PRO-NATURE TECHNOLOGY

Solaria

Results January – June 2011

31th August 2011

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Solaria Consolidated Financial Statements January – June 2011

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External Analysis

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- Regulatory uncertainty has marked activity in key markets such as Italian, announcing in March the end of the "Conto Energia III", causing a negative impact on the investment community. The Conto Energia IV was approved in May.

- The new regulatory system in Italy, established a special bonus for products manufactured in Europe, which clearly favors Solaria

- The German market has also experienced a slowdown over the same period last year being the new capacity installed between January and May 1, 37% below the same period in 2010

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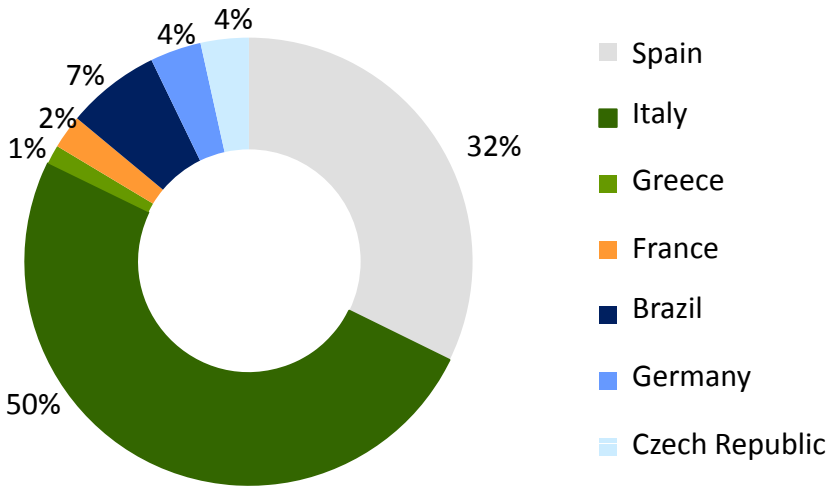
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First Half 2011 Sales

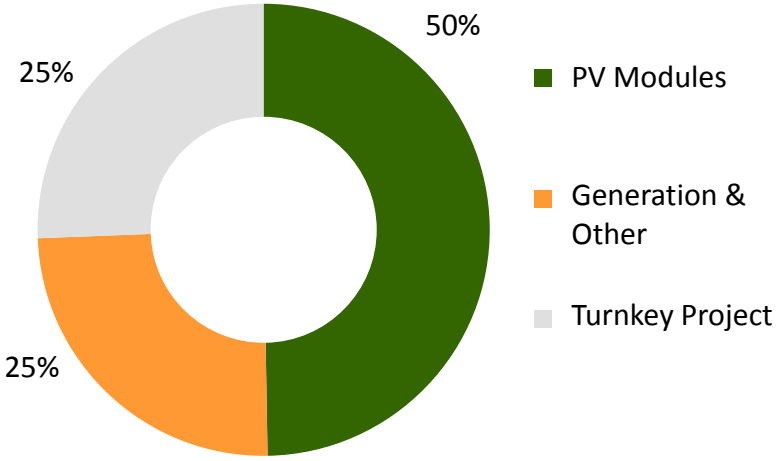
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In € 000s	H1 2011	H1 2010	% Variation
Sales. PV Modules	25.678	42.426	-39%
Sales. Turnkey	13.219	13.333	-1%
Sales. Generation and O&M	12.744	7.035	81%
Sales. Other	-	323	-100%
Total Sales	**51.642**	**63.116**	**-18%**
Domestic Sales	32%	30%	
Export Sales	68%	70%	

Sales per Country H1 2011



Sales per Business Unit H1 2011



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First Half 2011 Sales

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- The first semester 2011 was characterized by a surplus of modules in the market due to the falling demand in the major photovoltaic markets.
- As a result of the strategic agreements signed in Italy, Greece and United Kingdom, the Company expects to recover its PV Modules sales volume during the second half 2011.
- Although Spain and Italy are currently the main markets for Solaria, the company continues its expansion with a growing presence in international markets
- While the sales generation activities were exclusively domestic in the first semester 2010, in a very short period of time, they have became increasingly international, multiplying the installed power output by 2,4 thanks to the projects developed in Italy, Czech Republic, Greece and Germany.

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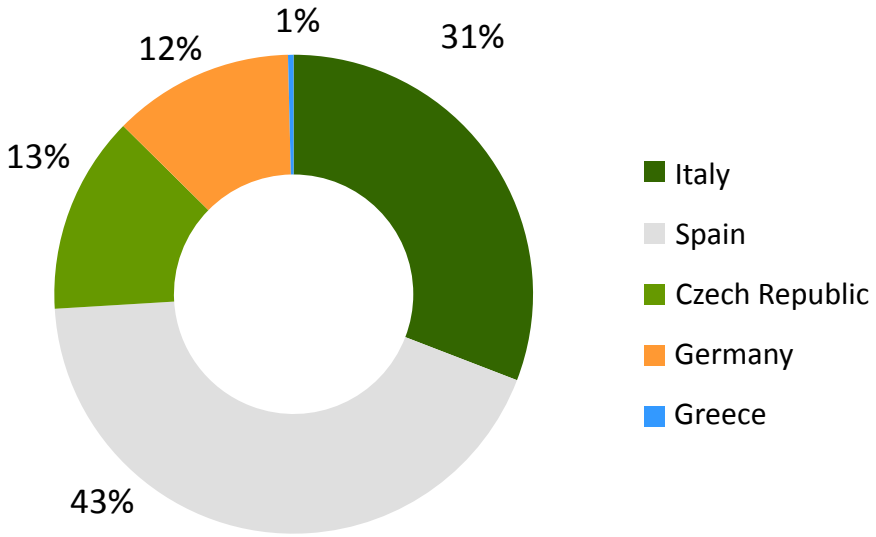
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Generation

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PV Plants in operation (31/08/2011)



Italy	Power (MW)	IRR
Cerdeña	2,9	15%
Lazio	4	16%
Marche I	5	17%
Marche II	4,2	14%
Spain	**Power (MW)**	**IRR**
Villanueva	11	13%
La Rioja	11	13%
Puertollano I	0,02	NA
Puertollano II	0,6	17%
Greece	**Power (MW)**	**IRR**
Hellas	0,2	20%
Czech Republic	**Power (MW)**	**IRR**
North Bohemia	4,5	12%
South Bohemia	2,5	12%
Germany	**Power (MW)**	**IRR**
West Bavaria	6,4	9%
TOTAL	52,3	

Total: 52 MW connected (*)

- Sales growth in Generation of 82% over the same period of 2010
- Solaria will keep investing in solar pv plants in Europe

(*) Solaria weighted share

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Profit and Loss

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000s €	H1 2011	H1 2010	% Variation
Net sales	51.642	63.116	-18%
Other income	940	958	-2%
COGS	(48.441)	(57.244)	-15%
EBITDA	**4.141**	**6.830**	**-39%**
	8,02%	*10,82%*	
Depreciation	(3.901)	(4.593)	-15%
EBIT	**240**	**2.237**	**-89%**
	0,46%	*3,54%*	
Financial result	(2.121)	(1.838)	15%
EBT	**(1.881)**	**399**	**-571%**
Taxes	2.397	39	6046%
NET PROFIT	**516**	**438**	**18%**
	1,00%	*0,69%*	

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Profit and Loss

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- The consolidated results for the first half of 2011 show sales of 51.6 MM €, a decrease of 18% over the comparable figure for the same period of 2010.
- Despite the sharp fall in prices, thanks to the policy of cost reduction, Solaria has managed to obtain a positive net result, this being 18% higher compared to the corresponding period of 2010.
- The financial result has been a 15% net increase in spending over the first half of 2010 mainly as a result of funding obtained for various investments made by Solaria.
- Solaria has managed to contain operating costs by applying strict policies to control and reduce costs, with an increase of these of around 2%, despite the continued growth of the Company's business, both in number of international subsidiaries as photovoltaic plants in operation.

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Balance Sheet

000s €	30/06/2011	31/12/2010	% Variation
Property, Plants and Equipment	196.527	200.010	-2%
Other non-current assets	28.951	24.523	18%
Total non-current assets	**225.478**	**224.533**	**0%**
Stocks	149.730	135.662	10%
Debtors	51.401	51.756	-1%
Other current assets	8.864	11.782	-25%
Cash & Banks	10.205	18.915	-46%
Total current assets	**220.200**	**218.115**	**1%**
TOTAL ASSETS	**445.678**	**442.648**	**1%**
~~Shareholder`s funds~~	228.052	232.394	-2%
Long term debt	102.345	74.333	38%
Other non current liabilities	4.185	3.634	15%
Total non-current liabilities	**334.582**	**310.361**	**8%**
Short term debt	49.771	59.500	-16%
Creditors	61.221	72.670	-16%
Other current liabilities	103	117	-12%
Total current liabilities	**111.096**	**132.287**	**-16%**
TOTAL LIABILITIES & NET WORTH	**445.678**	**442.648**	**1%**

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Balance Sheet

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- In terms of balance sheet analysis, non-current assets show a slight increase from the year-end 2010 with a volume of 225 million Euros.

- As at June 30, Solaria has a positive working capital of 109 million euros, compared to 86 million euros, which concluded the previous year, demonstrating the robustness of the expansion project of the Company.

- As a result of the effort made to develop the activity, in terms of internationalization of the company and investment in solar PV projects, long term debt has increased in 2011. This is mainly because of the funding obtained in the form of project finance for plants “Stalldorf 6 MW” (Germany), yielding € 12,7 million, the plant “Lazio 8 MW” (Italy) amounting € 24 million, and to plant “Villanueva 11 MW” (Spain), whose funding has been increased by € 6 million.

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Shareholders remuneration policy

- The AGM, hold on May 17th, approved a dividend cash payment against 2010 results of € 0.035 per share.
- First dividend cash payment of € 0.015 per share was effective on 25th May 2011.
- Subsequently a € 0.02 dividend will be paid on October 3th 2011.

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Conclusions

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- The Net Profit reached € 516 thousands, despite of the instability of the main key PV markets in the first six months of the year.

- The Company forecast an upturn in the market in the second half of the year, having good expectations for the second semester, thanks to the strategic agreements signed in Italy, United Kingdom and Greece as well as new markets consolidation extending its international presence in markets such as Israel and Brazil.

- Generation business unit shows a significant increase in sales, increasing by 82% compared to the same period last year. Solaria will continue betting on this business unit, investing in markets with stable regulatory frameworks and a sound financial situation.

- The Company continues to bet on R&D, updating with the latest technological advances, its high-efficiency solar PV cells line aiming at doubling current production output. This plan includes an automation project that together with the resulting increased efficiencies will make possible cost reductions in the range of approximately 8%.









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Solaria

Solaria Energía

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