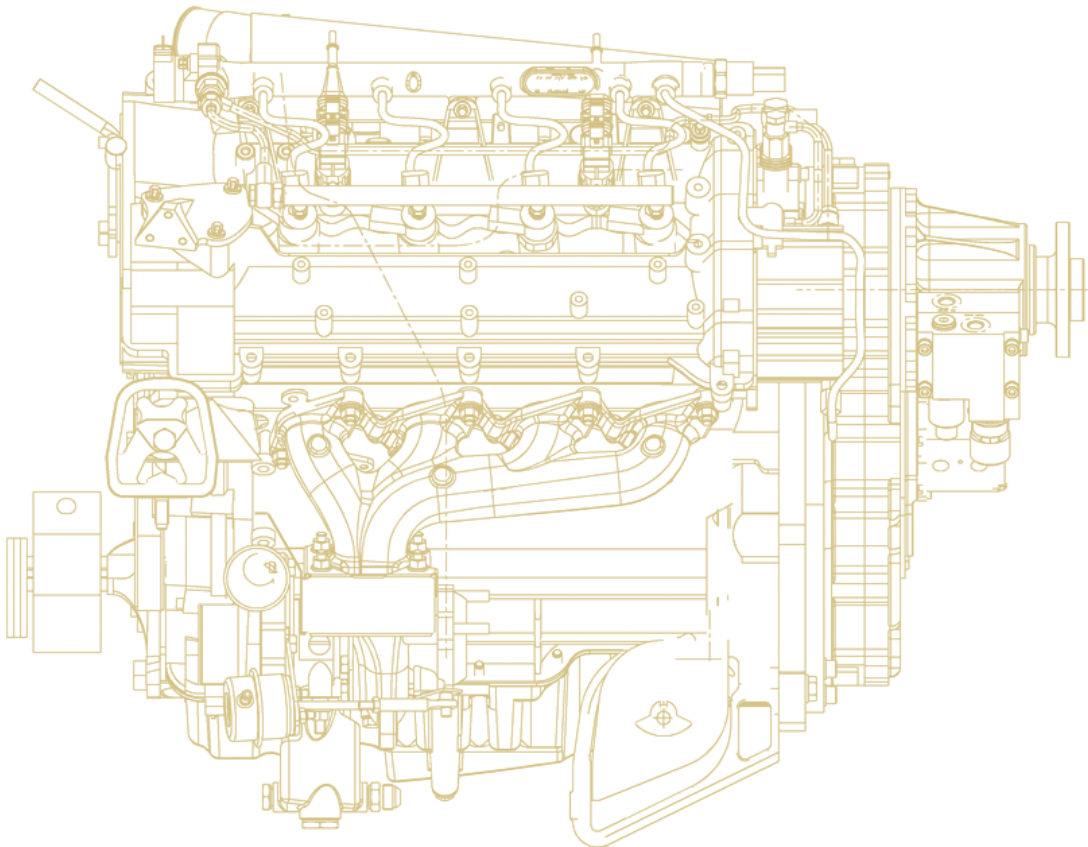

INTERIM REPORT

JANUARY 1 THROUGH SEPTEMBER 30, 2006

THIELERT



CONSOLIDATED BALANCE SHEET

ASSETS

	in EUR '000			
	30.09.2006	%	31.12.2005	%
I. NON-CURRENT ASSETS	56,849	35	39,420	32
1. Intangible assets	10,776	7	1,695	1
2. Fixed assets	46,073	28	35,521	29
3. Financial assets	0	0	2,204	2
II. CURRENT ASSETS	104,938	65	83,990	68
1. Inventories	38,574	24	18,623	15
2. Trade receivables	55,431	34	45,306	37
3. Other current assets	4,585	3	1,848	1
4. Liquid assets	6,348	4	18,213	15
TOTAL ASSETS	161,787	100	123,410	100

EQUITY AND LIABILITIES

	in EUR '000			
	30.09.2006	%	31.12.2005	%
I. SHAREHOLDERS' EQUITY	107,007	66	99,155	80
1. Subscribed capital	19,892	12	19,892	16
2. Capital reserves	64,364	40	64,364	52
3. Revenue reserves	606	0	606	0
4. Consolidated retained earnings	22,145	14	14,293	12
II. LIABILITIES	54,780	34	24,255	20
1. Provisions	3,540	2	1,413	1
2. Other liabilities	40,956	25	15,909	13
a. long-term debt	27,429	17	8,477	7
b. short-term debt	13,527	8	7,432	6
3. Tax liabilities	10,284	7	6,933	6
TOTAL EQUITY AND LIABILITIES	161,787	100	123,410	100

CONSOLIDATED INCOME STATEMENT

	in EUR '000	
	01.01.–30.09.2006	01.01.–30.09.2005
Revenues	47,488	23,904
Cost of sales	-17,497	-9,054
Gross profit	29,991	14,850
Marketing and selling expenses	-6,232	-1,078
General administration expenses	-5,451	-5,471
Other operating income [+], expenses [-], and taxes	-5,274	-190
Operating profit [EBIT]	13,034	8,111
Interest income	-902	-3,732
Other income and expenses	-160	505
Profit before tax [EBT]	11,972	4,884
Income taxes	-3,979	-2,268
Consolidated net profit for the year	7,993	2,616
Operating profit [EBIT]	13,034	8,111
Depreciation, amortization	2,792	1,925
Earnings before interest, taxes, depreciation, and amortization [EBITDA]	15,826	10,036
Basic earnings per share in EUR	0.40	0.20

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	in EUR				
	Subscribed capital	Capital reserve	Retained earnings	Consolidated retained earnings	Total
January 1, 2005	13,006,000	750,052	606,475	6,627,264	20,989,791
Comprehensive income	0	0	0	0	0
Allocation to revenue reserves	0	0	0	0	0
Capital increase from company funds	0	0	0	0	0
Consolidated net profit for the year	0	0	0	2,616,315	2,616,315
Other comprehensive income	0	0	0	0	0
September 30, 2005	13,006,000	750,052	606,475	9,243,579	23,606,106
Comprehensive income	0	0	0	0	0
Allocation to revenue reserves	0	0	0	0	0
Increase of share capital against cash contribution	4,590,354	63,613,761	0	0	68,204,115
Increase of share capital against non-cash contribution	2,295,176	0	0	0	2,295,176
Consolidated net profit for the year	0	0	0	5,049,509	5,049,509
Other comprehensive income	0	0	0	0	0
December 31, 2005	19,891,530	64,363,813	606,475	14,293,088	99,154,906
January 1, 2006	19,891,530	64,363,813	606,475	14,293,088	99,154,906
Comprehensive income	0	0	0	0	0
Allocation to revenue reserves	0	0	0	0	0
Capital increase from company funds	0	0	0	0	0
Consolidated net profit for the year	0	0	0	7,992,905	7,992,905
Other comprehensive income	0	0	0	-141,218	-141,218
September 30, 2006	19,891,530	64,363,813	606,475	22,144,776	107,006,594

CONSOLIDATED CASH FLOW STATEMENT

	in EUR '000	
	01.01.–30.09.2006	01.01.–30.09.2005
Cash flow from operating activities		
Profit before tax and profit transfer	11,972	4,884
Adjustments for:		
Depreciation, amortization	3,096	1,925
Profit [-]/loss [+] on disposal of fixed assets	77	0
Foreign exchange losses	894	-586
Interest income	-384	-105
Interest expense	1,286	3,837
Increase in trade receivables and other current assets	-22,284	-16,271
Foreign currency translation	450	0
Change in inventories	-10,935	-607
Increase in trade payables and other current liabilities	226	1,037
Cash generated from operating activities	-15,602	-5,886
Interest paid	-473	-2,042
Income taxes paid	-121	-496
Net cash from operating activities	-16,196	-8,424
Cash flow from investing activities		
Acquisition of SAP, net of cash acquired	-6,897	0
Capital expenditures	-9,772	-3,191
Proceeds from the sale of fixed assets	230	875
Interest received	120	0
Redemption of loans granted	0	4
Net cash used for investing activities	-16,319	-2,312
Cash flow from financing activities		
Loans taken up and silent participations	19,967	17,450
Repayment of loans	-1,167	-2,634
Cash inflow/outflow for investing activities	18,800	14,816
Net increase in cash and cash equivalents	-13,715	4,080
Cash and cash equivalents at the beginning of the reporting period	18,215	-24,263
Cash and cash equivalents at the end of the reporting period	4,500	-20,183

SEGMENT REPORTING

AIRCRAFT ENGINES

	01.01.–30.09.2006		01.01.–30.09.2005	
		%		%
	in EUR '000			
Revenues	22,112	100	13,934	100
Cost of sales	-7,822	35	-5,617	40
Gross profit	14,290	65	8,317	60
Marketing and selling expenses	-1,815	8	-649	5
General administration expenses	-2,407	11	-3,189	23
Other operating income [+], expenses [-], and taxes	-2,078	9	208	-1
Operating profit [EBIT]	7,990	37	4,687	34
Operating profit [EBIT]	7,990	37	4,687	34
Depreciation, amortization	1,244	6	1,123	8
Operating profit before depreciation and amortization [EBITDA]	9,234	43	5,810	42

TECHNOLOGY & PROTOTYPING

	01.01.–30.09.2006		01.01.–30.09.2005	
		%		%
	in EUR '000			
Revenues	25,376	100	9,970	100
Cost of sales	-9,675	38	-3,437	34
Gross profit	15,701	62	6,533	66
Marketing and selling expenses	-4,417	17	-429	4
General administration expenses	-3,044	12	-2,282	23
Other operating income [+], expenses [-], and taxes	-3,196	13	-398	4
Operating profit [EBIT]	5,044	20	3,424	35
Operating profit [EBIT]	5,044	20	3,424	35
Depreciation, amortization	1,548	6	802	8
Operating profit before depreciation and amortization [EBITDA]	6,592	26	4,226	43

NOTES TO THE INTERIM REPORT

BUSINESS DEVELOPMENT

The global market for general aviation continued to display extremely positive performance. It now appears likely that 2006 could well follow in the footsteps of 2005 and return strong growth. According to the General Aviation Manufacturers Association (GAMA), the number of piston aircraft delivered increased from 1,653 in the first nine months of 2005 to 1,957 in the same period of the year under review, which corresponds to an increase of 18.4%. GAMA expects this positive trend to continue as the year progresses.

These key data have provided an additional boost to business performance in the period under review, meaning that the first nine months of 2006 were extremely successful for Thielert AG.

While the first quarter was shaped largely by strategic aspects, such as the acquisition of Superior Air Parts Inc. (SAP), Coppell/Texas, effective as of March 31, 2006, the third quarter was dominated by operating issues, just like the second quarter. In addition to driving operating growth, the company also forged ahead with the integration of SAP into the Group. Focal points included the introduction of a Group-wide ERP system, the harmonization of quality control and management systems, as well as joint marketing and trade fair appearances in the US, with the EAA Convention in Oshkosh worthy of particular mention.

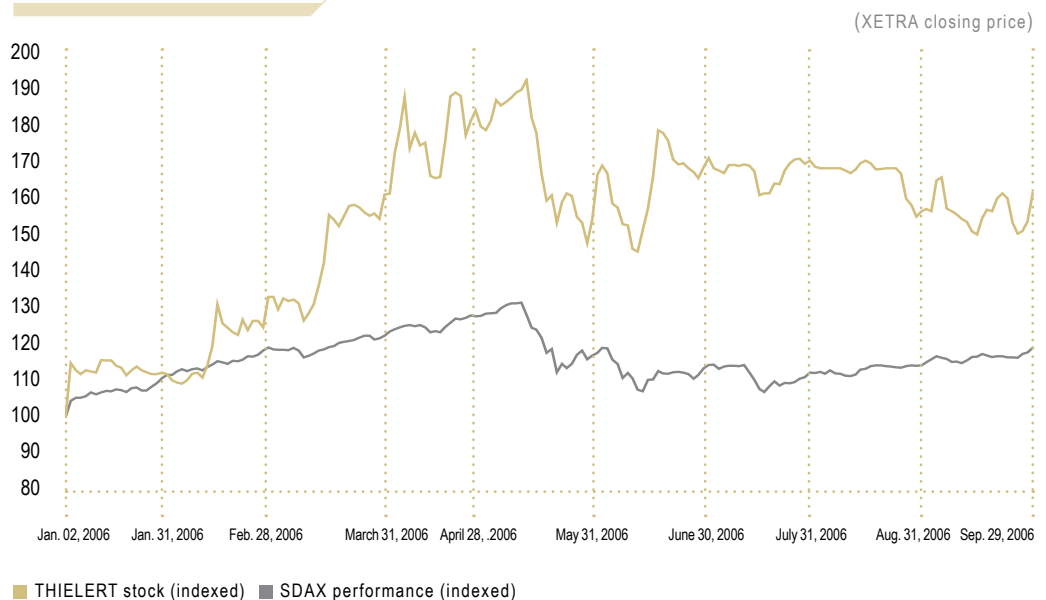
The extremely successful third quarter was overshadowed by the publication of fraud allegations against Thielert AG on October 5, 2006 (see "Events after the balance sheet date" on page 15).

THE THIELERT SHARE

While Thielert shares bucked the negative market trend at the beginning of the third quarter, reaching highs of EUR 24.75, September and October proved to be volatile times for the company's shares. The share price initially rallied in Q3 after Global Opportunities (GO) Capital Asset Management B.V. announced that it increased its stake in the company, but lost ground again in the course of the quarter. The share price stabilized at EUR 23.01 at the end of Q3, corresponding to an increase of 49.9% in the first nine months of the year. The SDAX rose by 16.1% during the same period.

The publication of fraud allegations on October 5, 2006, sent the share price plummeting to an annual low of EUR 14.00, at above-average trading volume. As soon as Thielert rebutted the allegations published, the share price recovered on the very same day and closed at EUR 18.25.

THIELERT STOCK PERFORMANCE



ASSET POSITION

The main influence on the asset position continues to be current assets, whereby attention has focused increasingly on the management of working capital. The imminent launch of serial production of the CENTURION 4.0 again contributed to an increase in inventories in the third quarter with a letter of intent being concluded with DaimlerChrysler at the end of July. The letter of intent provides for the supply of parts kits which are used in the serial production of the CENTURION 4.0. First parts kits for the production of engines have been delivered in the period under review. There was also an increase in inventories relating to the integration of the CENTURION 4.0 in various aircraft types. The award of supplemental type certification for the first modification work – the approval for the Cessna 206 – is also expected in 2006.

In addition to working capital management, the company's asset situation is still characterized by the takeover of SAP. SAP is one of the world's leading manufacturers of what are known as PMA (parts manufacturer approval)¹ replacement parts, which are approved by the Federal Aviation

¹ PMA refers to replacement parts for Continental and Lycoming engines approved by aviation agencies. They are playing an increasingly important role in engine maintenance.

Administration (FAA) for Lycoming and Continental aircraft engines. In the US, SAP enjoys an excellent reputation within this segment as a quality supplier that also boasts an excellent international distribution network.

For details of the final purchase price allocation, we would ask you to refer to the company's second quarter report, which is published on its website at www.thielert.com.

FINANCIAL POSITION

After taking out a promissory note bond for EUR 20.0 million in Q2, the company's financial position in Q3 was characterized by increased investment activity. This investment was directed, in particular, at the company's new location in Altenburg-Nobitz, as well as at the introduction of an automated engine assembly line at Thielert's Lichtenstein site.

Furthermore, operating cash flow charted a positive trend in the third quarter (EUR -16.2 million) as against H1 2006 (EUR -14.4 million), even if the company failed to break even.

INVESTMENTS

Construction work on the first of two aircraft hangers in Altenburg-Nobitz continued according to plan in Q3. The facility is scheduled to open in mid-December 2006.

The facility, located in the federal state of Thuringia, is Thielert's third German location and will provide approximately 50 jobs, around 35 of which will be new positions. The new production facility will allow the company to expand its production of aircraft engines, as well as its research, development, and testing work on its diesel aircraft engines.

At the company's Lichtenstein site, work started on the introduction of a new automated assembly system, which replaces the existing cluster assembly system. This means that the mechanic no longer assembles the entire engine in the "cluster", but rather passes it through specific work cycles. Specific automations are provided in each work cycle. The introduction of the assembly line increases output substantially, meaning that the required number of pieces can be produced without raising personal expenditure. The company expects productivity to increase by as much as 60%. The plan is to start using the automated motor assembly system in certain segments as early as November 2006.

The company is also currently implementing a PDM (product data management) system across the entire group in order to reflect the increasing complexity of production processes and to boost productivity. The IT-supported system serves to ensure the mutual coordination of design, production, documentation, and certification processes, which the company expects will reduce the set-up time for the machines by approximately 50%, among other things. This will reduce variable costs substantially. In the third quarter, the company made a number of systematic moves aimed at driving ahead with the integration of the PDM system into production processes. The company expects the system to be implemented in full by mid-2007.

EARNINGS POSITION

The Thielert Group continued the positive earnings trend seen in the first half of the year in Q3. Consolidated revenues increased to EUR 47.5 million in the period under review (EUR 18.6 million relates to PoC revenues), up 98.7% on the prior-year value of EUR 23.9 million. The Technology & Prototyping segment recorded a 155% increase in revenues, thereby generating record revenues of EUR 25.4 million (previous year: EUR 10.0 million). This increase is attributable to the fact that SAP revenues have been included in these figures since Q2 2006. Revenues in the Aircraft Engines segment increased as scheduled by 58.7% to EUR 22.1 million.

With gross earnings of EUR 30.0 million (previous year: EUR 14.9 million), manufacturing costs totaled EUR 17.5 million (previous year EUR 9.1 million). General administrative costs almost matched the prior-year figure at EUR 5.5 million, while sales and marketing costs rose from EUR 1.1 million to EUR 6.2 million. These costs accounted for 13.1% of revenues, up slightly on the Q2 figure of 12.4%. This increase is due, in particular, to the integration of SAP.

The depreciation/amortization contained in manufacturing, sales and marketing, and administrative costs totaled EUR 2.8 million at the end of the quarter (previous year: EUR 1.9 million).

EBITDA stood at EUR 15.8 million after nine months, outperforming the prior-year figure of EUR 10.0 million by 57.7%. Earnings before interest and taxes (EBIT) increased by 60,7% in the same period to total EUR 13.0 million.

The net profit generated in the period under review rose by 206% to total EUR 8.0 million (previous year: EUR 2.6 million).

EARNINGS PER SHARE

The calculation of earnings per share is based on the following data.

EARNINGS PER SHARE

	01.01.–30.09.2006	01.01.–30.09.2005
Net income in EUR '000	7,993	2,616
Average number of outstanding shares	19,891,530	13,006,000
Earnings per share (undiluted) in EUR	0.40	0.20

There were no dilution effects either in the period under review or in the comparison with the prior-year period.

HR DEVELOPMENT

In the first nine months of the fiscal year, the Group had an average workforce of 315 employees, 270 of which were based in Germany and 45 of which were based in the US. These figures include 18 trainees (previous year: 13).

EMPLOYEES

	Number	
	Q3 2006*	Q3 2005
Thielert AG	23	18
Thielert Aircraft Engines GmbH	247	164
Thielert Motoren GmbH	0	38
SAP	45	0
Group	315	220

*Adjusted for temporary staff such as trainees, temporary personnel, students, and students preparing for their university diploma theses.

In the course of the merger of Thielert Motoren GmbH (TM) with Thielert Aircraft Engines GmbH (TAE), took over the employees of TM with effect from August 31, 2006.

DEVELOPMENT OF INDIVIDUAL SEGMENTS

Aircraft Engines Since the start of serial production three and a half years ago, more than 275,000 flying hours have been generated, in cumulated terms, with the CENTURION 1.7. The rapid growth and the related increase in practical experience with the new technology is attributable to the low consumption of the Thielert engines, resulting in intensive aircraft use. On average, aircraft equipped with CENTURION engines spend three times longer in the air than those fitted with conventional engines.

The supplemental type certifications awarded in the third quarter will increase the engines' marketing potential considerably: The integration of the CENTURION 1.7 jet fuel engine into the light weight Piper PA28-161 aircraft has now also been certified in the US. The US Federal Aviation Administration (FAA) presented the company with supplemental type certification on July 24, 2006. This will allow Thielert to considerably boost the sales potential for its modern jet fuel piston engines on the US market. The PA28-161 covers just under 14% of PA28 aircraft on the US market. In Europe, the integration of the economical CENTURION 1.7 into the PA28-161 was certified two years ago. The European type certifications for further models of the US aircraft followed in May 2006: Piper PA28-140, -150, -160, -180 and -151. The company also intensified its efforts in the period under review to have these models approved by the FAA. North America is the world's largest and most important general aviation market, with a market share of around 75%. Around 15,500 Piper PA28 aircraft, which can be refitted with a CENTURION 1.7 in accordance with the European certifications, are currently licensed on this market. As soon as the other European certifications are validated in the US, the company will be looking at a North American market of 1,000 replacement engines a year for the Piper PA28 alone.

FAA certifications carry particular weight on the worldwide aviation market because they are accepted by most countries in Africa and Asia without the need for further certification processes. These countries represent an additional market for Thielert because of the limited availability of aviation gasoline (avgas) for conventional engines. The CENTURION engines are not affected by the limited supply of this type of fuel. They fly using the standard aviation fuel that is available worldwide: kerosene (jet fuel).

The expansion of the "CENTURION aircraft engine" product line made further progress in Q3. After the 310 HP (229 kW) CENTURION 4.0 was approved by the European aviation authority EASA back in October 2004, an engine with an increased power rating of 350 HP (257 kW) was approved at the end

of August. The approval of the engine represents a milestone for the planned installation certification as a retrofit-kit for Cessna models 340, 414, 421, and 206. This means that, in the future, a whole range of traditional commercial general aviation “workhorses” can also be operated with kerosene. Serial production of the engine has already started, and Thielert will be delivering the first engines and kits to customers in the course of this year. As with the CENTURION 1.7 for the Cessna 172, the company will also be offering a pre-assembled firewall forward kit, in which the engine is already integrated into the frame and connected to the peripherals. The CENTURION 4.0 will give the Cessnas a new attractive dimension compared with conventional engine configurations.

Air Alliance GmbH and Winters Aviation bvba joined the company’s sales partners for Germany and Belgium in the third quarter. These sales partners will assume responsibility for service and sales of the CENTURION engines in their respective countries. The new sales partner Van Bortel Aircraft, Inc. is able to convert mint condition Cessnas to the CENTURION 1.7 and undertake their worldwide sales and distribution. The number of globally operating sales partners has now increased to 18; the number of service centers has gone up from 128 to a total of 148. The expansion of the service center network is primarily due to the important markets in the USA, United Kingdom, and France.

Thielert also continued to actively market its aircraft engines at aviation shows in the third quarter. The company presented itself internationally on key markets in the US and Europe, either alone, with SAP, or with sales partners. Firstly, the company attended the largest and most important fly-in in the German-speaking world: Tannkosh, held from July 14–16, 2006 in Tannheim. Thielert used the event to present its diesel technology within an aircraft and to hold a whole range of workshops. At the Farnborough International Airshow, July 17–23, 2006, in Farnborough, England, Thielert presented its aircraft engines for both civil and military use.

This was followed by an appearance at the EAA Air Venture, held from July 24–30, 2006, in Oshkosh USA, – the largest general aviation event in the world. The company announced the conclusion of an agreement with a new US fleet customer at a press event. The aircraft belonging to the prestigious “American Flyers” flying school are being equipped with the state-of-the-art CENTURION diesel aircraft engines with immediate effect. American Flyers has 55 training aircraft, and is planning to convert all of its Cessna 172 aircraft. The first US Cessna 172 to be equipped with a CENTURION 1.7 engine was displayed in Oshkosh.

Finally, the company and its aircraft also attended two trade fairs in Germany: Air Magdeburg (September 1–3, 2006) and Airborne Stadtlohn (September 22–24, 2006). Both events rank among the most prominent general aviation trade fairs in Germany.

On August 19, 2006, the World Flight for Hearing team’s Diamond DA42 Twin Star, which is fitted with two CENTURION 1.7 engines, landed in Stockholm Barkarby airport in Sweden, where the team’s expedition began, having successfully completed its round-the-world flight. This provides further evidence of the reliability of CENTURION engines. The team, led by the hearing-impaired pilot Johan Hammarström, set off on March 15, 2006, to demonstrate what hearing-impaired people can achieve with the help of modern technical hearing aids. This was also the first circumnavigation of the earth completed by a diesel-engine-powered aircraft. The flight, which consisted of several lengthy stages, allowed the pilots to make use of the fuel economy and reliability of the diesel engine. All in all, the Swedish team covered 32,000 nautical miles (59,000 km), using only 8,000 liters of fuel. The longest

stage of the flight from Hilo, HI, USA to Crecent City, CA, USA covered a distance of 2,140 nautical miles and took 12 hours and 53 minutes.

Technology & Prototyping As far as the military technology sector is concerned, Thielert attended AUSVI, held from August 29–31, 2006 in Orlando, USA, – one of the world’s largest forums for unmanned aerial vehicles, or UAV. The company continued to make progress on its UAV development as scheduled. Over the course of Q3, new development contracts were once again concluded and existing contracts invoiced to military technology clients. Follow-up orders have already been placed.

As was the case with the Aircraft Engines segment, the EAA Air Venture, held from July 24–30, 2006, in Oshkosh, USA, was also a particularly important event for the Prototyping & Technology segment. SAP, presented its PMA replacement parts for Lycoming and Continental engines, as well as its own Vantage engines, the XP-350 and the new XP-400. The XP-400 was optimized, in terms of power rating (from 180 HP up to 250 HP), and enhanced at Thielert in Germany.

Improved quality prompted SAP to announce an extension of the warranty for Millennium cylinders to three years.

RISK REPORT

The expansion of the company’s US business in the wake of the SAP acquisition entails a higher level of foreign currency risk. This is why the company has revised its existing strategy for hedging foreign currency transactions and the possibilities offered by hedge accounting in line with IAS 39, as well as the option of natural hedges. In accord with this strategy, Thielert was able to use derivative hedging instruments to reduce its foreign currency risk in Q3.

SAP activities are also subject to additional product liability risks under US law, although this is limited by existing product liability insurance.

Given SAP’s negative earnings situation in the past, there is a risk that the planned turnaround of the company may not be achieved within the projected timeframe, or even at all. This could pose a risk to the financial and earnings situation of the entire group and could also have an impact on the group’s liquidity.

No further material risks have arisen since the publication of the annual financial statements on March 27, 2006. A detailed presentation of major risks can be found on page 41 et seq. of the current Annual Report.

REPORTING AND VALUATION METHODS

This Interim Report applies the valuation principles of the International Financial Reporting Standards (IFRS). The reporting and valuation methods are identical to those applied to the consolidated financial statements as of December 31, 2005.

Beyond the reporting and valuation methods stated in the consolidated financial statements, customer-specific production orders have been accounted for in line with IAS 11 according to their percentage of completion (PoC). This implies the calculation of pro-rata revenues taking into consideration the costs of sales equal to the PoC achieved on the balance sheet date (production degree). The revenues agreed upon with the customers and the expected costs of the orders form the basis here. The degree of production generally results from the share of costs of the order accrued through the balance sheet date in overall planned costs of the order (cost-to-cost method). The degree of production is determined for customer-

specific development orders by way of contractually agreed milestones (milestone method). Revenues according to the PoC method are stated as trade receivables in the balance sheet.

Financial liabilities are reported at the amount repayable according to IAS 39, taking into account the effective yield method.

The acquisition of SAP was treated as a "Business Combination" in line with IFRS 3, taking account of IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets."

The first-time consolidation was conducted on the basis of fair values.

The PMA identified were evaluated and reported as intangible assets in the course of the application of the revaluation method.

Furthermore, foreign currency hedging transactions according to IAS 39 were accounted for in terms of hedge accounting.

PRO FORMA STATEMENTS

The acquisition date of March 31, 2006, means that the Q1 2006 revenues generated by SAP (USD 7.1 million) are not included in the revenues for the Thielert Group. If the Q1 SAP revenues are included, the pro forma revenues of the Thielert Group amount to EUR 53.4 million (USD exchange rate on March 31, 2006: 1.2095). Accordingly, the pro forma profit amounts to EUR 10.2 million and includes one-off effects from the SAP acquisition totaling EUR 3.2 million.

TRANSACTIONS WITH RELATED PARTIES

In the period under review, no material transactions with related parties that extend beyond the scope of the activities listed in the consolidated financial statements as of December 31, 2005, have taken place since these statements were prepared.

CORPORATE GOVERNANCE

The declaration of compliance with the recommendations of the German Corporate Governance Code, in accordance with section 161 of the German Stock Corporation Act (AktG), was issued by the Supervisory and Management Board as part of the announcements made on the annual financial statements for 2005, and can be viewed at any time on the company's homepage at www.thielert.com.

SIGNIFICANT CHANGES IN SHAREHOLDINGS

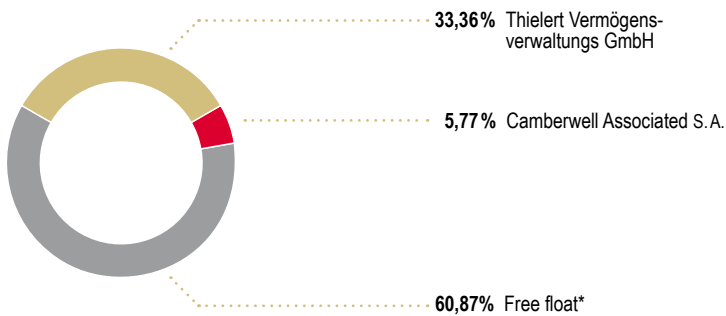
The following changes were issued to the company in accordance with section 21 (1) of the German Securities Trading Act (WpHG):

1. On September 4, 2006, Global Opportunities (GO) Capital Asset Management B.V., Amsterdam/The Netherlands, held more than 10% of the voting rights in Thielert Aktiengesellschaft, namely 10.66% of the voting rights in the company, which are attributable to the former in accordance with section 22 (1) 1 no. 6 WpHG.
2. On September 4, 2006, Global Opportunities Fund, Amsterdam/The Netherlands, held more than 10% of the voting rights in Thielert Aktiengesellschaft, namely 10.66%.

3. On September 4, 2006, Global Opportunities (GO) Capital Asset Management N.V., Amsterdam/The Netherlands, held more than 10% of the voting rights in Thielert Aktiengesellschaft, namely 10.66% of the voting rights in the company, which are attributable to the former in accordance with section 22 (1) 1 no. 6, sentence 2 WpHG.

SHAREHOLDER STRUCTURE

(as of September 30, 2006)



*by definition of Deutsche Börse

KEY EVENTS AFTER THE BALANCE SHEET DATE

The extremely positive third quarter the Thielert Group was overshadowed by fraud allegations at the beginning of October. On October 5, 2006, Schutzgemeinschaft der Kapitalanleger e.V. ("Association for Protection of Shareholders") published a statement reporting the anonymous filing of criminal charges against responsible employees at the company. These charges relate to the falsification of documents, accounting fraud, and prospectus and investment fraud. The allegations come on the back of doubts expressed as to the revenues reported by the company as at December 31, 2004, as well as with respect to the recoverability of the receivables reported on this balance sheet date.

Thielert AG strongly rejects these accusations, and has commissioned the auditing firm BDO Deutsche Warentreuhand AG to reconcile the development of trade receivables in 2004 with the company's books. BDO has arrived at the conclusion that EUR 2.296 million of the original trade receivables posted as of December 31, 2004, which totaled around EUR 18.3 million, remain on the company's books as of October 20, 2006. This figure refers to the value after provisions and excluding those receivables reported in accordance with the percentage-of-completion method.

Thielert AG has sought intensive communication with its investors to get to the facts of the discussion. In order to vanquish the accusations as soon as possible, Thielert AG is working actively with the responsible public prosecutor's office, as well as with the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

OUTLOOK

Further developments of engine installations in heavily used aircraft within the general aviation industry, and additional certifications, are expanding the market potential for the CENTURION engine family considerably. The installation of the CENTURION 4.0 into a Cessna 206 is currently at the field-testing stage, with European aviation certification expected to come this year. The CENTURION 4.0 met with considerable approval on the first promotional tour that Thielert has been organizing since October 2006. The company is now pushing the integration of the engine into other models, and plans to refit the majority of customer aircraft at its new site in Altenburg-Nobitz, Thuringia. Now that the final phase of construction work has almost been completed at the Altenburg site, the facility should be commissioned in the near future.

The company expects a high volume of additional orders from military technology clients in the fourth quarter. All in all, Thielert still expects its revenues to rise by around 80% over 2006 as a whole.



Frank Thielert
Chief Executive Officer



Roswitha Grosser
Chief Financial Officer

FINANCIAL CALENDAR

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