

Press Release

Phoenix Solar AG closes the first quarter of 2010 with a record result

- **Consolidated revenues more than doubled to EUR 80.4 million**
- **EBIT rises by more than EUR 12 million**
- **International business picks up considerable momentum**

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Sulzemoos 11 May 2010 / Phoenix Solar AG (ISIN DE000A0BVU93), a leading photovoltaic system integrator listed on the German TecDAX, is today releasing its consolidated financial statements as per 31 March 2010.

Best start to the year despite winter weather

“In terms of sales and earnings, this was the best quarter in the history of the company. Our flexible business model and our sustainable corporate strategy enables us to respond appropriately to the market situation”, commented Dr. Andreas Hänel, Chief Executive Officer of Phoenix Solar AG, in reference to the pleasing business development. The course of business during the reporting period was greatly affected by the political discussion about the amendment to the German Renewable Energy Act (EEG). The anticipated additional lowering of the feed-in tariffs at mid-year triggered upfront buying effects in the first half-year. Despite a long winter with heavy snowfall, the first quarter was dominated by significantly brisker installation activities compared with a year ago.

Power plant and international business expands swiftly

In the period from 1 January to 31 March 2010, the Phoenix Solar Group lifted total revenues by 118.5 percent to EUR 80.4 million, up from EUR 36.7 million in the first quarter of 2009. Total revenues were attributable as follows: 66.9 percent to the Components & Systems segment and 33.1 percent to the Power Plants segment. The share of international business in total

revenues came to 9.1 percent (EUR 7.3 million) as compared with 5.4 percent (EUR 2.0 million) in the previous year's period.

Revenues of the Components & Systems segment climbed by 88.4 percent to EUR 53.7 million in the first three months of 2010 (Q1/2009: EUR 28.5 million). The Power Plants segment generated growth of 225.6 percent, raising revenues to EUR 26.7 million in the reporting quarter, up from EUR 8.2 million in the first quarter of 2009. Along with installation activity in Germany, the first megawatt project was built and taken into operation in Italy.

Great improvement in the margin situation

Earnings before interest and taxes (EBIT) grew to EUR 4.62 million in the first quarter of 2010 as against the previous year's figure of EUR -7.44 million, which is an increase of more than EUR 12 million. The EBIT margin (ratio of EBIT to revenues) improved greatly in the first quarter of 2010 and reached 5.8 percent (Q1/2009: -20.2 percent).

The consolidated result after tax also rose significantly in a year-on-year comparison and came to EUR 2.8 million in the reporting period (Q1/2009: EUR -6.0 million). Based on 6,700,700 shares, earnings per share came to EUR 0.42 (Q1/2009: EUR -0.89).

Rising orders on hand

The orders on hand of the Group had risen by 27 percent, from EUR 296 million at the start of the year to EUR 375 million by 31 March 2010 (31 March 2009: EUR 248 million). Orders of the Components & Systems segment came to EUR 227 million at the end of the first quarter (31 March 2009: EUR 154 million) and to EUR 148 million in the Power Plants segment (31 March 2009: EUR 94 million).

First revenues peak expected in the second quarter

The second quarter has also developed well to date. At the end of a long, hard winter, deliveries by the Components & Systems segment rose notably. In the Power Plants segment, all project teams are working at their capacity limits. Owing to the additional lowering of remuneration rates for ground-mounted plants as from 1 July 2010, the focus in this quarter is on completing power plant projects in Germany. In addition, there are a number of megawatt power plants under construction in Italy. In the third and fourth quarter, the focus will be increasingly on the building of solar power plants in international markets.

Outlook for the year as a whole

The Executive Board anticipates strong growth in revenues in 2010, a considerable improvement in the earnings situation and a significant increase in revenues generated by international business. As soon as the last hurdles posed by legislative procedures in respect of an amendment to the German Renewable Energy Act have been overcome, company planning will be revised and reliable guidance derived.

The Quarterly Report as per 31 March 2010 is being released today, 11 May 2010, and can be downloaded from the company's website at www.phoenixsolar.com under the heading Investor Relations, Financial Reports.

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About Phoenix Solar AG

Phoenix Solar AG, which has its headquarters in Sulzemoos near Munich, is a leading international photovoltaic system integrator. With total revenues of EUR 473 million, the Group achieved an EBIT of EUR 12.2 million in the financial year 2009. Phoenix Solar develops, plans, builds and takes over the operation of large-scale photovoltaic plants and is a specialist

wholesaler for complete power plants, solar modules and accessories. The Group is a leader in photovoltaic system technology. It focuses on the consistent lowering of system costs. With a sales network throughout Germany, and subsidiaries in Spain, Italy, Greece, France, Singapore, Oman and Australia, the Group currently has a workforce of more than 300 employees. The shares of Phoenix Solar AG (ISIN DE000A0BVU93) are listed on the official market (Prime Standard) of the Frankfurt Stock Exchange and on the TecDAX, Deutsche Börse AG's technology index.

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