

Ad-hoc release

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

Phoenix Solar AG: Framework agreement signed for the construction of photovoltaic power plants in Italy with a peak output of 14 megawatts

- **Largest project contract in the history of the company**
- **First megawatt projects in Italy**
- **Consistent expansion of the investor base**

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Sulzemoos 16 July 2008 / Phoenix Solar AG (ISIN DE000A0BVU93) today signed a framework agreement with Meinl International Power Ltd, an investor and company listed in the Third Market on the Vienna Stock Exchange. The agreement concluded is for the planning and turn-key construction of photovoltaic power plants with a peak output totalling approximately 14 megawatts (MWp). The power plants, each of which with a peak output of around one megawatt, are to be built in a number of locations in Sicily by the end of 2009. The projects are in various stages of development. Phoenix Solar AG will also take over the operation and maintenance of the power plants.

The framework agreement has a volume in the high double-digit million range and is the largest project contract in the history of Phoenix Solar AG.

The Italian photovoltaics market is considered one of the most promising growth markets in Europe. The Italian photovoltaic industry association GIFI estimates that the market volume likely to be attained this year is 150 MWp (2007: 60 MWp). The market is expected to double to more than 300 MWp in 2009. The growth rates would then far exceed those of the German market.

About Phoenix Solar AG

Phoenix Solar AG, which has its headquarters in Sulzemoos near Munich, is a leading international photovoltaic systems integrator. Until June 2007, the company, which was set up in 1999, went by the name of Phönix SonnenStrom AG. With total revenues of EUR 260 million, the Group's EBIT came to EUR 22.3 million in the financial year 2007. The Phoenix Solar Group anticipates sales of EUR 370 million, generated in Germany and abroad, for the financial year 2008. Phoenix Solar AG plans, builds and undertakes the operation of large photovoltaic plants and is a specialist wholesaler for complete power plants, solar modules and accessories. The Group is a leader in photovoltaic systems technology. It focuses on the consistent lowering of system costs. With a sales network which covers the whole of Germany, and subsidiaries in Spain, Greece, Singapore and Australia, as well as a participation in Italy, the Group currently has a workforce of more than 180 employees. The shares of Phoenix Solar AG (ISIN DE000A0BVU93) are listed on the official market (Prime Standard) of the Frankfurt Stock Exchange. On 25 March 2008, the shares of the company were admitted to the TecDAX technology index of Deutsche Börse AG.

About Meinl International Power Ltd

MIP is involved in many solar and wind power projects in Europe. At present, the company is constructing three solar projects in Spain and has invested in four wind projects in Slovakia and the Czech Republic, a wind park in Germany and a gas-fired power plant in Hungary. The total investment volume of the company's participations come to around € 418.5 million, with part of the capital provided in the form of lending by banks. The company has been listed on the Vienna Stock Exchange since summer 2007 and invests in power plant projects in conventional and renewable sources of energy.

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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.

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