

PHOTON ENERGY NEWS RELEASE

ITALY WANTS TO ROB SOLAR INVESTORS, WARNS PHOTON ENERGY CEO

Amsterdam, 3 July 2014 – Photon Energy’s CEO Georg Hotar has strongly condemned Italy’s kleptomaniac decision to cripple equity investment and damaging the country’s reputation by introducing retroactive anti-solar measures. PV investors are increasingly looking for a way of protecting themselves against state-sanctioned robbery in the form of more retroactive blows which could push many companies into insolvency.

Italy has joined the ranks of other European Banana Republics such as Spain, Greece, Bulgaria, Romania, Slovakia and the Czech Republic by spreading the anti-solar cancer of retroactive measures against operating PV assets. Wrapped in legislation designed to increase competitiveness, the Italian government is delivering a fatal blow to equity investors in PV plants with a capacity of 200+ KWp, undermining any remaining confidence of financial and industrial investors in Italy as a credible investment destination.

„To add insult to injury, we are invited to choose the method of execution for our investments”, says Photon Energy CEO Georg Hotar. Investors are being forced to choose between an 8% reduction in the feed-in-tariff paid by the state agency GSE for the remainder of the support period or opting for the FiT to be spread even more thinly over a total of 24 years (compared to the original 20 years). Effectively a reduction of 17-25% is expected to apply depending on the residual time.

With Italy’s reckless attack on investors the second-largest European PV market has been destroyed. Bona-fide investors are being systematically targeted across the EU. *“The European Commission is not only letting it happen but is instrumental in removing Bilateral Investment Treaties between EU member countries, which have traditionally been a last line of defence for investors”,* says Photon Energy CEO Georg Hotar.

“Under these shocking circumstances our European Solar Holdings concept is the only workable mechanism allowing investors to defend themselves against retroactive regulatory and tax measures”, he adds.

Given Italy’s high dependency on energy imports, the growing instability in many supplying countries (Russia, Libya or Iraq) and rising energy prices this kleptomaniac assault on renewable energy is impossible to rationalise. *“Investors, together with a plethora of Italian and international banks, have deployed some EUR 50 billion in good faith and are now the victims of a highly irresponsible government,* says Georg Hotar. Furthermore, with government debt over 120% of its GDP Italy is strongly dependent on the bond market and its perception by financial investors. *“How the investment community will like state-sanctioned robbery will become evident shortly in the bond market”,* comments Photon Energy CEO Georg Hotar.

Starting in 2014Q3 GSE will only pay out 90% of a (most likely low) estimated monthly production with the balancing payment effectuated on 30 June of the following year, putting additional cash flow pressure on PV plant owners. GSE’s intention to charge a fee for its “services” as of 1 January 2015 completes this travesty. Combined with the steep fall in revenues over the past 12-18 month (in some regions over 60%), this will push many PV plants close to or into insolvency.

Photon Energy NV owns two PV plants in Italy, with a combined capacity of 1.25 MWp, which have been fully equity-financed. *“The announced measures will not leave our PV plants vulnerable to default but will materially decrease our returns and their value. We will only be able to quantify our losses once the final version of the law will have been approved”,* said Georg Hotar.

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ABOUT PHOTON ENERGY

Photon Energy NV is a global solar power solutions and services company covering the entire lifecycle of solar power systems. Since its foundation in 2008 Photon Energy has built and commissioned 50 MWp of solar power plants across two continents and supplied the technology for many more projects. Photon Energy’s O&M division has more than 100 MWp under contract and is the leading provider of maintenance services for Satcon inverters. www.photonenergy.com

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