



INTERIM REPORT Q3/2011

SFC
ENERGY

SFC ENERGY AG CONSOLIDATED KEY FIGURES

	in k €					
	01/01 – 09/30/2011	01/01 – 09/30/2010	Change in %	Q3 2011	Q3 2010	Change in %
Total sales	10,503	8,865	18.5%	2,727	2,287	19.2%
Product sales total	8,881	8,217	8.1%	2,261	2,051	10.2%
Sales share of products	84.5%	92.7%	–	82.9%	89.7%	–
Gross margin total	3,522	2,453	43.6%	1,084	477	> 100%
Gross margin	33.5%	27.7%	–	39.7%	20.9%	–
EBITDA	–3,026	–3,395	10.9%	–1,450	–1,765	17.8%
EBITDA margin	–28.8%	–38.3%	–	–53.2%	–77.2%	–
EBIT	–4,013	–4,138	3.0%	–1,810	–2,032	10.9%
EBIT margin	–38.2%	–46.7%	–	–66.4%	–88.9%	–
Net loss	–3,724	–3,849	3.2%	–1,711	–1,944	12.0%
Net loss per share, diluted	–0.52	–0.54	3.7%	–0.24	–0.27	11.1%
	09/30/2011	12/31/2010	Change in %	–	–	–
Equity	37,978	41,721	–9.0%	–	–	–
Equity ratio	87.9%	90.1%	–	–	–	–
Balance sheet total	43,202	46,312	–6.7%	–	–	–
Cash (freely available)	28,459	33,560	–15.2%	–	–	–
	09/30/2011	09/30/2010	Change in %	–	–	–
Permanent employees	101	97	4.1%	–	–	–

DIRECTORS' SHAREHOLDINGS

	09/30/2011
Management Board	
Dr Peter Podesser	206,800
Gerhard Inninger	0
Supervisory Board	
Dr Rolf Bartke	0
David Morgan	4,000
Dr Jens T. Müller	50,000

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INTRODUCTION BY THE MANAGEMENT BOARD

DEAR CUSTOMERS, SHAREHOLDERS, EMPLOYEES AND FRIENDS OF SFC ENERGY AG,

In the third quarter of 2011 we took important steps in our strategic orientation as a systems provider. One significant milestone was reached after the close of the reporting period with the signature of an agreement to buy PBF Group (PBF), a Dutch company with international operations specializing in higher level power management solutions and switched mode power supplies.

Total energy supply solutions that customers can integrate into their existing applications in just a few easy steps and then simply turn on are the key to our Company's sustained economic success. The demand for these solutions is increasingly rapidly; the need for mobile, off-grid and grid-based electrical and electronic devices is growing rapidly. Users of these devices expect a reliable power source – anytime, anywhere. They also expect solutions that eliminate the constant stream of costly service visits and do not take a long time to charge. Our entire business model is geared towards meeting exactly this demand.

Several of our products already embrace this model. The overall sales growth of nearly 19% in the first nine months of 2011 confirms the appeal of our products in their respective applications.

Sales in the industry markets, for example, were up 41% from January to September 2011, a clear sign that the EFOY Pro systems are garnering ever greater attention from the operators of off-grid applications. For them, SFC's autonomous, plug-and-play power solutions offer decisive advantages compared to alternatives like batteries.

Sales in leisure applications decreased by about 18% in the first nine months of the year; due to the intended stock level reduction at dealers, to prepare for the launch of the new EFOY COMFORT series. This new, lower-cost fuel cell generation, which we presented to end consumers at Europe's major leisure industry trade shows in autumn, offers private consumers a choice of three performance classes that are even more aligned to their specific needs. The EFOY COMFORT series is even more quiet, more efficient, and easier to use than its predecessors. In September, the innovative technology of the EFOY COMFORT won the f-cell bronze award in the "2011 Fuel Cell Innovation Prize" competition.

Sales in the defense market climbed about 113% in the first nine months of 2011. This increase was, amongst others, driven by the success of the EMILY fuel cell, which is designed for use in vehicle-based applications. The EMILY system automatically recharges the batteries on board of military vehicles, with no noise and no thermal signature, and also functions as a charging station for soldiers in the field. Thus, the system offers longer deployments, and at the same time, significantly reduced costs as well as reduced logistics effort.

Although having received our first development contract in the area of e-mobility, we decided to make further development work dependent on concrete commitments from the automotive industry. The decision to put this project on hold is one of the measures we have implemented throughout the entire organization in order to focus our business power supply solutions for three markets where SFC solutions give customers true added value: industry, leisure, defense & security. Projects that do not contribute to these core areas will be discontinued.

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Unfortunately, these efforts to concentrate on our core businesses and related cost-saving measures go along with headcount reductions of about 15%. The point of all these steps is helping SFC to become profitable as soon as possible.

In this context, acquiring the Dutch PBF group is an important step in SFC's strategic orientation as a systems provider and offers considerable growth potential to SFC as well as to PBF by increasing both companies' presence in existing markets, such as industrial applications, security, and defense, as well as extending the customer base into new markets, such as medical equipment. In the future 60 percent of the turnover is planned to be generated in industrial applications. This will significantly reduce SFC's dependence on seasonal fluctuations in the leisure business and on the defense segment's traditionally low predictability. Major potential for increased efficiency will result from development, production, and supply chain synergies.

For the current fiscal year SFC continues to expect organic sales growth of approximately the same as last year's level, and a total turnover between EUR 15 to 16 million – assuming the consolidation of PBF starts with effect from December 1, 2011. However, as already announced, 2011 earnings will be negatively influenced by several one-off items amounting to approximately EUR 1.2 million. These mainly derive from the PBF acquisition as well as from a number of recently initiated restructuring measures. In addition, management intends to execute further restructuring and cost cutting measures during the remainder of 2011 which could give rise to further negative one-off effects of similar magnitude. Nevertheless, after adjusting for those special and one-off effects, the Company expects a significant improvement in underlying results from operating activities in 2011 when compared to the previous year. As a result of the acquisition of PBF and of the benefit of the restructuring initiatives the group is expecting to achieve break-even in the second half of 2012.

To you, esteemed shareholders and friends of SFC, we owe our sincere thanks for your continued support. Please stay with us on our exciting journey to an environmentally responsible future with sustainable power generation solutions.

Sincerely,



Dr. Peter Podesser
CEO



Gerhard Inninger
CFO

INTERIM GROUP MANAGEMENT REPORT JANUARY 1 – SEPTEMBER 30, 2011

1. REPORT ON EARNINGS AND FINANCIAL POSITION

Earnings position

In the first three quarters of 2011, SFC generated an 18.5% increase in sales compared with the same period a year ago. Sales rose to € 10,503k in the period under review, following € 8,865k in the first nine months of 2010. The share of sales attributable to products decreased to 84.5%, compared with 92.7% a year earlier, while the share generated under joint development agreements (JDAs) increased accordingly.

Sales in the third quarter of 2011 rose by 19.2% to € 2,727k (Q3 2010: € 2,287k).

Sales by segment

The sales growth in the first nine months of the year is predominantly due to higher revenues in the defense and industry markets, where sales of A-Series fuel cell systems, Power Managers and under JDAs all increased.

SALES BY SEGMENT (UNAUDITED)	in k €					
	January to September			3rd Quarter		
	2011	2010	Change in %	2011	2010	Change in %
A-Series	7,394	7,045	5.0%	1,995	1,427	39.8%
C-Series	235	389	-39.6%	2	306	-99.3%
Power Manager	493	153	>100%	65	115	-43.5%
JDA	1,622	648	>100%	467	236	97.9%
Other	759	630	20.5%	198	203	-2.5%
Total	10,503	8,865	18.5%	2,727	2,287	19.2%

Sales in the A-Series segment climbed 5.0% to € 7,394k in the first nine months of 2011, compared with € 7,045k the year before. A-Series sales in the industry and mobility markets were up by a total of € 779k, or 43.1%. In the defense market, sales of A-Series fuel cell systems rose by € 517k to € 817k, largely because of an increase in the number of EMILY fuel cells delivered, up from 10 to 47. Segment sales in the leisure market, by contrast, were down € 947k, or 19.2%, primarily because of SFC's efforts to reduce inventory. One purpose of the inventory reduction was to prepare for the market launch of the new product generation EFOY COMFORT, which was successfully introduced at the end of the second quarter of 2011. Unit sales of A-Series fuel cell systems dropped from 2,858 to 2,317 compared with the prior-year period, which represents a decrease of 18.9%. The fact that sales revenue increased by 5.0% is largely attributable to the higher portion of units sold in the defense and industry markets, the market launch of EFOY COMFORT, which is less costly to manufacture, and lower discounts in the leisure market. Third-quarter sales in the A-Series segment rose 39.8% to € 1,995k (Q3 2010: € 1,427k), while the number of fuel cell systems delivered dropped from 499 to 477, for a decrease of 4.4%.

Sales in the C-Series segment decreased from € 389k in the first nine months of 2010 to € 235k in the first nine months of 2011. The number of C-Series systems (JENNY) delivered dropped from 19 to 18. Third-quarter sales in this segment, at € 2k (Q3 2010: € 306k), were down sharply.

Revenues from the sale of Power Managers rose from € 153k to € 493k in the first nine months of the year, while the number of Power Managers delivered fell from 27 to 15. A significant amount of revenue was generated in the first three quarters of 2011 from the sale of cables for Power Managers. Third-quarter sales of Power Managers fell from € 115k to € 65k.

Sales in the JDA segment rose to € 1,622k in the first three quarters of 2011 (9M 2010: € 648k). Sales were generated with three defense organizations in the United States and with the German Bundeswehr in the period under review, whereas there had been only one development program in the United States in the previous year. Third-quarter sales in the segment nearly doubled, from € 236k to € 467k.

Sales in the Other segment increased 20.5% to € 759k in the reporting period (9M 2010: € 630k) chiefly because of a € 93k, or 20.7%, increase in revenue from the sale of fuel cartridges. The segment's third-quarter sales were slightly down from a year earlier at € 198k (Q3 2010: € 203k).

Sales by region

SALES BY REGION (UNAUDITED)						in k €
	January to September			3rd Quarter		
	2011	2010	Change in %	2011	2010	Change in %
Europe (excluding Germany)	3,976	4,982	-20.2%	851	895	-4.9%
Germany	3,123	2,668	17.1%	997	988	0.9%
North America	2,660	985	>100%	701	356	96.9%
Asia	496	147	>100%	162	48	>100%
Rest of world	248	83	>100%	16	0	>100%
Total	10,503	8,865	18.5%	2,727	2,287	19.2%

Sales declined by 20.2% in the key market of Europe predominantly because of the decrease in A-Series sales in the leisure market, as discussed earlier.

The growth in Germany was driven by a significant € 587k increase in sales to the defense market.

The share of sales SFC generated in its home market of Germany stood at 29.7% in the first nine months of 2011, following 30.1% the previous year. The share of international sales in total sales rose accordingly to 70.3% (9M 2010: 69.9%).

The sales growth in North America stemmed mainly from the positive course of business in the defense market, where JDA sales gained € 969k, Power Manager sales € 181k and A-Series sales € 181k. A-Series sales in the region's industry market were also higher, and the first-ever sales in Canada's leisure market were made.

In Asia, the first industrial projects were realized.

SFC itself is not actively marketing its products in any other parts of the world at this time.

Gross margin

The gross margin in the first three quarters of 2011 climbed 43.6% to €3,522k, following €2,453k the year before. This was primarily due to the revenue effects already mentioned as well as cost savings with the EFOY COMFORT fuel cell. The gross margin for the A-Series rose by €780k, giving a gross margin percentage of 37.4% for the segment (9M 2010: 28.2%). As a result, the gross margin percentage on total sales for the first nine months of 2011 climbed to 33.5% (9M 2010: 27.7%). The gross margin for the third quarter increased from €477k to €1,084k, powered by a €676k increase in third-quarter gross margin for the A-Series. One of the major contributors to the significant increase in the gross margin for the A-Series, up from 15.4% to 44.9% when expressed as a percentage, was the delivery of 37 EMILY fuel cell systems in the defense market. The third-quarter gross margin percentage on total sales rose to 39.7% (Q3 2010: 20.9%).

Sales costs

Sales costs increased 1.8% to €3,689k in the first nine months of 2011 (9M 2010: €3,624), largely because of higher allowances for doubtful accounts in the amount of €151k. Third-quarter sales costs were up 6.0% at €1,335k (Q3 2010: €1,260k).

Research and development costs

Research and development costs went from €1,391k to €1,353k in the first nine months of 2011, for a decrease of 2.7%. Development costs in the amount of €255k (9M 2010: €844k) and proprietary patents in the amount of €8k (9M 2010: €24k) were capitalized in this period. Research and development costs in the third quarter receded 3.0% to €492k (Q3 2010: €507k). It is important to note that development costs incurred as part of JDAs are reported as production costs of work performed to generate sales, and that any subsidies received for government-sponsored development projects are offset against development costs. Adjusted for these two effects and adding back in the capitalized development costs and patents, true research and development expenditures in the first nine months of 2011 totaled €3,557k, which represents an increase of 3.2% from the previous year's €3,447k.

General administration costs

General administration costs increased by 20.1% to €1,956k in the first three quarters of 2011 (9M 2010: €1,629k), predominantly because of higher audit and consulting fees, which were up €115k, and higher personnel expenses, which were up €239k. Third-quarter general administration costs rose 13.8% to €626k (Q3 2010: €550k).

Other operating income

Other operating income dropped to €169k in the first nine months of 2011, against €301k in the year-earlier period, primarily due to the income recognized last year from the measurement of platinum forwards. In the third quarter, other operating income increase from €18k to €150k chiefly because of higher income from exchange rate differences.

Other operating expenses

Other operating expenses increased from €248k to €342k, or 37.9%, in the first nine months of 2011. The main reasons for this were the €166k in legal and consulting fees incurred in the third quarter in connection with the acquisition of the stake in P&E Interholding B.V., Almelo, Netherlands (see “Significant events after the balance sheet date”). In the third quarter, other operating expenses were on a par with the previous year at €226k (Q3 2010: €210k).

Restructuring expenses

SFC incurred €364k in expenses in the third quarter in conjunction with a restructuring program aimed at boosting the Company’s efficiency and earnings as well as the strategic decision to focus on SFC’s core business areas. Reported as part of the operating result, these expenses, the Company’s first such expenses ever, consisted almost entirely of payments related to layoffs.

Operating result (EBIT)

EBIT improved from minus €4,138k to minus €4,013k in the first three quarters of 2011. The EBIT margin rose to minus 38.2%, following minus 46.7% the year before. Third-quarter EBIT improved to minus €1,810k, compared with minus €2,032k in the third quarter of 2010.

Interest and similar income

Interest and similar income increased from €311k in the first nine months of 2010 to €316k in the first nine months of 2011, or 1.6%. The lower volume of cash and cash equivalents was offset by higher interest rates. In the third quarter, interest and similar income rose 22.7% to €108k (Q3 2010: €88k).

Net loss

The net loss narrowed to €3,724k in the first nine months of 2011, against a net loss of €3,849k the year before. For the third quarter, it narrowed from €1,944k to €1,711k.

Earnings per share

Earnings per share under IFRS (diluted) were minus €0.52 in the first nine months and thus slightly better than the year-earlier figure of minus €0.54. Third-quarter earnings per share improved from minus €0.27 to minus €0.24.

Financial position

Net cash outflows decreased to €5,101k in the first nine months of 2011, following €5,807k in the same period a year ago. In the third quarter, there were net inflows in the amount of €67k, versus net outflows of €1,685k for the third quarter of the previous year.

Cash and cash equivalents amounted to €28,459k at the end of September 2011 (end of September 2010: €34,734k).

Cash flow from ordinary operations

The net cash used in ordinary operations increased to €4,749k in the first nine months of 2011, versus €3,766k a year ago. The main reason for this increase was the shift in the way platinum prices are hedged and the related expenditure of €1,222k on platinum and ruthenium in the first nine months of the year. In addition, payments for government-sponsored projects were delayed because of administrative bottlenecks at the responsible agencies, and therefore, the related receivables increased by €727k in the first three quarters of 2011.

Cash flow from investment activity

Net cash used for investment activity totaled €352k in the period under review (9M 2010: €2,042k). In addition to there being a €925k decrease in capital expenditures in the first nine months of 2011, the previous year's figure reflected the pledge of €570k in bank balances as a security deposit for the new production, development and administration building. As contractually agreed, this security deposit was reduced by €285k in the third quarter of 2011.

Assets & liabilities

The Group's balance sheet remains healthy, with an equity ratio of 87.9% (December 31, 2010: 90.1%).

Total assets were down 6.7% at the end of the period, decreasing from €46,312k as of December 31, 2010 to €43,202k as of September 30, 2011.

Inventories rose from €1,937k as of December 31, 2010 to €3,327k as of September 30, 2011 largely because of the purchase of platinum and ruthenium mentioned earlier.

The increase in other short-term assets and receivables from €1,280k at December 31, 2010 to €2,079k at September 30, 2011 is mainly due to the higher receivables from development project grants, as discussed above.

The share of non-current assets in total assets rose to 14.1% as of September 30, 2011, compared with 13.3% as of December 31, 2010.

Among current liabilities, other short-term liabilities climbed to €1,629k as of September 30, 2011 (December 31, 2010: €1,243k), mainly on account of the restructuring liabilities formed in the third quarter of 2011.

Altogether, liabilities made up 12.1% of total liabilities and shareholders' equity (December 31, 2010: 9.9%).

With the net loss for the period, shareholders' equity decreased to €37,978k at September 30, 2011, against €41,721k at December 31, 2010.

Research and development

The focus of our research and development activities was as follows in the period under review:

- Reduce unit costs through technological innovations, particularly for our fuel cell stacks, which represent the technical core of fuel cell systems and also account for a very large portion of the systems' production costs. Here we continued our efforts to systematically increase power density and reduce degradation while cutting back on the amount of material used and thus improve margins.
- Significantly enhance product functionality; develop new products (e.g., higher performance, new market-specific features) in order to tap fresh areas of application in addition to the markets already addressed.
- Significantly improve the reliability, robustness and durability of devices developed for the industry market even under challenging conditions, in order to make the products more attractive and build on SFC's technological edge.
- Miniaturize the products and simultaneously increase performance in order to successfully tap markets, such as the defense industry, with demanding specifications for portable energy sources.
- On top of these focal points, we placed greater emphasis on the development of total energy supply solutions, typically consisting of a fuel cell system, hybrid battery, power management and accessories – and even solar cells in some cases – in order to better meet customer requirements, especially in the defense, industry and mobility markets.

Capital expenditures

In the first nine months of 2011 we capitalized €255k in development work directed at enhancing our fuel cell systems (9M 2010: €844k). The investments in other intangible assets relate primarily to SFC Energy Inc.'s acquisition of a non-exclusive license to a comprehensive portfolio of American fuel cell patents from the University of Southern California and the California Institute of Technology. We also invested in software and hardware for expanding our cloud infrastructure, in a CAQ software program, and in injection molding equipment for achieving further cost savings.

New orders and order backlog

The volume of new orders increased 13.8%, from €7,474k in the first three quarters of 2010 to €8,508k, which was satisfactory given the reduction in inventory in the leisure market. The increase is attributable to a €1,833k increase in orders for the A-Series. For the third quarter, SFC reported a decline in new orders, which were down 26.0% to €2,307k (Q3 2010: €3,117k).

Altogether, the order backlog stood at €1,155k as of September 30, 2011, for a decrease of 42.9% from the prior year (€2,021k).

Employees

Gerhard Inninger, the new CFO of SFC, joined the Management Board in the middle of the third quarter.

As of September 30, 2011, the Company employed the following permanent personnel:

EMPLOYEES			
	09/30/2011	09/30/2010	Change
Management Board	2	2	0
Research and development	28	27	1
Production, logistics, quality management	26	26	0
Sales & Marketing	32	30	2
Administration	13	12	1
Permanent employees	101	97	4

SFC employed 9 trainees, graduates and student trainees as of September 30, 2011 (September 30, 2010: 12).

The number of permanent employees as of September 30, 2011 was slightly above the previous year's level at 101 (September 30, 2010: 97).

The number of employees will decrease by around 15% at the beginning of next year as a result of the restructuring measures mentioned and headcount reductions.

2. REPORT ON RISKS AND OPPORTUNITIES

As part of a systematic and organizational approach to risk, the Management Board has implemented a comprehensive risk management system that defines, systematically uses and continues to develop suitable instruments for identifying, analyzing and measuring risks and determining the appropriate course of action.

We believe that the material risks and opportunities for the Group have not changed since the publication of our 2010 annual report and 2011 half-year report, with the following exceptions.

Market Risks

Macroeconomic developments

The economic climate cooled considerably in Europe and elsewhere around the world. Soft international trade, ongoing problems in many countries' labor markets, growing doubts about solving the debt crises in Europe and the US, as well as weak consumer and business confidence, took their toll on economic growth throughout the globe. The German economy remained strong in the third quarter of 2011, but the Federal Ministry of Economics and Technology¹ expects the increasing risks from the European and global economic realms to curb the upturn.

¹ Data: Federal Ministry of Economics and Technology, "Die wirtschaftliche Lage in Deutschland im Oktober 2011," October 11, 2011

Leisure

After prospects were raised in the first half of 2011 that the original forecasts for the full year could be exceeded by wide margins, the CIVD, Germany's national caravanning association, has since reported far lower expectations for the leisure market as a result of the overall economic trend. Clear growth is now expected only in countries like Norway, Sweden, Germany and Switzerland. The sentiment in England, France and Italy, by contrast, has deteriorated. On the whole, the European Caravanning Federation (ECF) is much less optimistic today than in the first six months about the development of the leisure market in the second half of the year. At roughly 154,500, it expects the number of registrations for all of 2011 to come in only slightly above the previous year.

Mobility

Despite receiving our first development contract in the area of e-mobility, we have decided to make further development work dependent on concrete commitments from the automotive industry. As before, this market is merely in the development stages at this point and is not expected to make any direct economic impact yet.

Other Risks

In August 2011, a former distributor in Canada filed suit against SFC for an alleged breach of a non-disclosure agreement. SFC believes that the claim, which is for one million Canadian dollars, is unfounded and without merit.

3. REPORT ON FORECASTS

For the current fiscal year SFC continues to expect organic sales growth similar to last year's level and total sales between € 15 and 16 million – assuming the consolidation of PBF starts with effect from December 1, 2011. However, 2011 earnings will – as already announced – be negatively influenced by several one-off items amounting to approximately € 1.2 million. These mainly derive from the PBF acquisition as well as from a number of recently initiated restructuring measures. In addition, management intends to execute further restructuring and cost-cutting measures during the remainder of 2011 which could give rise to further negative one-off effects of similar magnitude. Nevertheless, after adjusting for these one-off effects, the Company expects a significant improvement in underlying results from operating activities in 2011 when compared to the previous year. Partly as a result of the acquisition of PBF and of the benefit of the restructuring initiatives, the Group is expecting to achieve break-even in the second half of 2012.

4. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In October 2011, the Company signed a contract to acquire a 100% majority stake in P&E Interholding B.V., Almelo, Netherlands, as part of a share deal. P&E Interholding B.V. is the parent company of the PBF Group, a global enterprise that specializes in the development and production of custom designed solutions, such as switched mode network components, external transformer units, power cabinets and special coils. SFC's aim in pursuing the business combination is the development of complementary technology and products to serve as the basis for joint product business in the future as well as the leveraging of cross-selling potential to a shared customer base. The net purchase price amounts up to €9.35m and includes a cash component in the amount of €6m, an earn-out component of up to €1.35m in cash as well as 350,000 shares in SFC Energy AG. The earn-out component is tied to the achievement of certain targets in the 2012 and 2013 fiscal years; the earn-out payments are due in 2013 and 2014.

The Company is not aware of any other material events after the balance sheet date affecting the course of business.

Brunnthal, October 27, 2011



Dr. Peter Podesser
CEO



Gerhard Inninger
CFO

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The following Interim Report has been prepared in the German language. It has been translated for this Interim Report into English. In the event of questions of interpretation, the German version shall be authoritative.

INTERIM REPORT IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS AT SEPTEMBER 30, 2011

CONSOLIDATED INCOME STATEMENT FROM JANUARY 1, 2011 TO SEPTEMBER 30, 2011

		in €			
		9 Months 2011 01/01–09/30	9 Months 2010 01/01–09/30	3rd Quarter 2011 07/01–09/30	3rd Quarter 2010 07/01–09/30
1.	Sales	10,503,158	8,865,456	2,727,324	2,286,901
2.	Production costs of work performed to generate sales	-6,981,435	-6,412,857	-1,643,768	-1,810,033
3.	Gross margin	3,521,723	2,452,599	1,083,556	476,868
4.	Sales costs	-3,688,518	-3,624,293	-1,334,691	-1,259,619
5.	Research and development costs	-1,353,124	-1,390,909	-491,554	-506,998
6.	General administration costs	-1,955,668	-1,628,816	-626,231	-550,393
7.	Other operating income	169,380	301,388	149,719	17,965
8.	Other operating expenses	-342,047	-247,987	-226,144	-209,710
9.	Restructuring Expenses	-364,393	0	-364,393	0
10.	Operating loss	-4,012,647	-4,138,018	-1,809,738	-2,031,887
11.	Interest and similar income	315,935	310,958	108,320	88,203
12.	Interest and similar expenses	-26,807	-21,769	-9,098	0
13.	Loss from ordinary operations	-3,723,519	-3,848,829	-1,710,516	-1,943,684
14.	Income taxes	0	0	0	0
15.	Net accumulated loss	-3,723,519	-3,848,829	-1,710,516	-1,943,684
EARNINGS PER SHARE					
	undiluted	-0.52	-0.54	-0.24	-0.27
	diluted	-0.52	-0.54	-0.24	-0.27

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM JANUARY 1, 2011 TO SEPTEMBER 30, 2011

	in €			
	9 Months 2011 01/01-09/30	9 Months 2010 01/01-09/30	3rd Quarter 2011 07/01-09/30	3rd Quarter 2010 07/01-09/30
Consolidated net loss for the period	-3,723,519	-3,848,829	-1,710,516	-1,943,684
Result from currency translations	-19,675	9,497	-30,135	109,983
Total results recognized directly in equity	-19,675	9,497	-30,135	109,983
Total comprehensive income for the period	-3,743,194	-3,839,332	-1,740,651	-1,833,701

The amounts are attributable in full to the shareholders of the parent.

There are no deferred tax effects resulting from changes in value directly recognized in equity.

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2011

ASSETS		in €	
		09/30/2011	12/31/2010
A.	Current assets	37,108,961	40,167,297
I.	Inventories	3,327,179	1,936,612
II.	Trade accounts receivable	2,313,203	2,713,062
III.	Receivables from Percentage-of-Completion	574,906	3,833
IV.	Income tax receivables	70,640	103,567
V.	Other short-term assets and receivables	2,079,372	1,280,052
VI.	Cash and cash equivalents	28,458,661	33,560,171
VII.	Cash and cash equivalents with limitation on disposal	285,000	570,000
B.	Non-current assets	6,093,377	6,145,106
I.	Intangible assets	2,926,437	2,946,698
II.	Property, plant and equipment	2,282,095	2,335,363
III.	Other long-term assets and receivables	34,900	66,540
IV.	Deferred tax assets	849,945	796,505
	Assets	43,202,338	46,312,403

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2011

LIABILITIES AND SHAREHOLDERS' EQUITY		in €	
	09/30/2011	12/31/2010	
A. Current liabilities	3,597,264	3,177,805	
I. Other provisions	710,333	547,265	
II. Liabilities from prepayments	3,164	3,583	
III. Trade accounts payable	1,254,348	1,384,029	
IV. Other short-term liabilities	1,629,419	1,242,928	
B. Non-current liabilities	1,626,859	1,413,189	
I. Other long-term provisions	648,566	500,865	
II. Other long-term liabilities	128,348	115,819	
III. Deferred tax liabilities	849,945	796,505	
C. Equity	37,978,215	41,721,409	
I. Subscribed capital	7,152,887	7,152,887	
II. Capital surplus	66,879,638	66,879,638	
III. Other changes in equity not effecting profit or loss	-23,303	-3,628	
IV. Accumulated loss brought forward from previous year	-32,307,488	-28,184,227	
V. Consolidated net loss	-3,723,519	-4,123,261	
Liabilities and shareholders' equity	43,202,338	46,312,403	

CONSOLIDATED CASH FLOW STATEMENT FROM JANUARY 1, 2011 TO SEPTEMBER 30, 2011

	in €	
	2011 01/01 – 09/30	2010 01/01 – 09/30
Cash flow from ordinary operations		
Result before taxes	-3,723,519	-3,848,829
- Net interest income	-289,128	-289,189
+ Depreciation/amortization of intangible assets and property, plant and equipment	986,388	743,123
+ Expenses from Long Term Incentive Plan	12,529	145,480
+/- Changes in allowances	126,425	-12,902
+ Losses from disposal of property, plant and equipment	1	6,464
- Profits from derivatives	0	-81,475
- Other expenses not affecting cash	-19,955	0
Changes to operating result before working capital	-2,907,259	-3,337,328
+ Changes to short and long-term provisions	283,900	98,234
+ Changes to trade accounts receivable	234,104	111,901
- Changes to inventories	-1,357,303	-773,229
- Changes to other assets and receivables ¹	-1,291,683	-122,326
- Changes to trade accounts payable	-130,016	-433,273
+ Changes to other liabilities	386,142	559,058
Cash flow from ordinary operations before taxes	-4,782,115	-3,896,963
+ Income tax refunds	32,927	131,387
Cash flow from ordinary operations	-4,749,188	-3,765,576

¹ Deferred charges and prepaid expenses were reported in a separate line item at September 30, 2010. At September 30, 2011, they were reported with other short-term assets and receivables. The previous year's figures have been restated accordingly.

CONSOLIDATED CASH FLOW STATEMENT FROM JANUARY 1, 2011 TO SEPTEMBER 30, 2011

	in €	
	2011 01/01 – 09/30	2010 01/01 – 09/30
Cash flow from investment activity		
- Investments in intangible assets from development projects	-254,600	-844,000
- Investments in other intangible assets	-339,041	-77,973
- Investments in property, plant and equipment	-311,126	-907,753
+ Deposit from the withdrawal of bank balances pledged	285,000	45,320
+ Interest and similar income	267,830	308,626
- Bank balances pledged	0	-570,000
+ Sale of fixed assets	0	4,225
Cash flow from investment activity	-351,937	-2,041,555
Cash flow from financial activity		
- Interest paid and other expenses	0	-207
Cash flow from financial activity	0	-207
Net change in cash and cash equivalents	-5,101,125	-5,807,338
Currency effects and other effects on cash and cash equivalents	-385	-2,329
Net change in cash and cash equivalents		
Cash and cash equivalents at beginning of period	33,560,171	40,543,600
Cash and cash equivalents at end of period	28,458,661	34,733,933
Net change in cash and cash equivalents	-5,101,125	-5,807,338

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1 TO SEPTEMBER 30, 2011

	Subscribed capital	Capital surplus	Other changes in equity not effecting profit or loss	Net accumulated loss	in € Total
Balance 01/01/2010	7,152,887	66,879,638	12,200	-28,184,227	45,860,498
Total comprehensive income for the period					
Consolidated net loss 01/01 - 09/30/2010				-3,848,829	-3,848,829
Result from currency translation recognized in equity			9,497		9,497
Balance 09/30/2010	7,152,887	66,879,638	21,697	-32,033,056	42,021,166
Total comprehensive income for the period					
Consolidated net loss 10/01 - 12/31/2010				-274,432	-274,432
Result from currency translation recognized in equity			-25,325		-25,325
Balance 12/31/2010	7,152,887	66,879,638	-3,628	-32,307,488	41,721,409
Total comprehensive income for the period					
Consolidated net loss 01/01 - 09/30/2011				-3,723,519	-3,723,519
Result from currency translation recognized in equity			-19,675		-19,675
Balance 09/30/2011	7,152,887	66,879,638	-23,303	-36,031,007	37,978,215

NOTES TO THE INTERIM REPORT OF SFC ENERGY AG

Information about the Company

SFC Energy AG (the “Company” or “SFC”) is a stock corporation domiciled in Germany. The Company’s registered office is at Eugen-Sänger-Ring 7, 85649 Brunnthal. The Company is registered in the Commercial Register of the Local Court of Munich under number HRB 144296. The principal activities of the Company and its subsidiary (the Group) are the development, production and marketing of energy supply systems and their components for off-grid applications, amongst others, on the basis of fuel cell technology.

Accounting principles

This interim report was prepared in accordance with International Financial Reporting Standards (IFRS), as they are to be applied in the European Union. The principal accounting policies used by the Company to prepare its consolidated financial statements for the financial year ended December 31, 2010 were also used to prepare the interim financial statements.

The quarterly financial statements of SFC Energy AG for the financial period January 1 to September 30, 2011 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as a set of condensed financial statements. These condensed financial statements do not contain all of the information required for a complete set of financial statements for a full financial year and should, therefore, be read in conjunction with the consolidated financial statements for the year ended December 31, 2010.

In addition to the standards and interpretations applied as at December 31, 2010, the following standards and interpretations were applicable for the first time, but had no impact on the consolidated financial statements:

- Revised IAS 24 “Related Party Disclosures”
- Amendments to IAS 32 “Financial Instruments: Presentation”
- Amendments from the “Annual Improvements Project” 2008-2010 (AIP)
- Amendments to IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

Also, as of the publication date of this interim report for the third quarter of 2011, the IASB had published the following new and revised standards, which have not yet been recognized by the European Commission:

Amendments to IAS 1 “Presentation of Financial Statements”: On June 16, 2011, the IASB published amendments to IAS 1 “Presentation of Items of Other Comprehensive Income.” In the future, changes in value recognized directly in equity must be broken down by line items that are recycled in subsequent periods in the income statement and line items that are not recycled. Entities are required to apply the amendments for annual periods beginning on or after July 1, 2012.

Amendments to IAS 19 “Employee Benefits”: On June 16, 2011, the IASB published amendments to IAS 19. These will have material effects on the recognition and measurement of expense for Defined Benefit Plans and of payments of Termination Benefits. Among other things, the current option of recognizing actuarial gains and losses immediately in profit or loss, in other comprehensive income or deferring such recognition using the “corridor method” has been eliminated. In the future, they will have to be recognized immediately in other comprehensive income. Entities are required to apply the amendments for annual periods beginning on or after January 1, 2013.

Revised IAS 27 “Separate Financial Statements”: As part of the five new and revised standards published on May 12, 2011, the title of IAS 27 “Consolidated and Separate Financial Statements” was changed to “Separate Financial Statements.” The revised IAS 27 now only contains rules on separate financial statements. The existing guidelines and explanatory notes for separate financial statements remained unchanged. The other parts of IAS 27 were replaced by IFRS 10 “Consolidated Financial Statements.”

Revised IAS 28 “Investments in Associates and Joint Ventures”: In the five new and revised standards published on May 12, 2011, IAS 28 “Investments in Associates” was also renamed and revised. Revised IAS 28 includes the changes resulting from the publication of IFRS 10, IFRS 11 and IFRS 12. Thus, for example, joint ventures that fall under the definition of the new standard IFRS 11 “Joint Arrangements” are to be accounted for using the equity method, in accordance with the revised IAS 28.

IFRS 10 “Consolidated Financial Statements”: On May 12, 2011, the IASB published the new standard IFRS 10. The standard replaces the guidelines on control and consolidation in IAS 27 “Consolidated and Separate Financial Statements” and SIC 12 “Consolidation – Special Purpose Entities.” The definition of “control” is amended by the new IFRS 10 to state that the same criteria are applied to all companies to determine a control relationship. The new standard is applicable to financial years beginning on or after January 1, 2013. Earlier application is permissible if all five new or revised standards are applied simultaneously.

IFRS 11 “Joint Arrangements”: On May 12, 2011, the IASB published the new standard IFRS 11. In the future, two joint arrangement situations are distinguished under IFRS 11: joint operations and joint ventures. The current option to choose the proportionate consolidation method of accounting for jointly controlled entities was eliminated. In the future, the equity method must be used. If a joint operation is involved, the assets, liabilities, income and expenses directly attributable to the participating company are recognized directly in the consolidated financial statements of that company. The new standard replaces IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers” and is applicable to annual periods beginning on or after January 1, 2013. Earlier application is permissible if all five new or revised standards published on May 12, 2011 are applied simultaneously.

IFRS 12 “Disclosure of Interests in Other Entities”: This new standard was published with the five new or revised standards on May 12, 2011. IFRS 12 establishes the required explanatory notes for companies that prepare their financial statements in accordance with the two new standards IFRS 10 “Consolidated Financial Statements” and IFRS 11 “Joint Arrangements.” The standard replaces the disclosure requirements currently contained in IAS 28 “Investments in Associates,” and IAS 27 is renamed “Separate Financial Statements.” Explanatory notes regarding subsidiaries, associates, joint arrangements and non-consolidated structured entities (special purpose entities) are now governed by IFRS 12. The new standard is applicable to annual periods beginning on or after January 1, 2013. Earlier application is permissible.

IFRS 13 “Fair Value Measurement”: On May 12, 2011, the IASB published the new standard IFRS 13. IFRS 13 describes how fair value is to be determined and expands the fair value disclosures required. The new standard does not contain any rules regarding the cases in which fair value is to be used. Through IFRS 13 the existing guidelines on fair value measurement in the individual IFRSs are replaced by a single standard. IFRS 13 applies to reporting periods beginning on or after January 1, 2013. Earlier application is permissible.

The Company does not expect any effects (or any material effects, as the case may be) from the application of the new and revised standards.

The interim report is presented in euros (€). Figures stated in this report are in euros (€) unless otherwise indicated. The consolidated income statement was prepared using the cost-of-sales method. The auditors have neither audited nor reviewed the interim financial statements.

Inventories

Inventories amounted to €3,327,179 as of the reporting date (December 31, 2010: €1,936,612). The essential reason for the increase was the change in the hedging strategy for platinum in the first quarter of 2011. Instead of entering into forward commodities transactions as in the past, the Company bought platinum and ruthenium directly from the suppliers of fuel cell components at the current price. The inventory of platinum and ruthenium amounted to €1,221,565 as of the reporting date (December 31, 2010: €0).

Forward commodities transactions

Because of the change in the hedging strategy described above, no forward commodities transactions for hedging the price risk of the platinum used in a key fuel cell component remained open as of the reporting date. In the previous year, the positive fair value of such transactions was shown under other short-term assets and receivables. The changes in value were recognized in the income statement under other operating income.

Receivables from percentage-of-completion

Since the volume of sales recognized on orders exceeded the prepayments received on those same orders in the first nine months of 2011, we had receivables from percentage-of-completion totaling €574,906 as of the reporting date, versus €3,833 as of December 31, 2010.

Other short-terms assets and receivables

The Company had other short-term assets and receivables of €2,079,372 as of the reporting date (December 31, 2010: €1,280,052). The increase is largely due to higher receivables from subsidies, which stood at €1,661,008 (December 31, 2010: €933,562).

Long-term incentive plan for Management Board members and top executives

The Supervisory Board adopted a long-term incentive plan (LTIP 2009-2011) for the members of the Management Board in March 2009 (Tranche 1). In July 2009 and July 2010, the Supervisory Board approved the participation of certain other top executives (Tranche 2). The purpose of the plan, which will last a total of 5 years, is to reward the Management Board members and these select top executives for their contributions to increasing the Company's shareholder value. The plan encompasses variable compensation in the form of phantom stock, or “pretend” stock, the value of each unit of which is based on the total value of a real SFC share. A phantom share

entitles its holder to a cash payment equal to the then-current share price plus any dividend per share. Participants are not entitled to receive actual SFC shares. In June 2011 the Supervisory Board approved the participation of new CFO Gerhard Inninger in the LTIP (Tranche 3).

The plan is divided into various sub-tranches with different performance periods, with each such period lasting three calendar years. The performance period for the first sub-tranche of Tranche 1 began January 1, 2009. The two remaining sub-tranches began exactly one and two years later, respectively. In the first half of 2011, two additional sub-tranches of Tranche 1 were authorized by the Supervisory Board in conjunction with the new Management Board contract. The performance period for the fourth sub-tranche of Tranche 1 begins on January 1, 2012, while the period for the fifth sub-tranche begins one year later. The performance period for the first sub-tranche of Tranche 2 also began January 1, 2009, while the second sub-tranche began exactly one year later. In June 2011 the Supervisory Board approved a third sub-tranche within Tranche 2 for top executives. The performance period for the third sub-tranche began on January 1, 2011. The performance period for the first sub-tranche of Tranche 3 will begin January 1, 2012. Similar to the policy applicable to Tranches 1 and 2, the two remaining sub-tranches of Tranche 3 will begin one and two years later, respectively.

At the beginning of each performance period, a preliminary value is assigned to the allotment by taking the volume allotted and dividing it by the weighted average market price of a share of SFC stock for the first three months of the respective performance period. The original allotment volume for each of the first and second sub-tranches of Tranche 1 was € 220,000 (with an outstanding allotment volume of € 120,000 each at September 30, 2011). The allotment volume for the third, fourth and fifth sub-tranches of Tranche 1 amounted to € 145,000 at September 30, 2011. The original allotment volume amounted to € 190,000 for the first sub-tranche of Tranche 2 (€ 155,000 at September 30, 2011), € 155,000 for the second sub-tranche of Tranche 2 (€ 155,000 at September 30, 2011) and € 155,000 for the third sub-tranche of Tranche 2 (€ 155,000 at September 30, 2011). Of the number of phantom shares initially allotted for Tranche 1, there were 19,634 remaining at September 30, 2011 for the first sub-tranche, 19,208 for the second sub-tranche and 30,278 for the third sub-tranche. The phantom shares remaining at September 30, 2011 from the initial allotments for Tranche 2 numbered 25,366 for the first sub-tranche, 24,813 for the second sub-tranche and 32,367 for the third sub-tranche. Payouts under the plan will be made after the end of the respective performance period and will correspond to the final number of phantom shares of that performance period multiplied by the average price of a share of SFC stock for the first three months after the respective performance period. The final number of phantom shares depends on the achievement of predefined EVA (economic value added) targets. If a participant's employment with the Company ends, there will be no allotment for any performance periods not yet begun. Unless a participant is terminated for cause, payouts under Tranche 1 and Tranche 3 of the plan for any performance period already commenced as of the respective participant's departure will be made on the basis of the number of phantom shares initially allotted at the beginning of the respective performance period and will reflect the portion of the performance period served. Pro rata payouts will be made under Tranche 2 unless SFC terminates the employment relationship without notice for cause or does so with notice for conduct-related reasons. Pro rata payouts are also excluded if the respective executive quits with notice.

The phantom shares awarded were classified and measured as cash-settled share-based payment transactions. The fair value of the liability to recognize because of the LTIP was determined for all of the sub-tranches using a Monte Carlo model. At September 30, 2011, a liability of € 128,348 was recognized under other liabilities (€ 128,348 thereof under other long-term liabilities) (December 31, 2010: € 190,447, with € 115,819 thereof under other long-term liabilities). The amount expensed for the period was € 12,529 (prior-year period: € 145,480). The following parameters were used in the measurement:

Measurement date	09/30/2011
Remaining term (in years)	0.25 – 5.25
Anticipated volatility	31.13% – 59.65%
Risk-free interest rate	0.25% – 1.28%
Share price as of the measurement date	€ 4.00

Sales costs

Our sales costs were as follows in the first nine months of 2011:

	in €	
	01/01 – 09/30/2011	01/01 – 09/30/2010
Personnel costs	1,806,115	1,810,232
Advertising and travel costs	833,774	768,757
Consultancy/commissions	314,800	399,037
Other	733,829	646,267
Total	3,688,518	3,624,293

Research and development costs

We capitalized € 254,600 in development work in the first nine months of 2011, versus € 844,000 the year before. The amortization of capitalized development costs amounted to € 513,086 (9M 2010: € 362,122).

The Company had intangible assets of € 2,926,437 as of the reporting date (December 31, 2010: € 2,946,698). In addition to the capitalization of development costs, the acquisition of a non-exclusive license by SFC Energy Inc. to a comprehensive portfolio of American fuel cell patents from the University of Southern California and the California Institute of Technology offset the amortization of capitalized development costs.

General administration costs

Our general administration costs were as follows in the first nine months of 2011:

	in €	
	01/01 – 09/30/2011	01/01 – 09/30/2010
Personnel costs	1,027,308	787,987
Audit and consultancy costs	318,126	202,772
Investor relations/annual meeting	154,556	124,383
Depreciation and amortization	105,183	79,021
Supervisory Board compensation	79,692	123,790
Insurance	75,905	66,716
Travel costs	68,488	110,505
Car-operating costs	42,131	30,435
Costs of hardware and software support	28,186	27,874
Other	264,408	232,640
Set-off against grants	-208,315	-157,307
Total	1,955,668	1,628,816

General administration costs were up from a year earlier predominantly because of higher personnel expenses as well as audit and consulting fees.

Restructuring expenses

SFC incurred € 364,393 in expenses in the third quarter in conjunction with a restructuring program aimed at boosting the Company's efficiency and earnings as well as the strategic decision to focus on SFC's core business areas. Reported as part of the operating result, these expenses, the Company's first such expenses ever, consisted almost entirely of payments related to layoffs. The remaining € 352,298 in current restructuring liabilities has been reported under other short-term liabilities.

Income taxes

As was the case in the consolidated financial statements as of and for the year ended December 31, 2010, deferred tax assets are recognized on tax loss carryforwards only in such an amount as can be offset against deferred tax liabilities, after subtraction of the other deferred taxes, since we cannot yet show with reasonable certainty that we will be able to draw a future economic benefit from these carryforwards.

Segment report

SFC's sales and results were as follows in the first nine months of 2011:

	Segment sales		Segment result		in €
	01/01–09/30/2011	01/01–09/30/2010	01/01–09/30/2011	01/01–09/30/2010	
A-Series	7,393,965	7,044,770	2,765,972	1,985,697	
C-Series	235,395	389,119	102,990	182,324	
JDA	1,622,286	648,291	549,661	225,767	
Power Manager	492,932	153,060	167,223	73,269	
Other	758,580	630,216	-64,123	-14,457	
Unallocated items	0	0	-7,245,242	-6,301,429	
Total	10,503,158	8,865,456	-3,723,519	-3,848,829	

The line item "unallocated items" captures consolidation effects as well as all of the amounts that cannot be assigned to any of the other segments.

Related party transactions

The Supervisory Board resolved on June 20, 2011 to appoint Gerhard Inninger as the Company's new CFO effective August 16, 2011. Other than Mr. Inninger's appointment, there have been no changes in the group of related parties since preparation of the consolidated financial statements for the year ended December 31, 2010. There were no significant related party transactions in the first nine months of 2011.

Employees

SFC employed the following personnel as of the reporting date:

	09/30/2011	09/30/2010
Full-time employees	95	91
Part-time employees	6	6
Total	101	97

Nine trainees, graduates and student trainees were also employed as of the end of September 2011 (September 30, 2011: 12).

Earnings per share

Earnings per share are calculated by dividing the net income for the year that is attributable to shareholders of the parent by the average number of shares in circulation. The number of shares outstanding, 7,152,887 at September 30, 2011, remained unchanged during the first nine months of 2011, as in the previous year. As during the prior-year period, there were no dilutive effects to be taken into account in determining the number of outstanding shares or any dilutive effects on SFC's earnings.

Material events after the balance sheet date

In October 2011, the Company signed a contract to acquire a 100% majority stake in P&E Interholding B.V., Almelo, Netherlands, as part of a share deal. P&E Interholding B.V. is the parent company of the PBF Group, a global enterprise that specializes in the development and production of custom designed solutions, such as switched mode network components, external transformer units, power cabinets and special coils. SFC's aim in pursuing the business combination is the development of complementary technology and products to serve as the basis for joint product business in the future as well as the leveraging of cross-selling potential to a shared customer base. The net purchase price amounts up to €9.35m and includes a cash component in the amount of €6m, an earn-out component of up to €1.35m in cash as well as 350,000 shares in SFC Energy AG. The earn-out component is tied to the achievement of certain targets in the 2012 and 2013 fiscal years; the earn-out payments are due in 2013 and 2014. The Company will begin the process of allocating the purchase price and of switching P&E Interholding B.V. to SFC's consolidated accounting standards (IFRS) at the end of October. Therefore, there was not enough time before publication of this interim report to determine the fair value of the acquired assets and liabilities, the goodwill resulting from the transaction, and the sales and profit or loss of the combined entity for the period under review as if the acquisition had occurred at the beginning of the current financial year. The €165,995 in business combination costs incurred up to the nine-month reporting date has been reported under other operating expenses.

The Company is not aware of any other material events after the balance sheet date affecting the course of business.

Brunnthal, October 27, 2011

The Management Board



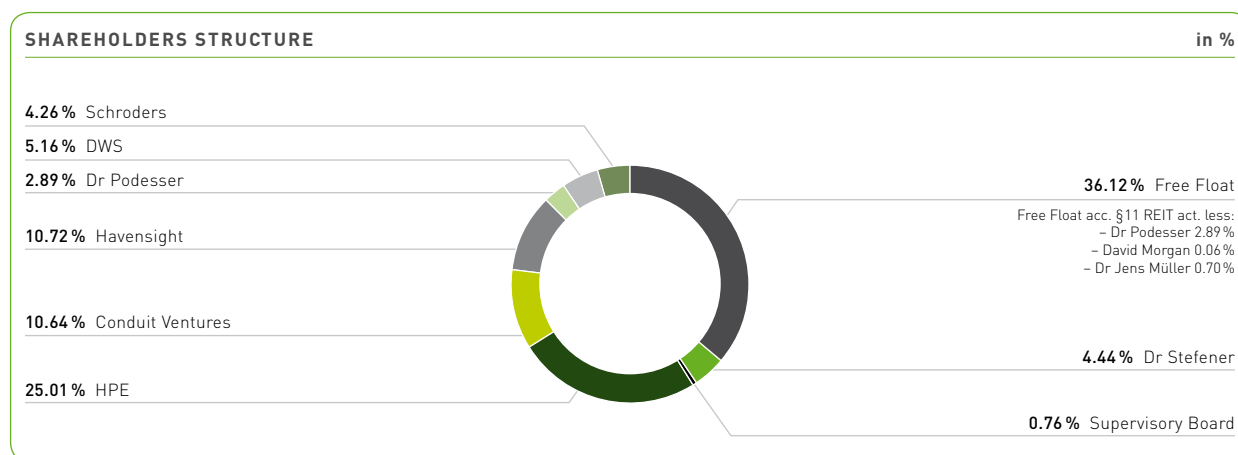
Dr. Peter Podesser
CEO



Gerhard Inninger
CFO

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SHAREHOLDERS STRUCTURE OF SFC ENERGY AG



SHARE INFORMATION

Bloomberg Symbol	F3C
Reuters Symbol	CXPNX
WKN	756857
ISIN	DE0007568578
Number of shares	7,152,887
Stock Category	No-par value shares
Stock segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, FWB
Designated Sponsor	Close Brothers Seydler Bank AG

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Statements about the future

This interim report contains statements and information about the future. Such passages contain such word as "expect", "intend", "plan", "believe", "aim", "estimate", etc. Such statements about the future are based on current expectations and certain assumptions. They therefore also contain a number of risks and uncertainties. A multitude of factors, many of which are beyond the control of SFC, affect our business, our success, and our results. These factors can lead the Group's actual results, success, and performance to deviate from the results, success, and performance in the statements made explicitly or implicitly about the future. SFC assumes no obligation to update any forward looking statements.