



PV Crystalox Solar plc
2013 Preliminary Results
20 March 2014

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- Intensely competitive PV industry environment maintained in 2013
 - Price pressure across the value chain
 - Financial difficulties now extending to Chinese PV companies
- Some recovery in wafer spot prices in 2013
 - Low point in early 2013-75% below April 2011 level
 - Modest price improvement in recent months but partially offset by higher polysilicon prices
 - Spot prices remain below industry production costs
- Global PV installations grew by 35% (EPIA)
 - Asia overtakes Europe to become the leading market
- Trade disputes led to formal antidumping investigations
 - Minimum price level and import quota agreed for Chinese imports into Europe
 - China imposes duties on polysilicon imports from US and South Korea
 - US reopens investigation into Chinese imports in January 2014

- **Radical restructuring in UK and Germany completed**
 - Disposal of Group's polysilicon facility to management buy-in team
 - Personnel numbers reduced to 88 at end 2013 (299 at end 2012)
 - Full ingot/wafer operating capability retained

- **Cash conservation strategy continued**
 - Operating at significantly reduced wafer production levels
 - Trading of excess polysilicon

- **Revenues increased to €71.4m (2012: €46.3m)**
 - Shipment volumes increased by 85% to 211MW (2012: 115MW)
 - Inventories of polysilicon and wafers reduced to optimum levels

- **Change of listing and cash return**
 - Transfer to standard list completed in October 2013
 - €36.3m returned to shareholders in December 2013

- **Net cash position remains healthy**
 - €39.2 million at end 2013 (€89.4m at end 2012)



Financials

- Revenues €71.4m (2012: €46.3m)
- EBT on continuing operations €6.6m (2012: Restated loss €30.7m)
 - Positive impact from updated onerous contract provisions (OCP)
- Loss on discontinued operations €2.6m (2012: Loss €80.1m)
- Profit attributable to equity owners €3.7m (2012: Loss €121.4m)
- Net cash of €39.2m on 31 December 2013 (31 Dec 2012: €89.4m)

Financial Overview

(€'000)	2013	2012 (restated)
Continuing operations:		
Revenues	71,442	46,305
Other Income	2,696	101,202
EBIT exc currency gain	7,446	(32,452)
Currency gain	3,082	2,432
EBIT	10,528	(30,020)
Net interest charge	(3,902)	(695)
Profit/(Loss) before taxes (EBT)	6,626	(30,714)
Income taxes	(390)	(10,607)
Profit/(Loss) for continuing operation	6,236	(41,321)
Discontinued operations	(2,577)	(80,080)
Profit/(Loss)	3,659	(121,401)
Earnings per share (Euro cents)	1.0	(29.9)
Cash returned to shareholders B/C Shares	36,285	-
Net cash	39,210	89,396

Summary consolidated balance sheet

(€m)	31-Dec-13	31-Dec-12
Current Assets	78.0	158.8
Non-current Assets	17.1	34.6
Total Assets	95.1	193.4
Current Liabilities	22.5	64.7
Non-current Liabilities	14.2	33.9
Share Cap & Reserves	58.4	94.8
Total Liabilities and Shareholder Equity	95.1	193.4

Summary cash flow analysis (€m)	31-Dec-13	31-Dec-12
Operating cash pre-working capital after taxes	-19.9	88.6
Changes in working capital	24.2	-11.4
Exchange difference	-2.3	0.7
Net cash flows in investing activities	-1.4	-1.1
Cash return to shareholders	-36.3	
Other cash flows used in financing activities	-3.4	-43.5
Net cash flow from discontinued operations	-15.7	-10.3
Net change in cash in period	-54.8	23.0
Cash and equivalents, start of year	94.7	71.7
Cash and equivalents, end of period	39.9	94.7
Group loans	-0.7	-5.3
Cash / (net debt)	39.2	89.4



Operational and Strategic Review

● Wafer production

- Operated at significantly reduced levels in 2013
- Improvements in production cost and inventory enables increase in output in 2014

● Declining reliance on long term wafer contract customers

- Only 34% of wafer volume sold at premium prices
- Successful development of new customers
- One contract potentially active in 2014

● Disposal of polysilicon production facility to MBI team

- Our reduced polysilicon requirements satisfied by external suppliers

● Accommodation reached with polysilicon suppliers

- Adjustments to volumes and pricing on long term contracts obtained to date
- Excess polysilicon traded during 2013 to manage inventories

● Change of listing on the Official List

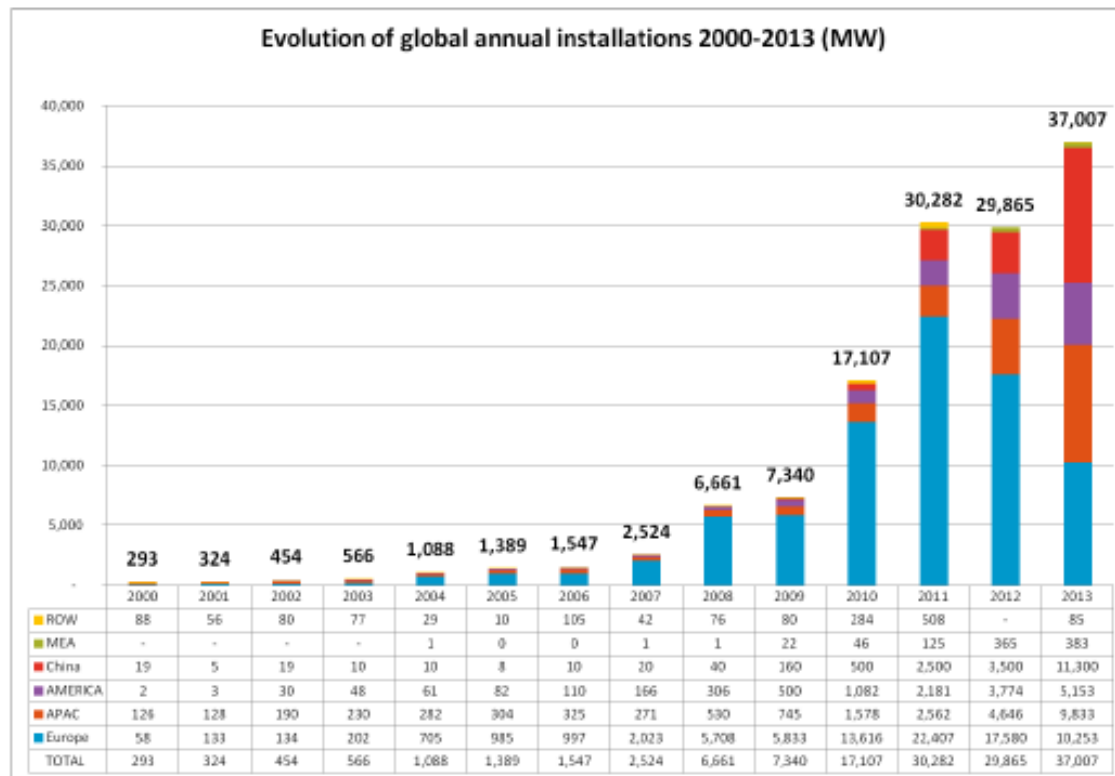
- From “premium listing (commercial company)” to “standard listing”
- Facilitated return of cash to shareholders
- Reduces administrative costs generally
- Approved at a General Meeting in September 2013
- Move effective 10 October 2013

● Return of cash to shareholders and share consolidation

- €36.3 million returned
- Amount - 7.25 pence per share
- 5 for 13 share consolidation
- Choice between income or capital return
- Consolidation and cash returned December 2013



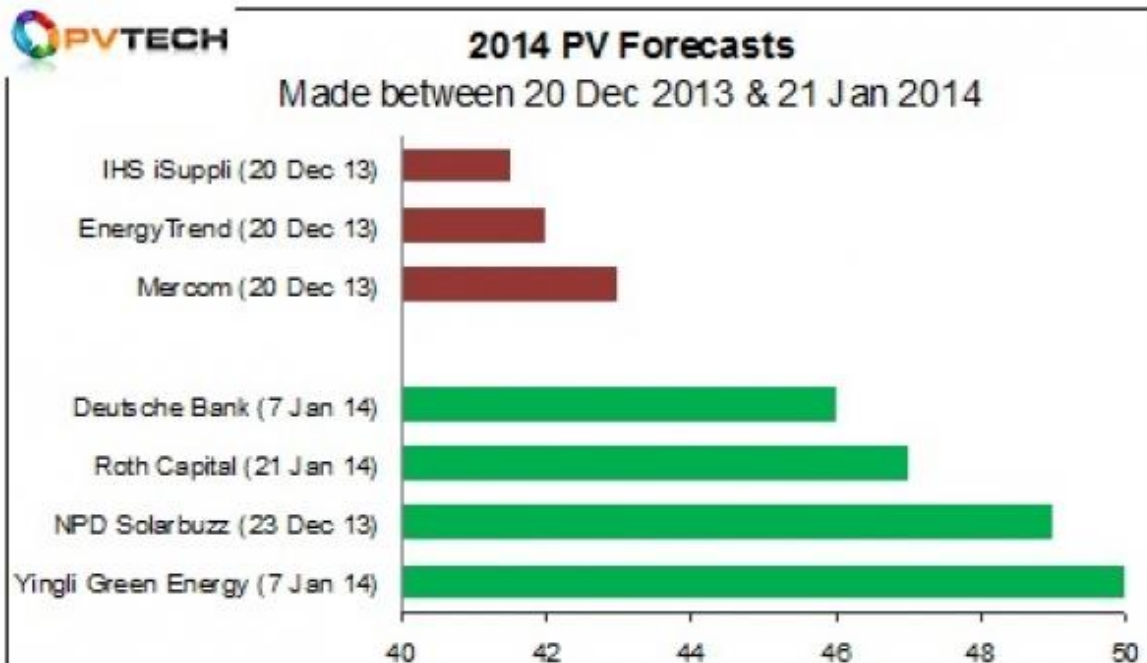
Global PV Market



- Global PV Installations increased by 35% in 2013

- Global PV market in transition

- Growth in Japan and China more than compensated for decline in Europe
- China installations reach 11.3GW



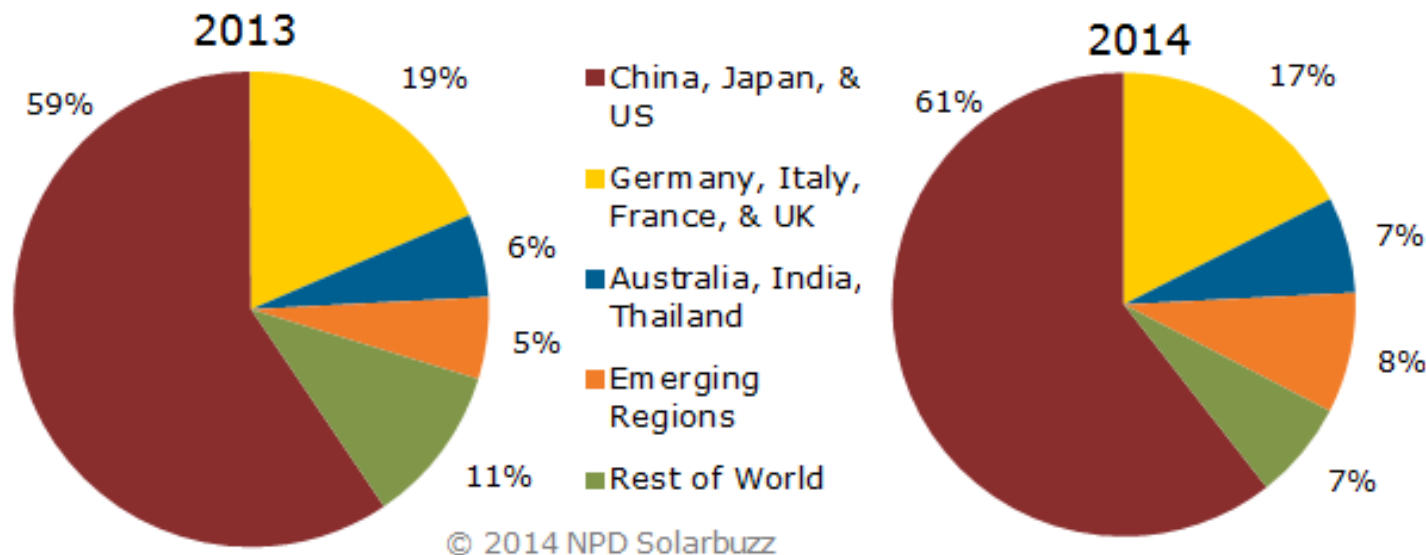
- **Strong growth forecast for Global PV installations in 2014**

- Some analysts forecast in excess of 50GW due to strong growth in Japan, China and US
- Supply and demand expected to come into balance

- **PV trade war between USA and China reignited**

- USA to carry out antidumping investigation into use of Taiwan cells in Chinese modules
- China fixed duties for five years on polysilicon imports from US and South Korea

Figure: Solar PV Demand by Key Geographic Segments for 2013 and 2014



- Demand driven by key markets of China, Japan and USA

- Proactive government policies
- Strong PV project pipelines

- Europe market share to continue to decline in 2014

- Historically Europe was dominant-75% in 2005-2011
- Decline due to incentive policy reductions



Outlook

- **Strong market growth expected in 2014**
 - Global installations to grow >20%
 - China and Japan will again be the major markets
 - Transitioning to demand driven market
- **Positive medium term outlook for PV industry**
 - Continued pressure on pricing
- **Group to continue with its cash conservation strategy in 2014**
- **Improved cost structure enables increase in production output**
 - Consolidate existing customer relationships
 - Develop new customers
 - Positioning Group for improvement in market conditions
- **Key focus areas**
 - Reach accommodation with polysilicon suppliers as in previous years
 - Conclude settlements with administrators of two long term contract customers in insolvency
 - Continue programmes on cost reduction and quality improvement
- **Underlying business not expected to return to profitability in 2014**



Q&A