

Phoenix Solar AG presents its figures for the financial year 2014

- *Consolidated 2014 Revenue and Earnings Below Expectations*
- *Strong Growth - Driven by Utility-Scale Projects in the USA - Fills Order Book*
- *2015 Revenues Expected to be Significantly Higher at EUR 140 to 160 million (\$US 150 to 170 million)*)*
- *Phoenix Solar Expects Positive EBIT for 2015*

Sulzemoos, Germany, March 31st 2015 / Phoenix Solar AG (ISIN DE000A0BVU93), an international photovoltaic system integrator listed in the Prime Standard of the Frankfurt Stock Exchange, will today issue its 2014 Annual Report, attested by the independent auditor and adopted by the Supervisory Board.

In the financial year 2014, Phoenix Solar AG achieved consolidated revenues of EUR 33.8 million EUR (2013: EUR 141.2 million EUR). Earnings before interest and taxes (EBIT) were at EUR -4.6 million (2013: EUR -1.4 million). International markets - addressed by the Phoenix subsidiaries abroad - accounted for almost the entire revenue of the Group. Shipments of solar modules and installations declined to 28.9 MWp (2013: 126 MWp).

The company attributed last year's decline in revenues and earnings compared to the 2013 financial year to delays in new orders which were pushed into 2015. This had already been anticipated in the course of 2014. Since the start of 2015, Phoenix Solar has been awarded a number of contracts for the engineering, procurement and construction of utility-scale photovoltaic power plants - in particular in the USA as a core market - totaling over 50 MWp.

In the course of the 2014 financial year, the Components & Systems Segment reported a downturn in revenues to EUR 17.3 million (2013:

EUR 56.7 million) and contributed 51.3 percent (2013: 40.2 percent) to consolidated revenues.

The Power Plant Segment delivered revenues of EUR 16.5 million (2013: EUR 84.5 million). This segment contributed 48.7 percent (2013: 59.8 percent) to total revenues.

As of December 31st, 2014, the Phoenix Solar Group employed a workforce totaling 96 people (excluding Executive Board members but including temporary staff; previous year: 120), 93 of whom held permanent positions (December 31st, 2013: 115). Personnel expenses stood at EUR 9.6 million (2013: 14.6 Million EUR).

The Group incurred a loss before interest and taxes (EBIT) of EUR -4.6 million (2013: EUR -1.4 million). The EBIT margin fell accordingly from -1.0 percent in 2013 to -13.7 percent in 2014. The net financial result of EUR -5.1 million in the 2014 year was at the previous year's level (2013: EUR -5.1 million).

The consolidated net result for the period attributable to shareholders stood at EUR -10.2 million (2013: EUR -9.3 million). A consolidated net profit of EUR 0.003 million was attributable to minority interests (2013: EUR 1.4 million). Calculated on an average number of 7,372,700 shares basic earnings per share stood at EUR -1.38 (2013: EUR -1.45). Since no material dilutive effects existed as of December 31st, 2014, only a slight difference occurs between diluted earnings per share and basic earnings per share.

The order book position amounted to EUR 46.2 million as of December 31st, 2014 (December 31st, 2013: EUR 65.0 million). The order book position - adjusted to reflect revenues that have already been realized - nevertheless registered a marked increase from EUR 4.3 million as of December 31st, 2013, to EUR 36.3 million as of December 31st, 2014.

The cash outflow from operating activities amounted to EUR 3.9 million in 2014 (2013: cash inflow of EUR 2.3 million). The Phoenix Solar Group's cash and cash equivalents declined to EUR 3.1 million in the 2014 financial year (December 31st, 2013: EUR 10.0 million).

As a result of the consolidated net loss, the Group's equity fell by EUR 9.0 million to EUR -1.6 million (December 31st, 2013: EUR 7.5 million). Accordingly, the equity ratio stood at -3.5 percent as of December 31st, 2014 (December 31st, 2013: 11.0 percent).

As the Group does not constitute a legally independent company in itself, no going concern risks arise for the company as a result of its negative equity. Solely the equity of Phoenix Solar AG as the parent company of the Phoenix Solar Group is of legal relevance. This amounted to EUR 11.0 million as of December 31st, 2014, equivalent to a 20.0 percent equity ratio (December 31st, 2013: EUR 4.2 million, equivalent to a 10.1 percent equity ratio).

Outlook

As of the date of the approval of the financial statements the current net order book position already stood at 300 percent of the 2014 revenues. Against this backdrop, Phoenix Solar anticipates significant growth in consolidated revenues which are projected to come in somewhere in the range of EUR 140 to 160 million (\$US 150 to 170 million)* (2014: EUR 33.8 million). To achieve this the company is planning projects with a total volume of between 160 MWp and 180 MWp (2014: 29 MWp). Given the fact that the cost basis has been reduced significantly, the company assumes that it will be able to generate a positive operating result (EBIT) again in the range of EUR 1 to 3 million.

"Today, our company is strongly anchored in the international project business, above all through our presence in the USA, Southeast Asia and the Middle East as an EPC (engineering, procurement and construction)

contractor for solar photovoltaic power plants", explains Phoenix Solar CEO Tim P. Ryan. "We are already seeing success in these new high-growth markets, particularly in the USA. Major new orders received in recent weeks confirm that we are moving steadily towards achievement of the goals laid out a year ago - albeit with some delay - but, in our view, with solid prospects for a sustainable business in the current and coming years."

Annual Report

The Annual Report 2014 is to be issued today, March 31st, 2015, in electronic form and can be downloaded from our website at www.phoenixsolar-group.com/en.html under the Investor Relations, Financial Reports heading.

** 2015 Projected Revenues in \$US are given as rough guidance only in view of currency exchange rate differences.*

Source: www.oanda.com, EUR 1.00 = USD 1.07031 as of March 20th, 2015

About Phoenix Solar AG

Phoenix Solar AG, headquartered 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 subsidiaries on three continents, the company has sold solar modules with an output of significantly more than 1.2 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