



Results January – September 2010

15th November 2010



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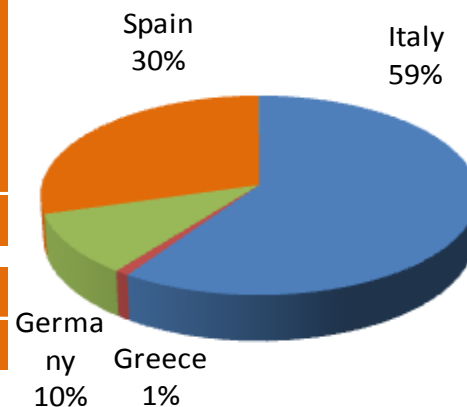
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Grupo Solaria January - September 2010 Consolidated Financial Statements

- Sales per division
- Profit and Loss
- Balance Sheet
- Generation
- Reflections

Sales 9-mth 2010

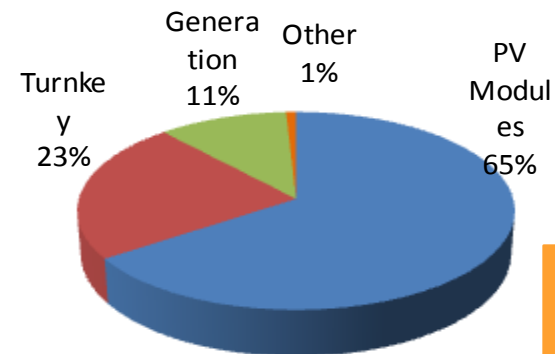
		9-mth '10	9-mth '09	% chg.	FY-2009	Sales 9-mth 2010
Sales. PV Modules	€ 000s	69,894	7,037	893%	23,355	
Sales. Turnkey	€ 000s	24,771	0	100%	0	
Sales. Generation and O&M	€ 000s	11,548	16,912	-32%	20,149	
Sales. Other	€ 000s	872	0	100%	0	
Total comparable sales	€ 000s	107,085	23,949	347%	43,504	
Non-recurrent Sales. PV Plants under RD 661	€ 000s	0	45,388	-100%	45,388	
Total sales	€ 000s	107,085	69,337	54%	88,892	
Domestic sales		30%	97%		85%	
Export sales		70%	3%		15%	



Consolidated financial data under IFRS. FY-2009 figures are audited

Comparable sales (+347%) excludes the non-recurrent sale of the PV plants Alhama-Murcia and Villamañán-León in 2009 which were built and connected in 2008. Total sales increase +54% 9M10 vs. 9M09.

Lower Generation and O&M sales (-32%) reflects lower income from generation in 2010 due to the sale of PV plants along the year 2009.



Profit and Loss (1)

In € 000s	9-mth '10	9-mth '09	FY-2009	9M10 vs 9M09
Net sales	107,085	69,762	88,892	54%
Other income	1,103	0	2,535	n.m.
COGS	-99,048	-62,789	-78,863	58%
EBITDA	9,140	6,973	12,564	31%
<i>% margin</i>	9%	10%	14%	
Depreciation	-6,229	-1,669	-4,402	273%
Provisions	0	-2,127	-2,127	n.m.
EBIT	2,911	3,177	6,035	-8%
Financial result	-2,386	-3,086	-3,943	-23%
Pre-tax profit	525	92	2,092	472%
Taxes	1,261	-28	357	n.m.
NET PROFIT	1,787	64	2,449	2700%
Net cash flow (Net profit + Depreciation + Provisions)	8,016	3,859	8,978	108%
<i>% Net cash flow-to-Sales</i>	7%	6%	10%	
EBITDA / Financial result	3.8x	2.3x	3.2x	

Consolidated financial data under IFRS. FY-2009 figures are audited

Profit and Loss (and 2)

Our first nine-month results present comparable sales of € 107.1 million (comparable growth +347%). If the non-recurrent sales of plants built in 2008 and sold in 2009 are considered, sales increase +54%. First nine-month EBITDA, EBIT and Net profit amount to € 9.1 million, € 2.9 million and € 1.8 million, respectively. Net cash-flow is € 8.0 million.

Sales per division were: PV Modules 65%, Turnkey 23%, Generation and O&M 11%, Other 1%. Export sales increased to 70% of total sales, markedly up from 3% in 9M09 and 15% in FY09. During 9M10 PV module production increased to 77.2 MWp (and 37.0 MWp in Q3 10), setting a new production record for Solaria.

In May 2010, the Temporary workforce restructuring schemes were cancelled in the Puertollano and Fuenmayor factories. Due to the increase in our manufacturing activity, all employees have resumed their normal working hours and as a result of new hirings, during January – September our group's average workforce has increased by +37%.

The guidance given at the Q1 10 results presentation remains unchanged with FY-2010's estimated sales of € 200 million and the Ebitda margin at 15.5%.

Balance Sheet (1)

€ 000s	at 30 Sep 2010	at 31 Dec 2009
Property, Plants and Equipment	175,973	199,358
Other non-current assets	30,371	24,338
Total non-current assets	206,344	223,696
Stocks	119,380	23,231
Debtors	28,917	26,129
Other current assets	37,009	36,200
Cash & Banks	7,187	17,503
Total current assets	192,493	103,063
TOTAL ASSETS	398,837	326,759
Shareholder's funds	233,658	234,973
Long term debt	59,028	25,029
Other non current liabilities	4,715	5,064
Short term debt	47,332	39,196
Creditors	45,206	20,392
Other current liabilities	8,898	2,105
Total current liabilities	101,436	61,693
TOTAL LIABILITIES & NET WORTH	398,837	326,759

Consolidated financial data under IFRS. FY-2009 figures are audited

Balance Sheet (2)

Financial debt. € 000s

	at 30 Sep 2010	at 31 Dec 2009
Non-recourse financial debt	73,328	64,225
Project finance debt	33,032	0
Less Cash & Banks	-7,187	-17,503
Net financial debt	99,173	46,722
Net non-recourse financial debt / Shareholder's funds	28%	20%
Total net financial debt / Shareholder's funds	42%	20%

Working capital. € 000s

	at 30 Sep 2010
Stocks: Raw materials and supplies & Finished products	32,747
Stocks: PV plants (1)	86,633
Trade debtors	28,917
Other debtors	663
Public entities	21,968
Timing adjustments	249
Time deposits	14,129
Cash & Banks	7,187
Total current assets	192,493
Short term debt	47,332
Creditors	45,206
Other current liabilities	8,898
Total current liabilities	101,436
Working capital	91,057

- (1) Stocks: PV plants
Consolidated Annual accounts 2009: "Note 4.13 Inventories: If a photovoltaic solar plant held for sale has been in operation for more than one year and no sales contract or similar agreement has been reached with a third party, it is classified as an asset and depreciated accordingly."
Under this principle, Solaria accounts its own PV plants as Stocks during construction and in the first year of operation.

Consolidated financial data under IFRS. FY-2009 figures are audited

Balance Sheet (and 3)

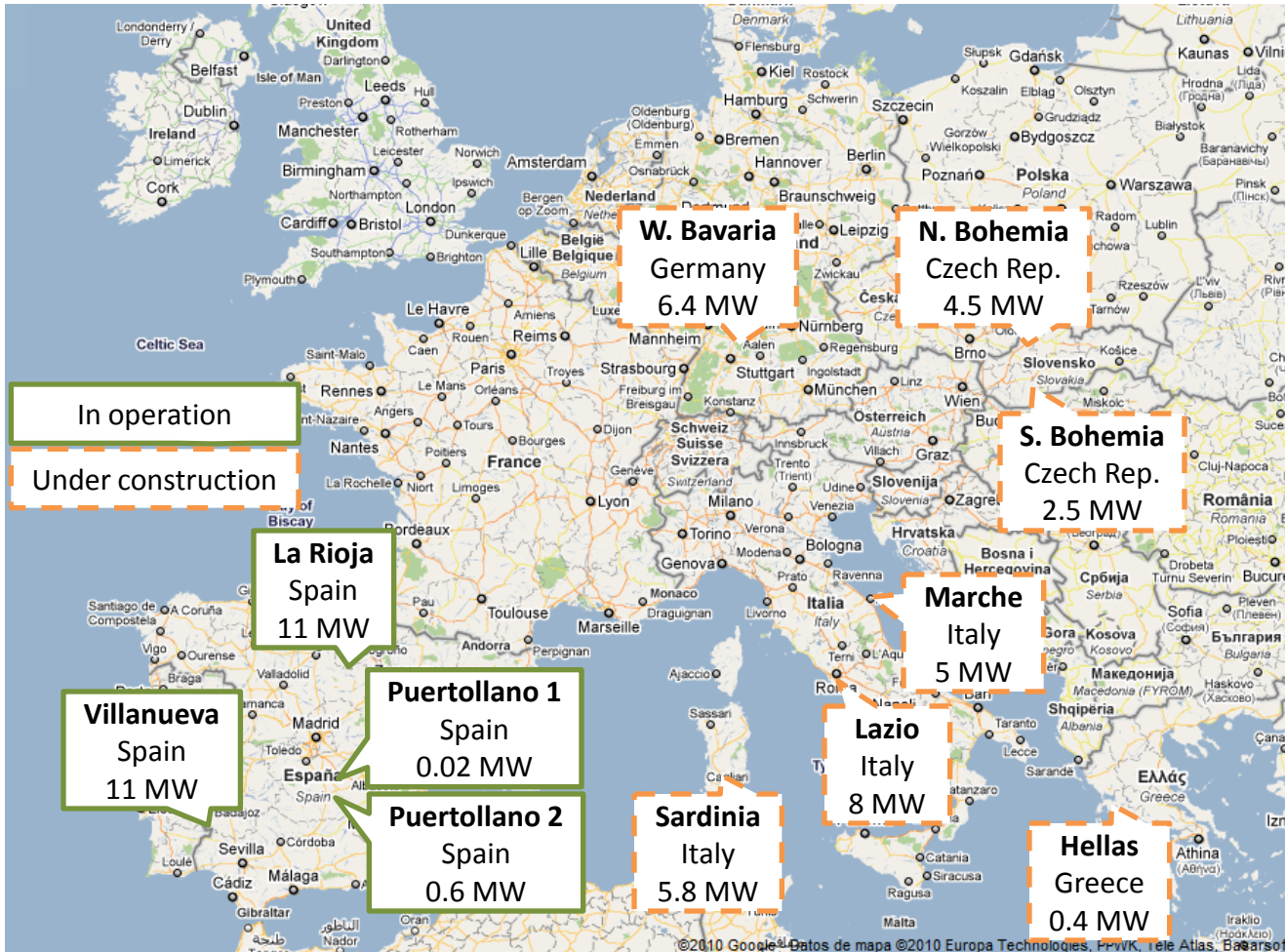
The main change in our Balance Sheet is the increase in stocks. This reflects the intensive utilisation of our production capacity and 33 MW of PV plants under construction which are scheduled to be operational in Q4 2010.

Our financial debt at 30-Sep amounted to € 106.4 million, an increase of € 42.1 million during the year 2010. € 33.0 million of new debt is a Project finance facility raised in July for the PV plant “Villanueva 11 MW”. Gearing ex project finance is 28% (20% at Dec-09) and remains at a level which we consider to be moderate and highlights a robust Balance sheet. Gearing cum project finance is 42%. The EBITDA / financial result ratio of 3.8x supports this argument.

Improvements in Working capital management are being reflected in a reduction of days of collection to 90 days (123 days at Jun-10 and 298 at Mar-10) and 92 days of payment (86 days at Jun-10 and 83 at Mar-10). The average stock increases to 249 days from 148 days (662 and 200 days at Dec-09 and Mar-10, respectively), reflecting the construction of the already mentioned PV plants.

In Oct-10 after the close of this reporting period, the fund Solaria Aleph Generación F.C.R. (50% Solaria) raised € 23.0 million in project finance for its PV plant “Sardinia 5.8 MW”. In addition, during October, Solaria obtained two project finance facilities for its two PV plants in the Czech Republic “N. Bohemia 4.5 MW” and “S. Bohemia 2.5 MW” for approximately € 23.5 million and also financed the plant in Greece “Hellas 0.4 MW” for € 1.2 million.

PV plants in operation and under construction (at 30/9/2010)



Owned PV plants

- 23 MW in operation:
 - Villanueva (100%) 11 MW
 - La Rioja (100%) 11 MW
 - Puertollano 1 (100%) 0.02 MW
 - Puertollano 2 (100%) 0.6 MW
- 33 MW under construction:
 - Sardinia (50%) 5.8 MW
 - Lazio (50%) 8 MW
 - Marche (100%) 5 MW
 - Hellas (50%) 0.4 MW
 - N. Bohemia (100%) 4.5 MW
 - S. Bohemia (100%) 2.5 MW
 - W. Bavaria (100%) 6.4 MW

We expect to connect all the PV plants currently under construction before the end of FY-2010

The nine-month results meet the strategic sales, roll-down of our generation business, international expansion targets and guidance which we announced in our first-quarter results presentation.

We are receiving offers for the two PV plants co-owned in Italy which we expect to sell before the end of FY-2010.

The access to Project Finance facilities has improved considerably. In addition to the project finance raised for our plant “Villanueva 11 MW” in July, after the close of this reporting period we raised finance for our two plants in the Czech Republic, one in Greece and one in Italy (Sardinia).

Solaria has initiated a shareholder remuneration policy. In Sep-10, we paid a € 0.02 cash dividend (1.2% yield at ex-div date) and cancelled the own stock held, representing 1.42% of the shares in issue. Moreover, in July we launched a new share buy-back programme, the maximum being 10% of the stock issued, under which 0.44% of the shares in issue had been acquired to 30-Sep.

The most relevant risks are the regulatory uncertainties. Although Solaria believes there will be no retroactive cuts to the tariff in Spain, the inconsistency of the messages which are hitting the financial and banking markets continues to impact adversely on the sector’s sentiment and on our share price.

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