



PV Crystalox Solar
Interim Results 2010

19 August 2010

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Market Overview

- Strong market demand with wafer prices stabilising
 - 2010 global PV installations expected to be 10-15GW
 - 3GW installed in Germany alone in H1

Key Highlights

- Wafer shipments
 - Volume up 55% to 155MW (H1 2009: 100MW)
 - Pricing stabilised at 60% of H1 2009 levels
- Revenues and EBIT in line with expectations
- Bitterfeld polysilicon production ramping up
 - 321MT in H1 2010-up by 213% over H2 2009
- Strong net cash position
- Interim dividend of 1.0 euro cents per share (2009: 2.0 euro cents per share)

Operational Highlights



- Average wafer price stabilised at 60% of H1 2009 levels
- Focus on major PV companies
 - Strong customer relationships with leading producers in Japan, Germany and China
 - China now second largest market at 29% of revenues
 - Our top 5 customers accounted for 86% of revenues
- Ingot production capacity now at 400MW
 - Expansion to 500MW by end Q1 2011
- Cost reductions on track
 - 10-15% reduction expected in 2010
 - Negative impact from strengthening Japanese Yen
- Polysilicon manufacturing facility in Bitterfeld
 - Successful ramp up in H1 continuing in H2



Financials

Financial Highlights

- Revenues at €111.7 million (H1 2009: €121.6 million)
- EBIT excluding currency impact and Bitterfeld costs of €19.0m (H1 2009: €41.8 m)
 - Currency loss of €3.1m
 - Bitterfeld costs of €6.7m
- Reported EBIT €9.3m (H1 2009: €21.5m)
- Net cash of €77.1m at 30 June 2010 (31 Dec 2009: €70.0m)
- Interim dividend of €0.01 per share (2009: €0.02)

Underlying Profit

(€'000)	30-Jun-10	30-Jun-09	Change
Total Revenues	111,653	121,594	-8.2%
EBIT exc currency (losses)/gain and Bitterfeld costs	19,125	41,839	-54.3%
Currency (losses)/gain	-3,083	-13,694	77.5%
Bitterfeld costs	-6,730	-6,609	1.8%
EBIT	9,312	21,536	-56.8%

Key financial – Summary Income Statement



Statement of comprehensive income (€'000) Half Year to 30 June 2010

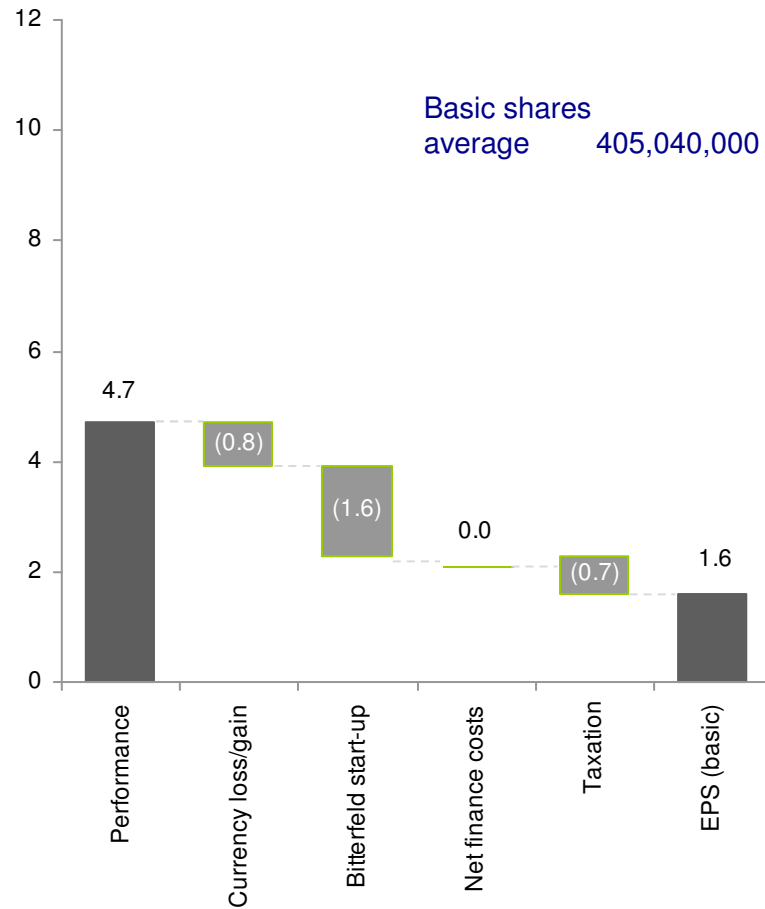
(€'000)	30-Jun-10	30-Jun-09	Change
Total Revenues	111,653	121,594	-8.2%
EBIT excluding currency (losses)/gains	12,395	35,230	-64.8%
Currency (losses)/gains	-3,083	-13,694	77.5%
Earnings Before Interest & Tax (EBIT)	9,312	21,536	-56.8%
Net interest income	143	689	-79.2%
Earnings before taxation	9,455	22,225	-57.5%
Taxation	-2,803	-5,829	51.9%
NET INCOME	6,652	16,396	-59.4%
Basic Earnings per share (Euro cents)	1.6	4.0	-60.0%

Currency Gains

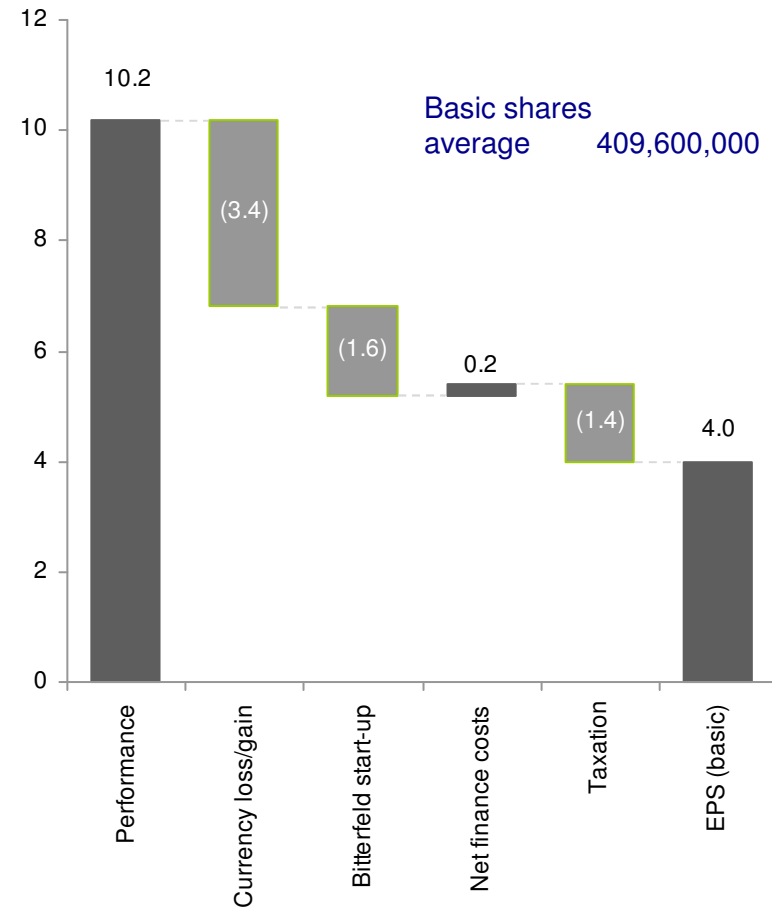
(€m)	30-Jun-10	30-Jun-09
Revaluation of cash balances	-0.5	-3.6
Revaluation of intergroup trading	-0.2	-5.3
Revaluation of Group advances	-3.5	-1.2
Debtor/creditor revaluation	-0.7	-0.3
Revaluation of suppliers/customers deposits	1.8	-3.3
Total currency (loss)/gain	-3.1	-13.7

Drivers of EPS

H1 2010 (euro cents)



H1 2009 (euro cents)



Summary consolidated balance sheet



(€m)	30-Jun-10	30-Jun-09	31-Dec-09
Current Assets	254.5	202.2	216.1
Non-current Assets	148.9	153.4	151.5
Total Assets	403.4	355.6	367.6
Current Liabilities	90.4	56.1	67.0
Non-current Liabilities	35.9	36.4	40.5
Share Cap & Non-dist Reserves	77.7	80.4	80.7
Profit & Loss Reserves	199.4	182.7	179.4
Total Liabilities and Shareholder Equity	403.4	355.6	367.6

Summary cash flow & net cash/(debt) analysis



(€m)	30-Jun-10	30-Jun-09
Adjusted Earnings before tax	14.3	19.6
Tax paid	-3.0	-25.6
Adjusted Earnings after tax	11.3	-6.0
Changes in working capital	-5.7	13.7
Net cash flows in investing activities	-2.3	-14.7
Free cash flow*	3.3	-7.0
Net cash flows used in financing activities	28.9	2.6
Net change in cash in period	32.2	-4.4
Cash and equivalents, start of year	100.4	96.8
Cash and equivalents, end of period	132.6	92.4
Group borrowings	-55.5	-14.9
Cash / (net debt)	77.1	77.5

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



Bitterfeld Review



- Ramp-up continues with emphasis on reduction of electricity and chlorosilane consumption through process improvements.
- Quality of silicon remains high, fulfilling requirements of our wafer customers.
- Plant operation with high safety record.

Silicon production at Bitterfeld

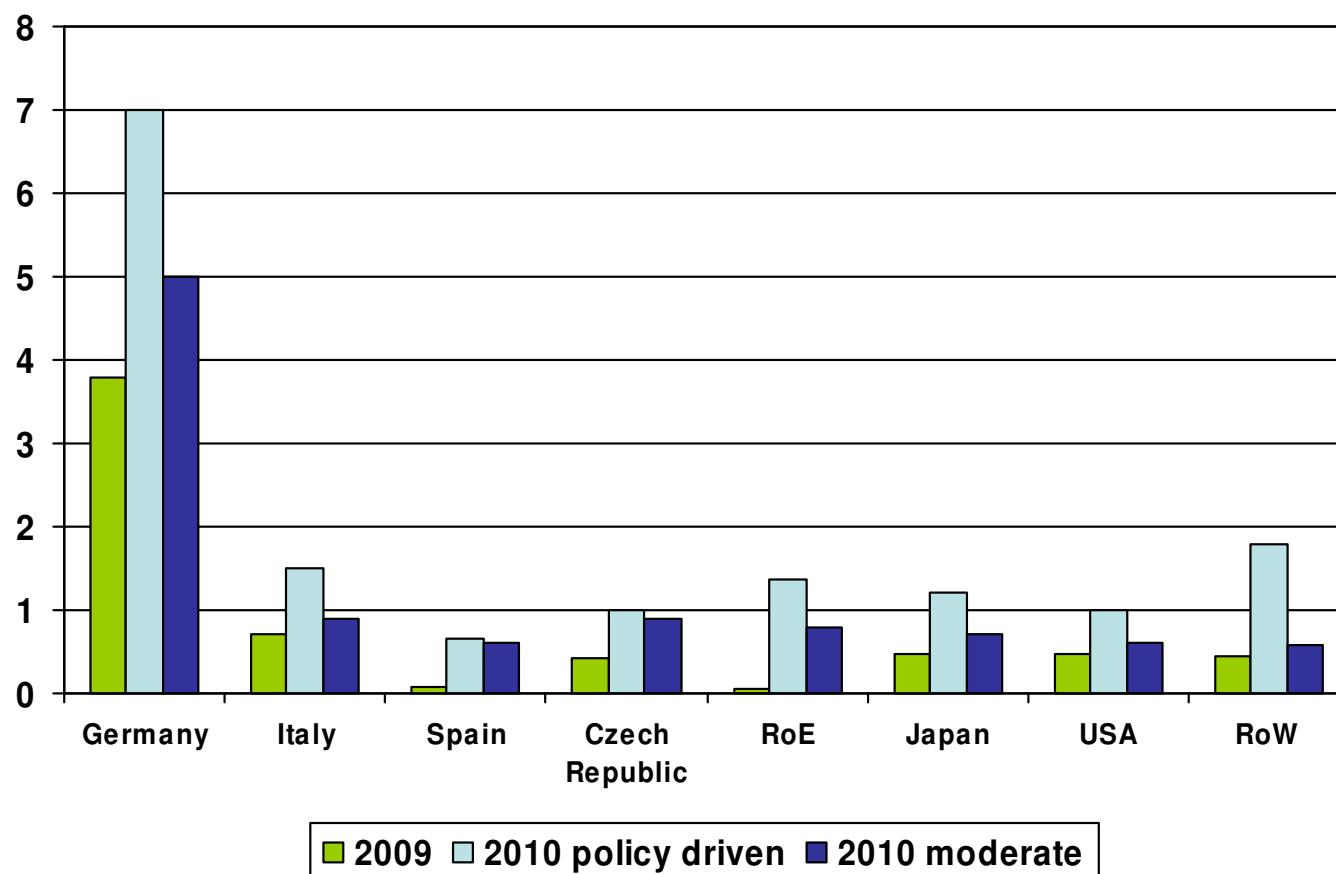
- Cost reduction through increased production volume
 - Production volume in H1 increased to 321 MT more than twice the volume in H2 2009
 - Silicon deposition in the Siemens reactors is a batch-type process. Through intensive operator training shorter down-time from run to run
 - Production target of 1800MT in 2011
- Cost reduction through process improvements
 - Chlorosilane and electricity consumption per kg Si represent the two major production costs
 - In H1 2010 both costs were reduced by more 10% below the plant design targets
 - Further improvements in the deposition rate of silicon and in the hydrogenation of SiCl_4 to SiHCl_3 will lead to further cost reductions in H2 2010.



Global PV Market

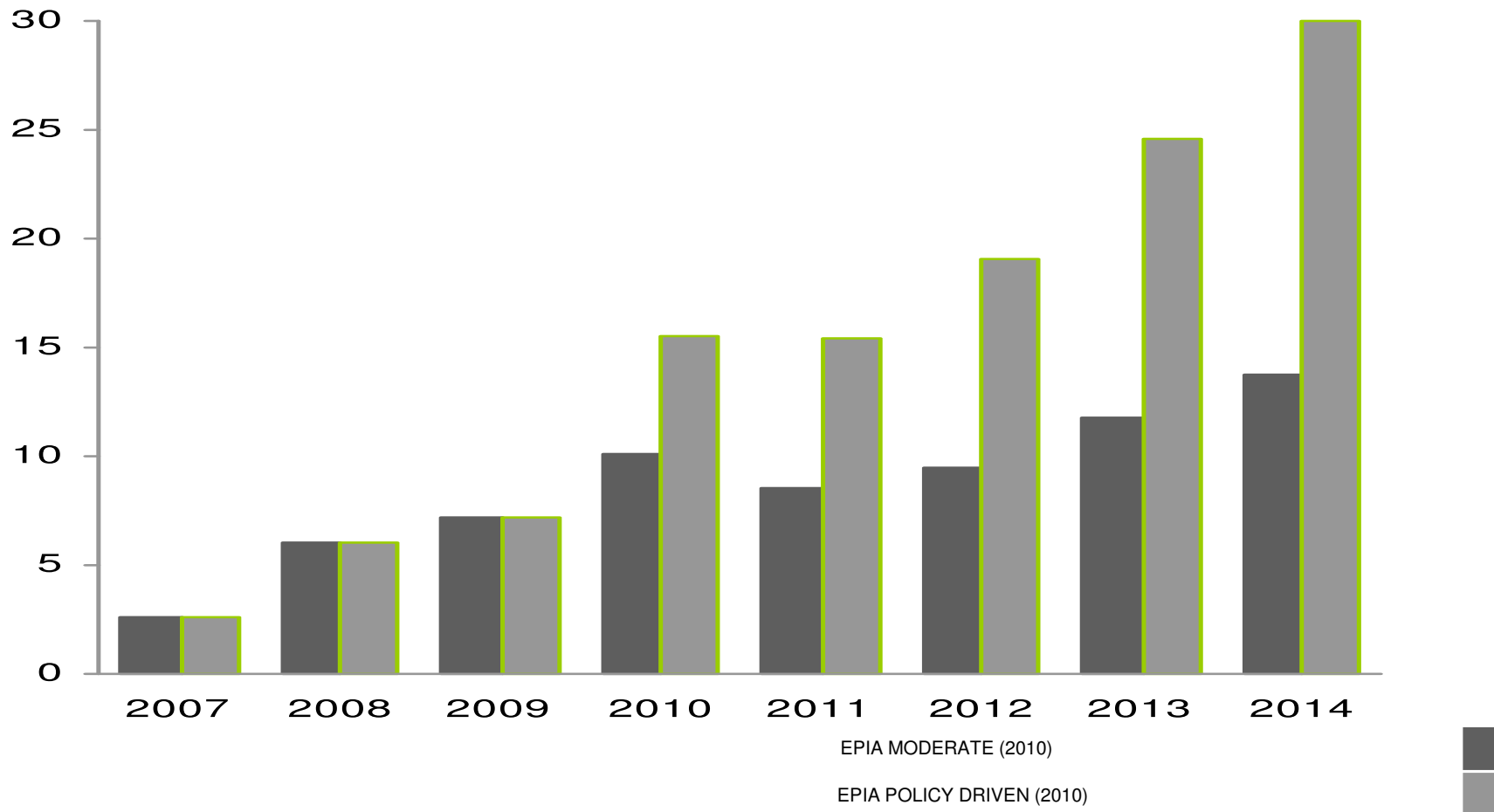
2009-2010 PV market demand

2009: 7.2GW
2010: Policy Driven 15.5GW
2010: Moderate 10.1GW



Growth in the long term

Global annual photovoltaic new installations (GW)





Strategy

- Continued focus on operating cost reduction
 - Production efficiencies
 - Higher yields
- Continued focus on major PV companies
 - Enhance relationship with existing customers
 - New customers in major markets Taiwan and Korea
- Focus on further development of the leading silicon processing technology
 - Working with customers to increase product quality and develop next generation of wafer technology



Strengthen position as a leading pure-play solar wafer manufacturer



Outlook

Outlook

- **Positive market environment to continue in H2 2010**
 - In advance of FIT cuts in 2011 in Germany and Italy

- **Expected 2010 output 320-340MW**
 - Full year volume expected to be up 34-42%
 - H2 wafer sales volumes higher than in H1
 - Wafer pricing stabilised

- **Challenges in 2011**
 - Possible reduced demand in Germany
 - Additional production capacity coming on stream

- **Broadening customer base**
 - Sales to Taiwan customers expected to exceed 10% in Q3

- **Continuing focus on production cost reduction**
 - Higher wafer yields
 - Lower wafering costs
 - Lower internal polysilicon costs

- **Capacity expansion to 500MW by Q1 2011**
 - Expansion to 630MW under review

Summary

- Strong market in 2010
- Robust cash position and strong customer base
- Well positioned for the long term:
 - Strong balance sheet
 - Strong customer relationships
 - Continuing production cost efficiencies



Q&A
