

### **Phoenix Solar AG publishes H1 2014 results**

- *Operating earnings (EBIT) improved to EUR -3.3 million*
- *Revenues of EUR 12.1 million*

Sulzemoos, 14 August 2014 / 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 2014 financial year. Revenues dropped to EUR 12.1 million (H1/2013: 68,4 million). While the revenue for the first quarter still had been in line with our expectations, the figure for the second quarter and the first half year as a whole is below our planning. Operating earnings before interest and taxes (EBIT) amounted to EUR -3.3 million (H1/2013: EUR -3.8 million). In view of the business development over the first six months of the current financial year Phoenix Solar AG is now assuming that the Group in the 2014 financial year will report revenues in a range between EUR 70 million and EUR 100 million (2013: EUR 141.2 million). Earnings before interest and taxes (EBIT) are expected in a range of EUR 0 to 3 million (2013: EUR -1.4 million).

### **H1 business trends**

Phoenix Solar achieved EUR 12.1 million of consolidated revenue during the first six months of 2014 (H1/2013: EUR 68.4million), representing a decrease of 82.4 percent. This decline arises mainly from significant delays in planned order intake in the USA.

Of these revenues, 14.0 percent were attributable to business in Germany (H1/2013: 21.0 percent), and 86.0 percent to foreign markets (H1/2013: 79.0 percent).

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The Components & Systems segment achieved revenues of EUR 8.1 million in the first half of 2013 (H1/2013: EUR 44.7 million), down 81.9 percent in a year-on-year comparison. The Power Plants segment delivered revenues of EUR 3.9 million (H1/2013: EUR 23.7 million), reflecting a decrease of 83.5 percent. In terms of total half-yearly revenue, 67.5 percent was consequently attributable to the Components & Systems segment (H1/2013: 65.4 percent), and 32.5 percent to the Power Plants segment (H1/2013: 34.6 percent).

Consolidated earnings before interest and tax (EBIT) stood at EUR - 3.3 million in the first half of the year (H1/2013: EUR - 3.8 million). In the previous year this amount comprised provisions of EUR 1.9 million for severance payments in connection with the restructuring. The EBIT margin (ratio of EBIT to revenue) declined to - 27.6 percent (H1/2013: - 5.6 percent).

After taxes, the company generated a consolidated net loss attributable to the parent company shareholders of EUR -6.4 million (H1/2013: EUR - 7.5 million). Calculated on an average number of 7,372,700 shares, basic earnings per share stood at EUR - 0.86 (H1/2013: EUR - 1.02).

### **Second-quarter business trends**

The Phoenix Solar Group generated revenue of EUR 5.5 million in the second quarter of 2014 (Q2/2013: EUR 37.9 million), representing an EUR 32.4 million, or 85.5 percent, year-on-year decline. 16.7 percent of these revenues were attributable to business in Germany (Q2/2013: 7.4 percent), while 83.3 percent were generated on foreign markets (Q2/2013: 92.6 percent).

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EBIT amounted to EUR - 1.1 million in the second quarter of 2014 (Q2/2013: EUR + 0.4 million).

### **Order book position at the end of H1**

The consolidated order book position amounted to EUR 17.1 million at the end of the first six months (30 June 2013: EUR 86.4 million) – a decline of EUR 69.3 million compared with the prior-year figure. The international share of the order book position stood at EUR 17.1 million (30 June 2013: EUR 80.5 million), contributing 100 percent to the total order book position (30 June 2013: 93.2 percent).

### **Outlook**

In view of its business performance in the first six months of the current financial year which was characterised above all by considerable delays in planned order intake in the USA, Phoenix Solar AG no longer assumes that the goals targeted for the financial year 2014 can be achieved. The Executive Board has therefore decided to revise the baseline forecast downwards for 2014 as a whole. In the financial year 2014, the company now anticipates a revenue decline for the Group of around 35 to 50 percent compared with the financial year 2013. This corresponds to a revenue corridor of between EUR 70 million and EUR 100 million (2013: EUR 141.2 million). Earnings before interest and taxes (EBIT) are now expected within a range of EUR 0 million and EUR 3 million (2013: EUR - 1.4 million) and include the proceeds from the sale of the O&M business. Phoenix Solar had previously forecast revenues of between EUR 150 million and EUR 160 million and earnings before interest and taxes (EBIT) of between EUR 2 million and EUR 5 million.

Dr. Bernd Köhler, CEO of Phoenix Solar AG, commented as follows: "The second quarter brought the recognition that we were unfortunately exposed to a series of external factors on which we have little influence.

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All told, this resulted in the orders anticipated not being placed. Even though we find these delays very taxing, we are working hard on achieving our revised forecast over the remainder of the year based upon still existing extensive pipelines with several 100 MW's worth of specific projects. "

### **Report on H1 2014**

The report on the first half of 2014 is published today, 14 August 2014, in electronic form and can be downloaded from the website at [www.phoenixsolar-group.com](http://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](http://www.phoenixsolar-group.de)