



Results January – March 2009

4 May 2009



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## Results January - March 2009



**Sales for the period were € 000s 45,815 (42% of FY-2008's turnover), EBITDA € 000s 10,801 and Net profit € 000s 5,463**

**Return to profits with EBITDA and EBIT margins of around 22% and 15%, respectively**

**Sales of Projects in Q1 includes the sale of photovoltaic (PV) plants connected under regulation RD 661/2007. Solaria expects additional revenues from selling PV plants in the second half of 2009**

**Revenues from Generation and plants Operation and Maintenance (O&M) add a new and recurrent business activity with quarterly sales in excess of € 5 MM**

## Results January - March 2009



Improvements in opex and higher flexibility in the production lines lead to an increased market share in PV modules and in Projects and to better cater for the new demand profile stemming from the RD 1578/2008 regulation

Improved financial position with a reduction in net debt of approximately € 13 mill and increased Shareholder's funds of € 6 mill

Net debt to equity improves to 29% (35% at Dec-08) and EBITDA / Financial result to 4.4x (-0.3x at Dec-08), which signals a return to the solvency ratios traditionally displayed by Solaria

Improved working capital management is reflected in lower stocks, lower short-term debt and a reduction in days of collection from 212 days in FY-2008 to 145 days at 31 March 2009

# Sales January - March 2009



		Q1 2009	FY-2008
Sales. PV Modules	€ 000s	19,967	110,000
Sales. Turnkey	€ 000s	39,107	40,325
Sales. Thermal pannels & Other	€ 000s	201	1,005
Sales. Electricity generation	€ 000s	4,975	-7,192
Inter-division sales	€ 000s	-17,435	-32,212
Total sales	€ 000s	46,815	111,926
	MW	7.5	55.0

Q1 2009 unaudited consolidated figures under IFRS  
 FY-2008 audited consolidated figures under IFRS

# Profit and Loss January - March 2009



In € 000s	Q1 2009	FY-2008
Net sales	46,815	111,926
Other income	0	74
COGS	-36,734	-113,250
EBITDA	10,081	-1,250
<i>% margin</i>	22%	-1%
Depreciation and Provisions	-2,307	-25,404
EBIT	7,775	-26,654
Financial result	-2,312	-4,004
ORDINARY PROFIT	5,463	-30,658
Pre-tax profit	5,463	-30,658
Taxes	0 (*)	9,196
NET PROFIT	5,463	-21,462
EBITDA / Financial result	4.4x	-0.3x

Q1 2009 unaudited consolidated figures under IFRS

FY-2008 audited consolidated figures under IFRS

(\*) Tax credit was generated in 2008

# Balance Sheet as at 31 March 2009

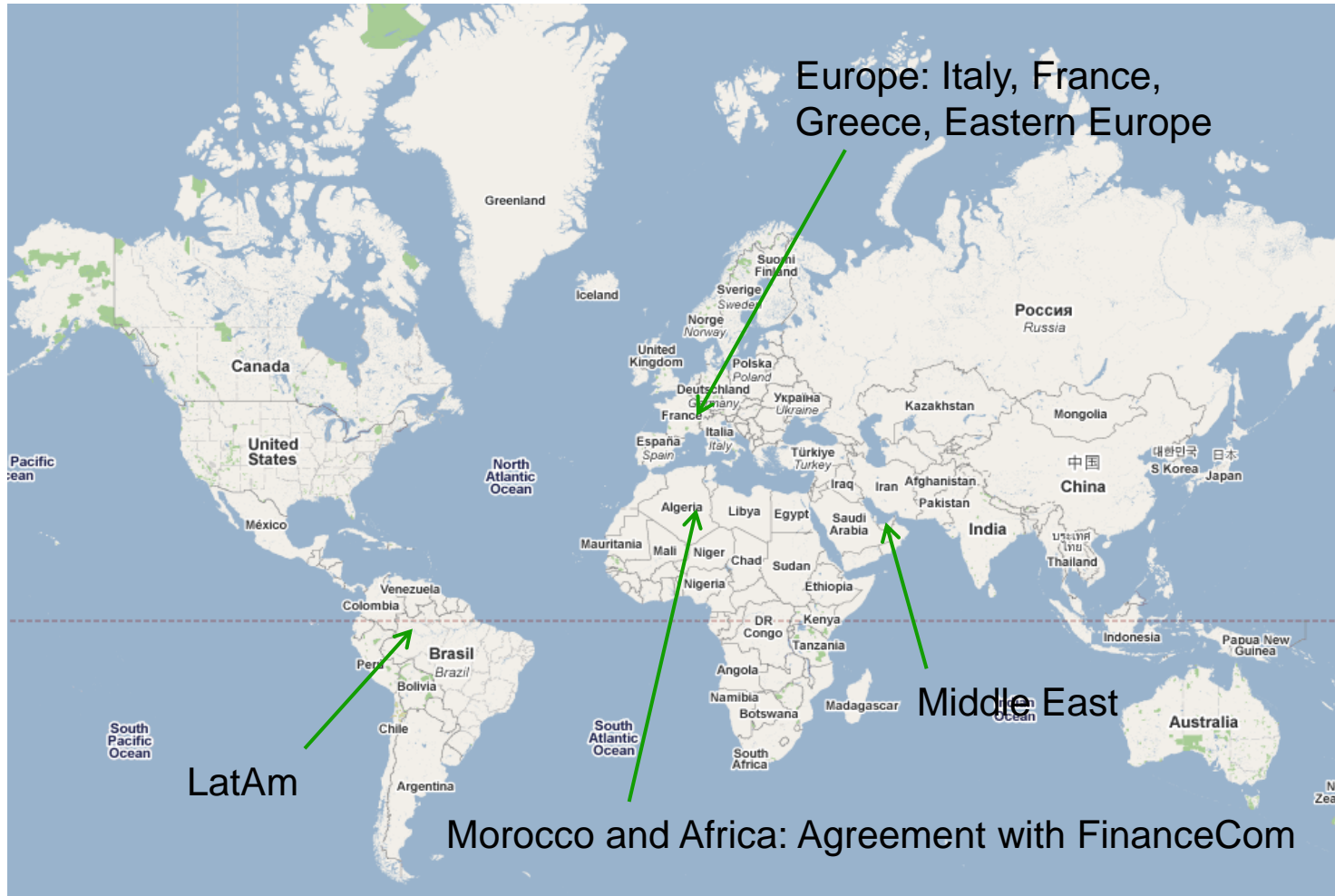


€ 000s	at 31 Mar 2009	at 31 Dec 2008
Total non-current assets	87,358	83,622
Stocks	145,273	183,618
Debtors	73,608	70,774
Other current assets	45,656	40,791
Cash & Banks	10,699	10,142
Total current assets	275,236	305,325
<b>TOTAL ASSETS</b>	<b>362,594</b>	<b>388,947</b>
Shareholder's funds	239,608	233,881
Long term debt	29,058	29,374
Other non current liabilities	6,071	5,855
Short term debt	51,669	63,704
Creditors	34,109	54,174
Other current liabilities	2,079	1,959
Total current liabilities	87,857	119,837
<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>362,594</b>	<b>388,947</b>
Net financial debt / Shareholder's funds	29%	35%
Days of collection	142	212

Q1 2009 unaudited consolidated figures under IFRS  
 FY-2008 audited consolidated figures under IFRS



# International activities



**Commercial activity in the main areas of current and potential demand**

# Outlook and Budget for 2009



**Solaria's main business activities are the sale of PV modules and the construction, sale and operation of PV plants**

**Recent activities are exports of PV modules (7% of external sales in Q1 2009) and the DBFOM of PV plants outside Spain. Solaria is negotiating agreements with local partners to develop and build PV plants in a number of undisclosed export locations**

**The economic downturn in 2009, a slowdown in the Spanish PV market until March 2009 and the strong deceleration in prices will act negatively upon the EBITDA margin. However, the negotiations with suppliers of raw materials and the improved efficiency in PV cell and module manufacturing will offset the abovementioned effects and contribute to sustain the EBITDA margin at around the level seen in Q1 2009**

# Outlook and Budget for 2009



**Our 2009 investment programme contemplates capex of € 21 mill. Over 50% of this amount will be dedicated to increase capacity in cell manufacturing, which is the key R&D strategic positioning for Solaria**

**Since November 2008, we have implemented different steps to withstand a lower demand for PV modules and the deterioration of the Spanish economy:**

- Reduction to a bare minimum of purchases to our suppliers, thus avoiding stockpiles
- Flexible labour calendars
- Investment programme adapted to demand requirements
- PV module orders are not accepted unless sufficient payment guarantees are provided

**Agreement with BMCE Bank (FinanceCom) to engage in businesses related to PV energy in Morocco and a number of countries in Africa:**

- Chorouk project: Joint bid to build four units of 40 MW each

# Reflections



**Solaria is to maintain the leadership in installing Turnkey projects in Spain and be one of the worldwide leaders in manufacturing PV modules**

**Exports of PV modules focused on Italy, France, Morocco, other countries in Africa and in the Middle East**

**Cost structures adapted to respond to a lower demand compared with past years and prepared for shorter delivery times to clients**

**Timid improvements in PV module demand as Spanish licence holders under regulation RD 1578/2008 negotiate supplies of PV modules**

**We expect additional revenues from the sale of PV plants during the second half of 2009**

**Electricity generation positions Solaria as owner of PV plants and adds better revenue visibility and stability to the existing activities**

**Improved working capital management (stocks, days of collection and short-term debt) complements the investments in fixed assets done in Q1**



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