



# Solaria

9-month Results

January-

September 2007

12 November 2007

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## Results January-September 2007



**Q3 2007 vs. Q2 2007: Sales +62%; Net profit +162%**

**EBITDA +141% Q3 vs. Q2. EBITDA margin EBITDA in Q3 improves to 39% from 35% (Q1) and 27% (Q2)**

**Strong growth in Turnkey sales: 30% of Q3 sales, up from 14% of total sales in H1. Trend to continue in Q4 due to increased orderbook**

**Important increase in margins in Turnkey division**

**Changes in the company make comparisons between 2006 and 2007 irrelevant**

# Results January-September 2007



**Sales +62% in Q3 vs. Q2 and 4.0x since Q1**

		Q1 2007	Q2 2007	Q3 2007	9m2007
Sales to clients. PV Modules	000s €	10,119	28,761	36,449	75,330
	MW	2.2	8.5	11.0	21.7
	Average €/MW	4.6	3.4	3.3	3.5
Sales to clients. Turnkey	000s €	2,708	3,503	15,880	22,092
Sales. Thermal pannels	000s €	140	0	0	140
	m2	712	0	0	712
	Average €/m2	197	0	0	197
<b>Total Sales</b>		<b>12,967</b>	<b>32,264</b>	<b>52,329</b>	<b>97,561</b>

**Growth in sales reflects strong demand and increased production  
Sales mix more balanced as Turnkey division growth exceeds PV Modules**

# Results January-September 2007



**EBITDA +141% in Q3 vs. Q2 and 4.6x since Q1**

		Q1 2007	Q2 2007	Q3 2007	9m2007
PV Modules	EBITDA 000s €	3,135	8,552	6,730	18,417
	% division sales	27.2%	26.7%	18.5%	23.0%
Turnkey	EBITDA 000s €	1,272	-18	13,830	15,084
	% division sales	97.9%	-7.8%	87.1%	86.6%
Thermal pannels	EBITDA 000s €	83	13	46	142
	% sales	59.3%	n/r	n/r	101.4%
Total EBITDA	EBITDA 000s €	4,490	8,547	20,606	33,643
	% sales	34.6%	26.5%	39.4%	34.5%

**Ramp-up costs of new PV Module lines deteriorates division EBITDA margins  
New Turnkey contracts propels EBITDA margin**

# Results January-September 2007



## Record net profit in Q3 2007

€ million	Q1 2007				Q2 2007				Q3 2007				9m2007			
	PV	Th	T/key	Total	PV	Th	T/key	Total	PV	Th	T/key	Total	PV	Th	T/key	Total
Sales to clientes	10.119	140	2.708	12.967	28.761	0	3.503	32.264	36.449	0	15.880	52.329	75.329	140	22.091	97.560
Internal sales	1.409	0	-1.409	0	3.270	0	-3.270	0	0	0	0	0	4.679	0	-4.679	0
<b>TOTAL SALES</b>	<b>11.528</b>	<b>140</b>	<b>1.299</b>	<b>12.967</b>	<b>32.032</b>	<b>0</b>	<b>232</b>	<b>32.264</b>	<b>36.449</b>	<b>0</b>	<b>15.880</b>	<b>52.329</b>	<b>80.009</b>	<b>140</b>	<b>17.411</b>	<b>97.560</b>
Other income	6	8	0	14	2	2	0	4	40	0	0	40	48	10	0	58
COGS	-8.399	-65	-28	-8.492	-23.481	11	-250	-23.720	-29.759	47	-2.051	-31.763	-61.639	-7	-2.329	-63.975
EBITDA	3.135	83	1.272	4.490	8.552	13	-18	8.547	6.730	47	13.829	20.606	18.417	143	15.083	33.643
Depreciation	-63	-1	0	-64	-103	18	-1	-86	-142	-23	-10	-175	-308	-6	-11	-325
EBIT	3.072	82	1.272	4.426	8.450	-5	-19	8.426	6.588	24	13.819	20.431	18.110	101	15.072	33.283
Financial income				59				250				1.417				1.726
Financial expenses				-291				-378				-305				-974
<b>ORDINARY PROFIT</b>				<b>4.194</b>				<b>8.297</b>				<b>21.543</b>				<b>34.034</b>
Non-recurrent items				0				0				0				0
Pre-tax profit				4.194				8.297				21.543				34.034
Taxes				-1.364				-2.731				-6.966				-11.061
<b>NET PROFIT</b>				<b>2.830</b>				<b>5.566</b>				<b>14.576</b>				<b>22.972</b>

Accounts under IFRS criteria

# Results January-September 2007

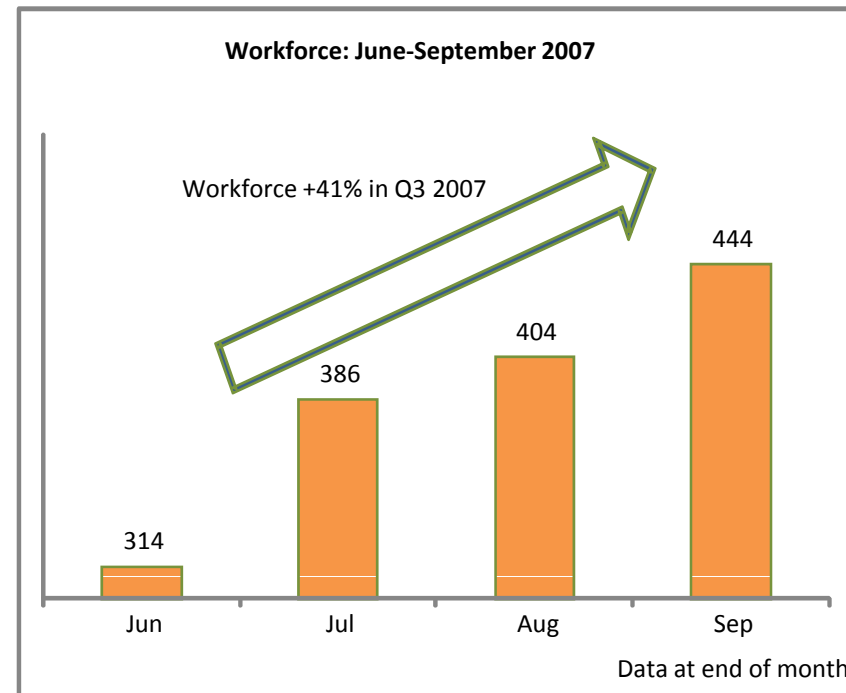
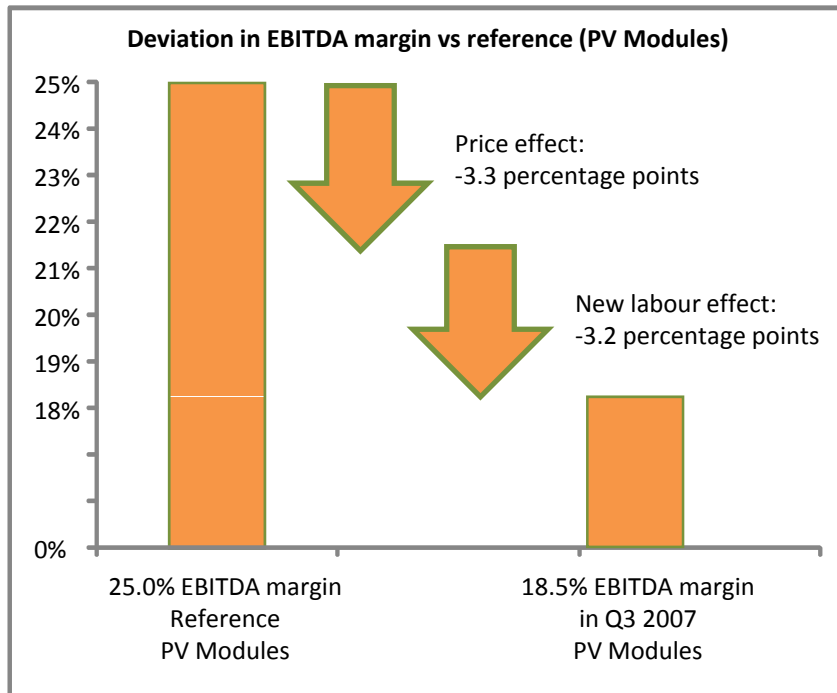


€ Million	Dec 06	Mar 07	Jun 07	Sep 07
<b>Fixed assets:</b>				
- Net tangible fixed assets	7.106	11.044	16.559	22.311
- Intangibles	125	11	19	18
- Financial investments	20	41	24	33
Deferred expenses	355	0	35	3.264
<b>Current assets:</b>				
- Stocks	17.655	21.441	23.974	27.667
- Debtors	9.609	17.191	36.013	88.238
- Creditors	0	58	320	165
- Cash	4.828	5.172	218.803	179.250
<b>TOTAL ASSETS</b>	<b>39.698</b>	<b>54.958</b>	<b>295.747</b>	<b>320.946</b>
Shareholder's funds	6.329	6.887	223.877	240.818
Deferred income	5.185	0	5.168	5.617
Long term debt	9.111	14.270	15.173	15.181
<b>Current liabilities:</b>				
- Short term debt	7.628	15.126	21.811	17.942
- Creditors	8.511	14.311	22.725	30.188
- Deferred items	0	146	146	143
- Other	0	54	108	0
- Tax liabilities	2.934	4.164	6.739	11.057
<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>39.698</b>	<b>54.958</b>	<b>295.747</b>	<b>320.946</b>

**Accounts under IFRS criteria**



## PV Modules: Ramp-up costs



**Negative impact: pricing effect and hirings for new production lines  
 Cost cutting and start up of the new lines to be reflected in margin recovery**

# Orderbook at November 2007



Division	Client	MW	Amount	€/Wp (*)	Delivery date
<b>CONTRACTED</b>					
Turnkey	Client 1	11 MW	67.1 Mill €	6.1	2007 / 2008
Turnkey	Client 2	11 MW	67.1 Mill €	6.1	2007 / 2008
Turnkey	Client 3	27.2 MW	146.9 Mill €	5.4 (*)	2007 / 2008
Turnkey	Client 4	11 MW	67.1 Mill €	6.1	2008
PV Modules	Forlasa	45.5 MW	159.1 Mill €	3.5	2007 / 2008
PV Modules	Vértice Solar	2.5 MW	8.4 Mill €	3,4	2008
<b>TOTAL CONTRACTED</b>		<b>108.2 MW</b>	<b>515.7 Mill €</b>		
<b>UNDER VERY ADVANCED NEGOTIATION</b>					
Turnkey	Client 5	22 MW	138.6 Mill €	6.3	2008
Turnkey	Client 6	7 MW	38.5 Mill €	5.5 (*)	2008
Turnkey	Client 7	22 MW	134.2 Mill €	6.1	2008
Turnkey	Client 8	22 MW	140.8 Mill €	6.4	2008
PV Modules	Client 9	24 MW	78.0 Mill €	3,3	2008
<b>TOTAL VERY ADVANCED NEGOTIATION</b>		<b>97 MW</b>	<b>530.1 Mill €</b>		
<b>LA PALOMA GRID LICENCE</b>					
Turnkey	LOI 1	55 MW	330.0 Mill €	6.0	2008 / 2009
Turnkey	LOI 2	55 MW	330.0 Mill €	6.0	2008 / 2009
Turnkey	LOI 3	55 MW	330.0 Mill €	6.0	2008 / 2009
<b>TOTAL LA PALOMA</b>		<b>165 MW</b>	<b>990.0 Mill €</b>		
<b>TOTAL ORDERBOOK</b>		<b>370.2 MW</b>	<b>2,035.8 Mill €</b>		<b>2007 / 2009</b>
<b>ADDITIONAL GRID LICENCES</b>					
Turnkey	To be marketed	250 MW			2008 / 2009
Turnkey	To be marketed	50 MW			2008 / 2009

(\*) €/Wp turnkey below average reflects projects where part of the structure is already installed b the client

## Cell supplies contracted for 2008



**Secured over 120% of the supply required for 2008**

Supplier	Minimum	Maximum	Situation
Gintech	39 MW	50 MW	Contract signed
Neo Solar Power	15 MW	15 MW	Contract signed
E-Ton	40 MW	70 MW	All terms agreed
JA Solar	45 MW	60 MW	All terms agreed
Confidential	5 MW	10 MW	Under negotiation
Confidential	12 MW	15 MW	Under negotiation
Confidential	0 MW	8 MW	Under negotiation
<b>TOTAL</b>	<b>156 MW</b>	<b>228 MW</b>	

**Does not include between 30 and 50 MW own cell production**

## Reflections



**Success of the business plan and the targets explicated during the IPO is being reflected in the 9-month results to September 2007**

**Coming start up of new cell factory (Puertollano) end of Q4 2007. Investment in the wafers plant initially set for 2008 has been postponed**

**Tender for grid connection licence at La Paloma (150 MW) in final stage. Tenders in progress for additional 300 MW of new grid connection licences in Castille-Mancha**

**Strong demand for Turnkey deliveries post September 2008 assures full utilisation of PV Modules factory**

**Forthcoming regulatory changes will add stability and visibility to the PV industry**

**2007 targets: Sales in excess of €200 Million and EBITDA margin of around 32% to 35%**



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