Results January – March 2010

14th March 2010

Solaria

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Grupo Solaria's Q1 2010 Consolidated Financial Statements

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Sales per division

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		Q1 2010	Q1 2009	Q on Q chg.	FY-2009
Sales. PV Modules	€ 000s	7,920	19,967		23,355
Less: Inter-division sales	€ 000s	-2,606	-17,435		0
Sales. PV Modules to end clients	€ 000s	5,314	2,532	110%	23,355
Sales. Turnkey	€ 000s	3,080	0	100%	0
Sales. Generation and O&M	€ 000s	2,044	4,975	-59%	20,149
Sales. Other	€ 000s	514	201	156%	0
Total comparable sales	€ 000s	10,952	7,708	42%	43,504
Sales. PV Plants under regulation RD 661	€ 000s	0	39,107	-100%	45,388
Total sales	€ 000s	10,952	46,815	-77%	88,892
Domestic sales		63%	100%		85%
Export sales		37%	0%		15%

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

Comparable sales (+42% Q1 10 vs Q1 09) excludes the sale of the PV plant Alhama in January 2009

Lower Generation and O&M sales (-59% Q1 10 vs Q1 09) reflects the sale of PV plants Alhama, Magacela and Villamañán along the year 2009

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Orderbook: PV Modules

PV Modules: Orders per month from end clients for delivery in 2010				
€ 000s	January	February	March	Total Q1
Monthly orders	806	17,623	78,032	96,461
Spain	*96%*	*99%*	*1%*	*20%*
Exports	*4%*	*1%*	*99%*	*80%*
Sales. PV modules to end clients				5,314
Sales-to-orders ratio				*6%*

In Q1 we have delivered and invoiced only 6% or the orders received in the quarter. Two reasons justify this low level: The take of orders is heavily concentrated in February and March and, the deliveries scheduled to our Turn-key division

We consider the Domestic vs Exports mix in the orderbook to be representative of the sales mix we expect for the year 2010. The start up of commercial subsidiaries in France, Italy, Germany, Brazil and Greece since mid-2009 is providing satisfactory orders in those markets

Profit and Loss (1)

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In € 000s	Q1 2010	Q1 2009	FY-2009
Net sales	10,952	46,815	88,892
Other income	470	0	2,535
COGS	-8,227	-36,734	-78,863
EBITDA	3,195	10,081	12,564
% margin	*29%*	*22%*	*14%*
Depreciation	-2,760	-417	-4,402
Provisions	0	-1,890	-2,127
EBIT	435	7,775	6,035
Financial result	-215	-2,312	-3,943
ORDINARY PROFIT	220	5,463	2,092
Pre-tax profit	220	5,463	2,092
Taxes	-66	0	357
NET PROFIT	154	5,463	2,449
Net cash flow (Net profit + Depreciation + Provisions)	2,914	7,769	8,978
% Net cash flow-to-Sales	*27%*	*17%*	*10%*
EBITDA / Financial result	14.9x	4.4x	3.2x

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

Profit and Loss (and 2)

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Our first quarter results present comparable sales growth of +42%. If the non-recurrent sale of a plant build in 2008 and sold in Q1 2009 is considered, sales decline -77%. The Ebitda margin improves since Q1 2009 and the Net profit is positive

The diversification in three business lines which was started in 2009 is shown in our divisional sales: Turnkey plants (28% of sales), PV Modules (49%), Generation and O&M (19%), Others (4%). Export sales continued to increase to 37% of total sales in Q1 10, up from 15% in FY-2009

PV Module orders for third-party clients received in Q1 10 amounted to € 96.5 mill, albeit were heavily concentrated in the final part of the quarter. This effect coupled to the scheduled module deliveries to our Turn key division, have allowed us to only supply and invoice in the quarter 6% of the orders received but suggests sales potencial for the coming quarters

The Ebitda margin (29% of sales) continues the recovery which began in 2009. Depreciation charges have increased to 25% of sales in Q1 10 (from 5% in FY-2009) as generation assets were added in 2009. The Net cash flow improves to 27% of sales in Q1 10 (10% in FY-2009) and represents 32% of the Net cash flow generated in FY-2009

Balance Sheet (1)

€ 000s	at 31 Mar 2010	at 31 Dec 2009
Property, Plants and Equipment	199,888	199,358
Other non-current assets	26,346	24,338
Total non-current assets	226,234	223,696
Stocks	40,328	23,231
Debtors	29,860	26,129
Other current assets	35,747	36,200
Cash & Banks	2,095	17,503
Total current assets	108,030	103,063
TOTAL ASSETS	**334,264**	**326,759**
Shareholder's funds	234,998	234,973
Long term debt	24,427	25,029
Other non current liabilities	4,957	5,064
Short term debt	41,672	39,196
Creditors	21,126	20,392
Other current liabilities	7,084	2,105
Total current liabilities	69,882	61,693
TOTAL LIABILITIES & NET WORTH	**334,264**	**326,759**
Net financial debt / Shareholder's funds	27%	20%

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

Balance Sheet (and 2)

The main change in our Balance Sheet during Q1 10 is the increase in stocks (finished and semi-finished products). This reflects a intense utilisation of our production capacity needed to serve the orders received in Q1 10 and the stockage of products for delivery to three PV plants under construction

Our Net financial debt increased in Q1 10 by € 17.3 mill to € 64.0 mill. Gearing (27% at Mar-10 vs 20% at Dec-09) remains at level which we consider to be moderate and highlights a robust Balance sheet. The Ebitda / Financial result ratio of 14.8x supports this argument.

All our employees are working their normal shifts and labour hours as all the manpower is needed to support a three shift production schedule

PV Plants under negotiation as at 30/4/2010

PV PLANTS

UNDER NEGOTIATION

122 MW

ITALY	Sardinia II. 5.2 MW Italy I 7.2 MW Italy II 25 MW Italy III 30 MW
CZECH REP.	CZR I 2.5 MW CZR II 9 MW CZR III 4.4 MW
GERMANY	Deutsche I 2.5 MW
FRANCE	France I 11 MW
BRASIL & ROW	Different locations 25 MW

2010 Outlook and guidance

We expect € 200 mill Net sales in FY-2010 vs. € 89 mill € in FY-2009 and exports to represent 75% of sales. Work contracted (PV Modules, Turnkey and Generation and O&M) at 30 April 2010 is to generate sales of € 130 mill € in FY-2010, or 65% of this guidance

We expect revenue recognition and seasonality to be reflected in quarterly sales starting from a low base and peaking in Q3

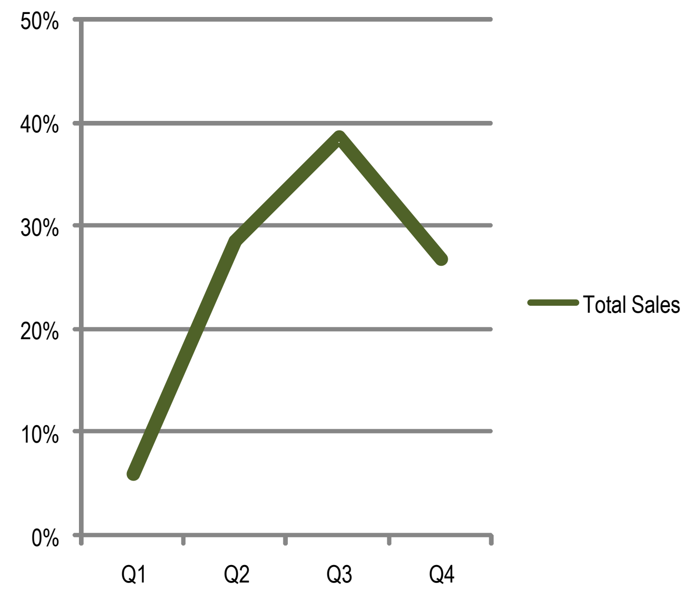
We expect the Ebitda margin to improve from 14% in FY-2009 to 15.5% in FY-2010 as economies of scale are obtained from 130 MW of modules manufactured in 2010

Capex: Generation € 50 mill € as we add 25-38 MW to our share of owned plants (70% project finance is targeted). Manufacturing € 10 mill. Working capital € 5 mill

We expect to increase our net financial debt from € 47 mill € at Dec-09 to € 108 mill at Dec-10

Explicit legal notice (Page 2) on Forward looking statements applies

2010 Guidance: Sales per quarter [(E)]



[(E)] **Internal estimate**

Generation

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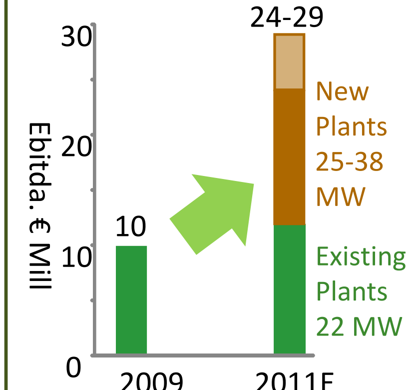
Solaria owns 22 MWp of solar generation assets in Spain. Our target is to start building 38 MWp of new plants in 2010, connect 25 MWp in 2010 and the balance at the beginning of 2011. The new plants are to be built in Spain and primarily in the target markets: Italy, Czech Republic, France, Germany and Brazil. This activity is to be our main growth driver in the next years

The value in books at Dec-09 of these 22 MWp is € 109 mill and the market value –the benchmark is the price at which Solaria sold two comparable PV plants in H2 09- is € 143 mill. Energy sales in FY-2009 from the 22 MWp were € 10 mill. We expect Generation sales of € 24-39 mill in 2011 as the new plants are connected

Targets: Generation

	Spain	Italy	France	Czech	Brazil
Plants in operation at Dec-2009 (MWp):	22	-	-	-	-
Plants in op. beginning of 2011E (MWp):	22-24	13-17	0-5	6-8	4-6
EBITDA 2011E (€ mill):	12-13	9-11	9-11	2-3	1-1.4

Ebitda Generation



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Reflections

First quarter sales and the orders received for delivery in FY-2010 demonstrate the sucess of our international expansion and our positioning in export markets. This strategy is reducing the dependance from the Spanish solar market –marked by regulatory uncertainties- from which we expect our sales in 2010 to represent less than 25% of the group's sales

Since the end of FY-2009, our entire workforce is running normal labour hours and three factory shifts. All our manpower is needed to support a strong demand from our clients and from our Generation arm which expects to more than double in 2010 the number of MW owned by Solaria

The margins Ebitda / Sales and Net cash flow / Sales improve in Q1 10 reflecting an intense utilization of our production capacity and the results of the cost cutting programme implemented in 2009. The Ebitda generated in Q1 10 represents 25% of FY-2009's Ebitda

We expect sales and profits in FY-2010 to start from a low base in Q1 and to increase along the year. We are targeting to more than double sales this year and to further improve the Ebitda margin

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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