

Phoenix Solar AG publishes results for first nine months of 2013

- *Operating earnings considerably improve further in third quarter along with first quarterly net profit since 2010*
- *FY 2013 forecast confirmed again*

Sulzemoos, 7 November 2013 / Phoenix Solar AG (ISIN DE000A0BVU93), an international photovoltaic system integrator that is listed in the Frankfurt Stock Exchange's Prime Standard, has today published its report on the first nine months of its 2013 financial year. In the third quarter of 2013, the company generated its first quarterly profit since 2010, amounting to EUR 0.2 million before minority interests (Q3/2012: EUR - 5.8 million). Third-quarter operating earnings (EBIT) stood at EUR 2.2 million (Q3/2013: EUR - 4.0 million). For the first nine months of the year, both revenue and earnings lay within the range of expectations. Given this, the company has again confirmed its full-year consolidated revenue forecast of between EUR 160 million and EUR 190 million. As far as the operating result is concerned, an improvement from a loss of EUR 7 million to a loss of EUR 2 million is forecast, including the restructuring expenses incurred during the first half of the year. In this context, it can currently be foreseen that the consolidated revenues of Phoenix Solar will tend to come in around the lower end of the forecast while earnings over the full year will rather reach the higher end of this range.

Business trends during the first nine months of the year

Phoenix Solar generated EUR 116.0 million of consolidated revenue during the first nine months of 2013 (Q1-Q3/2012: EUR 125.1 million), representing a 7.3 percent decline. This mainly results from the discontinuation of the trading and project business in Germany in its

previous form, which was also planned as such. During the first six months of 2013, the company had reported an 18.9 percent revenue fall compared with the first half of 2012.

Of these revenues, 14.0 percent (Q1-Q3/2012: 27.5 percent) were attributable to business in Germany, and 86.0 percent (Q1-Q3/2012: 72.5 percent) were attributable to foreign markets. The international subsidiaries contributed a share of 82.9 percent (Q1-Q3/2012: 50.5 percent) to consolidated revenues. This results from the strategic reorientation that was initiated in February with its clear focus on high-growth regions in the USA and Asia.

The Components & Systems segment generated EUR 51.3 million of revenue during the first nine months of 2013 (Q1-Q3/2012: EUR 57.6 million), representing an 11.0 percent fall. This includes the realisation of a major order in Singapore in the second quarter that was allocated to revenue in the Components & Systems segment due to its contractual structure. The Power Plants Segment generated EUR 64.7 million of revenue (Q1-Q3/2012: EUR 67.5 million), representing a 4.1 percent reduction. In terms of total revenue for the first nine months, 44.2 percent was consequently attributable to the Components & Systems segment (Q1-Q3/2012: 46.0 percent), and 55.8 percent to the Power Plants segment (Q1-Q3/2012: 54.0 percent).

During the first nine months of the year, the Group incurred a loss before interest and tax (EBIT) of EUR - 1.6 million (Q1-Q3/2012: EUR - 18.1 million). This includes EUR 1.9 million of provisions that were formed for settlements in connection with job cuts that were necessitated by the discontinuation of the former trading and project business in Germany. The expected charges from the repositioning of the business in Germany had already been fully included in the results for the first six months of the

year. The EBIT margin (ratio of EBIT to revenue) improved to - 1.4 percent (Q1-Q3/2012: - 14.4 percent).

After taxes, the Group generated a loss attributable to parent company shareholders of EUR - 7.4 million for the first nine months of 2013 (Q1-Q3/2012: EUR - 22.3 million). Calculated on an average number of 7,372,700 shares, basic earnings per share stood at EUR - 1.01 (Q1-Q3/2012: EUR - 3.03).

Third-quarter business trends

The Phoenix Solar Group generated revenue of EUR 47.6 million in the third quarter of 2013 (Q3/2012: EUR 40.8 million), representing a EUR 6.8 million, or 16.7 percent, year-on-year increase.

Due to the start-up of a major project in the USA, only 4.0 percent of these revenues (Q3/2012: 23.4 percent) were attributable to business in Germany, and correspondingly 96.0 percent (Q3/2012: 76.6 percent) were due to business on foreign markets. The foreign subsidiaries' share of consolidated revenue rose to 96.2 percent in Q3/2013 as a consequence (Q3/2012: 66.0 percent). EBIT in the third quarter 2013 stood at EUR 2.2 million (Q3/2012: EUR - 4.0 million), reflecting a EUR 6.2 million improvement.

Order book position at the end of the first nine months

The order book position amounted to 69.1 million as of the 30 September 2013 reporting date (30 September 2012: EUR 127.0 million) - a fall of 57.9 million, or 45.6 percent. The entire order book position comprises orders that are sourced from abroad due to the discontinuation of the trading and project business in Germany (30 September 2012: export share: EUR 123.4 million or 97.2 percent)

Dr. Bernd Köhler, CEO of Phoenix Solar AG, commented as follows: "We still have a long way to go on our path out of the severe crisis – which we have meanwhile successfully overcome – to reach the sustainably predictable and profitable growth that we are working towards. Our strategy is nevertheless now showing clear signs of success. For this reason, our task over the coming months is to consistently further develop our business, seize opportunities on our core markets and further minimise risks."

Report on the first nine months of 2013

The report on the first nine months of 2013 is published today, 7 November 2013, in electronic form and can be downloaded from our 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