

Press Release

Phönix SonnenStrom AG increases its market share by extending product range

- **Shareholders approve the management's proposed resolutions by a large majority at the AGM held on 30th July 2003**
- **Market share in 2002 increased to more than 6%**
- **125 % increase in turnover in the first half of 2003**

Sulzemoos, 04.08.2003 / The shareholders of Phönix SonnenStrom AG have demonstrated their solid support for the company, which managed to extend its market share to more than 6% in 2002. Resolutions presented by the management at the company's Annual General Meeting (AGM) , held on 30th July 2003 in Fürstenfeldbruck, were all approved by more than 99% of the shares represented. The activities of the Board of Directors and Supervisory Board in 2003 were approved and changes to the company's statutes were adopted.

In 2002 the company reported a 58% increase in turnover – against market trend – reaching a level of 21.6 million euro, and a year end loss of 1.7 million euro. The negative bottom line result was caused by, amongst other factors, the difficult general economic climate. The introduction of the euro and the first reduction in the level of the German premium buy-back tariff for solar electricity on 1st January 2002 also led to customers delaying purchases in the PV sector. In addition, during the months leading up to federal elections in Germany, many investments were put on ice.

The company's management reacted to the low yields by undertaking a restructuring of activities during the course of the year 2002, which aim at pushing the company into the black in 2003. Initial measures, such as a new orientation of the structure of the sales department and improved

purchasing conditions, have already demonstrated their effectiveness. In the first half of 2003 turnover increased by 125% compared to the same period during the previous year, while the monthly figure for July reports a 200% growth compared to July 2002.

„Through a major expansion of its product range during the course of 2002, Phönix was able to position itself as a one-stop-shop for PV, hence allowing us to expand our sales channels and gain market share ,“ according to Dr. Andreas Hänel, CEO. He also drew the shareholders attention to specific new products: „Since the spring 2003 we are the only partner of Mitsubishi Heavy Industries distributing the new MA100 thin film module outside Japan. This product has helped us clearly differentiate ourselves from our competitors“.

Chief Technical Officer Manfred Bächler presented highlights from the large installations division. Amongst other projects, Phönix SonnenStrom AG constructed a megawatt class installation on the roof of the New Munich Trade Fair in November 2002.

Dr. Murray Cameron, since March 2003 company director responsible for international business, is working to build a strong position for the company in international markets with strong growth potential. Since the start of these activities, this division of the company has been able to report good results characterised by rapidly increasing order volumes. Turnover in this business area is predicted to rise by more than a factor 4 by the end of 2005.

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About Phönix SonnenStrom AG:

Phönix SonnenStrom AG was founded in 1999 out of the Phönix initiative of the German Association of Energy Consumers. Phönix SonnenStrom AG has several core business areas: the company is a retailer of solar electricity systems across the entire range of power ratings, wholesaler/distributor of solar modules and inverters, and a planner and builder of large solar power plants. In 2002 Phönix SonnenStrom AG was

responsible for the construction of the world's largest roof-mounted PV installation on the Munich Trade Fair. Phönix SonnenStrom AG has four offices in Germany and is active in both the national and international arenas.

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