Results 2012

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Executive Summary

Solaria

Improvements in Operational Results

Improvements in Corporate Debt

Compliance with Strategic Plan 2012-2014

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Improvements in Operational Results

In a very complex market environment, the company has been able to improve the main business indicators.

	2012 mm€ (*)	Var. 11-12
EBITDA	6,5	+126%
Gross Margin /Sales	67%	+361%
Operating costs	25,2	-77%
Staff costs	12,2	-36%

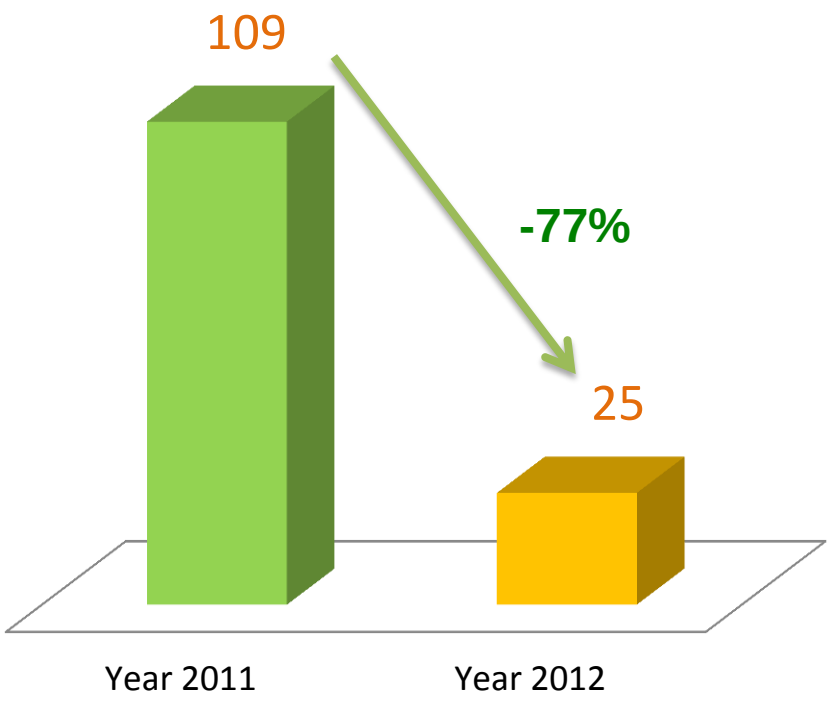
(*) Consolidated Operative Data, not including extraordinary data.

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Improvements in Operational Results

Solaria

Operating costs (mm€) (*)



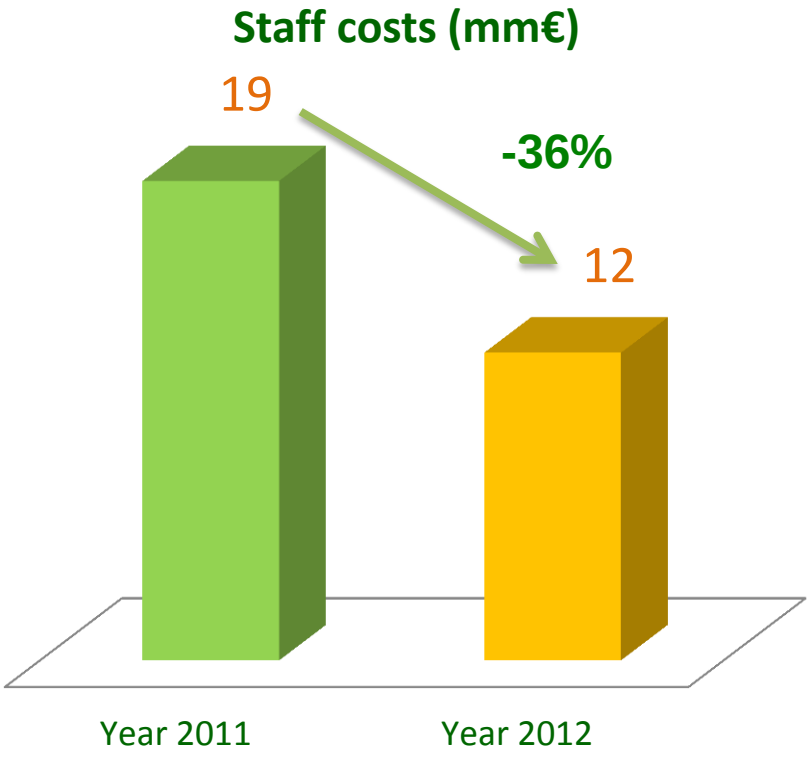
- The company has made a significant adjustment in their operating costs starting up a productivity and efficiency plan, using synergies between the different business areas.

  Very important reduction of the fixed costs turning them into variable costs, making them flexible to the demand fluctuations.

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Improvements in Operational Results

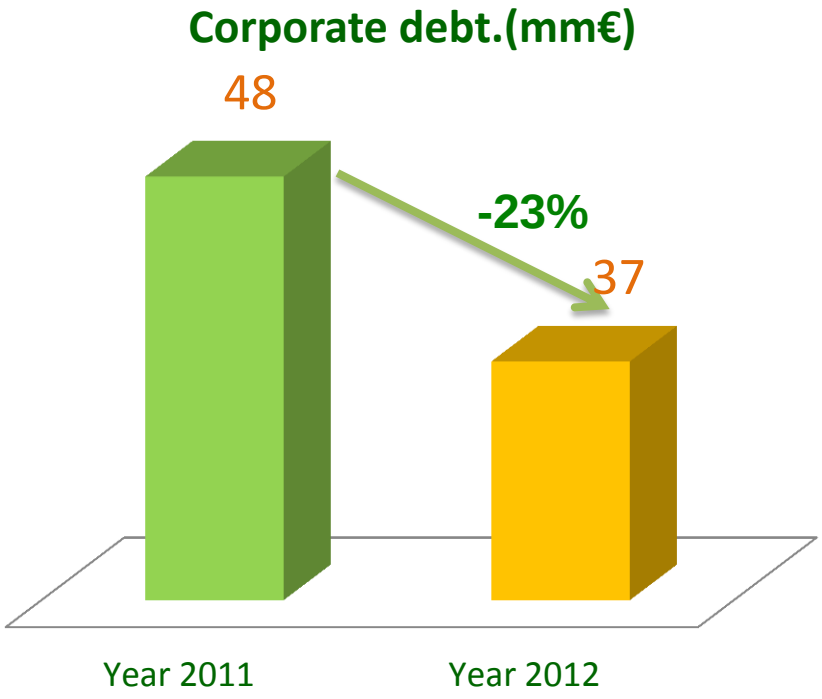


Organizational restructuring:

- **Business areas rightsizing according to current individual profitabilities.**
- **Fixed costs reduction by outsourcing tasks without added value.**
- **General salaries restraint seeking a higher competitiveness for each business area.**

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Improvements in Corporate Debt



Debt ratios improvement:

- **Compliance with payment plans, according to established budget.**
- **Early debt payment execution with advantageous agreements.**

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Compliance with Strategic Plan

The photovoltaic industry is facing a business model change that forces to a strategy redefinition.

Focus on activities with higher added value	Value chain development projects Lower manufacturing weight
New markets opening	LATAM and Caribbean Middle East South Africa
Generation assets divestment in Europe	Strategic Plan financing

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New Market Enviroment

Environmental analysis

Competitiveness

- *The economic environment hampers the bonus and subsidies continuity .*
- *Continuous cost reductions and product efficiency improvement make photovoltaic solar technology a valid alternative not only to other renewable sources, but also to conventional technologies.*

Markets

- *Further developments will be in those markets where there is a growing energy demand, not only in those where there are direct subsidies.*



Size

The market is focused on two big areas:

- *Big on-grid PV plants with tight costs structure and energy sales through PPA scheme or free market*
- *Solar Net metering, with small installations close to the end consumer .*

Customers

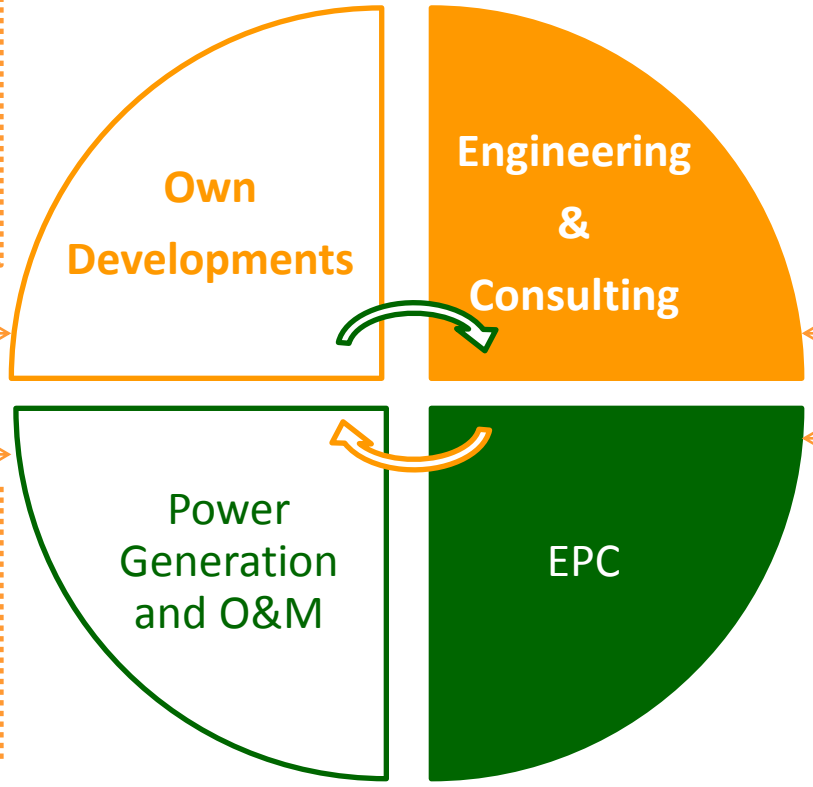
- *PV is now a real possibility of energy generation and investment for traditional electric utility companies.*

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Added Value Activities

Focus on activities with higher added value

Own projects development in new markets for further EPC and investment or third-party sale.



New activities in Engineering and Consulting to markets with strong knowledge demand, without the need to participate in other areas.

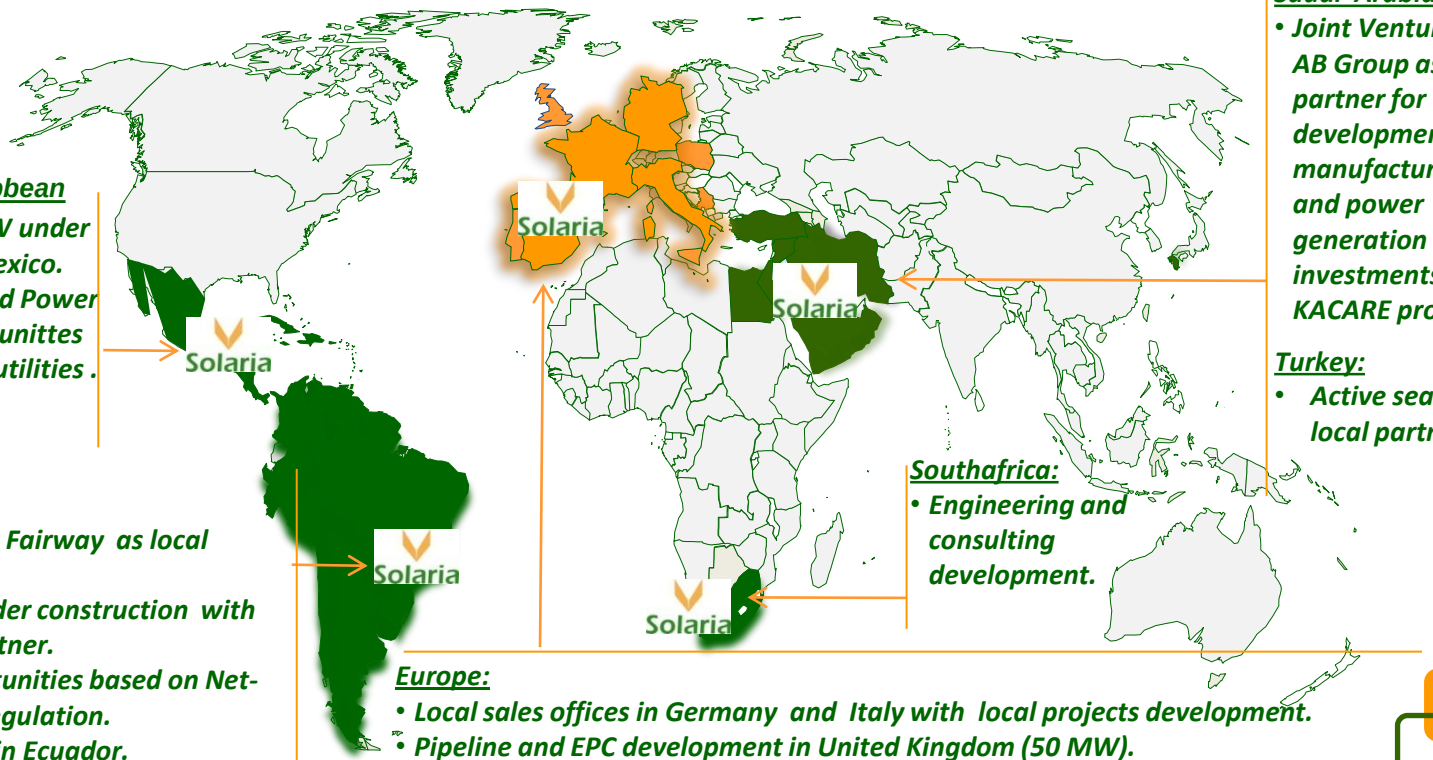
Own projects development and participation as partners in Power Generation in different projects developed for third parties

EPC capabilities development taking advantage of the experience achieved in Europe during the past years.

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Opening up new markets

Opening up new markets with leading local partners support (AB Group, CEMIG...) and strategy according to their needs (modules, EPC, engineering...)



Mexico and the Caribbean

- *More than 100 MW under development in Mexico.*
- *Developing EPC and Power Generation opportunittes with local electric utilities .*

Southamerica:

- *Joint Venture with Fairway as local partner in Brazil.*
- *3MW PV plant under construction with CEMIG as 50% partner.*
- *Developing opportunities based on Net-metering recent regulation.*
- *EPC development in Ecuador.*

Saudí Arabia and UAE:

- *Joint Venture with AB Group as local partner for development in manufacturing, EPC, and power generation investments under KACARE program.*

Turkey:

- *Active search for local partner*

Southafrica:

- *Engineering and consulting development.*

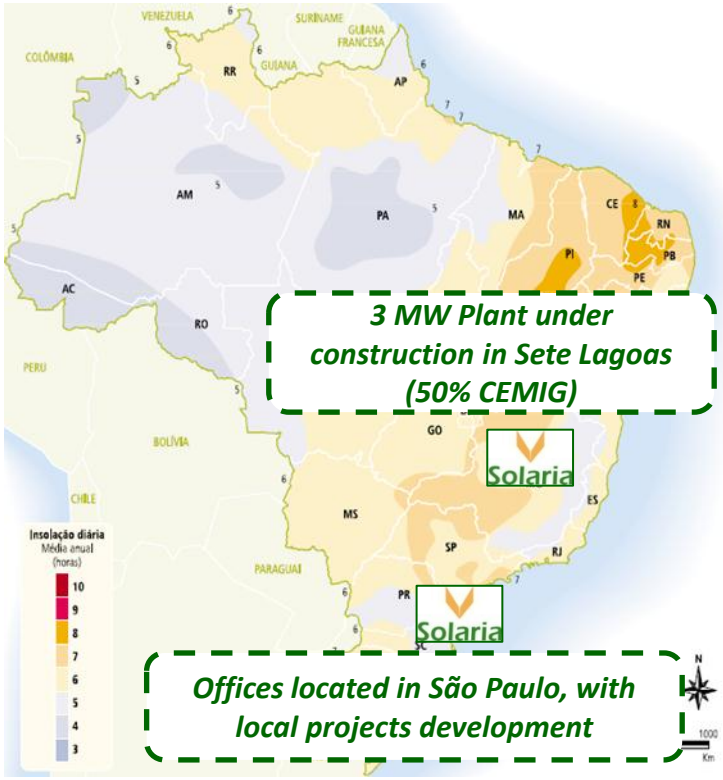
Europe:

- *Local sales offices in Germany and Italy with local projects development.*
- *Pipeline and EPC development in United Kingdom (50 MW).*
- *250 MW pipeline in Spain, pool oriented. Starting also PPA opportunities.*
- *Non-strategic generation assets divestment .*

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New markets - Brazil

Solaria has consolidated with success its presence in Brazil during 2012



- **Participation in over 30 tenders with leading enterprises and institutions:**

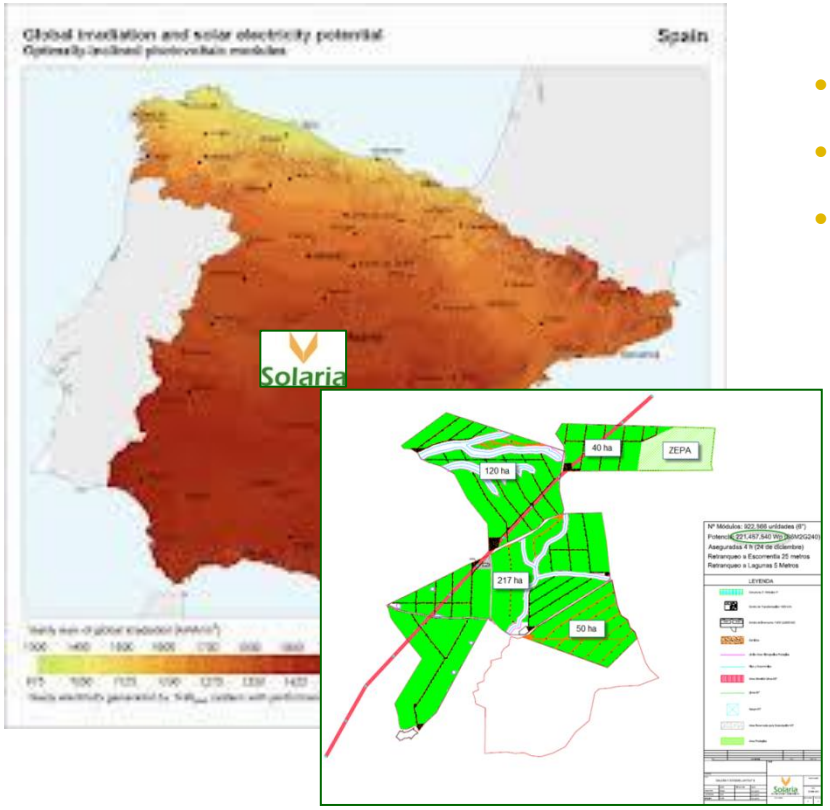
Licitación	MW
CPqD - CEMIG - Smart City (MG)	0,02
ENERGY TEAM (TO)	23,30
GEL - EPP (BA)	1,00
GEL - EPP (RJ)	0,05
GEL - EPP (AM)	1,00
COPEL (PR)	2,00
ANAUGER (SP)	0,06
BLUE SOL (SP)	0,06
SUNCOMEX (GO)	0,06
Estadio ARENA AMAZONICA (AM)	6,00
Estadio ARENA PANTANAL (MT)	1,20
Estadio BEIRA RIO (RS)	0,00
Estadio ITAQUERAO (SP)	0,00
Estadio ARENA FONTE NOVA (BA)	0,00
Estadio ARENA DAS DUNAS (RN)	0,00
Estadio CASTELAO (CE)	0,00
Estadio MANE GARRINCHA (DF)	2,50
Estadio MINEIRINHO (MG)	1,10

Licitación	MW
Aeropuerto Confins (MG)	0,00
Estado Pernambuco (PE)	3,00
Estado Pernambuco (PE)	8,00
Estado Pernambuco (PE)	30,00
Puerto Seco (GO)	0,00
CELG (GO)	1,00
CEL Engenharia (GO)	0,05
UFG - Universidad Federal (GO)	0,40
ISLA FERNANDO NORONHA (BA)	0,40
TRACTEBEL (SC)	3,00
CONCEITO (RO)	1,00
CEI - FURNAS (MG)	2,40
EFFICIENTIA - CLIENTE TIM (MG)	1,00
ENEL	5,00
CPFL	5,00
NEOENERGIA-IBERDROLA (RJ)	5,00
CHESF (MA)	3,00

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New Business Model in Spain

Solaria moves forward in a utility scale project development (253 MW). Energy will be delivered under Pool and Power Purchase Agreement (PPA) with customers schemes.



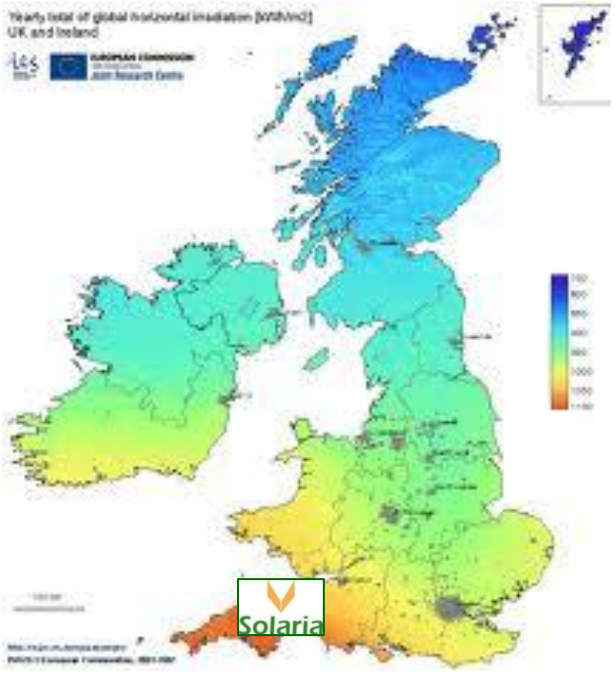
- **Lands available.**
- **Projects in PLA phase.**
- **Under negotiations with customers for direct sales via PPA.**

Power	253 MW
Substation	250 MVA - 220 kV
Structure	Fixed
Equivalent hours	1.530 kWh/kWp

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United Kingdom Market

Solaria is present in European new markets, such as United Kingdom, with a systems based on green certificates and direct sales to customers (PPA).

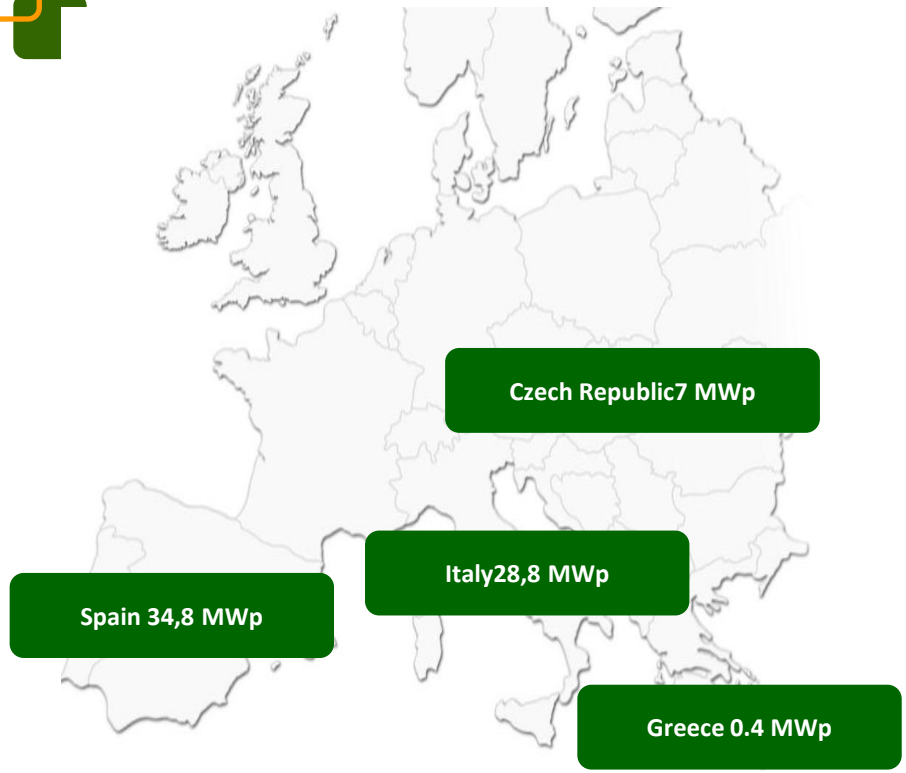


Project development in collaboration with local partners

Size MW (guesstimate)	Acres (useable)	Average PVGIS	Grid connection distance in metres	Approx grid cost guesstimate	Notes	Agreed rental	Exclusivity Signed	Option/Lease	Grid offer due
5	25	982,5	800	£332.000	**Planning submitted.** Lease and option complete. Grid offer received.	£1.200	Yes	Complete	5/10/12
5	24	986	0	£250.000	Option complete. Planning almost ready to submit.	£1.000	Yes	Complete	21/12/12
5	25	970	1300	£300.000	Exclusivity signed. Planning being prepared. Grid application submitted	£1.000	Yes	To complete in January	est 10/01/2013
9	58	992,5	840	£500.000	Exclusivity signed. In legals for Option completion. Planning being prepared. Grid application submitted and POC due 9 Nov.	£1.150	Yes	To complete in January	21/12/12
5	30	1054,5	0	£250.000	Exclusivity. Confirmed 7.5MW capacity in grid. POC info due 29 Nov. Grid offer due 7 Feb.	£1.250	Yes	To complete in January	est 07/02/2013
4	22	1001,5	0	£240.000	Exclusivity signed. Planning scoping letter with planners. Grid offer due 7 Feb	£1.200	Yes	To complete in January	est 07/02/2013
9	57	991,5	810	£450.000	Exclusivity signed. Great site. Very big. Gentle slope SW. Planning scoping letter with planners. Grid offer due 7 Feb	£1.000	Yes	To complete in January	est 07/02/2013
10	50	965,5	250	£500.000	Massive site in perfect location for planning and grid. Getting exclusivity signed	£1.000	Shortly	To complete in January	

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Divestment of European Generation Assets



- Divestment process, expected to be completed throughout 2013.
- Currently under negotiation with some investors, interested in several assets.
- Expected incomes for financing international expansion plans.

71 MW Power Generation Portfolio

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