



Edison Power Europe Ltd
Universitätstrasse 51
8006 Zurich

**Condensed consolidated
Interim Financial Statements (unaudited)**

June 30, 2012

Interim Balance Sheet (unaudited)

	Notes	30.06.2012	31.12.2011	30.06.2011
<u>Assets</u>		TCHF	TCHF	TCHF
Cash and cash equivalents		5'806	3'661	5'104
Trade receivables		2'412	1'091	1'625
Other receivables and current assets		2'616	1'772	2'999
Financial assets		228	238	182
Total current assets		11'062	6'762	9'910
Land, plant and equipment	4	64'763	65'596	59'067
Intangible assets		481	483	687
Deferred tax assets		522	549	1'860
Financial assets		651	730	1'117
Total non-current assets		66'417	67'358	62'731
Total assets		77'479	74'120	72'641
<u>Liabilities and equity</u>				
Borrowings	5	707	5'654	5'244
Trade payables		1'015	1'967	473
Other payables		266	182	2'174
Accrued cost		1'148	860	1'290
Income tax liabilities		222	212	163
Total current liabilities		3'358	8'875	9'344
Borrowings	5	56'081	46'078	41'946
Provisions and accrued cost		402	393	1'551
Pension fund liabilities		58	58	0
Deferred tax liabilities		59	72	121
Total non-current liabilities		56'600	46'601	43'618
Total liabilities		59'958	55'476	52'962
Share capital		34'158	34'158	34'158
Share premium		-818	-818	-310
Other reserves		-12'839	-11'907	-11'920
Accumulated deficits		-3'161	-2'977	-2'457
		17'340	18'456	19'471
Non-controlling interests		181	188	208
Total equity		17'521	18'644	19'679
Total liabilities and equity		77'479	74'120	72'641

The notes are an integral part of these condensed consolidated interim financial statements.

Interim Consolidated Income Statement (unaudited)

	Notes	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011
		TCHF	TCHF
Revenue from:			
sale of electricity		3'923	3'380
sale of modules and systems		5	125
services and other income		143	25
Goods and services purchased		-25	-86
Personnel expenses		-628	-590
Rental and maintenance expenses		-496	-359
Administration expenses		-566	-427
Advertising expenses		-92	-69
Other operating expenses		-86	-280
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		2'178	1'719
Depreciation and amortization	4	-1'441	-979
Impairment		0	-156
Earnings before interest and taxes (EBIT)		737	584
Financial income		158	165
Financial expense		-1'052	-1'126
Share of loss of associate		0	-5
Net loss before income taxes		-157	-382
Income taxes		-34	-2
Net loss		-191	-384
Attributable to shareholders of Edisun Power Europe Ltd.		-184	-356
Attributable to non-controlling interests		-7	-28
Earnings per share for profit (loss) attributable to the shareholders of Edisun Power Europe Ltd. during the period (expressed in CHF per share):			
Basic and diluted		-0.54	-1.04

The notes are an integral part of these condensed consolidated interim financial statements.

Interim Consolidated Statement of Comprehensive Income (unaudited)

	<u>Notes</u>	<u>01.01.2012 - 30.06.2012</u>	<u>01.01.2011 - 30.06.2011</u>
		TCHF	TCHF
Net loss for the year		-191	-384
Other comprehensive income:			
Currency translation differences net of tax		-932	-1'681
Total comprehensive income for the year		-1'123	-2'065
- attributable to shareholders of Edisun Power Europe Ltd.		-1'116	-2'037
- attributable to non-controlling interests		-7	-28

The notes are an integral part of these consolidated financial statements.

Interim Consolidated Cash-flow Statement (unaudited)

	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011
	TCHF	TCHF
Net loss	-191	-384
Reversal of non-cash items:		
Depreciation and amortisation on plant, equipment, intangible assets and other assets	1'441	979
Impairment	0	156
Change in accruals and provisions	32	42
Financial income	-158	-165
Financial expense	1'052	1'126
Income tax income	34	2
Share of loss of associate	0	5
Profit/loss on disposal of tangible assets	0	91
Change in receivables and other current assets	-2'133	-1'141
Change in payables	154	1'821
Interest paid ¹⁾	-922	-668
Income taxes paid	-10	-88
Cash-flow from operating activities	-701	1'776
Investments in plant and equipment ¹⁾	-2'148	-4'670
Disposal of tangible assets	0	79
Investments in intangible assets	0	-61
Repayment from financial assets	0	18
Interest received	3	3
Cash-flow from investing activities	-2'145	-4'631
Issuance of borrowings, net of transaction costs	10'493	4'104
Repayment of borrowings	-5'476	-279
Cash-flow from financing activities	5'017	3'825
Net change in cash and cash equivalents	2'171	969
Cash and cash equivalents at the beginning of the year	3'661	4'149
Exchange losses on cash and cash equivalents	-26	-14
Cash and cash equivalents at the end of the year	5'806	5'104

¹⁾ Total interest paid TCHF 1'194 (2011: TCHF 867), of which TCHF 246 (2011: TCHF 198) capitalised within investments in plant and equipment

The notes are an integral part of these consolidated financial statements.

Interim Statement of Changes in Equity (unaudited)

	Attributable to owners of the Company					Non-controlling interests	Total Equity
	Share capital	Share premium	Treasury shares	Other reserves	Accumulated deficits		
TCHF							
January 1, 2011	34'158	-310	0	-10'239	-2'101	236	21'744
Net loss					-356	-28	-384
Currency translation differences (net of tax)				-1'681			-1'681
Total comprehensive income				-1'681	-356	-28	-2'065
June 30, 2011	34'158	-310	0	-11'920	-2'457	208	19'679
January 1, 2012	34'158	-818	0	-11'907	-2'977	188	18'644
Net loss					-184	-7	-191
Currency translation exchange (net of tax)				-932			-932
Total comprehensive income				-932	-184	-7	-1'123
June 30, 2012	34'158	-818	0	-12'839	-3'161	181	17'521

The notes are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

1. General information

Edisun Power Europe Ltd. ('the company') and its subsidiaries (together 'the Group') finance and operate photovoltaic systems (PV) in Europe and sell solar energy to the local electricity companies. The Group is present in Switzerland, Germany, Spain and France.

Edisun Power Europe Ltd. is a limited company domiciled and incorporated in Switzerland. The address of the registered office is: Universitätstrasse 51, 8006 Zürich, Switzerland.

The Company is listed on the SIX Swiss Exchange.

These half-year Group consolidated financial statements were authorized for issue by the Board of Directors on August 30, 2012.

1.1. Group companies

	Ownership	Activity ¹⁾
▪ Edisun Power Europe Ltd., Zurich		●
▪ Edisun Power Ltd., Zurich	98.7 %	■
▪ Edisun Power Finance Ltd., Zurich	100.0 %	●
▪ Yellow Hat Ltd., Zurich	55.6 %	●
▪ Edisun Power PLC, Sigmaringen (Germany)	100.0 %	■
▪ PV Hörselgau Beteiligungs UG, Sigmaringen (Germany)	100.0 %	●
▪ PV Hörselgau UG & Co. KG, Sigmaringen (Germany)	100.0 %	■
▪ Edisun Power Iberia S.A., Alella/Barcelona (Spain)	100.0 %	■
▪ Edisun Power Iberia Beta S.A., Alella/Barcelona (Spain)	100.0 %	■
▪ Edisun Power Iberia Gamma S.A., Alella/Barcelona (Spain)	100.0 %	■
▪ Edisun Power Iberia Delta S.A., Alella/Barcelona (Spain)	100.0 %	■
▪ Edisun Power Iberia Epsilon S.A., Alella/Barcelona (Spain)	100.0 %	■
▪ Salinas Energia Solar S.L., Alella/Barcelona (Spain)	100.0 %	■
▪ Cortadeta Fotovoltaica S.L., Alella/Barcelona (Spain)	100.0 %	■
▪ Edisun Power France SAS, Lyon (France)	100.0 %	■

- ¹⁾
- Services, holding functions
 - Operation of photovoltaic systems (PV), selling of solar energy

2. Summary of significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of the Consolidated Financial Statements

This condensed consolidated interim financial information for the six months ended June 30, 2012 has been prepared in accordance with IAS 34 'interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2011, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

(a) *New and amended standards adopted by the Group*

No new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2012.

(b) *Standards, amendments and interpretations to existing standards effective in 2012 but not relevant to the Group*

- IFRS 7, (Amendment), 'Disclosures - Transfer of financial assets'
- IAS 12, (Amendment), 'Recovery of underlying assets'

(c) *The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2012 and have not been early adopted:*

- IFRS 9, (Revised/Amendment), 'Financial Instruments; Recognition and Measurement'
- IFRS 10, 'Consolidated financial statements'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosures of interests in other entities'
- IFRS 13, 'Fair value measurement'
- IFRIC 20, 'Stripping costs in the production phase of a surface mine'
- IAS 1, (Amendment), 'Financial statement presentation'
- IAS 19 (revised 2011), 'Employee benefits'
- IAS 27 (revised 2011), 'Separate financial statements'
- IAS 28 (revised 2011), 'Associates and joint ventures'
- IAS 32 and IFRS 7, (Amendment), 'Disclosures - Offsetting financial assets and liabilities'

3. Segmental information

The chief operating decision maker has been identified as the board of directors, since it reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board of Directors considers the business from a geographic perspective, except for the three group companies Yellow Hat Ltd., Edisun Power Finance Ltd. and Edisun Power Europe Ltd. Yellow Hat Ltd is a buying syndicate founded in December 2008 in order to leverage procurement conditions with three other third-party solar players. Edisun Power Finance Ltd., founded in June 2010, is the Group's finance company and provides the Group companies with the necessary debt financing. Edisun Power Europe Ltd. provides services to the local Group companies as well as construction support to third parties, which is neither a core business nor financially material. The Board assesses the performance of the operating segments based on a measure of earnings before interest, taxes, depreciation and amortisation (EBITDA) as well as earnings before interest and taxes (EBIT).

The segments at June 30, 2012 are:

- Switzerland
- Germany
- Spain
- France
- Yellow Hat Ltd.
- Edisun Power Europe Ltd. (EPE)
- Edisun Power Finance Ltd. (EPFin)

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

The reported operating segments derive their revenue from the sale of solar power to local electricity companies and the sale of modules and systems within the Group or to third parties.

The segment results for the half-year ended June 30, 2012 are as follows:

	Switzerland	Germany	Spain	France	Yellow Hat	EPE	EPFin	Elimina- tions	Group
Total segment revenue	1'276	620	847	1'251	0	722	0	0	4'716
Inter-segment revenue	0	0	0	0	0	-645	0	0	-645
Revenue from external customers	1'276	620	847	1'251	0	77	0	0	4'071
EBITDA	1'138	533	616	904	-18	-1'024	0	29	2'178
Depreciation	-399	-173	-287	-380	0	-127	0	-75	-1'441
Segment EBIT	739	360	329	524	-18	-1'151	0	-46	737
Finance expense - net	-115	-55	108	-153	-2	-598	0	-79	-894
Profit / (loss) before income tax	624	305	437	371	-20	-1'749	0	-125	-157
Income tax income / (expense)	-14	0	-33	2	-1	12	0	0	-34
Profit / (loss) for the year	610	305	404	373	-21	-1'737	0	-125	-191

The sale of modules and systems to third parties is included in the revenue of the segments above. The respective sales and the related goods purchased from third parties have been summarised in the following table. Internal costs such as payroll expenses have not been allocated since there is no detailed information available.

	Switzerland	Germany	Spain	France	Yellow Hat	EPE	Group
Revenue from sale of modules and systems	0	5	0	0	0	0	5
Goods purchased	0	0	0	0	0	0	0

The segment results for the half-year ended June 30, 2011 are as follows:

	Switzerland	Germany	Spain	France	Yellow Hat	EPE	EPFin	Elimina- tions	Group
Total segment revenue	1'376	3'045	766	664	0	4'605	0	-280	10'176
Inter-segment revenue	0	-2'166	0	0	0	-4'480	0	0	-6'646
Revenue from external customers	1'376	879	766	664	0	125	0	-280	3'530
EBITDA	762	446	497	46	-45	46	0	-33	1'719
Impairment	0	0	0	0	0	-156	0	0	-156
Depreciation	-414	-220	-294	-225	0	-237	0	411	-979
Segment EBIT	348	226	203	-179	-45	-347	0	378	584
Finance expense - net	-316	-260	-424	195	-16	-1'349	-1'693	2'902	-961
Share of loss of associate	0	0	0	0	0	0	0	-5	-5
Profit / (loss) before income tax	32	-34	-221	16	-61	-1'696	-1'693	3'275	-382
Income tax income / (expense)	-19	-63	-9	32	-2	19	0	40	-2
Profit / (loss) for the year	13	-97	-230	48	-63	-1'677	-1'693	3'315	-384

	Switzerland	Germany	Spain	France	Yellow Hat	EPE	Group
Revenue from sale of modules and systems	0	0	0	0	0	125	125
Goods purchased	0	0	0	0	0	-86	-86

Segment assets consist primarily of land, plant and equipment, loans, trade and other receivables and cash and cash equivalents. Segment liabilities comprise primarily operating liabilities and borrowings including straight bonds.

The segment assets at June 30, 2012 and 2011 are as follows:

	Switzerland	Germany	Spain	France	Yellow Hat	EPE	EPFin	Elimina- tions	Group
Segment assets 30 June 2012	16'372	9'938	24'182	21'963	10	64'897	8	-59'891	77'479
Segment assets 30 June 2011	17'864	13'233	17'829	22'653	470	61'023	44'031	-104'462	72'641

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

4. Land, PV-plants and equipment

	Land	PV Plants	FF&E	Total
Six months ended June 30, 2012				
Opening net book amount as at January 1, 2012	1'159	64'422	15	65'596
Exchange differences	-12	-500	0	-512
Additions	0	1'111	9	1'120
Disposals	0	0	0	0
Depreciation charge	0	-1'434	-7	-1'441
Impairment	0	0	0	0
Closing net book amount	1'147	63'599	17	64'763
Six months ended June 30, 2011				
Opening net book amount as at January 1, 2011	1'190	56'511	12	57'713
Exchange differences	-46	-1'731	5	-1'772
Additions	0	4'288	52	4'340
Disposals	0	-79	0	-79
Depreciation charge	0	-965	-14	-979
Impairment	0	-156	0	-156
Closing net book amount	1'144	57'868	55	59'067

The amount of assets under construction included in PV Plants in 2012 is CHF 6'965 (2011: CHF 7'904).

5. Borrowings

	30.06.2012	31.12.2011	30.06.2011
Current			
Loans from third-party	707	676	339
Straight bonds from third-party	0	4'978	4'905
Total current borrowings	707	5'654	5'244
Non-current			
Loans from third-party	11'347	11'618	7'372
Straight bonds from third-party	44'734	34'460	34'574
Total non-current borrowings	56'081	46'078	41'946

In the half-year ended June 30, 2012, straight bonds in the amount of TCHF 4'980 have been repaid. New straight bonds have been issued as of April 1, 2012 (TCHF 2'895) and July 1, 2012 (TCHF 8'305). Total borrowings include payments received in the amount of TCHF 7'497 for the straight bond issued as of July 1, 2012.

Total borrowings include secured liabilities (loans) of TCHF 18'311 (2011: TCHF 24'089). Third-party loans are secured by PV-Plants of the group and related receivables.

6. Acquisition and disposals of non-controlling interests

No acquisitions or disposals of non-controlling interests were made as of June 30, 2012 and 2011.

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

7. Dividends per share

No dividends were paid out as of June 30, 2012 and 2011.

8. Contingencies

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

9. Commitments

As of June 30, 2012 and 2011 the company had no outstanding commitments.

10. Related-Party Transactions

A quarterly fee of 0.625% of TCHF 14 for the funding of an unclaimed short-term loan in the amount of EUR 1.8 million by a member of the Board of Directors was booked in the half-year ended June 30, 2012 (2011: CHF 0). The loan was canceled with effect as of March 31, 2012.

No further transactions were carried out with related parties.

11. Seasonality

The solar electricity business is a seasonal business depending on the power of the sun radiation. The first and fourth quarter of the year have usually a lower production than the average, the second and third quarter produce over the average. The effect of this seasonality equilibrates over the year and within the semesters.

12. Events after the balance-sheet date

On July 13, 2012 the solar plant Cortadeta on Mallorca (2.2 MWp) was connected to the grid.