



AD-HOC RELEASE

Pursuant to Section 15 of the German Securities Trading Act (WpHG)

Phoenix Solar AG changes revenue and earnings outlook for the fiscal year 2011

Sulzemoos 11 October 2011 / Due to the current market environment and recent price developments, the Executive Board of Phoenix Solar AG (ISIN DE000A0BVU93, listed in the Prime Standard of the Frankfurt stock exchange) has lowered its revenue and earnings outlook for the current fiscal year 2011. The board now anticipates revenues in the range of EUR 350-400 million and consolidated earnings before interest and taxes (EBIT) of EUR -42 to -49 million. The primary cause of the now expected high losses is the write-down of inventories resulting from the continuing decline in the market price for solar panels.

Until now the company had expected a slight decrease in consolidated revenues relative to the previous year (2010 revenues: EUR 635.7 million), without making a specific forecast regarding EBIT. The company based these expectations on an anticipated increase in demand in September after a weak first half year, and a year-end rally in the fourth quarter with largely stable module prices.

The change in outlook reflects a weaker than expected market recovery in the second half of 2011, particularly in Germany – until now the leading market for photovoltaics. In addition, the hitherto expected year-end rally currently does not appear to be materializing.

Short-term cost reduction measures have already been initiated. At present the Executive Board is analyzing potential adjustments to the company's business model and identifying further cost reduction measures with the goal of returning to profitability in the fiscal year 2012.

This is an English translation of the German original. Only the German version is binding.

AD-HOC RELEASE

Pursuant to Section 15 of the German Securities Trading Act (WpHG)

Disclaimer

The content of this press release is solely for information purposes and is not intended to constitute a recommendation for investment or a solicitation to subscribe or an offer to buy or sell securities of the company. Phoenix Solar AG shall undertake no liability whatsoever for any loss in connection with this press release or the information made available. This also applies particularly to any eventual loss in connection with the shares of Phoenix Solar AG.

This document contains forward-looking statements on future developments which are based on management's current assessment. Words such as "anticipate", "assume", "believe", "estimate", "expect", "intend", "can/could", "plan", "project", "forecast", "should", and similar terms are indicative of such forward-looking statements. Such statements are subject to certain risks and uncertainties which are mainly outside the sphere of influence of Phoenix Solar AG, but which have an impact on the business activities, the success, the business strategy and the results. These risks and factors of uncertainty include, for instance, climatic change, changes in the state subsidisation of photovoltaics, the introduction of competitor products or technologies of other companies, the development of the planned internationalisation of business activities, fierce competition as well as rapid technological change in the photovoltaic market. If one of these or other factors of uncertainty or risks should occur, or if the assumptions underlying the statements should prove incorrect, the actual results may diverge substantially from the results in these statements or implicit indications. Phoenix Solar AG does not have the intention nor will it undertake any obligation to realise forward-looking statements on an ongoing basis or at a later point in time as this is entirely dependent on circumstances prevailing on the day of their release.

In some countries, especially in the United States of America, the dissemination of this press release and the information contained therein may be restricted or prohibited under the law. This press release is therefore expressly not intended for persons resident in the United States of America or any other legal system under which such an offer or solicitation is not permissible, or for persons for whom such an offer or invitation would constitute a breach of the law. Die Inhalte dieser Mitteilung dienen ausschließlich Informationszwecken und stellen weder eine Anlageempfehlung noch eine Einladung zur Zeichnung oder ein Angebot zum Kauf bzw. Verkauf von Wertpapieren der Gesellschaft dar. Die Phoenix Solar AG übernimmt keine Haftung für Verluste, die in irgendeinem Zusammenhang mit dieser Mitteilung oder den bereitgestellten Informationen gebracht werden könnten. Dies gilt insbesondere auch für evtl. Verluste mit Aktien der Phoenix Solar AG.