



PV Crystalox Solar plc
2012 Preliminary Results
21 March 2013

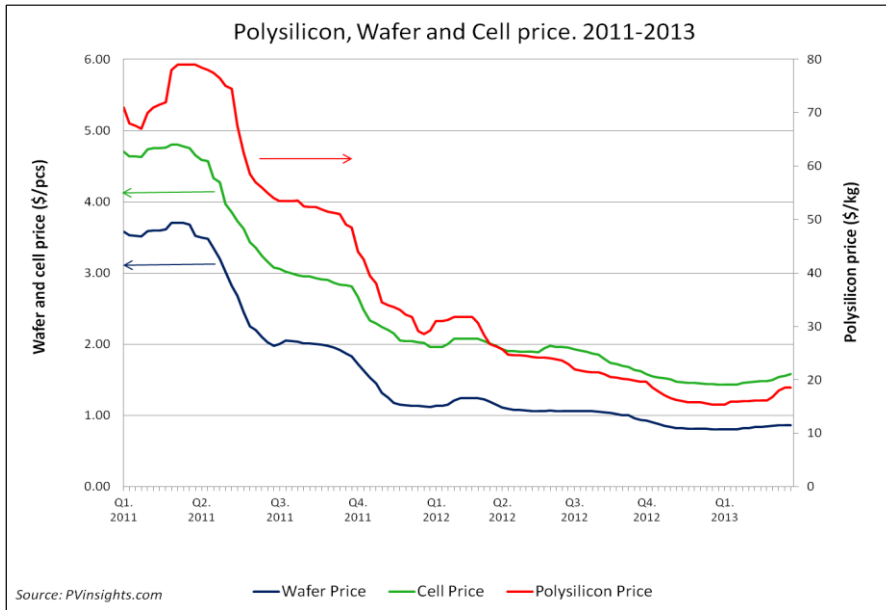
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- 2012 another extremely challenging year for the PV industry

- Chronic industry overcapacity
- Unprecedented price decline across value chain since early 2011

- Wafer spot prices stabilised at end 2012 at a level 75% below April 2011

- Spot prices remain significantly below industry production costs
- Modest increase in spot wafer prices during 2013

- 2012 Global PV installations increase from 28GW to 32GW

- 52% installations in Europe (7.5GW in Germany)
- Increased demand in Asia particularly from China and Japan

- Cash conservation strategy continues
 - Sales limited to LT contract customers with prices at a premium to spot prices
 - Wafer shipments of 108MW (2011: 384MW)

- €90.6m compensation received for termination/variation of LT wafer supply contracts

- Closure of Bitterfeld polysilicon facility

- Net cash position significantly strengthened
 - €89.4m at end of December 2012 (€22.6m at end 2011)

- Return of cash to shareholders proposed



Financials

- Net cash inflows €67.1m from operating activities
- Net cash of €89.4m at 31 Dec 2012 (31 Dec 2011: €22.6m)
- Revenues decreased by 78.0% to €46.3m
- EBIT loss €110.1m (2011: loss €67.5m)
- Loss after tax €121.4m (2011: loss €60.9m)
 - Basic EPS -€0.299 (2011: -€0.150)
- Non Cash write downs
 - Impairment of plant and intangible assets €82.6m
 - Inventory €41.5m
 - Onerous contract charge €42.0m

- Impairment of assets €82.6m

- Bitterfeld polysilicon facility written down to estimated realisable value based upon professional valuation of individual assets
- Ingot/wafer production equipment written-down

- Inventory write down €41.5m

- Written-down to net realisable value

- Onerous contract charges of €42.0m

- Against long-term purchase contracts of polysilicon
- Allows for some renegotiation of prices and volumes
- Total onerous contract provision at year-end 2012 €52.0m

Financial Overview

(€'000)	2012 Total	2011 Total
Revenues	46,324	210,400
Other Income	109,479	5,605
LBIT exc currency gain	(112,534)	(68,974)
Currency gain	2,435	1,438
LBIT	(110,099)	(67,536)
Net interest (charge)/income	(695)	451
Loss before taxes (EBT)	(110,794)	(67,085)
Income taxes	(10,607)	6,192
Earnings	(121,401)	(60,893)
Earnings per share (Euro cents)	(29.9)	(15.0)
Dividends	-	-
Free cash Flow	64,992	(20,008)
Net cash	89,396	22,618

Summary consolidated balance sheet

(€m)	31-Dec-12	31-Dec-11
Current Assets	158.8	191.9
Non-current Assets	34.6	160.7
Total Assets	193.4	352.6
Current Liabilities	64.7	86.5
Non-current Liabilities	33.9	48.9
Share Cap & Reserves	94.8	217.2
Total Liabilities and Shareholder Equity	193.4	352.6

Adjusted Earnings before tax

(€m)	31-Dec-12	31-Dec-11
Earnings before tax	(110.8)	(67.1)
Depreciation	16.8	16.1
Impairment charge	82.6	27.9
Inventory writedown	41.5	22.9
Charge for provisions	35.6	18.9
Other	(1.4)	(0.3)
Adjusted Earnings before tax	64.3	18.4

Summary cash flow & net cash/(debt) analysis

(€m)	31-Dec-12	31-Dec-11
Adjusted Earnings before tax	64.3	18.4
Tax received / (paid)	9.2	(9.1)
Adjusted Earnings after tax	73.5	9.3
Changes in working capital	(7.3)	(8.6)
Net cash flows in investing activities	(1.3)	(20.7)
Free cash flow*	64.9	(20.0)
Net cash flows used in financing activities/others	(41.9)	(9.6)
Net change in cash in period	23.0	(29.6)
Cash and equivalents, start of year	71.7	101.3
Cash and equivalents, end of year	94.7	71.7
Group borrowings	(5.3)	(49.1)
Cash / (net debt)	89.4	22.6

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



Operational and Strategic Review

- Operating at 20% of our maximum 750MW ingot capacity
 - Focus on LT contract customers with pricing at premium to spot
- Internal polysilicon production remained suspended
 - Our reduced requirements were satisfied by external suppliers
 - Market pricing remained below our cash costs
- Reached accommodation with polysilicon suppliers
 - Obtained adjustments to volumes and pricing
 - Excess polysilicon traded during 2012 to manage inventories

- **Radical restructuring to align operations with anticipated sustainable ST demand**
 - Permanent closure of Bitterfeld polysilicon factory announced
 - Substantially reduce ingot/wafer production output
 - Very significant job losses in UK and Germany

- **Focus on long term contract customers**
 - enables prices to be negotiated above spot levels

- **Cost control**
 - Pricing negotiations with suppliers including Japanese wafering subcontractor
 - Continuing drive on operating efficiencies

- **Inventory and working capital management**
 - Trading excess polysilicon where necessary – Negotiations concluded for Q1 2013
 - Working to reduce inventory levels

- **Return cash to shareholders**

- **B/C Share scheme**

- Election required
- Option of receiving a capital return by way of B share
- Option of receiving an income return by way of C share

- **Ordinary share consolidation**

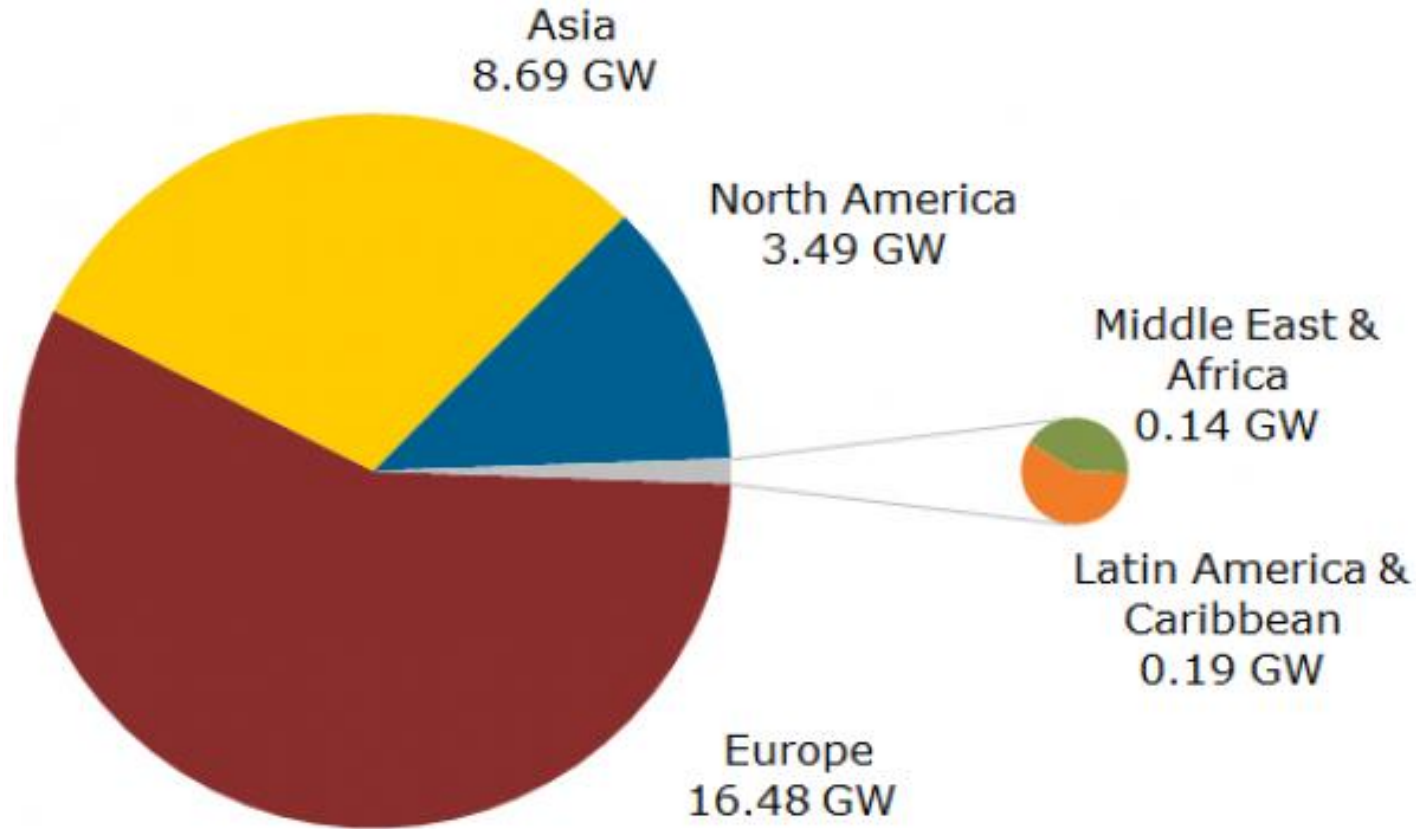
- To maintain broad comparability of the share price and return per share before and after creation of B and C shares.

- **Shareholder approval for implementation of scheme**

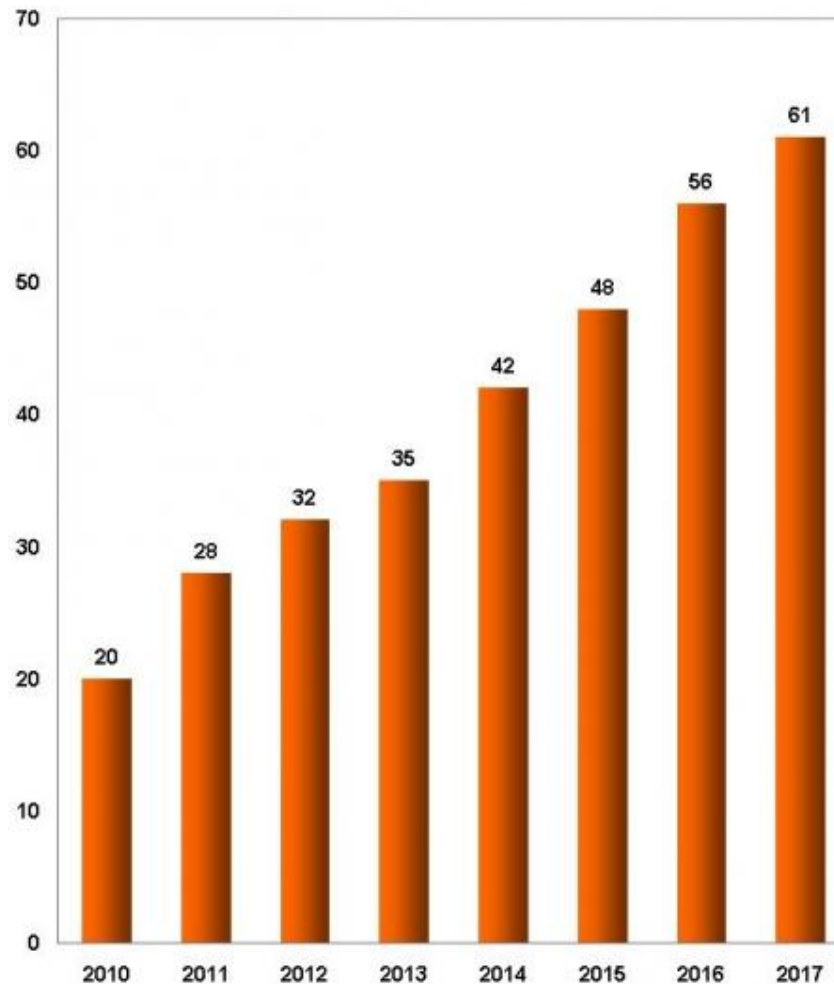
- General meeting in second quarter 2013



Global PV Market



- 9% Growth on 2011
- Europe market share declining



- Modest growth of 9% forecast for 2013
- Installations in Asia to overtake Europe



Outlook

● Modest market growth expected in 2013

- Analysts IHS forecasting global installations of 35GW-up 9% on 2012
- Dominance of Europe to decline as governments reduce incentives
- Strong growth in Asia (through China and Japan) to become most important region

● Positive long term outlook for PV industry

- Intensively competitive environment to persist in short term
- Continued pressure on pricing

● EU investigation of anti-dumping duties on Chinese imports

- Interim decision expected in June

● Cash conservation strategy will continue

- Alignment of operations with sustainable short term demand
- Generation of positive cash flows in 2013

● Retaining full ingot/wafer operating capability

- Positioning Group for any market recovery



Q&A