity of more than one year.

15. RESERVES

The stated reserves concern the provision for taxation of 1.487 TEUR (previous year 1.599 TEUR) and other reserves of 847 TEUR (previous year 1.014 TEUR).

All other reserves have maturities of up to one year, comprised as follows:

	03/31/2006	12/31/2005
	TEUR	TEUR
Advising and Consulting costs security brochure	200	200
Redundancy payments	0	197
Guarantees	205	169
Outstanding invoices	138	108
Costs for financial statements and auditing	73	105
Vacation not taken	48	70
Emoluments	63	59
Legal and consultancy expenses	10	33
Others	110	73
	847	1.014

16. FINANCIAL LIABILITIES

All financial liabilities (liabilities towards credit institutes) have maturities of up to one year. Liabilities with maturity of up to one year are presented as short-term liabilities.

The liabilities toward credit-institutes concern current accounts and are not secured.

17. RECEIVED CUSTOMER ADVANCES

Effectuated customer advances on orders that are not connected to production orders, up to the balance sheet key date are listed under this item.

18. TRADE PAYABLES AND OTHER LIABILITIES

All trade payables and other short-term liabilities have maturities from up to one year.

19. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

No contingent liabilities exist as of the company balance sheet key date (previous year 0 TEUR).

Other financial obligations exist in the form, amongst other things, of module supply contracts with maturities of up to one year of 39,6 million (December 31, 2005 42,613 TEUR) and with maturities of more than one and up to five years at 297 million (December 31, 2005: 238 TEUR).

EXPLANATIONS CONCERNING THE PROFITS AND LOSSES STATEMENT

20. SALES PROFITS

Concerning the composition of the sales profits, we refer to the company's segment reporting.

21. OTHER OPERATIONAL INCOME

Other operational incomes are comprised in the primary position as follows:

	03/31/2006 TEUR	03/31/2005 TEUR
Cost transfers	96	0
Yields from the dissolution of reserves	70	0
Account of benefits in kind	22	0
Others	24	0
	212	0

22. PERSONNEL EXPENDITURES

The personnel expenditures are subdivided as follows:

	03/31/2006 TEUR	03/31/2005 TEUR
Wages and salaries	619	0
Social contributions and expenditures for retirement pension plans	105	0
	724	0

23. WRITE OFFS

The fiscal year's write offs account to the scheduled write offs on other intangible assets and tangible assets.

24. OTHER OPERATIONAL EXPENDITURES

Other operational expenditures are comprised within the primary items as follows:

	03/31/2006	03/31/2005
	TEUR	TEUR
Legal-, consultancy- and examination expenses	103	9
Advertising and traveling expenses	158	6
Distribution costs	182	0
Space costs	47	0
Motor vehicle expenses	86	0
IT-expenses	55	0
Others	191	13
Incidental bank charges	64	0
	886	28

The expenses of 107 TEUR for the auditor are included in the legal-, consultancy- and examination expenses. Of these, 88 TEUR are to the account of audits as well as 19 TEUR to other service performances through the auditor.

25. RESULTS PER SHARE

The results per share are calculated by the division of the company interim results by the weighted number of issued shares. The undiluted result per share in accordance with IAS 33 is presented as follows:

	03/31/2006	03/31/2005
Company result (in EUR)	162.765,06	-28.252,42
Weighted number of shares (in pieces)	4.650.000	2.400.000
Result per share (in EUR)	-0,4	-0,01

EXPLANATION REPORT TO THE SEGMENT REPORTING

The segment report of the RPSE group follows internal controlling and reporting. Therefore, the company is subdivided into the "Projects" and "Trade" segments.

The "Projects" segment includes the activities as a system provider of photovoltaic facilities as well as project developer. As a system provider, the RPSE group plans, delivers, and installs large-scale photovoltaic facilities, particularly on commercial, public, or agricultural rooftops. The segment has been allocated to the business activities of Reinecke + Pohl Solare Energien GmbH and Nastro-Umwelttechnik GmbH.

The company's purchasing and sales businesses of photovoltaic modules as well as photovoltaic components are represented in the "Trade" segment. These activities are particularly carried out by Maass Regenerative Energien GmbH. Nastro-Umwelttechnik GmbH is also active in the trade of photovoltaic modules and components, whereas this company is allocated to the segment of "Projects", due to its internal controlling and reporting.

The segment reporting for the first three months until March 31, 2006 is presented in the following table. We abstain from stating the previous year's figures, since the company was economically newly founded at the beginning of the fiscal year. Under the aspects of materiality, no subdivision to primary and secondary segments shall take place. The secondary segment (geographical region) is currently of minor significance. The net sales are almost exclusively achieved on the home market.

	Segment Projects TEUR	Segment Trade TEUR	Transition TEUR	Company TEUR
External sales	7.710	3.407	2	11.119
Intercompany sales	25	1.167	2	1.313
Net sales	7.735	4.574	123	12.432
Segment Results	-131	-97	65	-163
- thereof interest payable	-105	-67	148	-24
- thereof interest earned	1	2	8	11
- thereof write offs	-19	-15	-3	-37
Segment Assets	20.459	10.804	16.196	47.459
Segment Liabilities	18.410	10.367	-16.749	12.028
Segment Investments	66	31	10	107

The column "Transition" includes intercompany transactions, holding expenditures as well as non-considerable tax on profit items in accordance with IAS 14. The segment result is the result stated before profit on taxes.

OTHER INFORMATION

26. PERSONNEL STATUS

As of March 31, 2006, 56 employees (December 31, 2005: 0) were on the company's payroll.

27. EXECUTIVE AND SUPERVISORY BOARDS

In the financial year 2006, no changes in the formation of the executive and supervisory bodies took place.

FINANCIAL CALENDAR

End of August 2006	Quarterly Report for the Second Quarter of 2006
End of November 2006	Quarterly Report for the Third Quarter of 2006

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This report is available as a download on our website in both the German and English languages. Further copies as well as additional information about Reinecke + Pohl Sun Energy AG can be sent to you upon request. Should you be interested, we would be more than pleased to add you to our shareholders distribution list, which ensures the regular receipt of our updated news via email.

DISCLAIMER

The report in hand includes future directive statements, based on the beliefs of the Executive Board of Reinecke + Pohl Sun Energy AG and reflects their actual assumptions and estimates. These forward-looking statements are subject to risks and uncertainties. The unpredictability of factors presented could result in different actual performance and results of Reinecke + Pohl Sun Energy AG. Possible causes could include, amongst other things, the non-acceptance of newly introduced products or services, changes in the general economic or business situation, shortfall of efficiency or expenditure reduction targets or an alteration of the business strategy.

The Executive Board is confident, that the expectations of these projected statements are sound and realistic. Should however, the aforementioned or any other unexpected conditions arise, Reinecke + Pohl Sun Energy AG cannot guarantee that the expressed forecasts will be proven correct.

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