

## Press Release

### Phoenix Solar AG: results for the first six months of 2011

- **Clear uptrend in revenues and earnings over the course of the year**
- **Considerable reduction in inventories**
- **Record volume of orders placed in international business**

Phoenix Solar AG  
Hirschbergstraße 8  
D-85254 Sulzemoos

Investor Relations  
Jutta Stolp  
Tel. +49 (0)8135 938-315  
Fax +49 (0)8135 938-399  
j.stolp@phoenixsolar.de  
[www.phoenixsolar-group.com](http://www.phoenixsolar-group.com)

Sulzemoos, 11 August 2011 / Phoenix Solar AG (ISIN DE000A0BVU93), a leading photovoltaic system integrator listed on the German TecDAX, is today releasing its Interim Report as per 30 June 2011.

Following a weak start to the financial year 2011, Phoenix Solar AG performed well in the second quarter despite the still challenging market environment for the solar industry. As a result, revenues more than trebled in the second quarter as against the first quarter, and there was a significant improvement in the earnings position. The high level of inventories, which triggered considerable impairment in the first half of the year, was reduced substantially over the course of the second quarter. Phoenix Solar AG has begun the second half of 2011 with a pleasingly strong order book in its international business.

#### **Performance in the second quarter**

The Phoenix Solar Group achieved consolidated revenues of EUR 108.4 million (Q2/2010: EUR 283.6 million) in the second quarter. The downturn in revenues, which came to 61.8 percent, resulted, among other reasons, from pull-in effects in the year-earlier quarter prompted by the cuts anticipated in the government promotion of solar energy on 1 July 2010. Revenues generated through international business developed well, up 21.4 percent to EUR 45.3 million (Q2 2010: 37.3 EUR million), and made a contribution of 41.8 percent to total revenues (Q2/2010:

13.2 percent).

The Components & Systems segment's revenues posted EUR 72.2 million in the second quarter (Q2/2010: € 160.6 million), which is a decline of 55.0 percent compared with the year-earlier figure. The segment contributed 66.6 percent to consolidated revenues (Q2/2010: 56.6 percent). The Power Plants segment achieved revenues of EUR 36.2 million (Q2/2010: EUR 123.0 million), thus falling 70.6 percent short of the previous year's figure. This segment contributed 33.4 percent (Q2/2010: 43.4 percent) to total revenues.

Consolidated earnings before interest and taxes (EBIT) posted EUR -9.4 million in the second quarter (Q2/2010: EUR 22.3 million). EBIT came under pressure from the tumbling prices of solar modules and additional impairment carried out on inventories in an amount of EUR 5.4 million. The EBIT margin (ratio of EBIT to revenues) stood at -8.7 percent (Q2/2010: 7.9 percent).

Consolidated profit after tax came to EUR -8.2 million in the second quarter (Q2/2010: EUR 15.9 million), bringing earnings per share to EUR -1.11 (Q2/2010: EUR 2.38).

### **Results in the first half-year of 2011**

The consolidated revenues of the Phoenix Solar Group dropped by 61.3 percent to EUR 140.8 million in the first half of 2011 (H1/2010: EUR 364.0 million). In contrast, revenues generated through international business climbed by 53.5 percent to EUR 68.6 million (H1/2010: EUR 44.7 million), contributing 48.7 percent to total revenues (H1/2010: 12.3 percent).

The Components & Systems segment delivered revenues of EUR 89.2 million in the first half-year (H1/ 2010: EUR 214.3

million), which is a decline of 58.4 percent compared with a year ago. The segment contributed 63.4 percent to consolidated revenues (H1/2010: 58.9 percent). The proportion contributed by international business to segment revenues increased to 23.5 percent (H1/2010: 13.3 percent). The Power Plants segment posted revenues of EUR 51.6 million (H1/2010: EUR 149.7 million), thus falling 65.5 percent below the previous year's figure. This segment contributed 36.6 percent (H1/2010: 41.1 percent) to total revenues. The share contributed by international business to segment revenues soared to 92.2 percent (H1/2010: 10.9 percent).

Consolidated EBIT came to EUR -26.3 million in the first six months (H1/2010: EUR 27.0 million). The EBIT margin (ratio of EBIT to revenues) stood at -18.7 percent (H1/2010: 7.4 percent).

The consolidated result after tax for the first half-year came to EUR -21.1 million (H1/2010: EUR 18.7 million), resulting in earnings per share of EUR -2.86 (H1/2010: EUR 2.80).

#### **Order book at the end of the first half-year**

Consolidated orders on hand were worth EUR 311.1 million at the end of the first six months, up 10.4 percent over the figure posted a year ago (H1/2010: EUR 281.7 million). Adjusted for power plant projects already under construction, orders on hand stood at EUR 167.1 million (H1/2010: EUR 156.5 million). The share of international business in the order book almost trebled to reach a record volume of EUR 238.2 million (H1/2010: EUR 81.1 million), and contributed 76.6 percent (H1/2010: 28.8 percent) to the total order book. The proportion of orders placed outside Europe came to EUR 43.5 million (H1/2010: EUR 0.4 million), bringing the share in the overall order volume to 14.0 percent (H1/2010: EUR 0.1 percent).

"Following the first quarter of 2011 when the markets in Europe came to an almost complete standstill, our business has now stabilised. We have begun the second half-year with a well-filled pipeline and have achieved greater independence from the German market by forging ahead with internationalising our business", stated Dr Andreas Hänel, Chief Executive Officer of Phoenix Solar AG.

### Outlook

Phoenix Solar AG expects the market to pick up significant momentum in the second half of 2011, with demand accelerating in September and a year-end rally in the fourth quarter. In 2011 as a whole, the company anticipates a slight decline in consolidated revenues compared to the previous year. Owing to the uncertainty still prevailing in the market, no reliable guidance for EBIT can be given at the present time. Against the background of accumulated losses to date, it will, however, be a challenge to achieve a positive result.

*This is an English translation of the German original. Only the German version is binding.*

### Reproduction permitted

Overview: figures as per 30 June 2011

		H1/2011	H1/2010	Change
Sales volume	MWp	75	140	-46.4%
Total revenues	€ m	140.8	364.0	-61.3%
Components & Systems Segment	€ m	89.2	214.3	-58.4%
Power Plants Segment	€ m	51.6	149.7	-65.5%
International revenues	€ m	68.6	44.7	+53.5%
EBIT	€ m	-26.3	27.0	-53.3 € m
Consolidated result	€ m	-21.1	18.7	-39.8 € m
Earnings per share	€	-2.86	2.80	-5.66 €

## **About Phoenix Solar AG**

*Phoenix Solar AG, which has its headquarters in Sulzemoos near Munich, is a leading international photovoltaic system integrator. The Group achieved total revenues of EUR 636 million and an EBIT of EUR 36.4 million in the financial year 2010. The company develops, plans, builds and takes over the operation of large-scale photovoltaic plants and is a specialist wholesaler for complete power plants, solar modules and accessories. The Group is a leader in photovoltaic system technology. It focuses on the consistent lowering of system costs. With a sales network throughout Germany, and subsidiaries in Spain, Italy, Greece, France, Singapore, Malaysia, Oman, Australia and the United States of America, the Group currently has a workforce of more than 400 employees. The shares of Phoenix Solar AG (ISIN DE000A0BVU93) are listed on the official market (Prime Standard) of the Frankfurt Stock Exchange and on the TecDAX, Deutsche Börse AG's technology index.*

### **Disclaimer**

*The content of this press release is solely for information purposes and is not intended to constitute a recommendation for investment or a solicitation to subscribe or an offer to buy or sell securities of the company. Phoenix Solar AG shall undertake no liability whatsoever for any loss in connection with this press release or the information made available. This also applies particularly to any eventual loss in connection with the shares of Phoenix Solar AG.*

*This document contains forward-looking statements on future developments which are based on management's current assessment. Words such as "anticipate", "assume", "believe", "estimate", "expect", "intend", "can/could", "plan", "project", "forecast", "should", and similar terms are indicative of such forward-looking statements. Such statements are subject to certain risks and uncertainties which are mainly outside the sphere of influence of Phoenix Solar AG, but which have an impact on the business activities, the success, the business strategy and the results. These risks and factors of uncertainty include, for instance, climatic change, changes in the state subsidisation of photovoltaics, the introduction of competitor products or technologies of other companies, the development of the planned internationalisation of business activities, fierce competition as well as rapid technological change in the photovoltaic market. If one of these or other factors of uncertainty or risks should occur, or if the assumptions underlying the statements should prove incorrect, the actual results may diverge substantially from the results in these statements or implicit indications. Phoenix Solar AG does not have the intention nor will it undertake any obligation to realise forward-looking statements on an ongoing basis or at a later point in time as this is entirely dependent on circumstances prevailing on the day of their release.*

*In some countries, especially in the United States of America, the dissemination of this press release and the information contained therein may be restricted or prohibited under the law. This press release is therefore expressly not intended for persons resident in the United States of America or any other legal system under which such an offer or solicitation is not permissible, or for persons for whom such an offer or invitation would constitute a breach of the law.*

*Under the respectively applicable law, information be maybe restricted or prohibited. This press release is therefore expressly not intended for persons resident in the United States of America or any other legal system under which such an offer or solicitation is not permissible, or for persons for whom such an offer or invitation would constitute a breach of the law.*

**Contact**

Phoenix Solar AG  
Hirschbergstraße 8  
D-85254 Sulzemoos

Investor Relations

Jutta Stolp

Tel. +49 (0)8135 938-315

Fax +49 (0)8135 938-399

[j.stolp@phoenixsolar.de](mailto:j.stolp@phoenixsolar.de)

[www.phoenixsolar-group.com](http://www.phoenixsolar-group.com)