

Phoenix Solar AG publishes H1 2013 results

- *Company reports operating profit in Q2*
- *Major orders underpin internationalisation strategy*
- *FY 2013 forecast fully reconfirmed*

Sulzemoos, 8 August 2013 / Phoenix Solar AG (ISIN DE000A0BVU93), an international photovoltaic system integrator that is listed on the Prime Standard of the Frankfurt Stock Exchange, has today presented its report on the first half of the 2013 financial year. In the second quarter of 2013, the company generated its first quarterly operating profit (EBIT) since 2010. EBIT in the first half the year consequently improved to EUR - 3.8 million, and lies fully within the range of our expectations. Over the course of the second quarter, Phoenix Solar reported notable new order intake from the USA, Thailand and Saudi Arabia, which is to be seen as confirmation of the reorientation to international growth regions that was approved in February 2013, and as an important basis for the return to profitable growth. Given these developments, the company has reconfirmed its full-year forecast.

H1 business trends

Phoenix Solar achieved EUR 68.4 million of consolidated revenue during the first six months of 2013 (H1/2012: EUR 84.4 million), representing a decrease of 18.9 percent. This decline arises mainly from the discontinuation of the trading and project business in Germany in its existing form, and was also planned as such. Of these revenues, 21.0 percent were attributable to business in Germany (H1/2012: 29.6 percent), and 79.0 percent to foreign markets (H1/2012: 70.4 percent). The international subsidiaries contributed a share of 73.6 percent (H1/2012: 43.0 percent) to consolidated revenues. This

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results from the strategic reorientation that has been implemented since February, with its clear focus on high-growth regions in the USA and Asia.

The Components & Systems segment achieved revenues of EUR 44.7 million in the first half of 2013 (H1/2012: EUR 38.5 million), up 16.1 percent in a year-on-year comparison. The main reason for this growth was the realisation of a major order in Singapore, which was evaluated as revenue within the Components & Systems segment due to its contractual structure. The Power Plants segment delivered revenues of EUR 23.7 million (H1/2012: EUR 45.9 million), reflecting a decrease of 48.4 percent. In terms of total half-yearly revenue, 65.4 percent was consequently attributable to the Components & Systems segment (H1/2012: 45.6 percent), and 34.6 percent to the Power Plants segment (H1/2012: 54.4 percent).

Consolidated earnings before interest and tax (EBIT) stood at EUR - 3.8 million in the first half of the year (H1/2012: EUR - 14.1 million). This amount comprises provisions of EUR 1.9 million earmarked for severance payments in connection with the reduction of personnel necessitated by the discontinuation of the previous trading and project business in Germany. The charges that were expected from the repositioning of the business in Germany have been fully absorbed as a consequence. The EBIT margin (ratio of EBIT to revenue) improved to - 5.6 percent (H1/2012: - 16.7 percent).

After taxes, the company generated a consolidated net loss attributable to the parent company shareholders of EUR - 7.5 million (H1/2012: EUR - 16.6 million). Calculated on an average number of 7,372,700 shares, basic earnings per share stood at EUR - 1.02 (H1/2012: EUR - 2.25).

Second-quarter business trends

The Phoenix Solar Group generated revenue of EUR 37.9 million in the second quarter of 2013 (Q2/2012: EUR 46.5 million), representing an EUR 8.6 million, or 18.5 percent, year-on-year decline

Due to the strategic reorientation with its focus on foreign markets, only 7.4 percent of these revenues were attributable to business in Germany (Q2/2012: 29.6 percent), while 92.6 percent were generated on foreign markets (Q2/2012: 70.4 percent). The international subsidiaries contributed a share of 87.0 percent (Q2/2012: 43.2 percent) to consolidated revenues.

EBIT amounted to EUR + 0.4 million in the second quarter of 2013 (Q2/2012: EUR - 13.0 million), the first positive result since 2010.

Order book position at the end of H1

The consolidated order book position amounted to EUR 86.4 million at the end of the first six months (30 June 2012: EUR 143.1 million) – a decline of EUR 56.7 million, or 40 percent, compared with the prior-year figure. The international share of the order book position stood at EUR 80.5 million (30 June 2012: EUR 137.3 million), contributing 94.9 percent to the total order book position (30 June 2012: 95.9 percent).

Dr. Bernd Köhler, CEO of Phoenix Solar AG, commented as follows: "We currently regard bolstering the sales successes that we have achieved in recent months as a central task. This is even more important given that the situation on European markets is currently unsatisfactory due to economic and political conditions. However, we were, and are, prepared for this development, and can fully confirm our 2013 forecasts on the basis of our business progress to date: we continue to anticipate revenue between EUR 160 million and EUR 190 million, and a further reduction in

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our operating loss (EBIT) to range between EUR 7 million and EUR 2 million, including restructuring expenses."

Report on H1 2013

The report on the first half of 2013 is published today, 8 August 2013, in electronic form and can be downloaded from the website at www.phoenixsolar-group.com under the heading Investor Relations, Financial Reports.

About Phoenix Solar AG

Phoenix Solar AG, which is based at Sulzemoos, near Munich, Germany, is an internationally operating photovoltaic system integrator. The Group develops, plans, constructs and assumes operational management of large photovoltaic power plants, and is a specialist wholesaler for complete solar electricity systems, solar modules and related equipment. 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 Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. www.phoenixsolar-group.de