



PV Crystalox Solar

Preliminary Results 2007

April 2008

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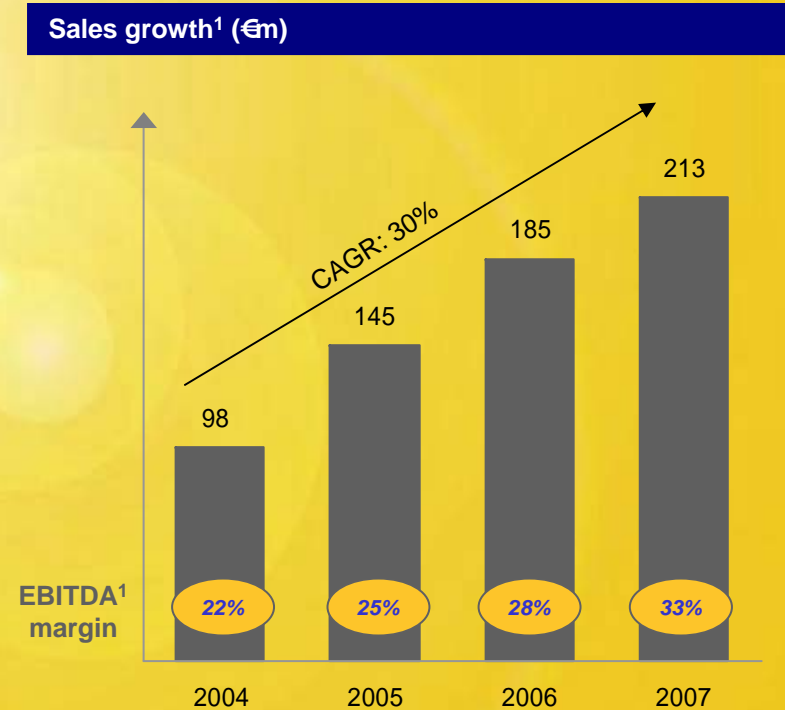
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Leading wafer pure-play in highly attractive solar electricity market



- PV Crystalox is a leading supplier of multicrystalline silicon ingots and wafers to the solar industry
- Established in 1982, the company pioneered the industrial production technology for multicrystalline silicon
- In 2002, Crystalox and PV Silicon merged to integrate ingot and wafer production
- The company has been continuously profitable since 2002
- Strategy is to expand its core business to include silicon production and focus on wafers
- Ownership:
 - Current management—38%
 - Ex-management—8%
 - EBT—2%
 - Free Float—52%



¹ Excluding trading

2007 Highlights

- Successful IPO on the LSE in June 2007 and entry to the FTSE 250 in September 2007
- Revenue growth 14.9% for core silicon products
 - €212.9m versus €185m in 2006
- Net profit growth 48.7%
 - €47m versus €31.6m in 2006
- Shipments 190MW
- Bitterfeld silicon production facility—construction on schedule
 - projected capital spend increase to approximately €100m
- Free cash flow up 195.3% to €36.1 million
- Proposed dividend of €0.025 per share

PV Crystalox Solar plc preliminary figures 2007



<u>(€m)</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>
Sales – Silicon Products	212.9	185.3	14.9%
Sales – Equipment, Parts & Trading	50.5	57.1	-11.5%
Total Sales	263.4	242.4	8.7%
EBIT	67.5	48.3	39.7%
EBIT Margin	25.6%	19.9%	28.5%
EBT	70.8	49.0	44.4%



Operational review

Operational Review

- Shift in product mix completed
 - All ingots now processed into wafers
- Leading PV industry on wafer thickness reduction
 - All wafers in H2 supplied at 200µm or less
 - 25% of wafers shipped at 180µm
- Focus on major PV companies
 - 74% of silicon product sales to top 10 global producers
 - 85% of silicon product sales to Japan, Germany and China
- 2007 shipments 190MW (versus 215MW in 2006)
- Two new long term wafer supply agreements secured with top 10 global PV companies
 - Total 355MW over 5/7 years
- Improved wafer pricing

Developments in Silicon Supply

- Increased polysilicon supply in 2008
 - Total contracted polysilicon for 2008: 1540MT (1280 MT in 2007)
- Long term supply contracts have enabled control of material costs
 - Gross profit increased
- Impact of tight scrap supply situation has been limited by:
 - increased in-house recycling
 - improved silicon utilisation
 - higher wafer prices
- Supply contract with one of current polysilicon suppliers extended to 2014

- Construction was started immediately following ground breaking ceremony on September 19, 2007
- Partnership with Degussa/Evonik to engineer, construct and commission the plant
- All major equipment has now been ordered, total order value €70m
- Siemens reactors scheduled to be on site by June
- Start commissioning and ramp up in December
- Commercial silicon production starting in 2009
- Total investment for the facility increased from €80m to approximately €100m
 - higher prices for materials and engineering and construction services
 - design changes for improved processes and better energy efficiency



Silicon Plant – Reactor Building (Cross section)



- Germany
 - 1100MW installed in 2007-the largest PV market-49% of global installations
 - Government proposal to accelerate reduction of feed-in tariff for solar electricity
 - in 2009 yearly reduction to increase from 5% to 9.4%
 - in 2011 reduction of 8% is anticipated
 - The proposal needs to be approved by Parliament in May
 - Potential for cost reduction in the value chain and drive for grid parity by the industry should accommodate the accelerated feed-in tariff
- Spain
 - 300MW installed in 2007
 - Spain become second largest global market due to favourable feed-in tariff
 - However, cap of 1200 MWp generates uncertainty-probably will be reached this year
 - Agreement between Government and Industry anticipated
- USA
 - 260MW installed in 2007-up 86%
 - Primarily state incentives-little federal support
 - California is largest market-represents 60%
 - All three Presidential candidates in favour of increased usage of renewable energies



Financials

Financial Highlights

PV Crystalox plc Group Consolidated Income Statement

	31-Dec-07	31-Dec-06	
	€000	€000	Change
Revenues - Silicon Products	212,939	185,266	+14.9%
Revenues - Equipment, Parts & Trading	50,505	57,100	-11.5%
Total Revenues	263,444	242,366	+8.7%
Net Profit before exceptional charges	77,115	49,013	+57.3%
Cash flow from operating activities	63,346	16,274	+289.2%

- Higher sales prices
- Higher proportion of wafers sold in Japan
- Weaker Japanese Yen
- Higher margins
- Strong cash flow

- FX JPY/EUR rates for results translation:
 - FY 2006 146.10
 - FY 2007 161.31

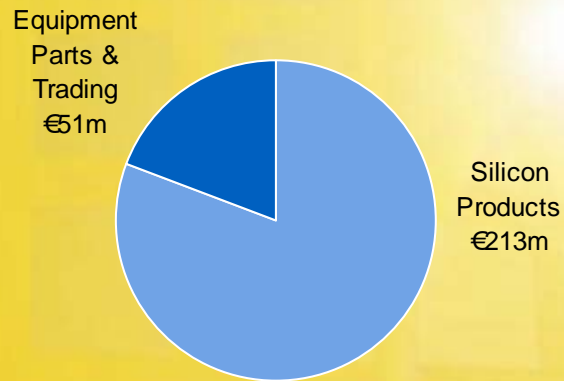
→ 10.4% weaker JPY
- Impact on FY 2007 reported results:
 - Revenues 4% lower
 - Earnings <1% lower

Key financial – Summary Income Statement

Income statement (€m) Half Year to 30 June

	31-Dec-07	31-Dec-06	
	€000	€000	Change
Total Revenues	263,444	242,366	+8.7%
Earnings Before Interest & Tax (EBIT)	67,499	48,327	+39.7%
Earnings Before Interest, Tax, Dpcn & Amrtn (EBITDA)	72,169	53,794	+34.2%
NET INCOME	46,971	31,594	+48.7%
Basic Earnings per share (Euro cents)	12.0	8.4	+42.9%
All figures are after:-			
<i>Cost of initial public offering</i>	3,438	0	
<i>Employee share schemes</i>	2,913	0	

Sales breakdown by activity (2007)



Total revenues = €263.4 million

Silicon products and trading operations

- To facilitate a major supplier relationship PV Crystalox Solar buys single crystal ingots which it sells on to one of its customers
 - Facilitates relationship
 - Creates margin for group
- Not a core operation for the Group

Summary balance sheet

Consolidated Balance Sheet (€m)	31-Dec-07	31-Dec-06
Non-current Assets	42.4	17.1
Current Assets	243.9	157.1
Current Liabilities	-77.6	-84.3
Non-current Liabilities	-17.2	-5.8
Net Assets	191.5	84.1
Share Cap & Non-dist Reserves	78.7	7.5
Profit & Loss Reserves	112.8	76.6
Shareholder Equity	191.5	84.1

Summary cash flow & net cash/(debt) analysis

Summary cash flow & net cash/(debt) analysis (€m)	31-Dec-07	31-Dec-06
Net cash flows from operating activities	63.3	16.3
Net cash flows in investing activities	-22.7	-2.4
Net cash flows used in financing activities	56.5	15.7
Net increase / (decrease) in cash and/or equivalents	97.1	29.6
Exchange rate adjustment	-10.7	0.0
Net change in cash in period	86.4	29.6
Cash and equivalents, start of year	61.5	31.9
Cash and equivalents, end of year	147.9	61.5
Group loans	-39.6	-55.2
Cash / (net debt)	108.3	6.3



Outlook

Outlook

- Improved silicon utilisation
 - Change from OD to wire sawing for internal block production gives 90% reduction in kerf loss
 - In Q1 c.35% of shipments as 180 μm wafers
 - Increased recycling
- Secured polysilicon supply
 - Contract with major polysilicon supplier extended to 2014
- Bitterfeld solar-grade silicon production site progressing to plan
- Capacity expansion underway from 290MW to 350MW by Q1 2009
- Further long term wafer supply contracts expected to secure >90% sales for 2008-2010
 - 80% of our expected 2008 wafer output secured at attractive prices
- Expected 2008 output 210-225MW
- Growth of solar electricity market continues at 35-40% per annum with crystalline wafer technology continuing to dominate the market
- Confident of outlook for the full year 2008