



Results January – June 2010

26th August 2010



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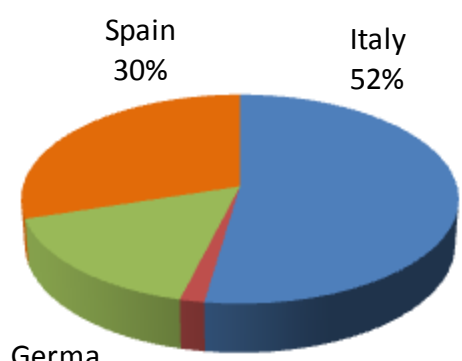
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Grupo Solaria H1 2010 Consolidated Financial Statements

- Sales per division
- Profit and Loss
- Balance Sheet
- Generation
- Reflections

Sales per division

		H1 2010	H1 2009	% chg.	FY-2009	Sales mix per country H1 10
Sales. PV Modules	€ 000s	43,050	3,581	1102%	23,355	
Sales. Turnkey	€ 000s	13,333	0	100%	0	
Sales. Generation and O&M	€ 000s	6,257	10,652	-41%	20,149	
Sales. Other	€ 000s	476	0	100%	0	
Total comparable sales	€ 000s	63,116	14,233	343%	43,504	
Non-recurrent Sales. PV Plants under RD 661	€ 000s	0	39,078	-100%	45,388	
Total sales	€ 000s	63,116	53,311	18%	88,892	
Domestic sales		30%	99%		85%	
Export sales		70%	1%		15%	

Consolidated financial data under IFRS. FY-2009 figures are audited

Comparable sales (+343% H1 10 vs H1 09) excludes the non-recurrent sale of the PV plant Alhama in January 2009 which was built and connected in 2008.

Lower Generation and O&M sales (-41% H1 10 vs H1 09) reflects the sale of PV plants Alhama, Magacela and Villamañán along the year 2009.

Profit and Loss (1)

In € 000s	H1 2010	H1 2009	FY-2009
Net sales	63,116	53,311	88,892
Other income	958	68	2,535
COGS	-57,244	-43,274	-78,863
EBITDA	6,830	10,105	12,564
<i>% margin</i>	11%	19%	14%
Depreciation	-4,593	-1,090	-4,402
Provisions	0	-1,535	-2,127
EBIT	2,237	7,480	6,035
Financial result	-1,838	-2,886	-3,943
Pre-tax profit	399	4,594	2,092
Taxes	39	-1,467	357
NET PROFIT	438	3,127	2,449
EBITDA / Financial result	3.7x	3.5x	3.2x

Consolidated financial data under IFRS. FY-2009 figures are audited

Profit and Loss (and 2)

Our first half results present comparable sales of € 63.1 million (comparable growth +343%). If the non-recurrent sale of a plant build in 2008 and sold in Q1 2009 is considered, sales increase +18%. First-half Ebitda, Ebit and Net profit amount to € 6.8 million, € 2.2 million and € 0.4 million, respectively.

The diversification in three business lines which was started in 2009 is shown in our divisional sales: PV Modules (68% of sales), Turnkey plants (22%), Generation and O&M (10%). Export sales increased to 70% of total sales in H1 10, markedly up from 15% in FY-2009 and 37% in Q1 10. PV module production in H1 10 set, at 40.2 MW, a new six-month record for Solaria.

In May 2010, the Temporary workforce restructuring schemes were cancelled in the Puertollano and Fuenmayor factories. Due to the increase in our manufacturing activity, all employees have resumed their normal working hours and as a result of new hirings, during January – June our group's workforce has increased +80% to 885 employees.

The guidance given at the Q1 10 results presentation remains unchanged with FY-2010's estimated sales of € 200 million and the Ebitda margin at 15.5%.

Balance Sheet (1)

€ 000s	at 30 Jun 2010	at 31 Dec 2009
Property, Plants and Equipment	193,829	199,358
Other non-current assets	26,481	24,338
Total non-current assets	220,310	223,696
Stocks	54,992	23,231
Debtors	36,447	26,129
Other current assets	38,930	36,200
Cash & Banks	5,383	17,503
Total current assets	135,752	103,063
TOTAL ASSETS	356,062	326,759
Shareholder's funds	235,333	234,973
Long term debt	23,197	25,029
Other non current liabilities	4,824	5,064
Short term debt	47,961	39,196
Creditors	36,047	20,392
Other current liabilities	8,700	2,105
Total current liabilities	92,708	61,693
TOTAL LIABILITIES & NET WORTH	356,062	326,759
Net financial debt / Shareholder's funds	28%	20%

Consolidated financial data under IFRS. Dec-2009 figures are audited

Balance Sheet (and 2)

The main change in our Balance Sheet during H1 10 is the increase in stocks (finished and semi-finished products). This reflects an intense utilisation of our production capacity and the stockage of products for delivery to the six PV plants under construction at 30-june.

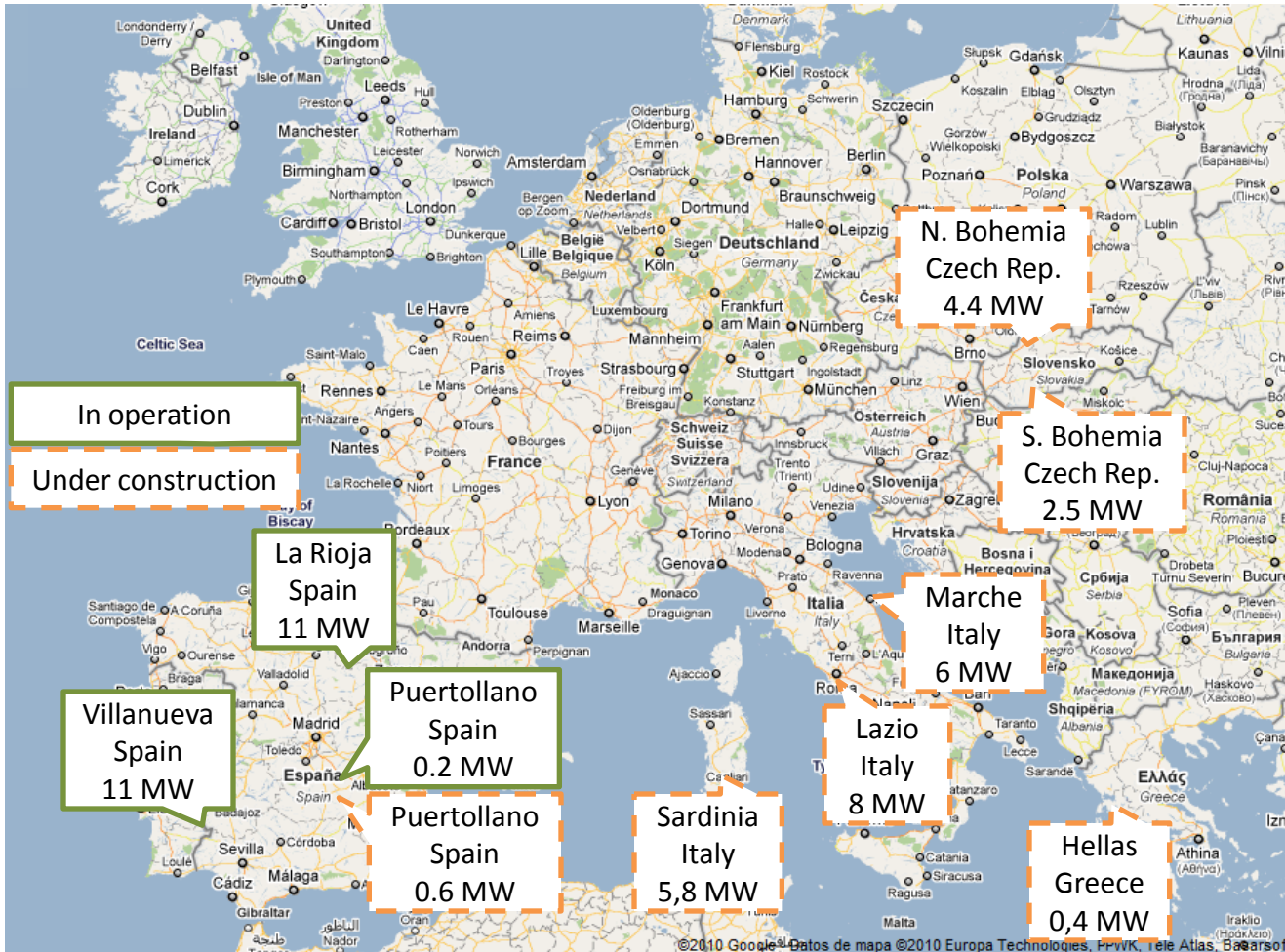
The six PV plants under construction at 30-june (Puertollano - Spain, Sardinia and Lazio - Italy, Greece, N. Bohemia and S. Bohemia - Czech Rep.) total 22 MW and progress within schedule. All plants are expected to be grid connected in H2 10. In July-10 after the close of this reporting period, we started the construction of a 6 MW plant in Marche (Italy) and expect to start at least an additional 11 MW in H2 10.

Our Financial debt at 30-june was € 71.2 million and increased by € 6.9 million in H1 10. Gearing at 28% (27% at Mar-10 and 20% at Dec-09) remains at a level which we consider to be moderate and highlights a robust Balance sheet. The Ebitda / Financial result ratio of 3.7x supports this argument.

Improvements in Working capital management are being reflected in a reduction of days of collection to 123 days (298 at Mar-10) and 86 days of payment. The average stock improves to 148 days (662 and 200 days at Dec-09 and Mar-10, respectively). The working capital cycle to finance is now 185 days, which compares favourably against 366 days at Dec-09.

In July-10 and after the close of this reporting period, we raised € 37.3 million through a Project finance loan for our PV plant "Villanueva 11 MW". This plant is under the tariff regulated by RD 661/2007. The financing banks were Dexia Sabadell and Caixanova.

PV plants in operation and under construction (at 26/8/2010)



Owned PV Plantas

- 22 MW in operation:
 - Villanueva (100%) 11 MW
 - La Rioja (100%) 11 MW
 - Puertollano (100%) 0.2 MW
- 28 MW under construction:
 - Puertollano (100%) 0.6 MW
 - Sardinia (50%) 5.8 MW
 - Lazio (50%) 8 MW
 - Marche (100%) 6 MW
 - Hellas (50%) 0.4 MW
 - N. Bohemia (100%) 4.4 MW
 - S. Bohemia (100%) 2.5 MW
- 11 MW additional in H2 10
 - New plant (100%) 11 MW
- Plants in operation Dec-10E:
 - Total plants 61 MW
 - Attributable to Solaria 54 MW

The first-half results meet the strategic, sales, roll-down of our generation business, international expansion targets and guidance which we announced in our first-quarter results presentaion.

Our sales, Ebitda margin and investment guidance is unchanged for FY-2010.

In H1 10 and after cancelling the two Temporary workforce restructuring schemes which were active in the Puertollano and Fuenmayor factories, our workforce has increased +80% to support a strong manufacturing demand.

In H2 10 Solaria starts a shareholder policy. In Jun-10, the Annual Shareholders Meeting approved a € 0.02 cash dividend (1.2% yield at 30-Jun) which will be paid on 15-Sept. The own stock held at 30-Jun (1.42% of the shares in issue) will be written off, most probably in September. After the close of this reporting period, Solaria initiated a new share buy-back programme, the maximum being 10% of the stock issued.

The most relevant risks are the regulatory uncertainties. Although Solaria believes there will be no retroactive cuts to the tariff in Spain, the inconsistent messages which are hitting the financial and banking markets are having an extremely negative effect on sentiment, on our share price and are blocking the incorporation of other solar companies to the stock market

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