

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.

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