

Zurich, April 10, 2013

Edisun Power Group ad-hoc press release

2012 annual result: A difficult market, requiring business realignment

- **Revenue growth of 20% to CHF 8.22 million**
- **Improvement of EBITDA by 8% to CHF 3.97 million**
- **Net result of CHF -2.62 million**

In comparison with 2011, the Edisun Power Group achieved a 27% increase in electricity production and revenue growth of 20%. Extraordinary events, however, affected the annual result adversely. The Board of Directors has initiated realignment of the business.

In the financial year 2012, the Edisun Power Group achieved electricity production of 14.4 million kWh, representing an increase of 27% (2011: 11.3 million kWh). Revenue rose by 20% to CHF 8.22 million (2011: CHF 6.86 million). Earnings before interest, tax, depreciation and amortization (EBITDA) rose, despite a difficult environment, by 8% to CHF 3.97 million (2011: CHF 3.68 million). Revenues from the sale of electricity increased operating cash flow by 24% to CHF 2.40 million (2011: CHF 1.94 million). 70% of electricity yields were achieved abroad (2011: 62%). Two new plants in Spain increased the installed capacity by 25% to 14.9 megawatts (2011: 11.7 MW). Extraordinary events led to an unsatisfactory net result of CHF -2.62 million (2011: CHF -0.92 million).

Adverse events

One-off events due to new conditions for solar power subsidies in Spain and France had a negative impact on the result. In Spain, as a moratorium on solar power feed-in tariffs took effect in 2012 and a new energy tax was introduced in 2013, an impairment charge of CHF 0.9 million had to be taken on land belonging to the Edisun Power Group. In France, due to a quota-auctioning procedure introduced in 2012, new plants could not be built. High administrative costs (CHF 0.2 million) for consulting services in connection with the consolidated financial statements also had a negative impact on the result. A provision of CHF 0.3 million was necessary for a potential legal case. Other provisions and accruals due to business realignment had a negative impact of CHF 0.6 million. Overall, this resulted in a negative EBIT of CHF -0.29 million (2011: CHF 1.02 million).

Realignment initiated

The Board of Directors of Edisun Power Group reacted to the unsatisfactory situation at the end of 2012, paved the way for a new direction and determined the measures to be taken in 2013. Annual cost savings will amount to around CHF 1 million. Edisun Power will concentrate on the acquisition of existing facilities and will no longer develop new photovoltaic projects for the time being. The organizational structure and the composition of the Board should be adapted to the changing conditions, and labor costs will be reduced by around 50%. Furthermore, Edisun Power is working on shifting investment financing from CHF into EUR. In addition, a proposal will be made to the General Assembly to eliminate the existing deficit balance by means of a reduction in share capital with the nominal value of the shares being reduced to CHF 52.55. The sale of assets will be prepared as an option for the purposes of portfolio optimization.

By the end of March 2013, Edisun Power was able to initiate cost savings of over CHF 0.6 million. These initiatives will achieve their full positive impact from 2014. The plants brought into operation in Spain in 2012 will permit further increases in revenue in 2013. A solid liquidity base allows the Edisun Power Group to respond quickly and to buy interesting plants that come onto the market. By means of the measures introduced by the Board as part of the business realignment, long-term profitability will improve in 2014, which is expected to allow a return of capital to shareholders.

To read the annual report on the Edisun Power homepage:
<http://www.edisunpower.com/en/home-en/investors-en/reporting>

Edisun Power Group

As a listed European solar power producer, the Edisun Power Group develops, finances and operates solar power plants in various European countries. The Edisun Power Group has been active in the Swiss solar power industry since 1997. It has been listed on the main segment of the SIX Swiss Exchange since September 2008. Edisun Power has achieved continuous growth in recent years and today enjoys considerable experience in both national and international projects. As of end March 2013, the company operates 72 solar power plants in Switzerland, Germany, Spain and France, with a total capacity of 14.9 MW.

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