

Results January – March 2011

16th May 2011

Solaria

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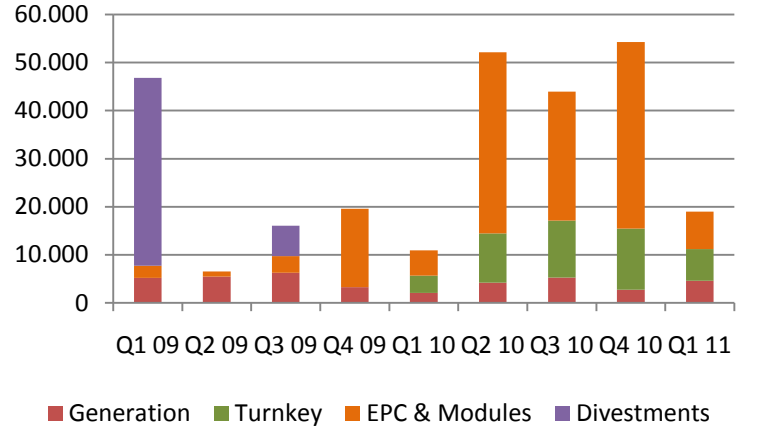
Grupo Solaria January – March 2011 Consolidated Financial Statements

- Key indicators per quarter
- Sales
- Profit and Loss
- Balance Sheet
- Generation
- Shareholders' proposed remuneration in 2011
- Reflections

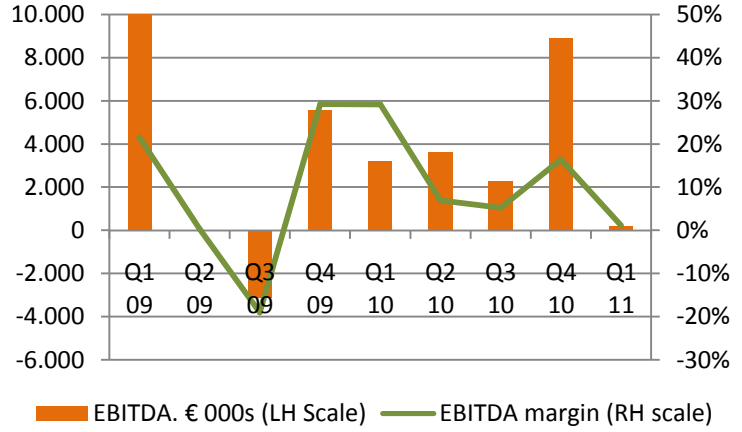
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Key indicators per quarter

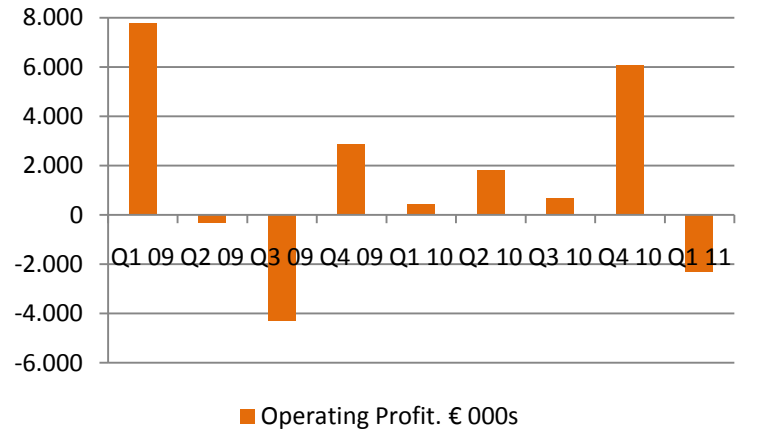
Net sales (€ 000s)



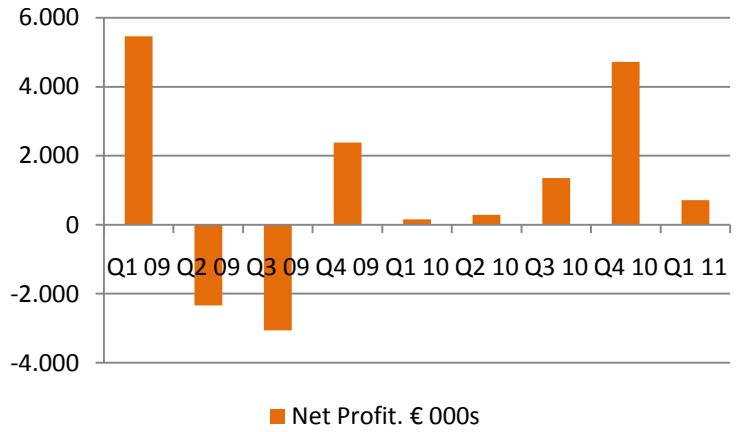
Ebitda



Ebit



Net profit



Consolidated financial data under IFRS. Year-end figures are audited, quarterly figures are unaudited.

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Sales Q1 2011

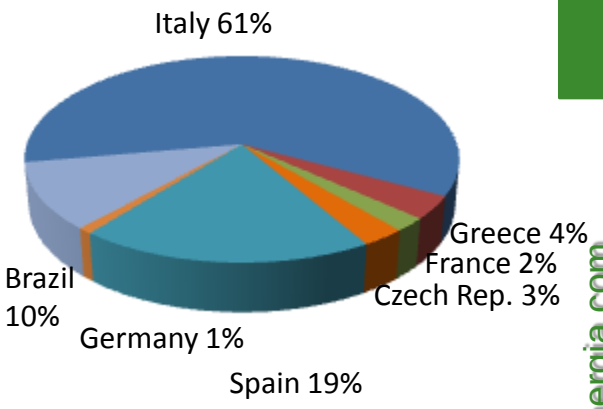
		Q1 2011	Q1 2010	YOY
Sales. PV Modules	€ 000s	7,757	5,314	46%
Sales. Turnkey	€ 000s	6,645	3,080	116%
Sales. Generation and O&M	€ 000s	4,505	2,044	120%
Sales. Other	€ 000s	65	514	-87%
Total sales	€ 000s	18,972	10,952	73%
Domestic sales		19%	63%	
Export sales		81%	37%	

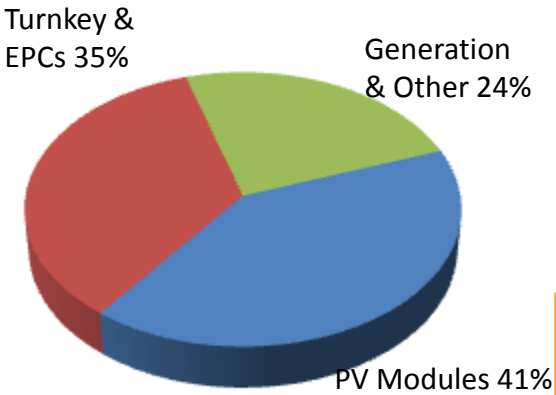
Consolidated financial data under IFRS. Unaudited figures.

As in previous years, Q1 2011 sales are seasonally affected. In this year, this effect is reinforced by the delay in passing new legislation in some of the countries where we conduct our activities. Group sales increase 73% vs Q1 2010 and exports continue increasing as a percentage of total sales.

Satisfactory evolution of sales in Generation and O&M (+120%) after nearly doubling the installed MW of this division in 2010. The high increase in Turnkey sales reflects the development of the PV plant Marche 2.

Sales Q1 2011





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Profit and Loss (1)

In € 000s	Q1 2011	Q1 2010	YOY
Net sales	18,972	10,952	73%
Other income	569	470	21%
COGS	-19,320	-8,227	135%
EBITDA	221	3,195	-93%
% margin	*1%*	*29%*	
Depreciation	-2,503	-2,760	-9%
EBIT	-2,282	435	n.r.
Financial result	-1,242	-378	229%
Forex result & Chg in value of derivatives	2,024	163	1142%
Pre-tax profit	-1,500	220	n.r.
Taxes	2,210	-66	n.r.
NET PROFIT	710	154	361%
Net cash flow (Net profit + Depreciation + Provisions)	3,213	2,914	10%
% Net cash flow-to-Sales	*17%*	*27%*	

Consolidated financial data under IFRS. Unaudited figures.

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Profit and Loss (and 2)

In Q1 2011 Solaria registered € 19.0 million in sales (YOY +73%, vs € 11.0 million), EBITDA € +0.2 million vs € +3.2 million in Q1 2010, EBIT € -2.3 million (€ +0.4 million in Q1 2010), Net profit € +0.7 million (YOY +360% vs € +0.2 million in Q1 2010) and Net Cash-flow (Net profit + Depreciation) € +3.2 million (YOY +10%). Sales' seasonality is reflected in a Q1 with lower sales vs Q4 2010 but with a significant growth rate vs Q1 2010. As in prior years, the weight of Q1 on the full year's sales and profits is to be modest and should not be considered as representative of the activity and results for the year.

The sales mix per division in Q1 2011 was more balanced than in prior quarters: PV Modules (41%), Turnkey (35%), Generation and O&M (24%). Exports continue to increase and now represents 81% of sales (77% CY-2010 and 15% CY-2009).

Regulatory delays and changes in legislation in Spain, Germany, France, Italy and the UK between Q4 2010 and March 2011 have prompted delays in client orders.

Our guidance for 2011 sales and EBITDA which we provided in the Q4 2010 results presentation remains unchanged. Several orders expected for Q1 2011 have been pushed back for Q2 2011. Solaria has 32 MW of firm module orders for delivery on or after Q2 2011. We expect that sales seasonality will be reflected –as in prior years- on a second half much more intense in sales than the first six months of the year.

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Balance Sheet (1)

€ 000s	at 31 Mar 2011	at 31 Dec 2010
Property, Plants and Equipment	201,645	200,010
Other non-current assets	27,002	24,523
Total non-current assets	228,647	224,533
Stocks	147,812	135,662
Debtors	30,031	31,196
Other current assets	31,601	32,342
Cash & Banks	4,001	18,914
Total current assets	213,445	218,114
TOTAL ASSETS	**442,092**	**442,647**
Shareholder's funds	232,510	232,393
Long term debt	77,839	74,333
Other non current liabilities	3,501	3,634
Short term debt	53,356	57,155
Creditors	64,937	72,670
Other current liabilities	9,949	2,462
Total current liabilities	128,242	132,287
TOTAL LIABILITIES & NET WORTH	**442,092**	**442,647**

Consolidated financial data under IFRS. December 2010 figures are audited, March figures are unaudited.

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Balance Sheet (2)

Financial debt. € 000s	at 31 Mar 2011	at 31 Dec 2010
Project finance debt (1)	65,378	64,786
Corporate financial debt	65,817	66,702
Less Cash & Banks	-4,001	-18,914
Net financial debt	127,194	112,574
Net non-recourse financial debt / Shareholder's funds	27%	21%
Total net financial debt / Shareholder's funds	55%	48%

Working capital. € 000s	at 31 Mar 2011	at 31 Dec 2010
Stocks: Raw materials and supplies & Finished products	68,258	58,583
Stocks: PV plants (2)	79,554	77,079
Trade debtors	30,031	31,196
Other debtors	1,250	1,143
Public entities	18,447	19,417
Timing adjustments	1,449	1,180
Time deposits	10,455	10,602
Cash & Banks	4,001	18,914
Total current assets	213,445	218,114
Short term debt	53,356	57,155
Creditors	64,937	72,670
Other current liabilities	9,949	2,462
Total current liabilities	128,242	132,287
Working capital	85,203	85,827
Working capital / Sales	112%	53%
Working capital ex PV plants	5,649	8,748
Working capital ex PV plants / Sales	7%	5%

Consolidated financial data under IFRS. December 2010 figures are audited, March figures are unaudited.

- (1) Proyect finance debt (€ 000s):

Villanueva	28,640
La Rioja	10,705
Cerdeña	11,500
Hellas	567
S. Bohemia	5,116
N. Bohemia	8,850
Total	65,378

- (2) Stocks: PV Plants

Consolidated Annual Accounts 2010: "Note 4.13 Inventories: Photovoltaic solar plants owned by the Company are initially classified as inventories (…) if a photovoltaic solar plant has been in operation for more than one year and no sales contract or similar agreement has been reached with a third party (…) the plant should be allocated classified as an asset and depreciated."

Under this principle, Solaria accounts its own PV plants as Stocks during construction and in the first year of operation.

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Balance Sheet (and 3)

The main change in our Balance Sheet is a 9% increase in Inventories, primarily reflecting the construction of the PV plant Marche 2 (8.5 MW, 50% owned by Solaria) that was completed during the quarter and which we expect to connect to the grid shortly. This new plant positions Solaria in the leading group of solar PV generation operators with a portfolio of plants in excess of 52 MW.

In March 2011 our banking debt stood at € 131.2 million, almost unchanged in the quarter. On page 9 we show the breakdown between corporate debt and Project Finance debt. The ratio Net financial debt ex Project finance / Equity stands at a moderate 27% (21% at Dec-10), depicts a sound balance sheet and increases to 55% if Project finance debt is included.

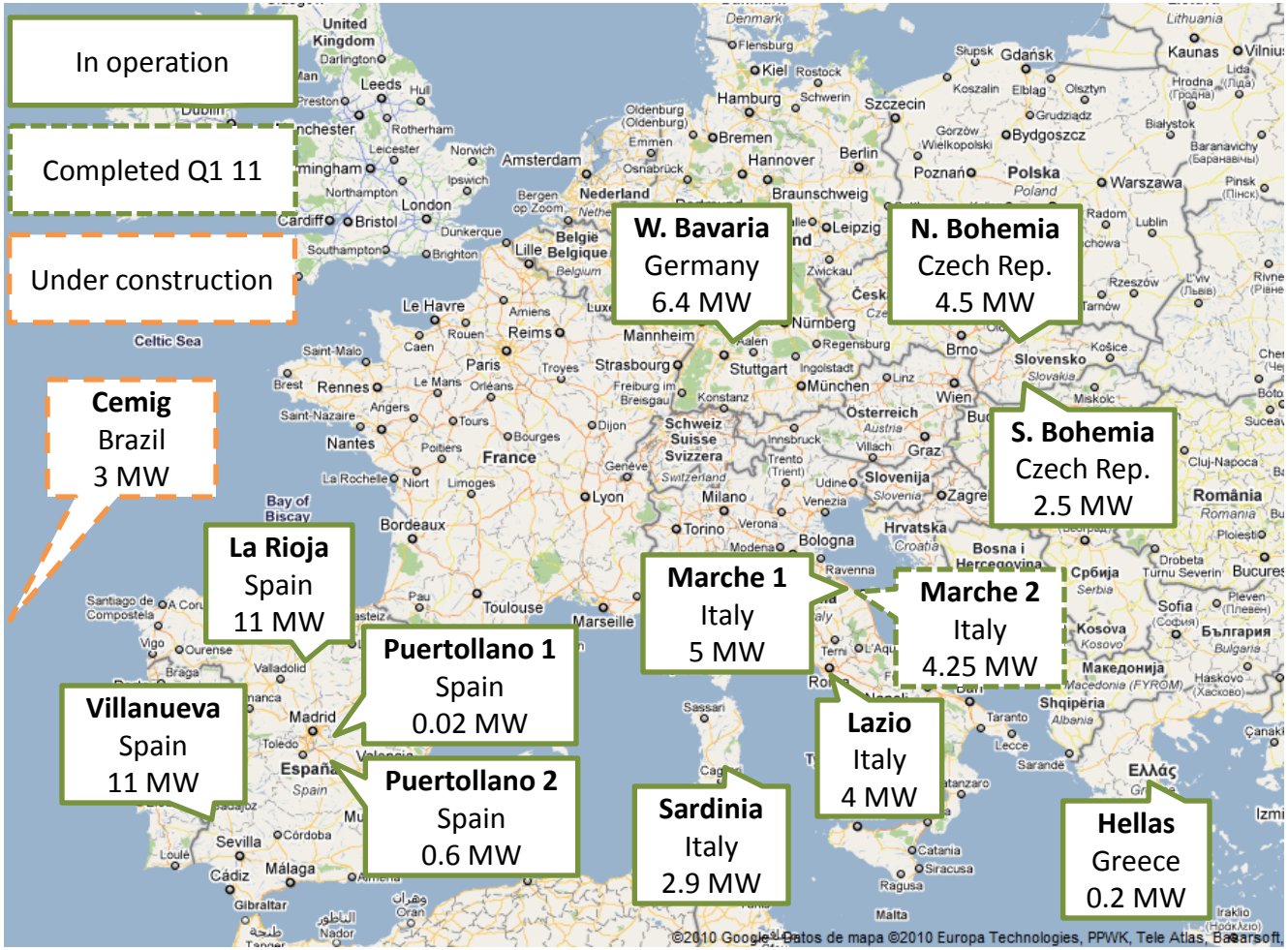
The caption "Stocks" includes € 79.6 million (€ 77.1 million at Dec-10) of PV plants built recently and totalling in excess of 30 MW. These plants will be reclassified as non-current assets after 12 months in operation. This fact must be considered when analysing the composition of our working capital.

Improvements in Working capital management as a result of policies implemented in 2010 are reflected in a Working capital ex PV plants-to-sales ratio of 7%.

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Generation

PV plants in operation and under construction at 31/3/2011



Evolution of PV plants

- 48 MW connected Dec-2010:

Villanueva	11 MW
La Rioja	11 MW
Puertollano 1	0.02 MW
Sardinia	2.9 MW
Lazio	4 MW
Marche	5 MW
Hellas	0.2 MW
N. Bohemia	4.5 MW
S. Bohemia	2.5 MW
W. Bavaria	6.4 MW
Puertollano 2	0.6 MW

- Completed in Q1 2011:

Marche 2 (50%)	8.5 MW

Attributable to Solaria 4.25 MW

- Under construction:

Cemig	3 MW

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Shareholders' proposed remuneration in 2011

The Board will propose to the AGM, to be held on May 17th, a dividend cash payment against FY-2010's results of € 0.035 per share. This represents a 50% increase from the prior year's payment .

In addition, the Board is analysing the possibility of either cancelling the own stock held on the day of the AGM or to distribute it amongst the shareholders as an additional remuneration. As at 16th May 2011, Solaria holds 1,200,000 own shares (1.2% of the total shares in issue).

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Reflections

The Q1 2011 results demonstrate our positioning as a worldwide systems integrator and distributor of solar PV solutions. The results meet the strategic sales, roll-down of our generation business, international expansion targets and consolidation targets of Solaria as a key player in the international markets.

Germany and Italy are our two key target markets in Europe. Sales in Q1 to those two countries exceed 60% of the group's sales and we expect to increase this percentage in the coming quarters. In Latam, Brazil is performing according to our expectations and represents 10% of group sales.

After the recent regulatory changes, Italy offers a 10% premium to the feed-in tariff for plants that use components manfactured in Europe. This situation enables us to raise our expectations for sales to italian clients and to enable our generation activities to obtain tariffs and ultimately returns on investment superior to those of other operators who source their components from non European manufacturers.

Our generation activities progress under the targets set and Solaria now owns over 52 MW of PV plants. Solaria is positioned in the leading group of solar PV generation operators with a portfolio of plants in excess of 52 MW. This activity outstands as our main growth driver and is to continue being the recipient of significant investments in the coming years.

The Board is to ask the AGM (scheduled for May 17th) for permission to pay a € 0.035 cash dividend per share (gross). In 2010, Solaria paid € 0.02€ per share. In addition, we expect to cancel the own stock held at the AGM (currently 1.200.000 shares) or to deliver this stock to the shareholders as a special dividend.

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