

Press Release

Phoenix Solar AG releases preliminary figures for the financial year 2009

- **Consolidated revenues grow to EUR 473 million; EBIT reaches EUR 12.2 million**
- **Module sales rise by nearly 70 percent, which is considerably faster than the global market**
- **Board of Directors proposes to pay dividend of EUR 0.20 per share**

Phoenix Solar AG
Hirschbergstraße 8
D-85254 Sulzemoos

Investor Relations
Anka Leiner
Tel. +49 (0)8135 938-315
Fax +49 (0)8135 938-399
a.leiner@phoenixsolar.de
www.phoenixsolar.de

Sulzemoos 9 March 2010 / Based on preliminary figures, Phoenix Solar AG, a leading photovoltaic system integrator listed on the TecDAX, generated consolidated revenues of EUR 473.0 million in the financial year 2009, which corresponds to the upper range of the corridor forecast for revenues (EUR 430 – 480 million). Earnings before interest and taxes (EBIT) came to EUR 12.2 million, which is also in line with guidance.

All in all, performance in the financial year 2009 was dominated by the German market (global market share of 40 – 50 percent), extremely volatile demand and an unexpectedly sharp downturn in the selling prices of photovoltaic systems. Moreover, business with photovoltaic power plants also suffered from the consequences of the global financial crisis. “Our flexible business model, which is built on our two segments of Components & Systems and Power Plants, enabled us to respond to the difficult situation in the market and to win additional market share. Phoenix Solar AG ranks among the few solar companies in Germany which not only boosted revenues but also succeeded in closing the year profitably“, commented Dr. Andreas Hänel, Chief Executive Officer of Phoenix Solar AG.

Best quarterly revenues in the history of the company

In the reporting year 2009, the Phoenix Solar Group generated total revenues of EUR 473.0 million (2008: EUR 402.5 million) and consequently a growth of 17.5 percent, based on preliminary

figures. The fourth quarter of 2009 alone came to EUR 230.8 million, which is almost 50 percent of this year's result. As against the previous year's quarter, revenues climbed by 127.7 percent. The fourth quarter therefore delivered the best revenue performance in the history of the company. The volume of modules sold was raised by almost 70 percent to more than 202 MWp in 2009. By comparison, growth in the global market is likely to be 20 percent at most.

The international markets in which Phoenix Solar AG operates were generally slow to develop in 2009 and disappointed expectations. The Phoenix Solar Group generated total revenues of EUR 27.6 million, which is 5.8 percent, from its international business (2008: EUR 159.7 million; 39.7 percent).

Business dominated by Components & Systems

The Components & Systems segment achieved strong growth in both volume and revenues. Based on preliminary figures, revenues climbed by 39.3 percent to EUR 299.0 million in the financial year 2009 (2008: EUR 214.6 million). The Power Plants segment generated total revenues of EUR 174.0 million (2008: EUR 187.8 million) but had to absorb a decline in sales of 7.3 percent owing to the difficult financing situation for large-scale photovoltaic power plants in 2009 and the collapse of the Spanish market, which contracted by 95 percent.

Pressure on margins exerted by a decline in selling prices

Based on preliminary figures, EBIT amounted to EUR 12.2 million (2008: EUR 33.8 million). EBIT was burdened by the steep downturn in selling prices and the resulting pressure on margins, which also necessitated inventory adjustments. Consequently, the EBIT margin (ratio of EBIT to revenues) came to only 2.6 percent in the financial year 2009 (2008: 8.4 percent). The Components &

Systems segment achieved an EBIT of EUR 6.1 million and the Power Plants segment an EBIT of EUR 6.1 million as well, which corresponds to an EBIT margin of 2.0 percent and 3.5 percent respectively.

Preliminary consolidated profit after tax stood at EUR 8.6 million in the period under review as compared with EUR 23.7 million in 2008, which is a decline of 63.7 percent. Earnings per share come to EUR 1.28 (2008: EUR 3.63).

As per 31 December 2009, the equity ratio stood at 53.4 percent (2008: 69.9 percent).

Board of Directors proposes dividend distribution

Based on the preliminary 2009 figures, the Board of Directors has taken the decision today to propose to the Annual General Meeting of Shareholders that a dividend of EUR 0.20 be paid for the financial year 2009 (2008: EUR 0.30). The Group thus continues to pursue its shareholder-oriented dividend policy which accords with company growth and the respective business situation. This resolution is subject to adoption of the annual financial statements for the financial year 2009 and approval by the Supervisory Board.

Excellent order situation in the first half of 2010

On 1 January 2010, the order book stood at EUR 296 million (2008: EUR 112 million). Adjusted for work in progress, orders in hand have risen by 119 percent, from EUR 107 million since the start of 2009 to EUR 234 million, and were attributable as follows: EUR 183 million to the Components & Systems segment and EUR 51 million to Power Plants segment.

Performance in the first quarter 2010

The cold winter with its heavy snowfall over the first quarter of

2010 to date has hindered deliveries and construction activity. However, the surge in demand in the European markets has caused another increase in orders in hand in comparison with the level posted at the turn of the year. The rise in temperatures saw construction activities on power plants resume and deliveries in the Components & Systems segment pick up momentum.

Development in the year 2010

In the year 2010, the Board of Directors anticipates strong growth in module sales, an increase in revenues and an improvement in the earnings position, with a significantly higher share of international business. Exact guidance on revenues and earnings in the financial year 2010 can only be given when final outcome of political discussions on the amendment of the German Renewable Energies Act becomes known.

The 2009 Annual Report with a complete set of consolidated financial statements will be published in electronic form on 22 April 2010 and can be downloaded from the company's website at www.phoenixsolar.com under the heading Investor Relations, Financial Reports.

This is an English translation of the German original. Only the German version is binding.

Reproduction permitted

About Phoenix Solar AG

Phoenix Solar AG, which has its headquarters in Sulzemoos near Munich, is a leading international photovoltaic system integrator. Based on preliminary figures, the Group achieved total revenues of EUR 473 million and an EBIT of EUR 12.2 million in the financial year 2009. Phoenix Solar AG plans, builds and operates large-scale photovoltaic power 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.

Contact

Phoenix Solar AG
Hirschbergstraße 8
D-85254 Sulzemoos

Investor Relations

Anka Leiner
Tel. +49 (0)8135 938-315
Fax +49 (0)8135 938-399
a.leiner@phoenixsolar.de
www.phoenixsolar.de