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Ad-hoc-Press Release from Edisun Power Group

2013 Half-Year Results: Extraordinary weather conditions and asset impairment adversely affect results

- **Period of bad weather in the spring led to stagnant returns from electricity production despite additional capacity**
- **First positive effects from ongoing restructuring initiatives**
- **Asset impairment of CHF 1.834 million on installations**
- **Net loss of CHF 2.995 million**
- **Reduced earnings expectations require accelerated cost reduction measures**

Despite an increase in installed capacity of 25% (+3.1 MW) versus the previous year, returns from electricity production increased only marginally to CHF 3.982 million (first half of 2012: CHF 3.923 million) due to the extraordinary lack of sunny weather in central Europe. Revenues from the sale of electricity in Switzerland, Germany and France fell by CHF 0.608 million or 19% compared with the first half of 2012. The Spanish installations, however, did meet forecast electricity production.

The business realignment initiative begun in early 2013 is on track. Suspension of the development of photovoltaic installations as well as administrative cost savings will reduce direct costs by approximately CHF 1 million in 2014, while an initial positive impact of CHF 90’000 has already been achieved in the first half of 2013.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the first six months of the current year amounted to CHF 2.110 million, on a par with the previous year (first half of 2012: CHF 2.178 million) as a result of the shortfall in Spain (new energy tax per 1.1.2013) and the bad weather in central Europe. Due to additional depreciation (+26%) on the installations that came into operation in the second half of 2012 on Mallorca and in Huelva, and also to the necessary financial impairment relating to individual installations (CHF 1.834 million), earnings before interest and tax (EBIT) amounted to CHF -1.642 million (first half of 2012: CHF 0.737 million).

After the deduction of interest on external capital and taxes, net income was CHF -2.995 million (first half of 2012: CHF -0.191 million).

Consolidated equity amounted to CHF 13.481 million (31.12.2012: CHF 15.359 million). The decrease caused by the loss for the first half of 2013 was partially compensated by the appreciation of the Euro.

Despite the unsatisfactory results, cash flow from operations improved in the first half year, reaching CHF 0.620 million (first half of 2012: CHF -0.701 million). Cash flow from investment activities was significantly reduced to CHF -0.108 million (first half of 2012: CHF -2.145 million).

Analysis of the situation in Spain showed that after adjustments to the law that aimed to promote renewable energy at the beginning of the year (value added tax of 7%, adjustment of tariff indexing) and the effects of the new energy law in force since July 2013, a financial impairment of CHF 0.945 million must be made in respect of certain Spanish installations per 30 June 2013. As the full extent of the effects of the new energy law are not yet known, further adjustments to these provisions at the end of 2013 cannot be ruled out.

In this context, Edisun Power Group has also undertaken an in-depth analysis of all the other installations. In accordance with the assessment of general market risks, and owing to the increased risk premiums, impairments have been made on the value of installations in France and Germany amounting to CHF 0.889 million.

Divestment of the small Swiss installations (Press Release of 15 August 2013) has enabled Edisun Power Group to pay off two loans early per 30 November 2013 (4% CHF 2.015 million and 5% EUR 0.450 million, due 30 November 2014).

Due to the changing environment in Spain, the retrenchments that have been adopted will not be sufficient to allow the Group to deliver positive net earnings in 2014 as planned. Therefore, the board and senior management are forced to consider further cost reduction measures.

Edisun Power's 2013 Half-Year Report is available on the Group's website at
http://www.edisunpower.com/en/home-en/investors-en/reporting

Edisun Power Group
A listed European solar energy producer, the Edisun Power Group finances and operates solar power installations in a number of European countries. Edisun Power Group AG began its involvement in this sector as far back as 1997. The company has been listed on the SIX Swiss Exchange since September 2008. Edisun Power has been able to grow continuously over the years, and the company has amassed wide experience in the realization of both national and international projects. As of mid-August 2013, Edisun Power Europe AG owned a total of 65 solar energy installations in Switzerland, Germany, Spain and France, with a total capacity of 14.5 MW.

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