Results Third Quarter 2011

10 November 2011

Conergy in a nutshell: 9 months results 2011

Sales in first 9 months 2011 of **570.9m €** are **14%** behind 2010 despite an industry-wide **35%** price decline YTD

Yet **11%** volume increase in module sales without pricing and currency effects

International sales increased by **26%** to **414.5m €**, int. module sales volume increase at **85%**

9-months EBITDA at **-47.2m €** , EBIT at **-136.4m €** due to restructuring of module factory and price pressure

EBIT negatively influenced by **-83.9m €** one-offs through restructuring efforts

Positive net cash flow of **10.2m €** based on strict working capital management

Agenda

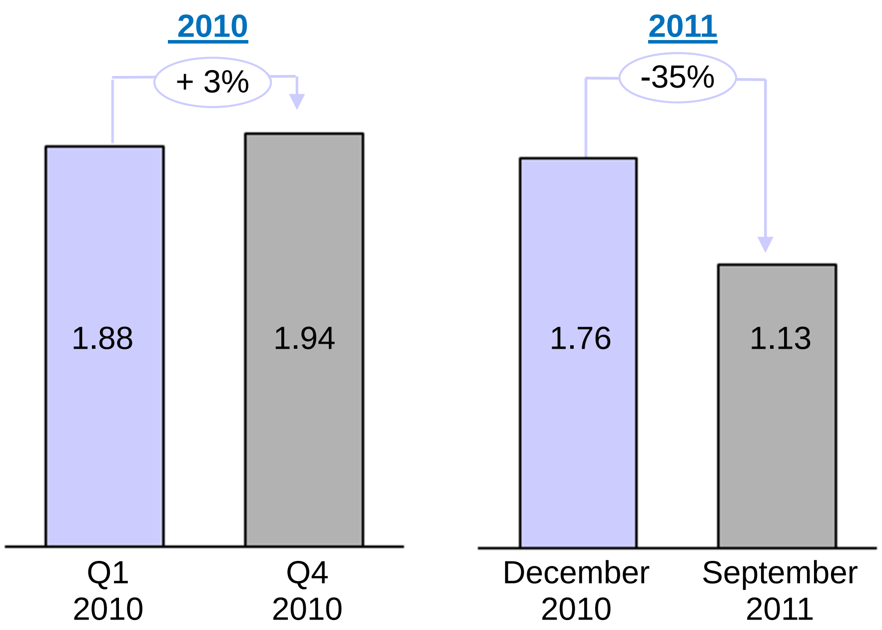
Q3/2011: MARKET OVERVIEW AND CONERGY ACHIEVEMENTS

Q3/2011: FINANCIAL RESULTS

2011/2012: COMPANY OUTLOOK

YTD price decline significantly higher than expected in 1 HY 2011

World market average factory gate price development (USD)



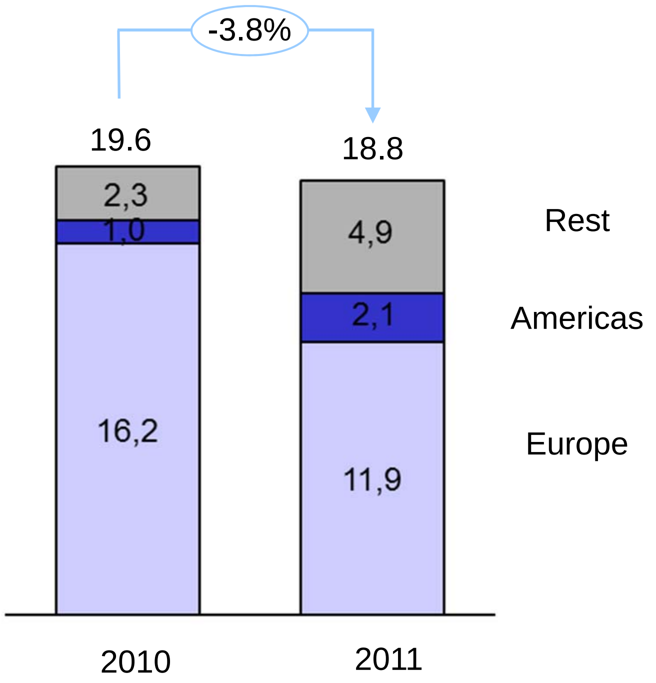
Sector environment

- Ramp-up of capacity in Asia led to substantial overcapacity
- Paired with slow development in selected markets, global supply chain is currently filled with significant over-inventory
- In Q3 2011 significantly higher price decline than expected in 1 HY 2011
- Financial crisis in several European countries (Greece, Spain, Italy) led to difficulties in financing of PV projects

Source: Conergy Market Research

Conergy managed to increase volume against market trend

World market development

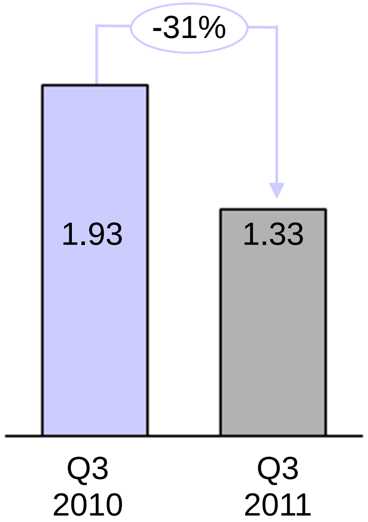


- Stagnating/decreasing overall world market volume expected in 2011
- German market volume YTD 2011 38% below 2010; Q3 2011 was dominated by large size projects
- Also second biggest PV market in Italy significant behind 2010
- Dynamic growth only in Asia (China, Japan, India) and the USA with China being a “closed” market
- Conergy managed to increase its PV module sales volumes by 11% through strong growth of international business
- Conergy‘s international sales volumes increased by 85%

Source: Conergy Market Research

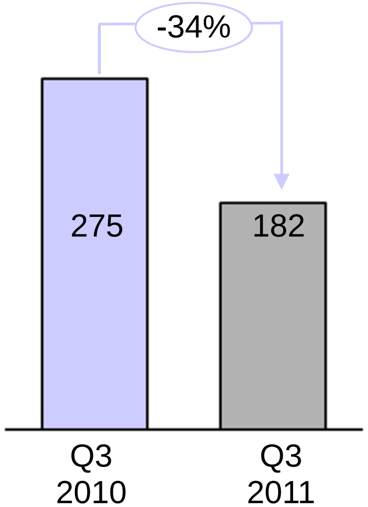
Conergy Q3 sales impacted by strong price decline and weak German market, strong international business

Price development (in USD) *

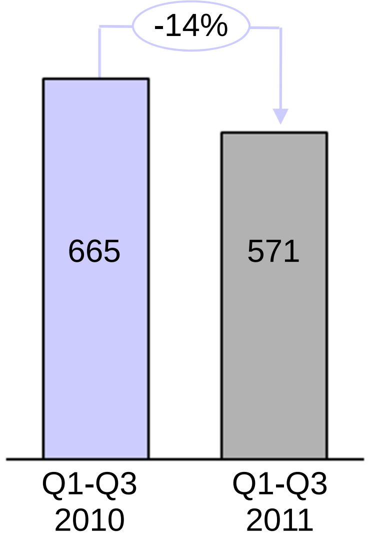


* world market average factory gate price development (USD)

Conergy Sales Q3 (m EUR)



Conergy Sales 9 months (m EUR)



Market and sales development

- Q3 sales behind 2010 due to sharp price decline and weak sales in Germany
- Conergy benefiting from strong international business:
  - Q3 volume shipments increased by 36% vs. Q3 2010
  - 2011 YTD volume shipments of PV modules increased by 85% vs. 2010
  - 2011 YTD sales increased by 26% vs. 2010
- 9 months result shows that Conergy’s sales are stable in 2011 compared to 2010
- Q4 shows a positive sales development, risks mainly related to project financing

Conergy's international business better than trend

AMERICAS: 15.2m € (+4.2%)

Strong volume growth of 31%

- Canada business progressing well with sale of own modules in Ontario/CAN
- Promising project pipeline in US
- First projects under construction
- Strong growth expected for Q4

EUROPE w/o GERMANY: 71.0m € (-28%)

Despite declining market volume growth of 7%

- Stable development in Italy with 40.6m € (-7%)
- Strong growth in Greece with 22.2m € (+31%)
- Delayed sale of projects in Spain due to financing
- Negative impact from FIT cut in France and Czech
- Discontinued business in Switzerland and Cyprus

APAC: 36.8m €(+63%)

Very strong volume growth of 181%

- Strong EPC business and project pipeline in Thailand and India
- Further promising markets to come in SEA
- Stable Australian B2B business

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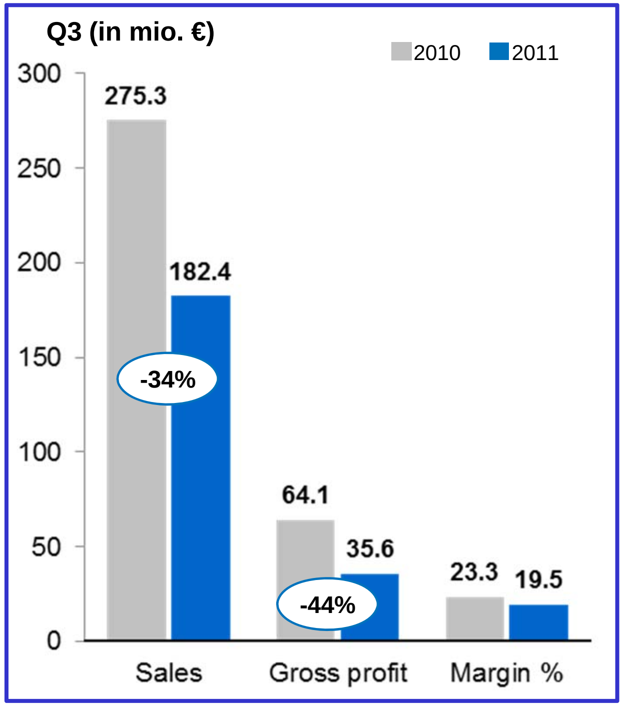
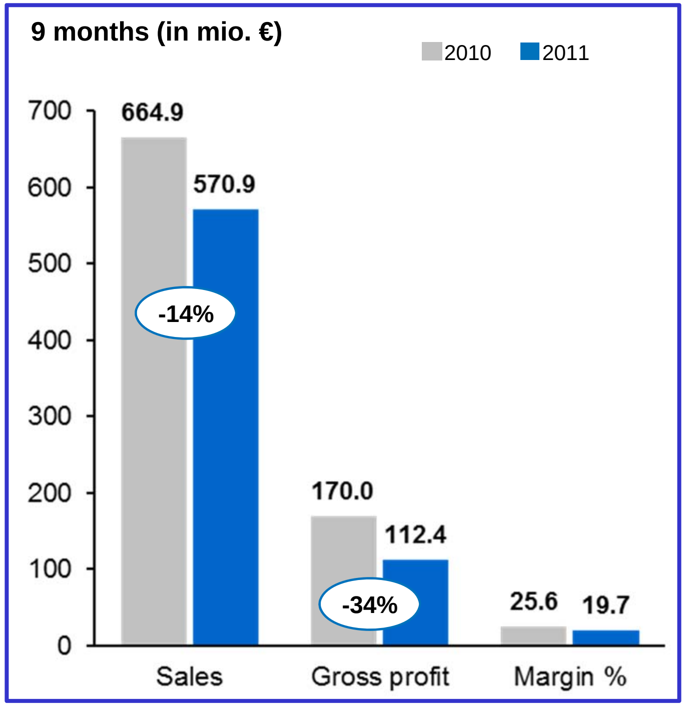
Sales development Conergy Group

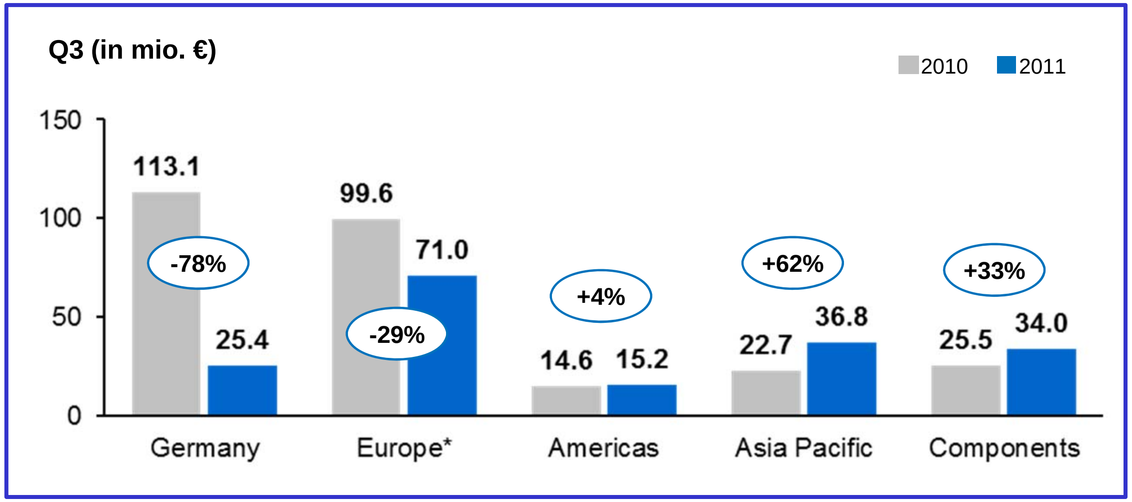


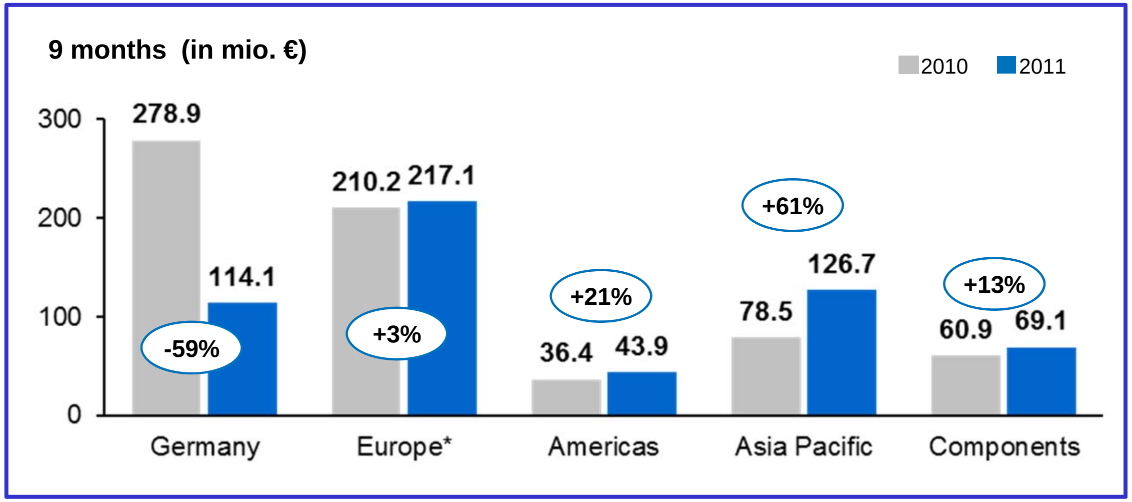


Comments

- Group sales largely affected by weak German market and decreasing prices
- Gross profit still shows strong pricing pressure
- Gross profit margin in 2011 rather stable despite a challenging environment

Sales development by segment





* without Germany

Comments

- Weak German market and unusual strong third quarter 2010 led to sharp drop in German sales in Q3
- Sales in Europe developed in line with overall pricing trend
- Segment sales in Asia Pacific mainly driven by large scale project business
- External sales of the components segment increased due to positive development especially from the mounting system business

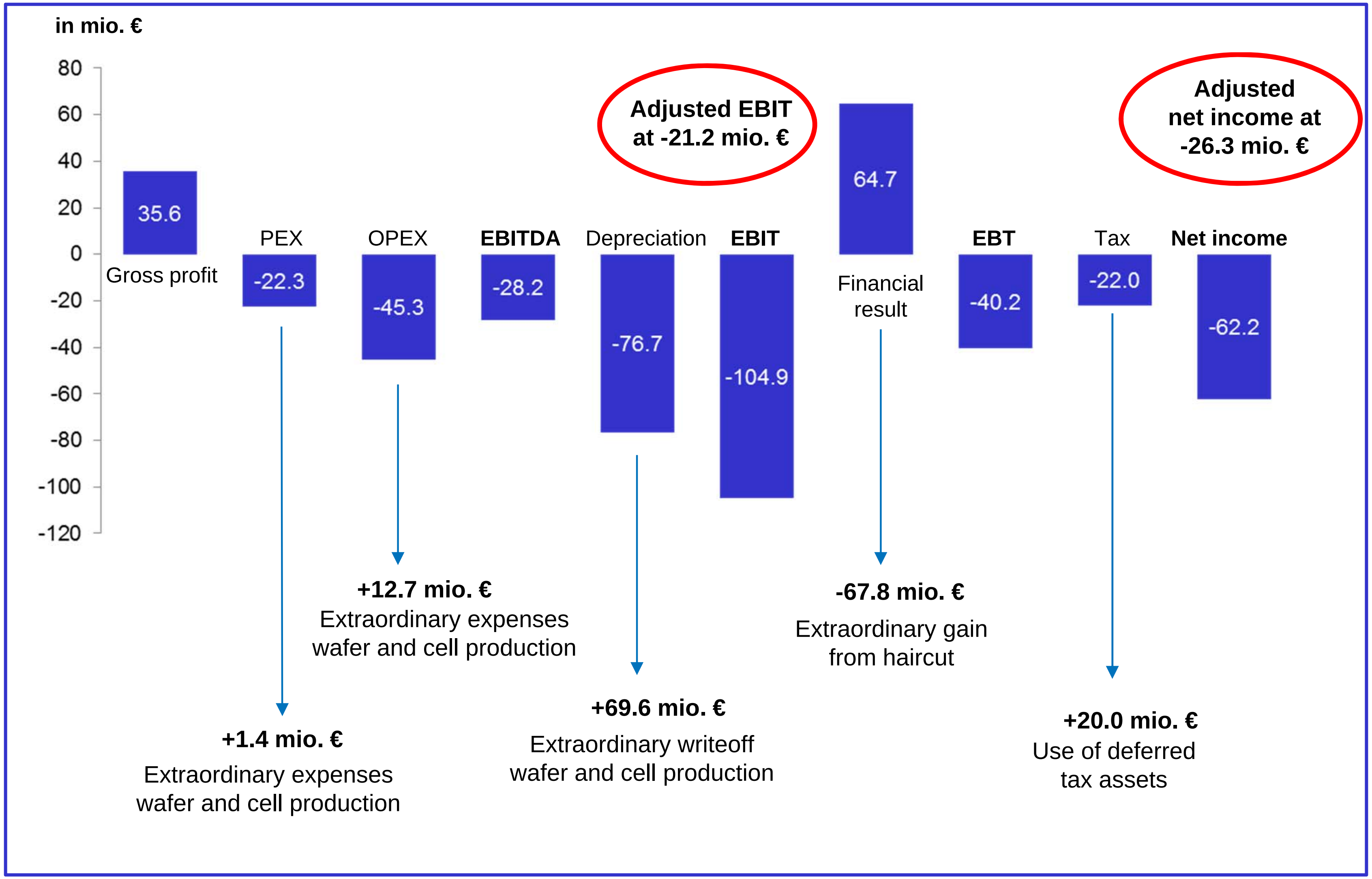
P&L (continuing operations)

in mio. €	Q3 2011	Q3 2010	9m 2011	9m 2010
Sales	**182.4**	**275.3**	**570.9**	**664.9**
Gross Profit	**35.6**	**64.1**	**112.4**	**170.0**
Other Operating Income	3.8	-3.7	20.1	19.5
Operating Expenses	-45.3	-31.4	-115.0	-92.9
Personnel Expenses	-22.3	-21.3	-64.8	-63.1
EBITDA	**-28.2**	**7.7**	**-47.2**	**33.6**
Depreciation and amortization	-76.7	-6.7	-89.2	-20.5
EBIT	**-104.9**	**1.0**	**-136.4**	**13.1**
Financial Result	64.7	-3.0	56.8	-10.8
EBT	**-40.2**	**-2.0**	**-79.6**	**2.3**
Income Tax	-22.0	-2.3	-23.6	-1.5
Net Income from cont. operations	**-62.2**	**-4.3**	**-103.2**	**0.8**
Net Income from discont. operations	-0.7	-2.3	0.0	-5.8
Net Income	**-62.9**	**-6.6**	**-103.2**	**-5.0**

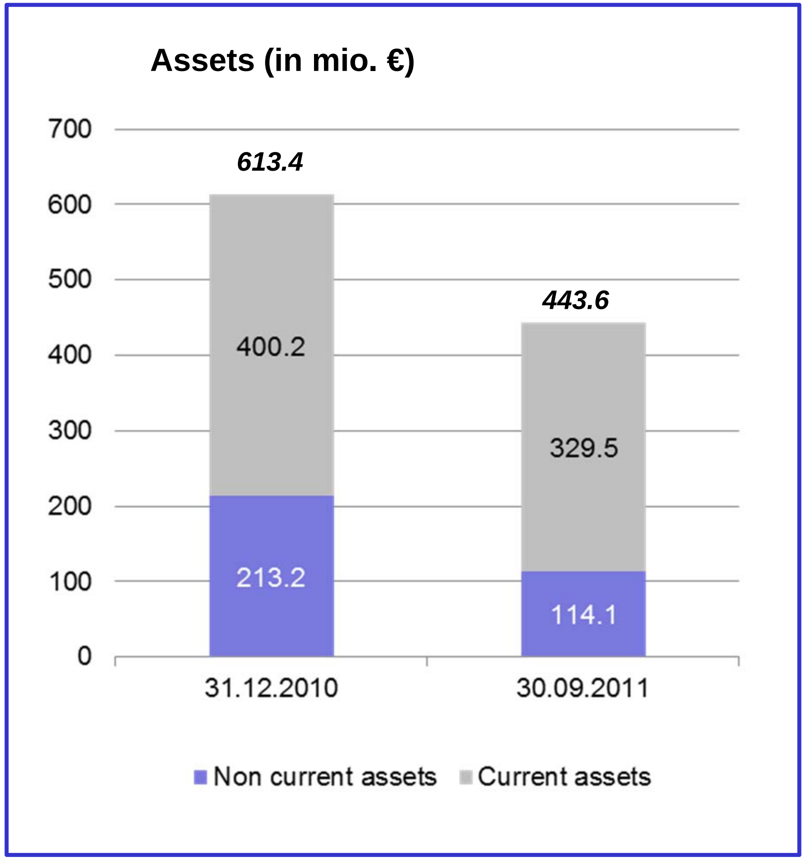
Comments

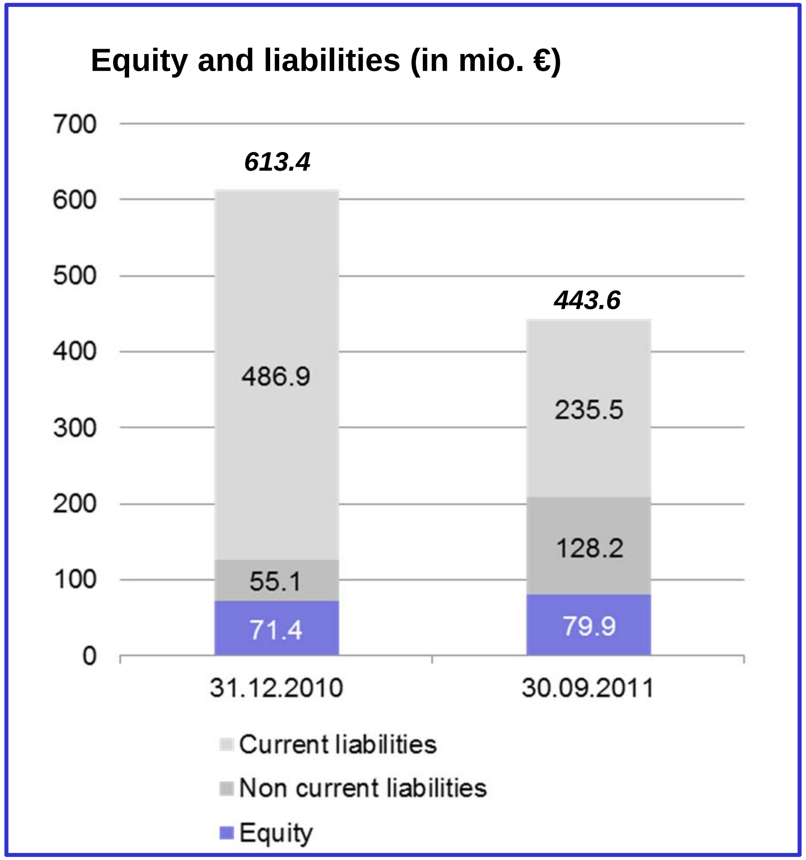
- Gross profit burdened by lower sales and continued price pressure
- Other operating income in Q3 improved via positive currency effects
- Personnel expenses basically unchanged (including 1.4 mio. € extraordinary effect from module fab)
- OPEX additionally affected by -12.7 mio. € and depreciation by -69.6 mio. € through strategy change in FFO
- Financial result shows gain from haircut (67.8 mio. €)
- Tax result of -22.0 mio. € reflects the consumption of deferred tax assets

Extraordinary effects in Q3



Balance Sheet I/III (Overview)





Comments

- Current assets were reduced mainly by lower receivables and lower other assets
- Development of non current assets reflect the change in module production
- Current and non current liabilities basically show the affect from refinancing
- Equity basically unchanged

Balance Sheet II/III (Assets)

in mio. €	30.09.2011	30.09.2010	31.12.2010
Non-Current assets	**114.1**	**249.0**	**213.2**
Goodwill	1.0	14.8	1.0
Intangible assets	9.4	12.0	10.2
Property, plant and equipment	85.7	170.3	164.4
Financial assets	1.7	1.5	1.6
Other assets	1.4	2.5	0.9
Deferred tax assets	14.9	47.9	35.1
Current assets	**316.4**	**357.0**	**377.9**
Inventories	166.3	161.9	169.5
Trade receivables	88.4	115.3	103.2
Financial assets	2.9	7.1	4.6
Other assets	39.8	37.8	63.9
Cash and cash equivalents	19.0	34.9	36.7
Assets held for sale	13.1	34.3	22.3
Total current assets	**329.5**	**391.3**	**400.2**
TOTAL ASSETS	**443.6**	**640.3**	**613.4**

Comments

- Non-Current assets almost halved compared to year end due to writedown of fixed assets in FFO and the consumption of deferred tax assets
- Despite a challenging overall market situation inventories are almost unchanged
- Total assets therefore reduced by almost 28% in the course of 2011

Balance Sheet III/III (Equity and liabilities)

CONERGY

in mio. €	30.09.2011	30.09.2010	31.12.2010
Total equity	**79.9**	**109.5**	**71.4**
Total non-current liabilities	**128.2**	**129.4**	**55.1**
Provisions	40.8	39.6	41.5
Borrowings	85.4	85.4	11.1
Other liabilities	1.9	2.1	2.0
Deferred tax liabilities	0.1	2.3	0.5
Total current liabilities	**235.5**	**401.4**	**486.9**
Provisions	20.1	11.2	10.8
Borrowings	53.5	211.2	280.5
Trade payables	123.9	126.0	161.7
Other liabilities	30.5	25.1	28.1
Current income tax liabilities	3.1	1.9	2.9
Liabilities from assets held for sale	4.4	26.0	2.9
TOTAL EQUITY AND LIABILITIES	**443.6**	**640.3**	**613.4**

Comments

- Non-Current liabilities increased because of the reclassification of debt as a result of the refinancing
- Reduction of current liabilities as an achievement of the debt-to-equity swap
- Increase of provisions related to strategy change in module fab

Working Capital Development

in mio. €	30.09.2011	30.06.2011	31.03.2011	31.12.2010	30.09.2010
Sales (12 months)	**819.5**	**912.4**	**926.5**	**913.5**	**909.4**
Inventory	166.3	165.5	196.8	169.5	161.9
Trade Receivables	88.4	115.5	109.5	103.2	115.3
Trade Payables	123.9	125.1	141.0	161.7	126.0
Working Capital	**130.8**	**155.9**	**165.3**	**111.0**	**151.2**
Working Capital/Sales	**16.0%**	**17.1%**	**17.8%**	**12.2%**	**16.6%**

Comments

- Working capital further improved in Q3 via reduction of receivables
- Inventory and payables basically unchanged compared to Q3 2010 levels
- As a result working capital/sales-ratio slightly improved

Cash flow Statement I/II

in mio. €	Q3 2011	Q3 2010	9m 2011	9m 2010
EBIT	**-104.9**	**1.0**	**-136.4**	**13.1**
Non cash relevant items	85.1	14.9	99.8	22.0
Gross operating cashflow	**-19.8**	**15.9**	**-36.6**	**35.1**
Changes in W/C	17.2	1.2	-34.1	-49.5
Changes in inventory	-4.7	23.8	-7.3	-55.1
Changes in receivables	22.9	4.2	9.3	-3.9
Changes in payables	-1.0	-26.8	-36.1	9.5
Changes in other net assets	12.8	-3.2	19.4	10.2
Cash flow from operating activities	**10.2**	**13.9**	**-51.3**	**-4.2**
Cash flow from operating activities (Discont. Operations)	-2.1	-2.7	-1.1	-5.5
Cash from operating activities (total)	**8.1**	**11.2**	**-52.4**	**-9.7**
Cash flow from investing activities	0.5	-2.3	18.2	-2.6
Cash flow before financing	**8.6**	**-8.9**	**-34.2**	**-12.3**

Comments

- Although EBIT was highly negative in Q3 most of the burdening effects were non cash relevant
- Positive net cash flow due to favourable development of working capital and the change in other net assets

Cash flow Statement II/II

in mio. €	Q3 2011	Q3 2010	9m 2011	9m 2010
Cash flow before financing	**8.6**	**-8.9**	**-34.2**	**-12.3**
Cash receipts from issuance of share capital	13.9	-	13.9	-
Cash payments in connection with the acquisition of equity	-3.6	-	-3.6	-
Cash receipts from borrowings	78.0	-38.8	121.7	25.1
Cash payments for repayment of borrowings	-105.0	-	-105.0	-18.8
Interest paid	-2.8	-4.9	-11.8	-13.4
Net cash generated form financing activities	**-19.5**	**-43.7**	**15.2**	**-7.1**
Change in net financial position (total)	**-10.9**	**-34.8**	**-19.0**	**-19.4**

Cash and cash equivalents as at 1.1./1.7.	**29.9**	**69.8**	**38.0**	**54.4**
Change from exchange rate changes	0.0	0.0	0.0	-0.0
Cash and cash equivalents as at 30.9.	**19.0**	**35.0**	**19.0**	**35.0**

Comments

- Financing activities in Q3 dominated by refinancing measures leading to a cash out of 19.5 mio. €
- With a positive free cash flow of 8.6 mio. € cash in total decreased by 10.9 mio. € to 19.0 mio. € end of Q3

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Q3/2011: MARKET OVERVIEW AND CONERGY ACHIEVEMENTS

Q3/2011: FINANCIAL RESULTS

2011/2012: COMPANY OUTLOOK

After successful financial restructuring Conergy is now changing its manufacturing set up and will focus on its core strenghts

Conergy's strategic focus

STRENGTHS

Focus on core competencies = Sales + Service

- Well established PV brand with high quality, premium positioning
- Strong international sales footprint across all major PV markets
- Very broad distribution customer portfolio with access to small installers
- 12 years competence and track record in project business
- Unique system expertise and excellent service offering

Overview restructuring activities

FINANCIAL

Balance Sheet Restructuring

- Successful financial restructuring completed in July 2011
- Reduction of credit facilities by 183m € to 122m €
- Debt-to-equity ratio improved
- New credit facility signed for 4 years, financial covenants only as of 2014

OPERATIONS

Reduction of footprint in own manufacturing

- Restructuring of module manufacturing in Frankfurt Oder
- Future concept: module assembly only, temporary shutting down of wafer-/cell manufacturing
- New factory set up planned to be effective December 2011
- Significantly reduced dependency of future price development
- Significant improvement of factory cost structure and production cost

Outlook

OUTLOOK 2011

| Conergy's volume increase during the first 9 months could not make up for the strong price decline

| Conergy expects full-year sales in the range between 750m € and 800m € (12%-18% less than 2010)

| Restructuring of Conergy's module factory will only show its full effects as from 2012 onwards

| Due to one-time restructuring efforts and strong price decline Conergy expects an EBITDA in the range of -50m € to -55m €

OUTLOOK 2012

| In 2012, Conergy expects a stagnating world market and continuing price pressure due to overcapacities

| Conergy aims to compensate the expected price reduction by increasing sales activities in its various markets

| For 2012, Conergy expects sales in the same range as in 2011

| Taking into account the initiated restructuring and cost reduction measures, the company expects a small positive EBITDA

OUR WORLD IS FULL OF ENERGY