



PV Crystalox Solar

2008 Preliminary Results

26 March 2009

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2008 Highlights

- Revenue for core silicon products up 28.6%
 - €273.8m (2007: €212.9m)
- Net profit growth 119.7%
 - €103.2m (2007:€47.0m)
- Wafer shipments 230MW (2007:190MW)
- Bitterfeld silicon production facility—construction completed
 - Production to start May 2009
- Net cash €81.1m (2007:€108.3m)
- Final dividend of €0.04 per share (2007: €0.025)

| <u>(€m)</u> | <u>2008</u> | <u>2007</u> | <u>Change</u> |
|------------------------------------|--------------|--------------|---------------|
| Sales – Silicon Products | 273.8 | 212.9 | 29% |
| Sales – Equipment, Parts & Trading | 0.3 | 50.5 | -99% |
| Total Sales | 274.1 | 263.4 | 4% |
| | | | |
| EBIT ex currency gains | 106.5 | 66.3 | 61% |



Operational review

Operational Review

- Output up by 21% to 230MW
- Leading PV industry on wafer thickness reduction
 - All wafers supplied at 200 μ m or below
 - 65% of wafers shipped at 180 μ m in 2008
- Focus on major PV companies
 - 68% of silicon product sales to top 10 global producers
 - 90% of silicon product sales to Japan, Germany and China
 - Our top 5 customers accounted for 80% of silicon product sales
- Seven new long term wafer supply agreements secured with leading PV companies during 2008 including;
 - Suntech
 - Schott Solar
 - Q Cells
 - SpectraWatt

Developments in Silicon Supply

- Increased polysilicon supply in 2008
 - Total contracted polysilicon for 2008: 1540MT (2007:1280 MT)
 - Total silicon processed in 2008: 2035MT
- Long term supply contracts have enabled control of material costs
 - No spot polysilicon purchases
- Supply contract with one of current polysilicon suppliers extended to 2014
- No contracts for UMG silicon



- Mechanical completion last December.
- Permission to operate the facility granted by the authorities on 1 Dec 08.
- Training of operators and engineers completed with the support from Evonik.

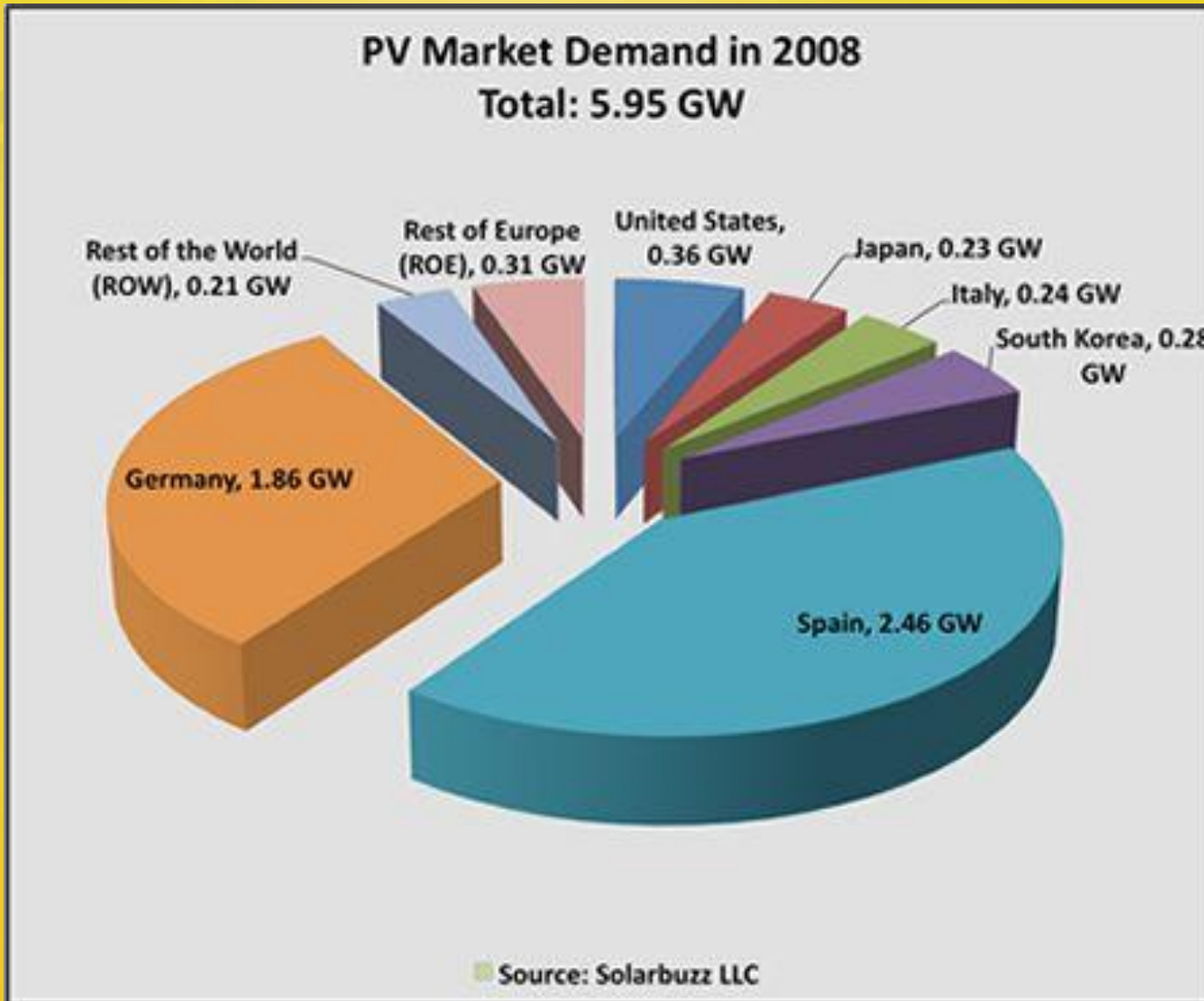
- Commissioning of the plant now in final stages
 - Testing of valves, pumps, safety sensors, etc., using nitrogen
 - Cleaning of pipes, tanks, distillation columns first with cleaning liquid followed by cleaning with chlorosilanes.
 - Four shift operation with our own operators/engineers supported by 27 external commissioning engineers



- Dry run operation of Siemens reactors and hydrogenation equipment has been carried out successfully. First silicon production scheduled for May 2009.
- 450MT production target for in 2009.
- Current staff of 83 permanent employees with growth to 100 planned for June/July 2009.
- Total investment for the plant within budget of 100 Mio. €.



Global PV Markets



Germany

- 2008 installations estimated at 1860MWp
- Estimates for 2009 between 1500 – 2000MWp
- Increase in annual regression of feed-in tariff from current 8% to 9% in 2010.
- No cap on market growth
- Additional funding possible through market stimulation programs mainly at local level (roof top systems on schools and public buildings).

Spain

- Became leading global market in 2008 due to generous feed-in tariff: 2460MWp (560MWp in 2007)
- Government imposed cap of 500MWp for 2009 onwards
- Small roof-top systems now favoured instead of the multi-megawatt systems installed in 2007-2008

Italy

- Strong growth of systems installation: 240MWp in 2008 (40MWp in 2007) due to feed-in tariff between 0.39-0.48 €/KWh
- Further strong growth to ca. 500MWp expected in 2009

USA

- President Obama placing strong emphasis on move from fossil fuels to renewables within the next 10 years.
- Investment Tax Credits (ITC) of 30% for PV installations placed in service before December 31st, 2016 are available.
- Investors can now receive ITC as direct cash payment for 30% of the PV system cost during 2009/2010 as part of the American Recovery and Reinvestment Act. No cap applied.
- In addition proposal for \$60bn in loan guarantees for installing renewable energy systems to go to the House of Representatives for approval.

Other European Countries

- Generous feed-in tariffs in Belgium, Czech Republic, France, Greece, Portugal resulted in ca. 310MWp installed systems in 2008.
- EPIA estimates that these markets will grow to 650MWp in 2009.

Japan

- In the absence of subsidies, PV-systems installed in 2008 were ca. 230MWp.
- Subsidies reintroduced in January 2009 at €600/kWp system (ca. 10-14% of system price) and a cap at ca. 500MWp. Budget expected to be utilised in 2009, extension in 2010 possibly to 1 GWp.
- In 2010 feed-in tariff is under consideration where PV-electricity not used by the investor (mainly 3-5kWp roof top systems) can be fed into the grid at twice the electricity tariff currently paid by the end user.



Financials

Financial Highlights

PV Crystalox plc Group Consolidated Income Statement

| (€'000) | 31-Dec-08 | 31-Dec-07 | Change |
|---------------------------------------|----------------|----------------|--------------|
| Revenues - Silicon Products | 273,810 | 212,939 | +28.6% |
| Revenues - Equipment, Parts & Trading | 285 | 50,505 | -99.4% |
| Total Revenues | 274,095 | 263,444 | +4.0% |
| Net Profit | 103,194 | 46,971 | +119.7% |
| Cash flow from operating activities | 89,038 | 63,346 | +40.6% |

- Higher volume
- Higher sales prices
- Trading activity curtailed
- Higher margins
- Strong cash flow

Key financial – Summary Income Statement

Income statement (€'000) Full Year to 31 December 2008

| (€'000) | 31-Dec-08 | 31-Dec-07 | Change |
|---------------------------------------|----------------|----------------|----------------|
| Total Revenues | 274,095 | 263,444 | +4.0% |
| EBIT excluding currency gains | 106,466 | 66,260 | +60.7% |
| Currency gains | 36,315 | 1,239 | |
| Earnings Before Interest & Tax (EBIT) | 142,781 | 67,499 | +111.5% |
| Net interest income | 4,442 | 3,265 | 36.0% |
| Earnings before taxation | 147,223 | 70,764 | 108.0% |
| Taxation | -44,029 | -23,793 | 85.1% |
| NET INCOME | 103,194 | 46,971 | +119.7% |
| Basic Earnings per share (Euro cents) | 25.2 | 12.0 | +110.0% |

Currency Gains

| (€m) | 31-Dec-08 | 31-Dec-07 |
|--|-------------|------------|
| Revaluation of cash balances | 16.9 | 1.3 |
| Revaluation of Group Japanese yen loan | 11.3 | |
| Debtor/creditor revaluation | 0.4 | -0.4 |
| Revaluation of suppliers deposits | 7.7 | 0.3 |
| Total currency gain | 36.3 | 1.2 |

Drivers of EPS

| euro cents | 31-Dec-08 | 31-Dec-07 | % Change |
|------------------------------------|----------------|----------------|---------------|
| Performance | 26.0 | 16.9 | |
| Currency gain | 8.9 | 0.3 | |
| Net Finance Costs | 1.1 | 0.9 | |
| Taxation | -10.8 | -6.1 | |
| EPS (Basic) | 25.2 | 12.0 | 110.0% |
| Basic shares average (000s) | 409,637 | 392,118 | |

Summary consolidated balance sheet

| (€m) | 31-Dec-08 | 31-Dec-07 |
|---|--------------|--------------|
| Current Assets | 234.3 | 243.9 |
| Non-current Assets | 139.6 | 42.4 |
| Total Assets | 373.9 | 286.3 |
| Current Liabilities | 86.3 | 77.6 |
| Non-current Liabilities | 42.9 | 17.2 |
| Share Cap & Non-dist Reserves | 79.7 | 78.7 |
| Profit & Loss Reserves | 165.0 | 112.8 |
| Total Liabilities and Shareholder Equity | 373.9 | 286.3 |

Summary cash flow & net cash/(debt) analysis

| (€m) | 31-Dec-08 | 31-Dec-07 |
|---|--------------|--------------|
| Earnings after taxes | 110.3 | 50.1 |
| Changes in working capital | -26.4 | 8.7 |
| Net cash flows in investing activities | -61.0 | -22.7 |
| Free cash flow* | 22.9 | 36.0 |
| Net cash flows used in financing activities | -74.0 | 50.3 |
| Net change in cash in period | -51.1 | 86.4 |
| Cash and equivalents, start of year | 147.9 | 61.5 |
| Cash and equivalents, end of period | 96.8 | 147.9 |
| Group loans | -15.7 | -39.6 |
| Cash / (net debt) | 81.1 | 108.3 |

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



Outlook

Outlook

- Long term fundamentals for PV industry remain strong
 - Market visibility low for 2009
- Secured polysilicon supply
 - Contract with major polysilicon supplier extended to 2014
 - Bitterfeld solar-grade silicon production to provide 450MT in 2009
 - No contracts for UMG silicon
- Improved silicon utilisation
 - Wire sawing for internal block production: 90% reduction in kerf loss
 - Complete transition to 180 μ m wafers
 - Shift to 120um wire
- Ingot production capacity expansion to 350MW complete in H12009
 - Expected 2009 output up to 290MW
 - Flexible manufacturing strategy
- Strong wafer supply contract portfolio: 275MW in 2009
- Robust cash position and strong customer base
 - Well placed to benefit from eventual upturn in global PV markets