



CONERGY

Preliminary Results

Hamburg, March 2009

General economic overview

- | Credit crunch and financing squeeze are key issues in 2008 and 2009**
- | Financial crisis now affects the “real“ economy**
- | Deflation fears and behaviour**
- | Cautious for prospects on early global recovery**

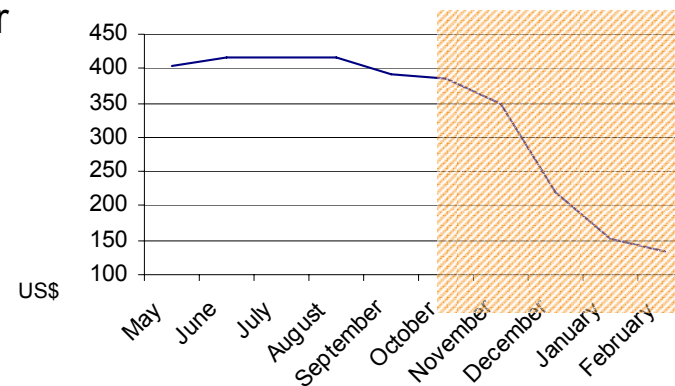
PV-Market environment

- | **Dramatic market development since October**
 - | Overcapacity with increasing supply coincides slow-down in demand
 - | Purchasing reluctance due to uncertain price development
- | **But: changes were expected**
 - | Oversupply was anticipated
 - | Speed of change in price and volumes has been more dramatic than expected
 - | Long-term supply agreements led to write-offs on inventory at year end
- | **Shift in bargaining power moved to end of value chain**
 - | Timing-effect in current market transition for downstream
 - | Downstream will benefit

Price development in the PV industry

| Spot market prices for silicon have declined sharply

| Down by 65% since October



Source: Photon Consulting

| Contracts are being re-negotiated

| Price pressure on silicon and modules; price declines move up the value chain

| Development of margins will depend on negotiation power

| Decreasing prices will stimulate demand

- Attractive IRR's
- Earlier grid parity

| Shift in margins expected

Strategy going forward

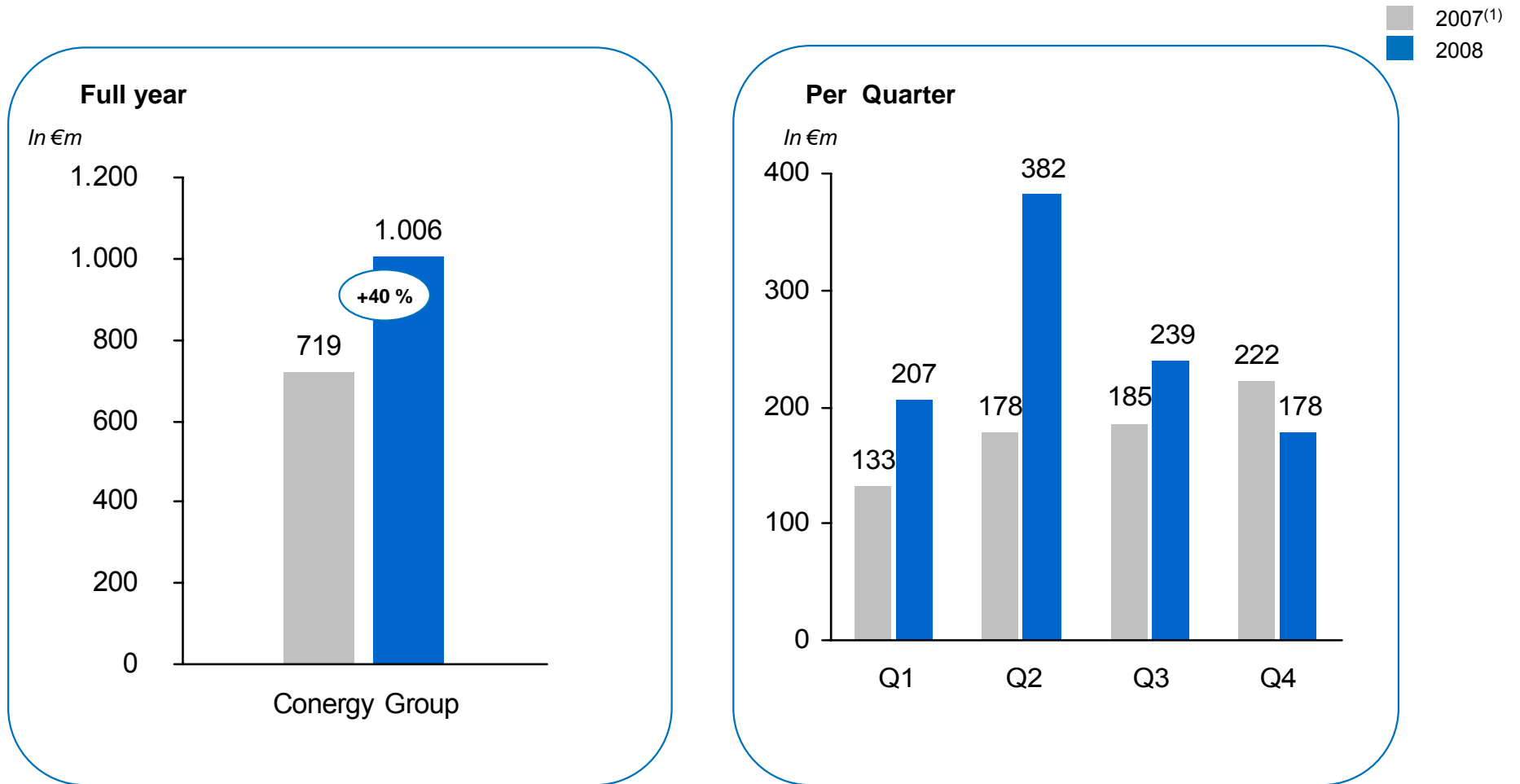
- | **Adjustment of country portfolio**
 - | Withdrawal from Korean market (costs taken in 2008)
- | **Strengthening growth region USA**
 - | Solid footprint established
 - | Merger of PV businesses Epuron, SunTechnics, Conergy
 - | Flagship project Exelon (3,3MW) successfully completed
 - | Downstream flexibility in B2B, B2C; large project channels
- | **Re-negotiation of supplier contracts**
 - | Long-term contracts do not reflect current and expected pricing level
 - | Oversupply situation puts pressure on manufacturers
 - | High capex industries tend to use capacity up to positive marginal cash flows

Key Financial Data 2008

	Sales:	up by 40% to €1,006 mio.	(2007: €719 mio.)
	Gross Margin:	on previous year level 13.6%	(2007: 14%)
	EBITDA:	loss reduced to €-122 mio.	(2007: €-163 mio.) without one-time effects €-15 mio.
	EBIT:	loss reduced to €-158 mio.	(2007: €-213 mio.) without one-time effects €40 mio.

The shown figures are provisional. These figures may also be impacted by presently ongoing renegotiations of a supplier contract.

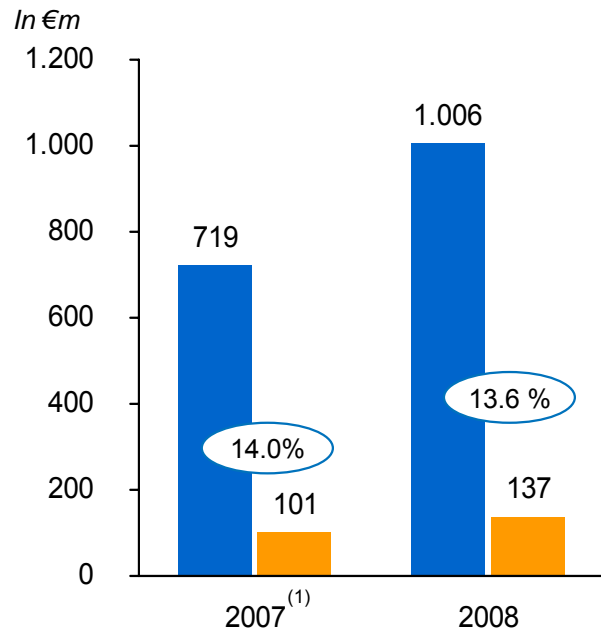
Sales Development Conergy Group



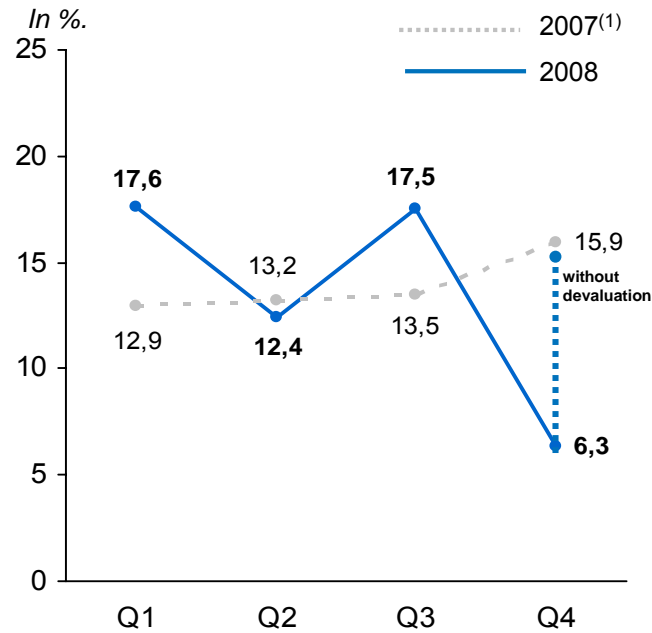
⁽¹⁾ Due to changes in accounting for businesses which will not be continued as „discontinued operations“, the accounts for 2007 have been restated.

Group Sales and Gross Profit Development

Sales and gross profit (Full year)



Gross Margin per Quarter



Comments

- Weak gross margin in Q4 mainly due to:
- devaluation of Inventory (16 mio. EUR)
 - Currency effects

■ Group Sales
■ Gross Profit
X % Gross Profit Margin

⁽¹⁾ restated

Preliminary Group Income Statement

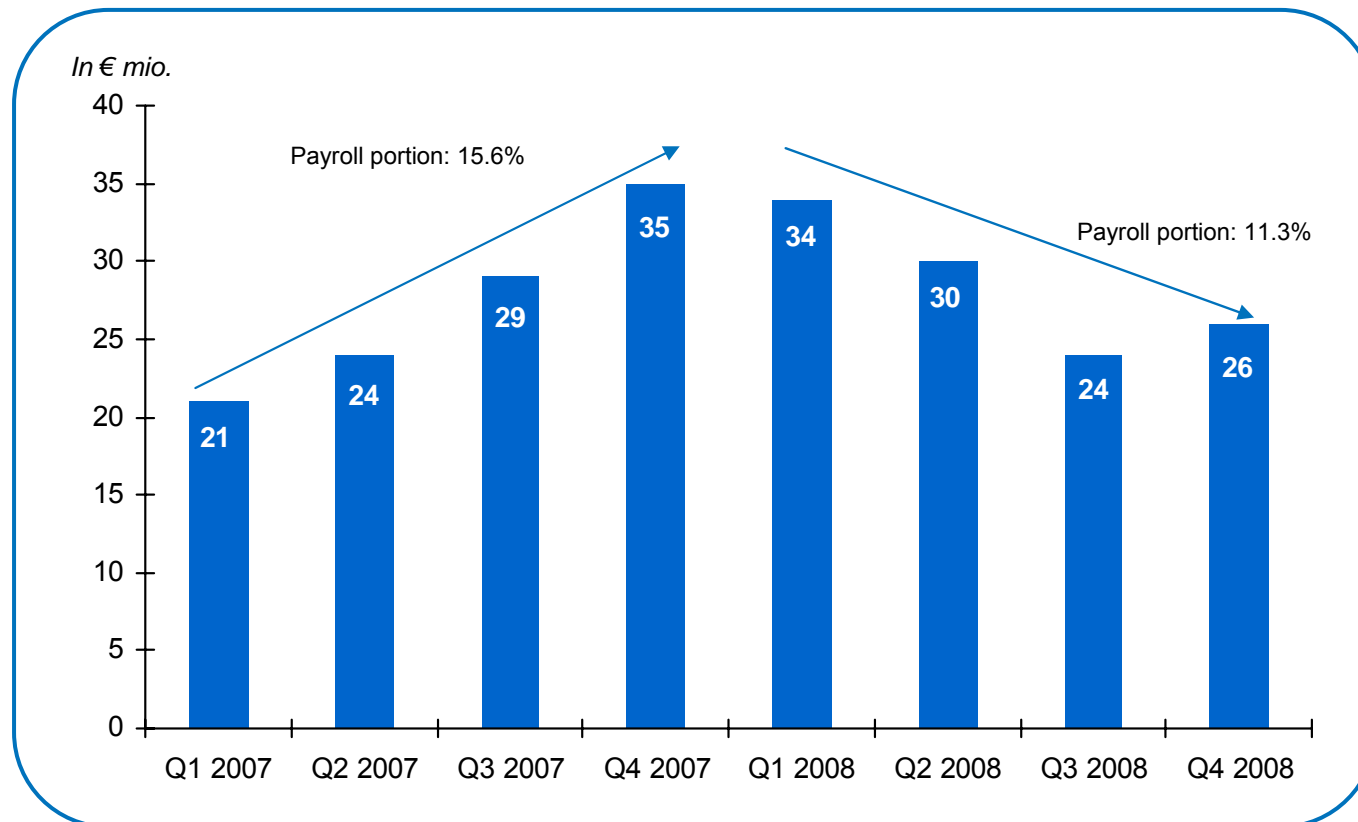
In €m	2007 ⁽¹⁾	2008
Revenues	719	1,006
Gross Profit	101	137
Other Operating Profit	28	42
Personnel Expenses	-112	-114
Operating Expenses	-179	-188
EBITDA	-163	-122
Depreciation & Amortisation	-50	-36
EBIT (Continuing Operations)	-213	-158
Financial Result	-22	-68
EBT	-235	-226
Income Tax	22	27
Earnings before Discontinued Operations	-213	-199
Earnings Discontinued Operations	-35	-53
Net Income	-248	-253

Comments

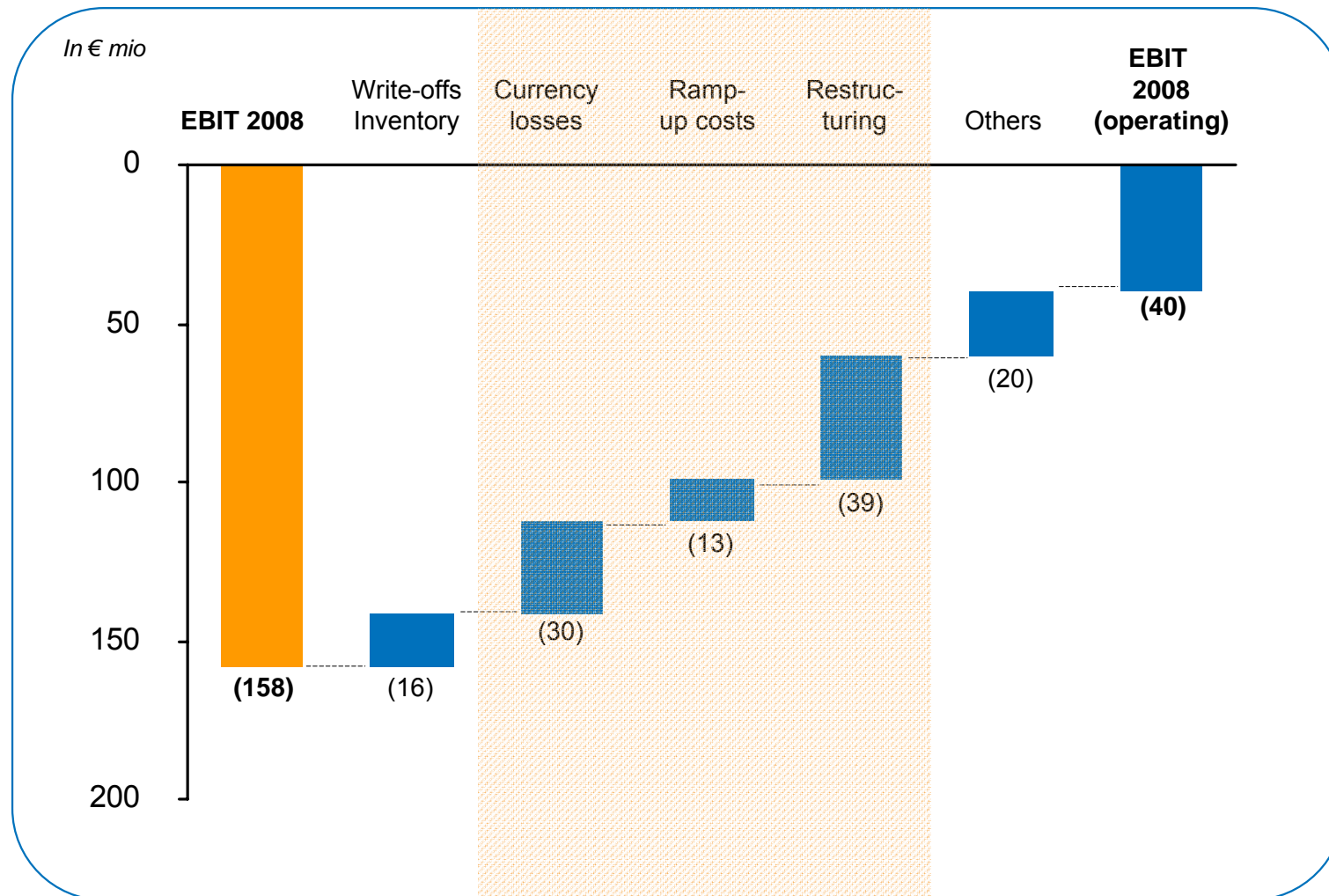
- | Personnel expenses at 2007 level but increased revenues
- | Operating expenses burdened by one-time effects in the amount of € 99 mio.
- | Financial result burdened by high net debt until December 2008

⁽¹⁾ restated

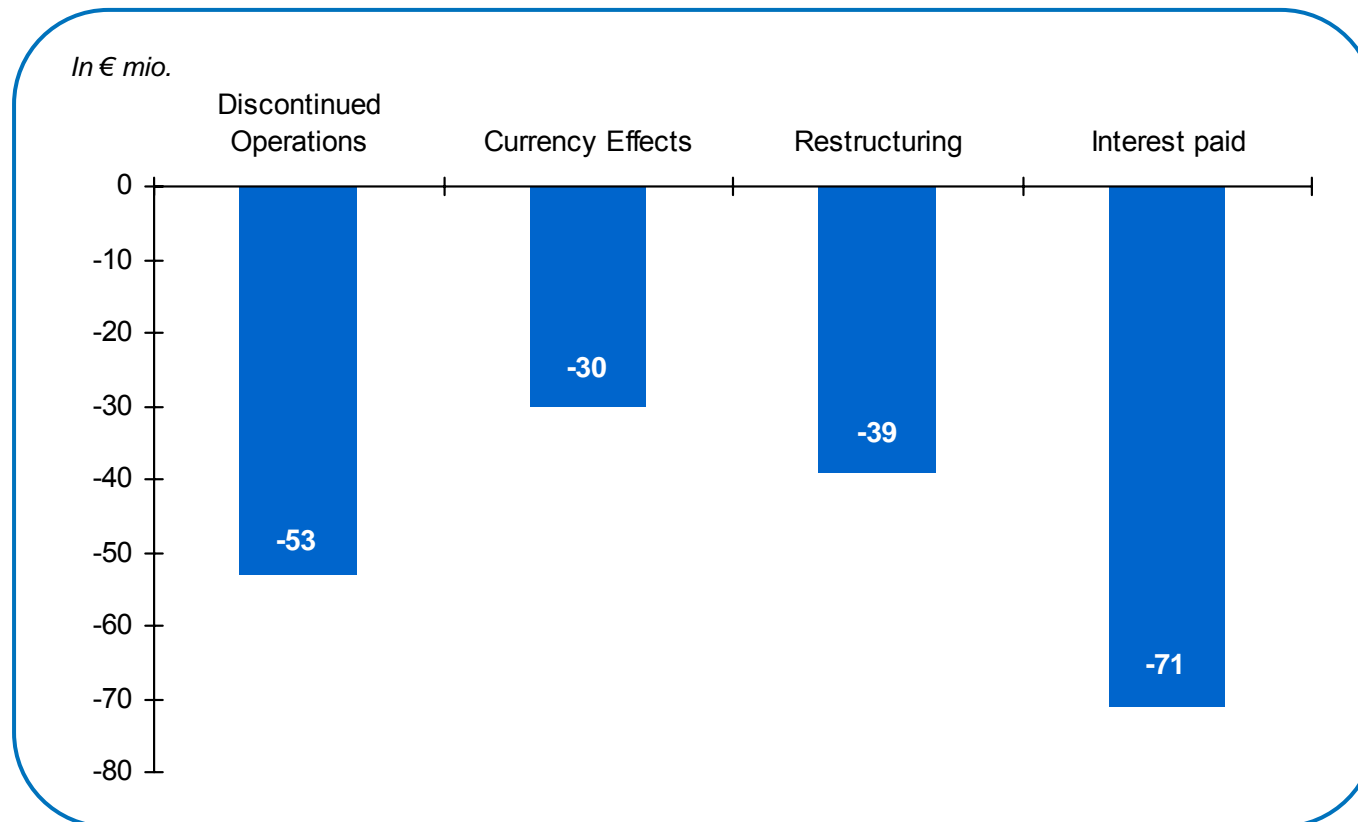
Personnel Costs (Continued Operations)



Negative impact on EBIT



Effects in 2008 with less relevance going forward





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