

Phoenix Solar AG presents its figures for the first nine months of 2012

- *Revenues in decline in the first nine months*
- *Share of international business in revenues more than 75 percent in the third quarter*
- *Significant improvement in the result as against the previous year*

Sulzemoos, 8 November 2012 / Phoenix Solar AG (ISIN DE000A0BVU93), a leading international photovoltaic system integrator listed in Prime Standard of the Frankfurt Stock Exchange, is today releasing its financial report on the first nine months of the financial year.

In the third quarter of 2012, Phoenix Solar AG was confronted by still slack demand, particularly in the European countries outside Germany, and fierce price-led competition. The photovoltaic sector was impacted mainly by the lower volume of business caused by the difficult sales situation in the eurozone countries. In this region, uncertainty about economic prospects and the future promotion of photovoltaics resulted in considerable reticence on the part of investors in the summer holiday months. As a result, Phoenix Solar sustained a significant downturn in revenues in both its Components & Systems and Power Plants business segments.

This prompted the company to revise its revenues forecast downwards for the current year on 23 October 2012, from EUR 170 to 150 million, having previously anticipated consolidated revenues of between EUR 210 and 240 million. Thanks, however, to the successful restructuring of the company the loss before interest and taxes (negative EBIT) expected in the current year will not be greater than the figure recently released and will therefore be significantly lower than in 2011. As indicated, it will range from EUR 19 to 25 million.

Performance in the third quarter

The Phoenix Solar Group achieved consolidated revenues of EUR 40.8 million (Q3/2011: EUR 113.2 million), which corresponds to a decline of 64.0 percent. Whereas revenues from international business fell by 61.4 percent to EUR 31.2 million (Q3/2011: EUR 81.0 million), the share in total revenues climbed to 76.5 percent (Q3/2011: 71.6 percent).

Revenues generated by the Components & Systems Segment in the third quarter stood at EUR 19.1 million (Q3/2011: EUR 65.8 million), which is 71.0 percent below the year-earlier figure. The segment contributed 46.8 percent (Q3/2011: 58.1 percent) to consolidated revenues. The Power Plant Segment delivered revenues of EUR 21.6 million (Q3/2011: EUR 47.3 million), the equivalent of a decline of 54.3 percent in a year-on-year comparison. This segment contributed 52.9 percent (Q3/2011: 41.8 percent) to total revenues.

In the course of the first nine months, consolidated earnings before interest and taxes (EBIT) came to EUR -4.0 million (Q3/2011: EUR -13.3 million). The EBIT margin (ratio of EBIT to revenues) came in at -9.8 percent (Q3/2011: -11.7 percent). After tax, the consolidated results in the third quarter stood at EUR -5.8 million (Q3/2011: EUR -19.0 million), bringing earnings per share to EUR -0.78 (Q3/2011: EUR -2.66).

Results of the first nine months of 2012

In the first nine months, the consolidated revenues of the Phoenix Solar Group dropped by 50.7 percent to EUR 125.1 million (9M 2011: EUR 253.9 million). In contrast, the proportion of revenues from international business fell by only 39.4 percent to EUR 90.7 million

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(9M 2011: EUR 149.6 million), and contributed 72.5 percent (9M 2011: 58.9 percent) to total revenues.

The Components & Systems Segment's revenues amounted to EUR 57.6 million in the first nine months (9M 2011: EUR 155.0 million) which is 62.8 percent lower than a year ago. The segment contributed 46.0 percent (9M 2011: 61.0 percent) to consolidated revenues. The Power Plant Segment generated revenues of EUR 67.5 million (9M 2011: EUR 98.9 million), equivalent to a decline of 31.7 percent in a year-on-year comparison. This segment contributed 54.0 percent (9M 2011: 39.0 percent) to total revenues.

There was a substantial improvement in EBIT which came to EUR -18.1 million in the first nine months (9M 2011: EUR -39.5 million). The EBIT margin posted -14.5 percent (9M 2011: -15.6 percent). The consolidated result after tax stood at EUR -22.3 million at the end of the first nine months (9M 2011: EUR -40.1 million), which corresponds to earnings per share of EUR -3.03 (9M 2011: EUR -5.52).

Orders in hand at the end of the third quarter

At the end of the third quarter, consolidated orders in hand stood at EUR 127.0 million (Q3/2011: EUR 237.2 million), thereby falling 46.4 percent below the year-earlier figure. The share of International business in the order book amounted to EUR 123.4 million (Q3/2011: EUR 173.2 million) and contributed 97,2 percent (Q3/2011: 73.0 percent) to the sum total of orders in hand.

"Whereas our business in the US and Asia is progressing, only now, at the start of the fourth quarter, are there the first signs of success again in new business in Germany and Europe. In the current fourth quarter we have, for instance, been able to contractually secure a number of projects

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in the megawatt range in the US, Greece and Germany. The outlook for next year will be reviewed as part of the process of drawing up the annual accounts and planning for 2013. The sustainability of the signs of an upswing in the business of the subsidiaries in important countries will need to be verified. The first successful results show what now needs to be done: to fill the project pipeline to get us off to a good start to the year with a healthy order book – and return to the growth path", said Dr Andreas Hänel, Chief Executive Officer of Phoenix Solar AG.

Report on the first nine months of 2012

The Financial Report on the first nine months of 2012 is to be released today, 8 November 2012, in electronic form and can be downloaded from our website at www.phoenixsolar-group.com under the Investor Relations, Financial Reports heading.

Figures at a glance: as per 30 September 2012

		9M 2012	9M 2011	Change
Sales volume	MWp	106	159	-33.3%
Total sales revenues	€ million	125.1	253.9	-50.7%
Components & Systems Segment	€ million	57.6	155.0	-62.8%
Power Plants Segment	€ million	67.5	98.9	-31.7%
International revenues	€ million	90.7	149.6	-39.4%
EBIT	€ million	-18.1	-39.5	€ +21.4 million
Consolidated result	€ million	-22.3	-40.1	€ +17.8 million
Earnings per share	€	-3.03	-5.52	€ +2.49

About Phoenix Solar AG

Phoenix Solar AG, which has its headquarters in Sulzemoos near Munich, is a leading 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 sales operations throughout Germany and subsidiaries on three continents, the company has sold solar modules with an output of more than one gigawatt since its founding. 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