



PV Crystalox Solar plc

2013 Interim Results

15 August 2013

This presentation has been issued by PV Crystalox Solar plc (the “**Company**”) and comprises of written materials/slides concerning the Company’s Interim Results for 2013.

The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

No reliance may be placed for any purposes whatsoever on the information contained in this document or on its completeness. No representation or warranty, express or implied, is given by or on behalf of the Company or any of such persons’ directors, officers or employees or any other person as to the accuracy or completeness of the information or opinions contained in this document. In particular, no representation or warranty is given as to the achievement or reasonableness of future projections, estimates, prospects or returns, if any.

Certain statements are included in this presentation, including those regarding customers, costs, potential market share and other statements that express the Company directors’ expectations or estimates of the Company’s future performance, which constitute “forward-looking statements”. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the directors are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements and the Company’s forward-looking statements are not guarantees of future performance. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise. Investors are cautioned against placing undue reliance on such statements.

The information contained in this presentation is subject to, and must be read in conjunction with, all other publicly available information, including, where relevant any fuller disclosure document published by the Company. Any person at any time acquiring the securities must do so only on the basis of such person’s own judgement as to the merits of the suitability of the securities for its purposes and only on such information as is contained in public information having taken all such professional or other advice as it considers necessary or appropriate in the circumstances and not in reliance on the information contained herein. The information is not tailored for any particular investor and does not constitute individual investment advice. Any information in this presentation relating to the price at which investments have been bought or sold in the past or the yield on investments cannot be relied upon as a guide to future performance.

- Intensively competitive PV industry environment continues in H1 2013
 - Price pressure across the value chain
 - Vast industry overcapacity
 - Bankruptcies continue in Europe and now extending to China
- Wafer spot prices have stabilised in 2013 at 75% below April 2011 levels
 - Spot prices remain below industry production costs
- Global PV installations grew by 9% in H1
 - Growth in Japan and China forecasted to boost full year installations by 21%
- Formal antidumping investigations concluded in Europe and China
 - Minimum price level and import quota agreed in Europe
 - Duties imposed in China on polysilicon imports from US and South Korea

- **Cash conservation strategy continues**
 - Radical restructuring in UK and Germany completed
 - Operating at significantly reduced wafer production levels
 - 60% of shipments to LT contract customers with prices at a premium to spot

- **Disposal of Group's polysilicon facility**
 - Liabilities transferred to management buy-in team
 - Group made cash contribution of €12.3m

- **Revenues €28.6m (2012: €32.6m)**
 - Shipment volumes increased by 30% to 79MW (2011: 61MW)
 - Impact of lower market pricing

- **Net cash position remains healthy**
 - €64.0 million at end of June 2013 (€89.4m at end 2012)

- **Change of listing and cash return**
 - expected to be completed before year end



Financials

- Revenues €28.6m (H1 2012: €32.6m)
- EBT Loss €0.9m (H1 2012: Loss €11.9m)
- Reported EBIT €1.5m (H1 2011: Loss €12.2m)
 - EBIT from continuing operations €3.9m
 - EBIT from discontinued operations loss of €2.4m
- Net cash of €64.0m at 30 June 2013 (31 Dec 2012: €89.4m)

Financial Overview

(€'000)	H1 2013 Ongoing Operations	H1 2013 Discontinued operations	H1 2013 Total	H1 2012 Total
Revenues	28,305	316	28,621	32,632
Other income	2,443	214	2,657	100,774
EBIT exc currency gain	173	(2,418)	(2,245)	(13,018)
Currency gain	3,778	(2)	3,776	850
EBIT	3,951	(2,420)	1,531	(12,168)
Net finance cost	(2,410)	-	(2,410)	255
Earnings before taxes (EBT)	1,541	(2,420)	(879)	(11,913)
Net loss on disposal of asset		(938)	(938)	-
Income taxes	(200)	(2)	(202)	(16,031)
Earnings	1,341	(3,360)	(2,019)	(27,944)
Earnings per share on continuing activities (€ cents)	0.3			(6.9)

Discontinued operation

(€m)	30-Jun-13
Net operating cost H1	(2.4)
Reversal of accrued payments avoided on disposal	19.7
Value of assets disposed	(8.4)
Cash contribution	(12.3)
Net expense of discontinued operation H1 2013	<u>(3.4)</u>

Summary consolidated balance sheet

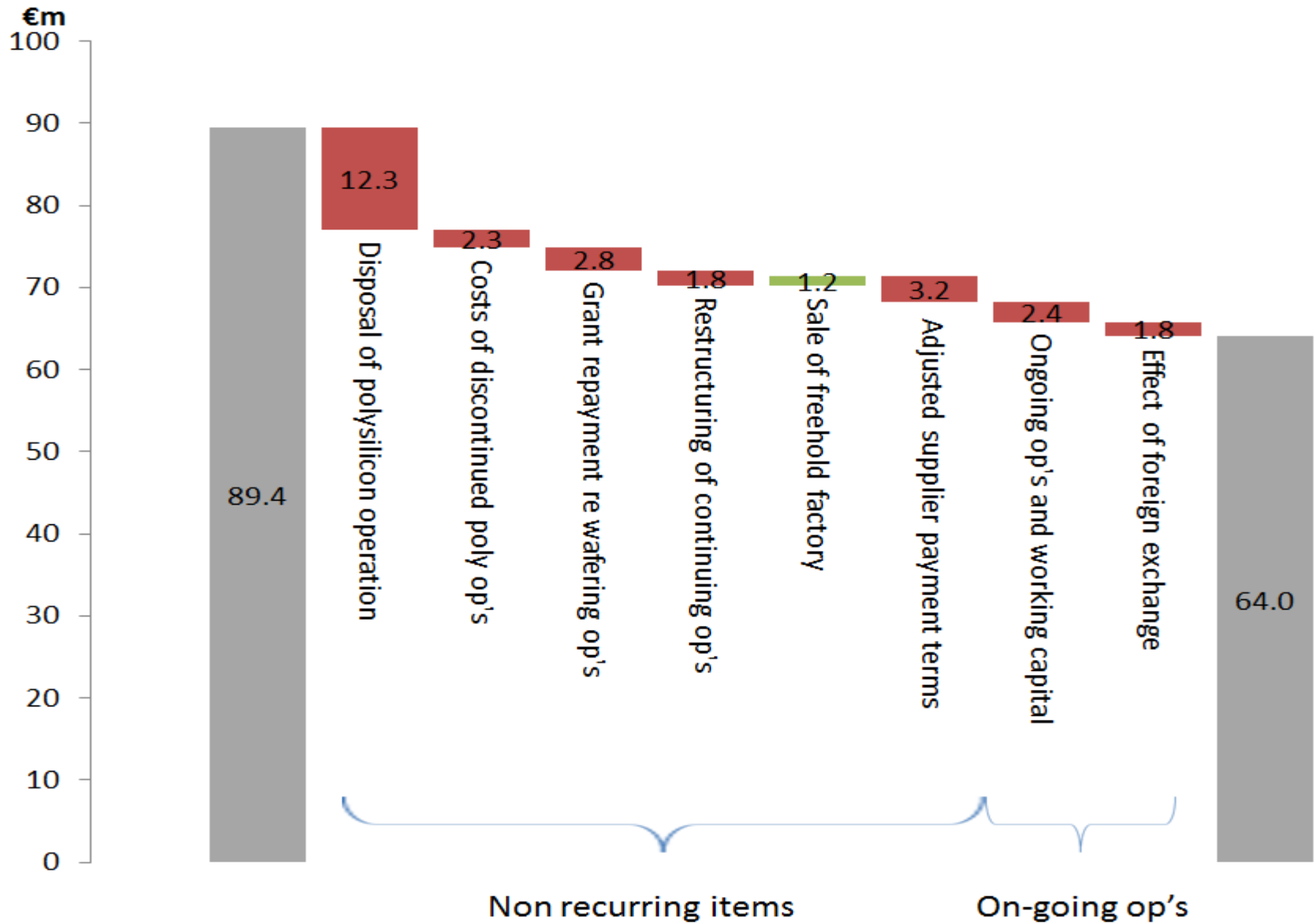
(€m)	30-Jun-13	30-Jun-12	31-Dec-12
Current Assets	123.7	205.8	158.8
Non-current Assets	22.8	90.6	34.6
Total Assets	146.5	296.4	193.4
Current Liabilities	26.0	43.8	64.7
Non-current Liabilities	31.9	60.5	33.9
Share Cap & Reserves	88.6	192.1	94.8
Total Liabilities and Shareholder Equity	146.5	296.4	193.4

Summary cash flow & net cash/(debt) analysis

(€m)	30-Jun-13	30-Jun-12	31-Dec-12
Adjusted Earnings before tax	3.7	87.3	64.3
Tax received/(paid)	1.2	-0.1	9.2
Adjusted Earnings after tax	4.9	87.2	73.5
Changes in working capital	-18.4	11.2	-7.3
Net cash flows used in investing activities	-11.0	-0.9	-1.3
Free cash flow*	-24.5	97.5	-64.9
Net cash flows used in financing activities	-0.9	-42.3	-41.9
Net change in cash in period	-25.4	55.2	-23.0
Cash and equivalents, start of year	94.7	71.7	71.7
Cash and equivalents, end of period/year	69.4	126.9	94.7
Group borrowings	-5.4	-4.5	-5.3
Net Cash	64.0	122.4	89.4

* Free cash flow defined as net cash from operating activities less cash used in investing less interest received

Cash movements H1 2013





Operational and Strategic Review

- **Operating at <20% of our maximum 750MW ingot capacity**
 - Focus on LT contract customers with pricing at premium to spot
 - Developing new customer relationships in Taiwan
 - Shipments expected to increase in H2
- **Disposal of polysilicon production facility to MBI team**
 - Our reduced polysilicon requirements satisfied by external suppliers
 - Market pricing remained significantly below our cash costs
 - Transfer preferable to shutdown as cash outflow reduced and some jobs preserved under new management
- **Accommodation reached with polysilicon suppliers**
 - Adjustments to volumes and pricing on long term contracts obtained to date
 - Excess polysilicon traded during 2013 to manage inventories

● Change of listing on the Official List

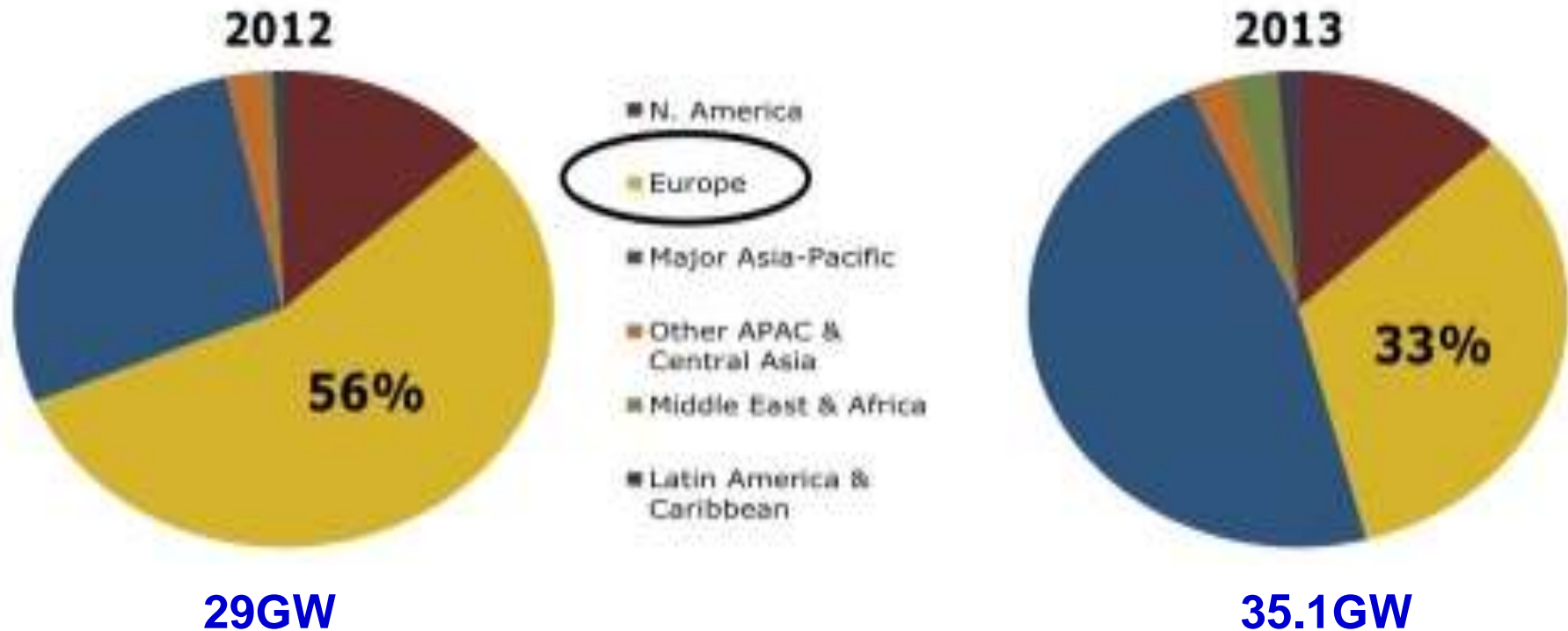
- From “premium listing (commercial company)” to “standard listing”
- Facilitates return of cash to shareholders
- Reduces administrative costs generally
- Subject to shareholder and UK Listing Authority approvals
- General meeting to be held in Q3 2013

● Tax efficient return of cash to shareholders

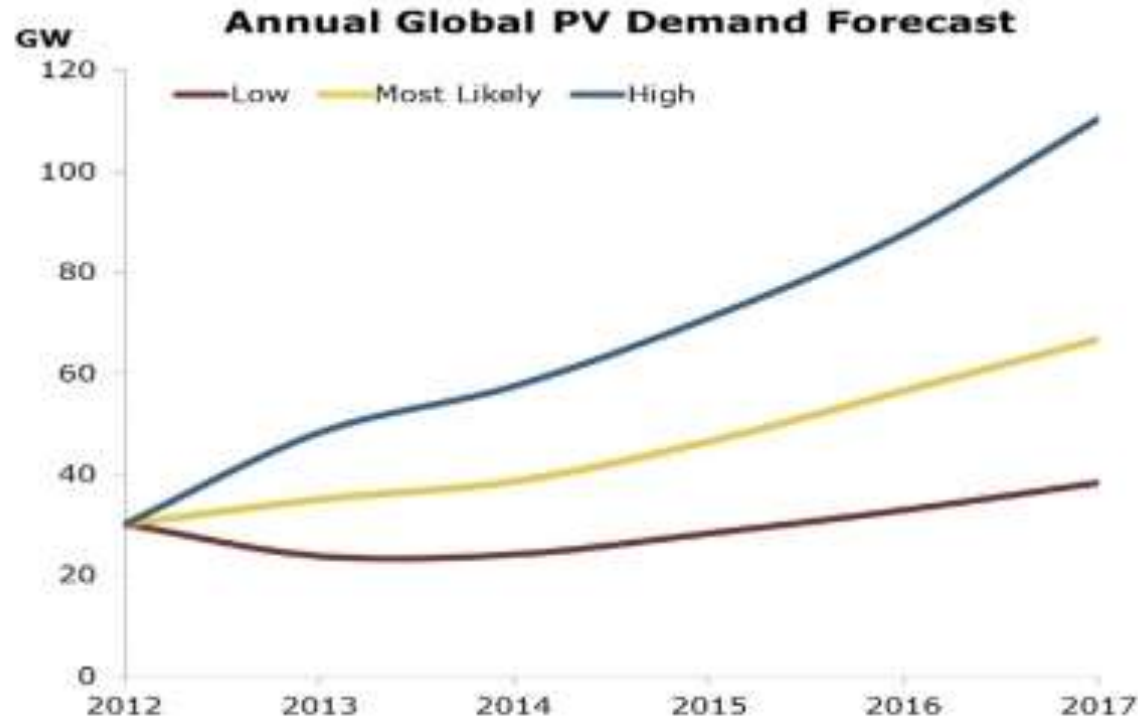
- Option of receiving a capital or income return
- Default position will be income return
- Amount - 7.25 pence per share
- Subject to move to standard listing and shareholder approval
- Timing Q4 2013



Global PV Market



- Global PV Installations forecast to increase by 21% in 2013
- Global PV market in transition
 - Importance of key Europe markets declining but growth in Japan and China to compensate
 - H2 installations to reach 20GW



- **Market growth to 60GW in 2017**
 - Asia will be largest global demand driver
- **Europe market share to decline to 25% from 2014**
 - Historically Europe was dominant-75% in 2005-2011
 - Decline due to incentive policy reductions



Outlook

- **Strong market growth expected in H2 2013**
 - Global installations of 35GW-up 21% on 2012
 - China and Japan to dominate in H2

- **Positive long term outlook for PV industry**
 - Intensively competitive environment to persist in short term
 - Continued pressure on pricing

- **EU to provide clarity on minimum price for Chinese imports**
 - 7GW cap on imports to be confirmed

- **Cash conservation strategy will continue**
 - Alignment of operations with sustainable short term demand
 - Group full year 2013 shipments expected to be 160-180MW

- **Retaining full ingot/wafer operating capability**
 - Positioning Group for market recovery

- **Change of listing and return of cash expected before year-end**



Q&A