

Press Release

Phoenix Solar AG raises its holding in Italian systems integrator RED 2002 Srl to 100 percent

- **Strong foothold gained in the high-growth Italian market**
- **Domenico Inglieri to remain managing director**

Sulzemoos/Rome 29 July 2008 / Phoenix Solar AG took over the remaining 51 percent of the Italian systems integrator RED 2002 Srl on 28 July 2008, thereby raising its stake in the company to 100 percent. Phoenix Solar has held 49 percent in RED 2002 since January 2006. Right from the start, the contracts included the option of raising the participating interest in the company. Domenico Inglieri, who is also on the Board of the Italian Photovoltaic Industry Association GIFI, was and will remain managing director of the company.

To date, the largest photovoltaic power plant built by RED 2002 was a 112 kilowatt peak system on the roofs of a residential building complex in Rome. The company is profitable and has grown significantly faster than the Italian photovoltaic market over the past two years. Along with the acquisition of large photovoltaic projects, RED 2002's task will be to continue to build up the pan-Italian network of sales partners and installers, thus contributing to reinforcing the Components & Systems segment.

The Italian photovoltaics market is considered one of the most promising growth markets in Europe. GIFI estimates that the market volume likely to be attained this year could be around 150 megawatt peak (MWp), as compared with 2007 when it was 60 MWp. The market is expected to double to more than 300 MWp in 2009.

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Phoenix Solar AG had already signed a framework agreement in mid-July 2008 for the planning and turn-key construction of photovoltaic power plants in Sicily with a peak output of around 14 megawatts. A few days ago, the Phoenix Group also acquired the rights to a one megawatt project close to the Rome's Fiumicino Airport with the support of RED 2002.

Piero Rossetti and Antonio Ruta, former shareholders and managers of RED 2002, will continue their work for the company: Piero Rossetti in his capacity as consultant and Antonio Ruta as Technical Director.

"Italy will be *the* growth market in Europe in the years ahead. Electricity prices are high, which means that Italy has the potential to reach grid parity as one of the first markets in Europe. At that point electricity from a photovoltaic system can be generated at the same price as electricity from the socket", commented Dr. Andreas Hänel, CEO of Phoenix Solar AG.

"I am delighted to continue to work together with Phoenix Solar. Our knowledge of the Italian market, my activities for GIFI and the competence and experience of Phoenix Solar, one of the largest installers of turn-key photovoltaic power plants in Europe, are an ideal combination. My two former co-shareholders are also very happy with this solution. They view the takeover by Phoenix Solar as the best solution, not only for the future of the company, but also for the employees who have shown great commitment to promoting the growth of RED 2002", said Domenico Inglieri.

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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, Italy, Greece, Singapore and Australia, 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.

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