

Phoenix Solar AG publishes results for 1H/2015

- *Strong revenue growth to EUR 39.8 million – approximately 300 percent growth versus previous year period*
- *Construction work commenced on several large-scale solar power plants in the core US market*
- *EBIT at EUR -4.6 million; slight improvement in earnings per share*
- *Free order backlog still more than EUR 100 million*
- *2015 guidance confirmed*

Sulzemoos, August 6, 2015 / Phoenix Solar AG (ISIN DE000A0BVU93), a leading international photovoltaic system integrator listed in Prime Standard of the Frankfurt Stock Exchange today publishes its financial report on the first six months of fiscal 2015.

Performance in the first half year

In the first half year of fiscal 2015, Phoenix Solar AG generated consolidated revenues of EUR 39.8 million, which is three times as much compared with the first six months of fiscal 2014 (H1/2014: EUR 12.1 million) and some 18 percent more than in the full-year 2014. The growth of the business is largely attributable to an increase in revenues in the second quarter of fiscal 2015. The positive performance – driven above all by Phoenix Solar's subsidiary in the USA – is in line with the company's current forecast.

In the first six months, the Components & Systems segment achieved revenues of EUR 2.9 million (H1/2014: EUR 8.1 million), while the Power Plants segment contributed revenues of EUR 36.8 million (H1/2014: EUR 3.9 million). 7.4 percent (H1/2014: 67.5 percent) of total revenues was attributable to the Components & Systems segment, with the Power Plants segment accounting for 92.6 percent (H1/2014: 32.5 percent). The

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decline in the Components & Systems segment is explained by weaker development of business, above all in France. Growth in the Power Plants segment reflects the start of construction work on several power plant projects in the US but also in Asia.

Higher other operating income had been reported in the first half of 2014 owing to a special item (H1/2015: EUR 1.7 million; H1/2014: EUR 4.1 million). Furthermore, currently a flagship project for a strategically important customer and leading energy company in the US is being carried out, on which weaker margins were accepted the year before. This contributed to an EBIT level of EUR -4.6 million, down 37.3 percent versus the previous year's figure (EBIT H1/2014: EUR -3.3 million).

The consolidated net result for the period attributable to the shareholders stood at EUR -6.3 million (H1/2014: EUR -6.4 million), thereby improving marginally compared to the period from January to June 2014. The loss per share was reduced accordingly, from EUR 0.86 (H1/2014) to currently EUR 0.85.

Principally as a result of the consolidated loss for the period, net of minority interest, that amounted to EUR 6.6 million as well as due to losses sustained in past years, the Group's equity dropped to EUR -8.6 million (December 31, 2014: EUR -1.6 million). As of June 30, 2015, the Group's equity ratio therefore stood at -12.1 % (December 31, 2014: -3.5 percent).

As the Group does not constitute a legally independent company, the negative equity ratio generates no direct "going concern" risk at the Group level. More important is the equity position of the parent company, Phoenix Solar AG, which prepares its accounts according to the industry-standard German Commercial Code [HGB]). As of June 30, 2015, this stood at EUR 9.0 million, equivalent to an equity ratio of 16.6 percent (December 31, 2014: EUR 11.0 million, or 20.0 percent).

Performance in the second quarter

The Phoenix Solar Group generated revenues of EUR 34.8 million over the period from April to July 2015 (Q2/2014: EUR 5.5 million), representing an increase of EUR 29.3 million, which is more than five times higher compared to the figure reported in the second quarter of 2014. This performance was based on a considerable improvement in sales: The second quarter of 2015 saw the delivery of modules with a total rated output of 33.9 MWp (Q2/2014: 9.8 MWp).

Of the overall sales achieved in the second quarter 1.4 percent (Q2/2014: 59.1 percent) was accounted for by the Components & Systems segment and 98.6 percent (Q2/2014: 40.9 percent) by the Power Plants segment.

Order book position at the end of the first half-year

The Group reported a free order book position of EUR 102.7 million as of June 30, 2015 (June 30, 2014: EUR 9.1 million). As a consequence, large parts of the consolidated revenues planned for 2015 are already covered through existing orders, pending construction starts on those projects. The Group order book position - including revenues already realized - amounted to EUR 142.8 million as of June 30, 2015 (June 30, 2014: EUR 17.1 million).

Outlook

The Executive Board confirms its annual forecast and, as previously announced, expects revenues in the range of between EUR 140 and 160 million and a return to a positive EBIT of EUR 1 to 3 million (2014: EUR -4.6 million) for the full year 2015.

Tim P. Ryan, Chief Executive Officer of Phoenix Solar AG, stated:

"Reliable, sustainable and profitable growth – this is our target at Phoenix.

The strong revenue growth of the second quarter of our 2015 financial year gives an indication of the direction the company is headed. Our

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broad sales push and improvements to the global sales process have already begun to bear fruit in driving top line growth. At the same time, we are far from satisfied. We will continue to focus on improvement to our sales process to propel continued growth in our global pipeline, with the immediate goal of closing profitable project contracts. We continue to differentiate with our core services of high quality engineering, procurement and construction (EPC) of solar power plants for owners and investors around the globe, in accordance with our direction of 'Excellence in Global EPC'."

Report on the first half of 2015

The report on the first half of 2015 will be published today, August 6, 2015, in electronic form and can be downloaded from the website www.phoenixsolar-group.com under the Investor Relations, Financial Reports heading.

About Phoenix Solar AG

Phoenix Solar AG, that 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 on a smaller scale 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 one gigawatt since its founding. The stocks of Phoenix Solar AG (ISIN DE000A0BVU93) are listed on the official market (Prime Standard) of the Frankfurt Stock Exchange. www.phoenixsolar-group.com.