

Phoenix Solar AG announces Q1/2014 results

- *Anticipated weak development of revenues due to volatility of project business*
- *Company stands by its revenue and profit forecast for 2014*

Sulzemoos, 8 May 2014 / Phoenix Solar AG (ISIN DE000A0BVU93), an international photovoltaic system integrator listed in the Prime Standard of the Frankfurt Stock Exchange, is today releasing its financial report on the first three months of the financial year 2014. Following profound restructuring entailing the discontinuation of the trading and project business in Germany in the first quarter of 2013, the first quarter of 2014 saw a return to a rather more normal course of business, which was as expected, given the strong focus on the more volatile project business. Having completed the restructuring process, the company continues to work towards securing greater planning certainty as well as raising and stabilising sales in the Power Plants segment.

Performance in the first quarter

In the first three months of 2014, Phoenix Solar generated consolidated revenues of EUR 6.6 million (Q1/2013: EUR 30.6 million), reflecting a decline of 78.4 percent in a year-on-year comparison. Of these revenues, 11.7 percent (Q1/2013: 37.8 percent) was accounted for by domestic business and 88.3 percent (Q1/2013: 62.2 percent) by the international markets.

The Components & Systems segment achieved revenues of EUR 4.9 million in the first quarter of 2014 (Q1/2013: EUR 16.0 million), down 69.4 percent in a year-on-year comparison. The Power Plants segment delivered revenues of EUR 1.7 million (Q1/2013: EUR 14.6 million), reflecting a decrease of 88.4 percent. In terms of total quarterly revenue,

74.3 percent was therefore attributable to the Components & Systems segment (Q1/2013: 52.3 percent), and 25.7 percent to the Power Plants segment (Q1/2013: 47.7 percent).

In the first quarter of 2014, consolidated earnings before interest and taxes (EBIT) stood at EUR -2.2 million (Q1/2013: EUR -4.2 million), a considerable improvement in view of the decline in revenues. EBIT in the previous year was, however, burdened by the provisions of EUR 1.9 million formed for severance payments. The EBIT margin (ratio of EBIT to revenues) came in at -33.9 percent (Q1/2013: EUR -13.9 million). The increase in earnings, achieved despite the decline in revenues, reflects the substantial improvement in the post restructuring cost basis.

The consolidated result net of tax and minority interest stood at EUR -3.6 million in the first quarter of 2014 (Q1/2013: EUR -6.1 million). Calculated on an average number of 7,372,700 shares, basic earnings per share stood at EUR -0.49 (Q1/2013: EUR -0.82).

Order book position at the end of the first quarter

At the end of the first quarter, consolidated orders on hand posted EUR 62 million (31 March 2013: EUR 70 million), representing a decline of around EUR -8 million, equivalent to -11 percent compared with the previous year's figure. The share of international business in the order book also amounted to EUR 62 million (Q1/2013: EUR 63 million) and contributed 100 percent (Q1/2013: 90 percent) to total orders on hand.

Dr. Bernd Köhler, Chief Executive Officer of Phoenix Solar AG, stated: "We remarked back in 2013 that, after the far-reaching restructuring, a weaker quarter, such as we now have in March, is to be entirely expected in this initial phase of the 'new' Phoenix and is not automatically a cause for concern. We are engaged in intensive discussions in all core regions with customers and interested parties as, in the final analysis, only legally

binding contracts and sound financing are what really count. Despite the anticipated weak revenue trend in the first quarter, we therefore stand by our fundamental forecast for the year as a whole: we anticipate revenues in a corridor between EUR 150 million and EUR 160 million and earnings before interest and taxes of EUR 2 to 5 million."

Report on the first quarter of 2014

The report on the first quarter of 2014 will be published today, 8 May 2014, in electronic form and can be downloaded from the website www.phoenixsolar-group.com under the Investor Relations, Financial Reports heading.

Figures at a glance: as of 31 March 2014

		3M 2014	3M 2013	Change
Sales volume	MWp	6	29	-79.3%
Total sales revenues	€ million	6.6	30.6	-78.4%
Components & Systems Segment	€ million	4.9	16.0	-69.4%
Power Plants Segment	€ million	1.7	14.6	-88.4%
International revenues	€ million	5.8	19.0	-69.5%
EBIT	€ million	-2.2	-4.2	47.5%
Consolidated result	€ million	-3.6	-6.1	41.0%
Earnings per share	€	-0.49	-0.82	40.2%

About Phoenix Solar AG

Phoenix Solar AG, which has its headquarters in Sulzemoos near Munich, is an international photovoltaic system integrator. The Group develops, plans, builds and operates large-scale photovoltaic plants and is a specialist wholesaler for turnkey power plants, solar modules and accessories. With its subsidiaries on three continents, the company has sold solar modules with an output of well over one gigawatt worldwide since it was founded. The shares of Phoenix Solar AG (ISIN DE000A0BVU93) are listed on the official market (Prime Standard) of the Frankfurt Stock Exchange. www.phoenixsolar-group.com