



PV Crystalox Solar plc

2015 Interim Results

27 August 2015

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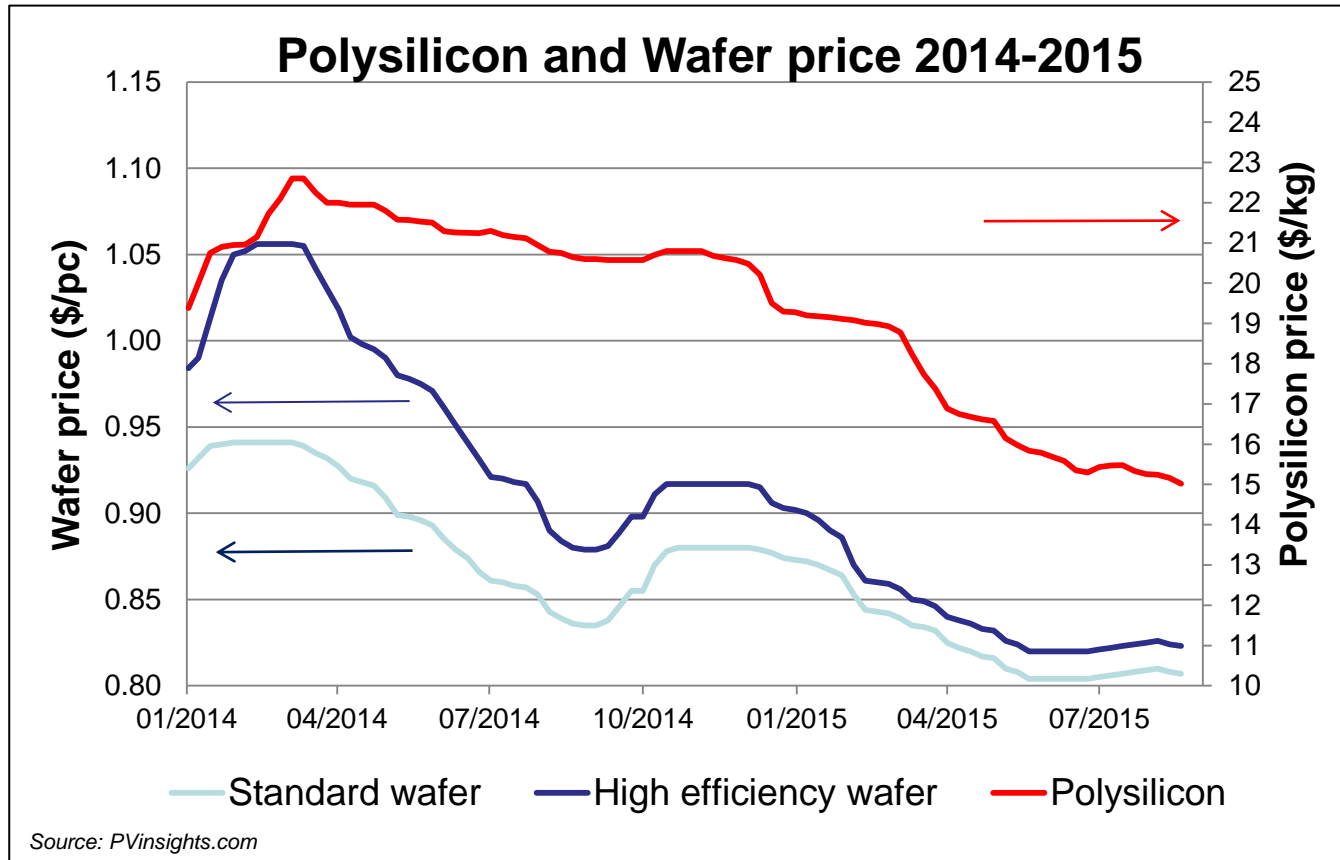
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- **PV Industry environment continues to deteriorate in 2015**
 - Oversupply primarily in China persisting
 - Market pricing has fallen to historic lows and remains below production costs
 - Profitability remains elusive for wafer/cell producers
- **Chinese companies increasingly dominant across value chain**
 - China accounted for 76% of global wafer and 70% of global module output in 2014
- **Continuing PV trade disputes between China and USA/Europe**
 - US renews anti-subsidy and anti-dumping duties on China/Taiwan imports
 - EU MIP agreement on Chinese imports expected to be extended into 2016
 - China termination of temporary polysilicon imports impacts US polysilicon producers
 - Loophole was used to circumvent anti dumping duties

- **Cash conservation strategy continues**
 - Maintaining limited production volume in order to :
 - Develop cost position compatible with market pricing
 - Develop sustainable customer base in shrinking accessible market existing outside China.
- **Shipment volumes 104MW (H1 2014: 99MW)**
 - Shipment volumes broadly in line with production output
 - Wafers supplied on spot basis to customers in Taiwan and Europe
 - No supply to long term contract customers
- **Polysilicon trading activity recovered during H1 2015 following lull in H2 2014**
 - Contracted polysilicon in excess of requirements due to reduced wafer output
 - Excess polysilicon traded to manage inventory and cash flow
- **No resolution of dispute with LT wafer contract customer**
 - Request for ICC arbitration filed in March 2015



- Wafer pricing has fallen sharply since mid-2014

- Lower polysilicon pricing and exchange rate effects limit impact on margins
- Wafer pricing stabilised recently

- Accommodation reached with our long term contract polysilicon suppliers
 - Contract pricing considerably exceeds current market levels
 - Larger contract expires at end 2015 and adjustment of terms negotiated on quarterly basis
 - Smaller contract amended in 2014 and in 2015 to fix pricing at significantly lower level and spread delivery of outstanding volume until 2018
- Status of two remaining long term contract wafer customers
 - Settlement with one customer in administration expected by year end
 - Arbitration request filed with ICC after failing to agree resumed supply to other customer



Financials

- Revenues €33.4m (H1 2014: €30.1m)
- Loss before taxes €(9.5)m (H1 2014: €(6.9)m)
- Net cash of €17.1m at 30 June 2015 (31 Dec 2014: €24.6m)
- Inventories of €28.0m at 30 June 2015 (31 Dec 2014: €28.6m)

Summary consolidated income statement

(€'000)	30-Jun-15	30-Jun-14	31-Dec-14
Revenues	33,421	30,087	53,333
Cost of materials and services	(38,925)	(31,337)	(65,694)
Overheads	(6,463)	(6,127)	(11,120)
Other income	652	3,274	12,132
Currency gains/(loss)	2,135	(1,671)	9,043
Loss before interest and taxes (EBIT)	(9,180)	(5,774)	(2,306)
Net finance cost	(327)	(1,160)	(2,344)
Loss before taxes (EBT)	(9,507)	(6,934)	(4,650)
Income taxes	3	(3)	(2)
(Loss)/earnings	(9,504)	(6,937)	(4,652)
Earnings per share on continuing activities (€ cents)	(6.1)	(4.4)	(3.0)

Summary consolidated balance sheet

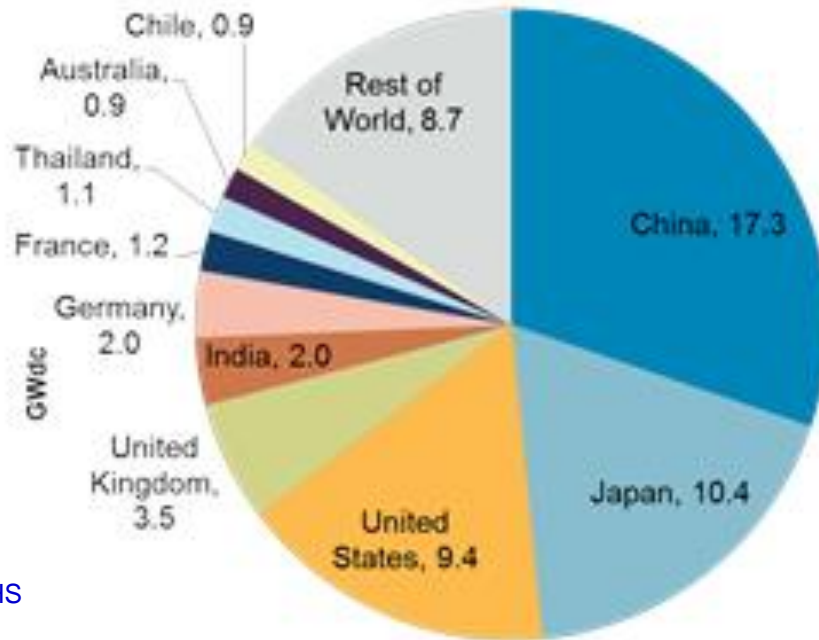
(€m)	30-Jun-15	30-Jun-14	31-Dec-14
Current Assets	56.0	70.5	71.0
Non-current Assets	8.1	13.8	7.8
Total Assets	64.1	84.3	78.8
Current Liabilities	11.6	21.7	21.5
Non-current Liabilities	2.2	8.9	1.4
Share Cap & Reserves	50.3	53.7	55.9
Total Liabilities and Shareholder Equity	64.1	84.3	78.8

Summary consolidated cash flow

Summary cash flow analysis (€m)	30-Jun-15	30-Jun-14	31-Dec-14
Continuing operations			
Operating cash pre-working capital after taxes	(19.3)	(10.6)	(16.6)
Changes in working capital	10.8	5.9	0.9
Exchange difference	1.0	1.0	1.3
Net cash flows in investing activities	-	(0.1)	(0.2)
Other cash flows used in financing activities	-	(0.7)	(0.7)
Net change in cash in period	(7.5)	(4.5)	(15.3)
Cash and equivalents, start of year	24.6	39.9	39.9
Cash and equivalents, end of period	17.1	35.4	24.6



Global PV Market



Source: IHS

- 2015 Global PV installations expected to increase by around 30% to 57GW
 - China is key driver of demand and remains largest market for third year running
 - Installed capacity in China >40GW now exceeds that in Germany
- Installations in Asia now account for over 50% of global demand
 - Europe was historically dominant market and accounted for >75% until 2011



Outlook

- Global PV installations expected to grow by 30% in 2015
 - China remains the major global market

- Adverse pricing environment expected to continue
 - No relief on pricing expected in short term

- Cash conservation strategy continues
 - Remaining cautious and limiting production
 - Continued focus on working capital management

- Strategic review to be undertaken during Q4 and will take into account
 - Group's cash position
 - Production cost structure,
 - Industry overcapacity
 - Prospects for return of rational market pricing



Q&A