Edisun Power Europe Ltd.

Financal Report 2008

Editorial

From the financial viewpoint, 2008 was extremely turbulent, exciting and historically interesting. Extraordinary developments occurred in the financial markets all over the world, which had never previously been seen at such magnitude.

At exactly the same time, Edisun Power dared to trade their shares on the SIX Swiss Exchange. We had carefully prepared our public market debut and were ready to undertake this endeavour in mid-September 2008. However, our timing was not exactly the best. Precisely at the moment of Edisun Power's initial public offering, Lehman Brothers collapsed, leading to the erosion in significant sectors of the financial markets. Nevertheless, we never stopped believing in our business objectives as well as in our corporate potential.

We have achieved two and a half of our three goals: sustainable structures were established within the company; we were listed on the Swiss Stock Exchange's main segment and raised sufficient funds in order to finance the most important projects for 2009. We had hoped to obtain more funds through the proceeds which would have been adequate up until mid-2010. Instead, we will return sooner to the capital market to raise further debt capacities.

Edisun Power has built up a 1.9 MW total installed capacity in 2008. The invested capital increased by about 29 percent, from around CHF 32 Mio. to CHF 41 Mio. Through the issue of new shareholders' equity, the balance sheet total of CHF 46 Mio. increased to CHF 62 Mio., which corresponds to a 36 % increase.

The new photovoltaic installations have had a positive effect on the revenue from sale of electricity which has increased by 1 050 %; from CHF 279k to CHF 3 208k. Edisun Power's staff grew from 4 to 7; resulting in an increase in HR-costs and rental charges. This is an investment in the future and in the company's growth.

The net profit, adjusted to foreign currency translation and the IPO's extraordinary cost total of CHF 1 034k, amounted to CHF 103k by end 2008. Compared to the previous year, this represents a decrease of CHF 96k. This is based on two factors: firstly due to upfront investments in the future, as described above; and secondly, photovoltaic installations which were built in France. However, grid connection was delayed by several months despite the installations' completion. Thus, earnings will probably be generated only from 2009's second quarter.

Mirjana Blume
CFO, Edisun Power Europe Ltd.

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Corporate Governance Report 2008

Edisun Power has high standards when it comes to effective corporate governance, thus ensuring responsible, transparent company leadership and management leading to long-term success. This is key in meeting all the demands of our various stakeholder groups, whether shareholders, customers, employees or the local communities we operate in.

Corporate Governance describes how management is organized and how this is put into practice. It ultimately aims to lead us to success by protecting the interests of our shareholders while at the same time creating value for all stakeholders. The Board of Directors has committed itself to maintaining the highest standards of integrity and transparency in the governance of the company. In this, it is guided by the Swiss Code of Best Practice and the most recent principles of Corporate Governance.

Good Corporate Governance seeks to balance entrepreneurship, control and transparency, while promoting efficient decision making processes within the company. The Board of Directors and the Management Board constantly work on improving the quality of Corporate Governance.

In the financial year 2008, the Board of Directors focused on establishing Corporate Governance Reporting and thus ensuring clear and transparent reporting.

Key information

Detailed information can be found in the main Corporate Governance report on the following pages.

Changes in Share Capital

As of December 31	2008	2007	2006	2005
Ordinary share capital (in CHF)	34 157 600	13 839 100	5 624 500	300 000
Total shares	341 576	138 391	56 245	3 000
Authorized capital (in CHF)	3 000 000	-	-	-
Authorized shares	30 000	-	-	-

Significant Shareholders as of December 31, 2008

	2008 Number of Shares	2008 in %	2007
New Energies Invest AG	63 000	18 %	13 %
Coopera Sammelstiftung	10 750	3 %	1 %

Auditors

PricewaterhouseCoopers AG, first appointed at the General Shareholders' Meeting of May 9, 2008. The head auditor is Patrick Balkanyi.

Compensation in CHF

	31.12.2008
Total compensation of the Board of Directors	210 252
Total compensation of the Management Board	402 191

Highest Total Compensation in CHF

	31.12.2008
Board of Directors: Pius Hüsser, a cash payment of CHF	48 283
Management Board: Robert Kröni, a cash payment of CHF	208 798

Shareholders' Participation Rights

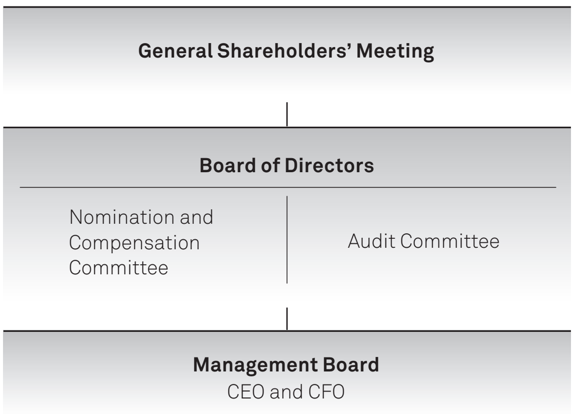
- Voting rights restrictions: Registration in the share register as a shareholder with voting rights is limited to 5 % of the share capital.
- Voting rights representation: In exercising their voting rights, no shareholder may unite, by a combination of own and represented shares, more than 5 % of the shares of the company.
- Extraordinary Shareholders' Meetings are convened by the Board of Directors if shareholders representing at least 10 % of the share capital request such meetings.

Group Structure

Operational Group Structure

Edisun Power Group's headquarters are in Zürich, Switzerland. The activity of Edisun Power spreads over 4 countries through its subsidiaries in each country. Edisun Power Europe Ltd. is the parent company and is listed on the main segment of the SIX Swiss Exchange.

The following chart shows the Operational Group Structure as of December 31, 2008:



Listed Companies

Apart from Edisun Power Europe Ltd. there are no other companies belonging to the consolidated Edisun Power Group whose equity securities are listed on a stock exchange.

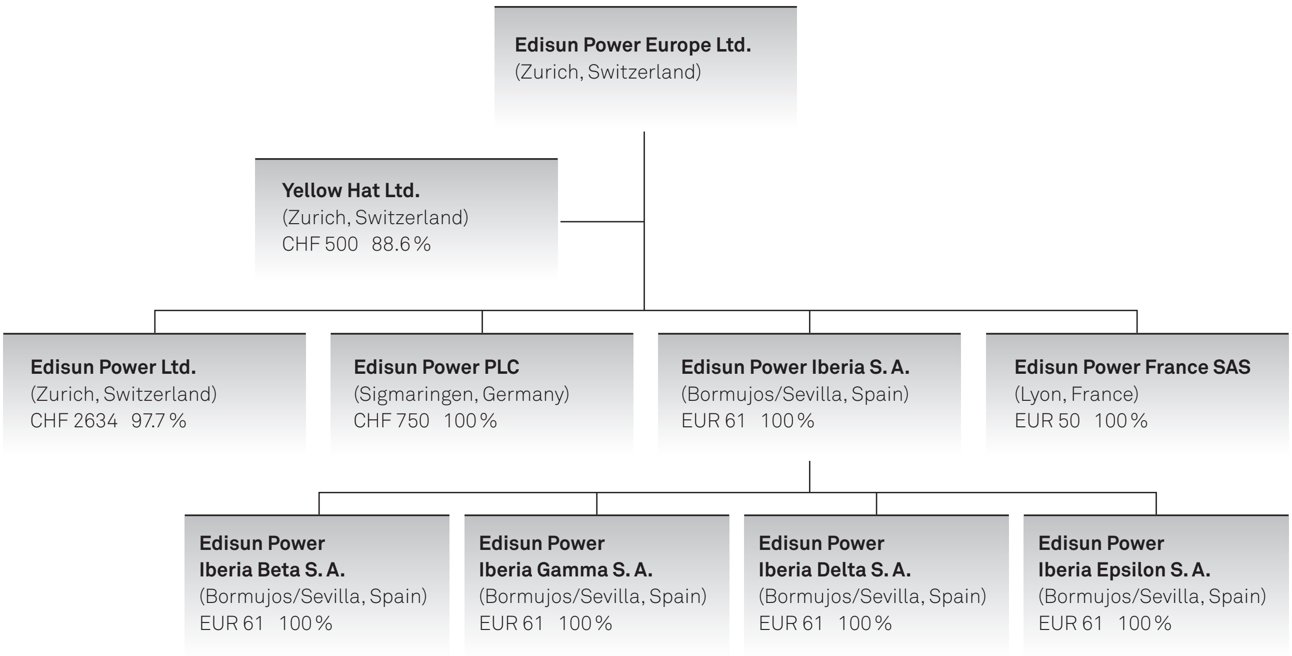
Key Data for the Shares of Edisun Power Europe Ltd. as of December 31:

	2008	2007
Market capitalization in CHF m	32	14
In % of equity	94 %	100 %
Share price in CHF	94.10	100

Registered office:	8005 Zürich, Switzerland
Listing:	SIX Swiss Exchange
Security no.:	2473640
ISIN:	CH002473640
Ticker symbol:	ESUN
Par value:	CHF 100.00

Non-listed Companies

The following organizational chart shows the significant companies of the Edisun Power Group as of December 31, 2008 (registered office, share capital in local currency and share of the significant investments held in %):



All figures in 000

Shareholders

Registered Shareholders

As of December 31, the shareholdings of registered shareholders were distributed as follows:

Number of shares	Registered shareholders 2008	Registered shareholders 2007
1 – 100	635	437
101 – 1 000	502	214
1 001 – 10 000	25	6
10 000 – 100 000	2	1
Total registered shareholders	**1 164**	**658**

Significant Shareholders

The following overview shows the shareholdings of significant shareholders as of December 31:

	2008 Number	2008 in %	2007 in %
New Energies Invest AG	63 000	18 %	13 %
Coopera Sammelstiftung PUK	10 750	3 %	1 %
Registered shareholders with interests below 3 %	236 997	70 %	73 %
Not registered	30 829	9 %	13 %
Total shares	**341 576**	**100 %**	**100 %**

Shareholder Structure

The following overview shows the shareholder structure by type of shareholder as of December 31:

Type	2008	2007
Individual shareholders	63 %	68 %
Legal entities	24 %	13 %
Nominees, fiduciaries	4 %	6 %
Not registered	9 %	13 %
Total	**100 %**	**100 %**

The following overview shows the shareholder structure by origin of shareholder as of December 31:

Origin	2008	2007
Switzerland	89 %	84 %
Europe (ex Switzerland)	2 %	3 %
Not registered	9 %	13 %
Total	**100 %**	**100 %**

Cross-shareholdings

Edisun Power Europe Ltd. has no cross-shareholdings with other companies.

Capital Structure

Capital as of December 31, 2008: The capital of Edisun Power Europe Ltd. comprises the following:

Ordinary capital (in CHF)	34 157 600
Total shares	341 576
Authorized capital (in CHF)	3 000 000
Authorized shares	30 000

Authorized Capital

The General Shareholders' Meeting held May 9, 2008, approved the creation of authorized share capital of 30 000 registered shares with a par value of CHF 100.00 per share. The Board of Directors is authorized to use them for acquisition of companies, parts of companies, equity stakes or employee benefit programs. The authorization granted to the Board of Directors to augment the company's share capital with the authorized share capital created expires on May 9, 2010. Edisun Power Europe Ltd. has no conditional capital.

Changes in Capital

As of December 31, the capital of Edisun Power Europe Ltd. comprises the following:

Changes in Share Capital	**2008**	**2007**	**2006**
Ordinary share capital (in CHF)	34 157 600	13 839 100	5 624 500
Total shares	341 576	138 391	56 245
Authorized capital (in CHF)	3 000 000	-	-
Authorized shares	30 000	-	-

The authorized share capital of 30 000 registered shares created May 9, 2008, has not yet been used. The share capital was increased yearly by issuing ordinary shares with a par value of CHF 100 – in 2006 by 53 245 shares, in 2007 by 82 146 shares and in 2008 by 203 185 shares.

Shares and Participating Certificates

Edisun Power Europe Ltd. registered shares have been listed on the SIX Swiss Exchange since September 26, 2008. The par value is CHF 100.00 per share. The share capital is fully paid up. Each ordinary share bears one voting right at the General Shareholders' Meeting and is entitled to dividend payments.

Edisun Power Europe Ltd. has not issued any participation certificates.

Profit Sharing Certificates

Edisun Power Europe Ltd. has not issued any profit sharing certificates.

Limitations on Transferability and Nominee Registrations

To be recognized as a shareholder with comprehensive rights, the acquirer of shares must place an application for entry in the share register. The Corporation may refuse the entry in the share register if the applicant does not explicitly declare that he has acquired and will hold the shares in its own name and on its own account. The registration in the share register as a shareholder with voting rights is limited to 5 % of the share capital (Art. 6 para 1 of the Articles of Association). Parties who act together are considered as one person. The Board of Directors may approve exceptions with good reason and no special quorum is required for such decision.

Granting Exceptions in the Year under Review

During the reporting period, no exceptions to the above listed rules were granted by the Board of Directors.

Admissibility of Nominee Registration

Edisun Power Europe Ltd. does not have a specific regulation under which conditions a nominee can apply for entry in the share register.

Procedures and Conditions for Cancelling Statutory Privileges and Limitations on Transferability

To abolish this regulation, the absolute majority of the votes represented at the General Shareholders' Meeting is sufficient.

Convertible Bonds and Warrants/Options

Edisun Power Europe Ltd. has not issued any convertible bonds, warrants or options.

Board of Directors

The Board of Directors may make decisions in all matters that are not reserved for the general meeting of shareholders. The Board of Directors is responsible for the ultimate management of the Company as well as for the ultimate supervision of the management. The Board of Directors' non-transferable and inalienable duties according to Swiss corporate law include the establishment of the organizational structure and the accounting system of the Company, financial control and financial planning, appointment and dismissal of management, overall supervision of the management, preparation of the annual report, as well as the shareholders' meeting and notification of the court in case of qualified indebtedness. The Board of Directors can delegate the management entirely or in part to individual members of the Board of Directors or to third persons. To this end, the Company has enacted organizational regulations, which further detail the duties and competence of the Board of Directors in particular with regard to planning, regulation, supervision and personnel matters.

Pius Hüsser, Chairman of the Board

born 1955, Swiss national
non-executive member

Pius Hüsser has been a member of the Board of Directors of Edisun Power Ltd. since 2004 and has been Chairman of the Board of Directors of the Company since its founding in 2005. He has a Masters Degree in Energy from the University of Applied Sciences of Basel. Pius Hüsser has long-standing experience within the field of photovoltaics and renewable energies, being a founding member and partner of Nova Energie GmbH since 1996, a former director of InfoEnergie and a founding member and copartner of W + S AG. He is the Vice President of Swissolar, a Swiss expert of IEA PVPS and counsel to the Swiss Confederation for renewable energies.

Heinrich Bruhin, Vice Chairman of the Board

born 1948, Swiss national
non-executive member

Heinrich Bruhin has been a member of the Board of Directors of Edisun Power Ltd. since 2000, Chairman of the Board since 2003 and a member of the Board of Directors of the Company since its foundation. An electrical engineer, he has extensive experience in plant construction, in particular the infrastructure of constructions. This knowledge was acquired with Sulzer and from 1997 – 2007 as the person in charge of the construction infrastructure and from 2008 on as the responsible person for large-scale projects with Telekurs. He was a founding member of the Telekurs Holding AG staff pension fund (with CHF 700 Million of assets under management) and is currently President of the Foundation Board.

Robert Kröni, Member of the Board

born 1957, Swiss national
executive member

Robert Kröni has been working for the Group as Chief Executive Officer of Edisun Power Ltd. since 2000 and with the Company since its founding in 2005. From 1998 and up to 2005 he also worked as a partner and project manager for Enecolo AG. In addition, he acted as manager for AW Contracting AG and as division manager of the division operations for Amstein & Walthert AG. Robert Kröni studied construction engineering at the Federal Technical University (ETH) of Zurich and has extensive experience within the field of renewable energy, in particular photovoltaics.

Peter Toggweiler, Member of the Board

born 1956, Swiss national
non-executive member

Peter Toggweiler is one of the founders of the Group. He has been working in the field of solar energy and photovoltaics for over 25 years, since 1991 with Enecolo AG where he holds the position of the Chairman of the Board of Directors. His experience ranges from research and development to planning, conceptual work and strategy. He has been active in Switzerland, Europe, America and Asia working on projects for the World Bank, the EU, IEA and other international organizations. Since 2008 he has been chairman of the Committee for Norms for Photovoltaics, which works within Electrosuisse and the International Electrotechnical Commission (IEC).

Giuseppina Togni, Member of the Board

born 1962, Swiss national
non-executive member

Giuseppina Togni has been a member of the Board of Directors of the Company since 2007. She is dipl. Phys. ETH and fed. dipl. Counsel for Energy Matters. She has extensive experience as an energy planner for communities and as counsel for energy specializing within the field of efficiency. She is the President of the Agency for Energy Efficiency (S.A.F.E.), since 1998 a member of the Board of Directors of Erdgas Zürich AG and since 1996 a member of the Federal Committee for Energy Research (CORE).

Georg Fankhauser, Member of the Board

born 1958, Swiss national
non-executive member

Georg Fankhauser has been a member of the Board of Directors of the Company since 2008. He studied economics at the University of Basel and worked for F. Hoffmann-La Roche AG. Since 1986 he is a partner, director and M&A-consultant at Remaco Merger AG in Basel. In this function he is responsible for the investment management of New Energies Invest AG since its founding in 2000. New Energies Invest AG is a private equity investment company which is a major shareholder of the Company. He is a member of the supervisory board of Solarwatt AG in Dresden, Germany.

Election and Terms of Office
Election Procedure and Limits on the Terms of Office

The Articles of Association of Edisun Power Europe Ltd. provide that the Board of Directors consists of three to nine members. As of December 31, 2008 the Board of Directors consists of 6 members.
The members of the Board of Directors are elected individually at the Annual General Shareholders' Meeting. In general, each member is elected for a period of one year. The term ends on the day of the Annual General Shareholders' Meeting. If, during a term, a substitute is elected to the Board of Directors, the newly elected member finishes the term of his predecessor. Re-election for successive terms are possible.

Internal Organization Structure Allocation of Tasks within the Board of Directors

The Board of Directors appoints itself and names its Chairman, one or more vice chairmen and its secretary. The secretary need not be a member of the Board of Directors or a shareholder. Since November 19, 2007, Christian Witschi, legal counsel to the company, has been secretary of the Board of Directors.
The adoption of resolutions by the Board of Directors requires an absolute majority of the votes cast. In a tie vote, the Chairman of the Board of Directors has the deciding vote. Resolutions on a motion may also be reached in writing if no member of the Board of Directors objects to this process. Minutes must be kept of the deliberations and resolutions and signed by the chairman and secretary of the Board of Directors.
The allocation of assignments between Board of Directors and the CEO is defined in the Edisun Power Europe Ltd. Organizational Regulations. In accordance with the Organizational Regulations, the Board has appointed an Audit Committee and a Nomination and Compensation Committee.

Member List, Tasks and Area of Responsibility for Board of Directors Committees

The duties and authorities of the committees are defined in the Committee Charters of the Board of Directors of Edisun Power Europe Ltd. The committees report to the Board on their activities and findings. The overall responsibility for duties delegated to the committees remains with the Board. The committees have been established during the course of the initial public offering in September 2008. Until then the entire Board of Directors was in charge of the duties.

Audit Committee

Members of the Audit Committee are Heinrich Bruhin (Chairman), Giuseppina Togni and Georg Fankhauser.
Within the context of its overall remit, the Audit Committee reviews on behalf of the Board of Directors the work and effectiveness of the external audit, evaluates the financial control, the financial structure and risk management mechanisms of the company, and reviews the interim and annual financial accounts of the Group (see Committee Charters).
The Audit Committee meets at least three times a year, but as often as required. The first meeting will take place in March 2009 to cover the findings from the year-end closing.

Nomination and Compensation Committee

Members of the Nomination and Compensation Committee are Pius Hüsser (Chairman), Giuseppina Togni and Georg Fankhauser.
The primary task of this Committee is to review and propose to the Board of Directors the compensation structure and the amount for the Board of Directors and the members of the Management Board, and to select and propose to the Board of Directors suitable candidates for election to the Board of Directors and upon recommendation of the CEO for appointment to the Management Board. The Committee submits the relevant proposals and nominations to the Board of Directors (see Committee Charters).
The Nomination and Compensation Committee meets at least once a year, but as often as required. In 2008 the Committee met two times.

Working Methods of the Board of Directors and its Committees

The Board of Directors convenes an ordinary meeting as often as the business and the affairs of the Company require. Additional meetings or telephone conferences are held as needed. The Board of Directors may pass resolutions if the majority of its members is present (including presence via phone or electronic media), except with respect to resolutions regarding the implementation of capital increases for which no quorum must be met. In 2008, the Board of Directors held eight meetings. Most ordinary meetings of the Board of Directors last half a day. The CFO of the Group regularly takes part in meetings of the Board of Directors to report on special projects in her area of responsibility. In addition, the Board of Directors receives quarterly written reports on business performance and budget variances.

Definition of Areas of Responsibility

The Board of Directors has delegated the day-to-day management of Edisun Power to the Executive Management (comprising CEO and CFO), except as otherwise provided by law and the Articles of Association. The CEO heads the operative business and has the necessary competence to fulfill his duties, except as otherwise provided by law, the Articles of Association or the organizational regulations. The specific tasks and areas of authority are specified in the organizational regulations and in the annex to the Company's organizational regulations. The primary tasks reserved for the Board of Directors are the definition of principles and decisions concerning the subjects of corporate strategy, financial planning, organizational structure, human resources policy and oversight of top management. The Board of Directors is also responsible for the preparation of the annual report, the preparation of the shareholders' meeting and the implementation of the resolutions adopted at shareholders' meetings.

Information and Controlling Instruments vis-à-vis the Management Board

The Chairman and/or other members of the Board of Directors may attend the meetings of the Management Board. During the Board and committee meetings, the Management Board reports regularly on the Board of Directors about the course of business. In case of extraordinary events, the Management Board is to inform the Board of Directors immediately. In connection with meetings of the Board of Directors, the individual members of the Management Board report to the Board of Directors on their respective business areas.

The standardized quarterly reporting of the Group consists of management reporting and consolidated accounting. This data is complied for the Group and compared to the previous year and the budget. The resulting analysis and action taken are analyzed quarterly by the Management Board. Complete consolidated financial statements under IFRS are prepared on a semi annual basis. The quarterly reports and the financial statements are submitted to the Board of Directors.

Risk management comprises the ongoing evaluation of strategy by the Board of Directors as well as the assessment of insurance coverage and preparation of regular reports on business risks by the Management Board.

Management Board

The Management Board is responsible for the operational management of the company. Furthermore, it prepares for and later executes decisions made by the Board of Directors. According to the Organizational Regulation of Edisun Power Europe Ltd., this consists of at least the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The Management Board is appointed by the Board of Directors.

Robert Kröni, Chief Executive Officer since 2005

born 1957, Swiss national

→ See Section “Board of Directors”

Mirjana Blume, Chief Financial Officer since 2008

born 1975, Swiss national

Mirjana Blume has been working for the Company as Chief Financial Officer and Deputy CEO since the beginning of 2008. She has broad experience in accounting, controlling and finance, inter alia with PricewaterhouseCoopers, Swissôtel Management and 7 years as CFO in the pharmaceutical sector with MediService and Novartis Oncology Switzerland. Mirjana Blume completed her degree in Business Administration at the HWZ University of Applied Sciences Zurich and holds an Executive MBA from the University of St. Gallen.

Compensation and Shareholdings

Content and Method of Determining Compensation

The compensation principles of Edisun Power Europe Ltd. are based on performance considerations. The compensation packages of Edisun Power Europe employees consist of a fixed salary which is regularly reviewed by the Nomination and Compensation Committee. The group does not have any variable salaries or incentive schemes implemented.

Fixed Salary

The fixed salary is intended to give each employee a regular and predictable salary. Salary levels depend on job characteristics, market competitiveness as well as on the skills of each employee. It is reviewed yearly and amended following the employee's achievement of the objectives. The targets, which affect the fixed salary are defined for each employee at the beginning of the financial year.

Determination of the Compensation to Members of the Board of Directors and the Management Board

The compensation policies of the Board of Directors differ from those of the employees of the Edisun Power Group, instead of a basic fixed salary the Board of Directors receives a fixed fee.

The compensation of the members of the Board of Directors as well as on the CEO's recommendation, and the compensation of the CFO is determined and periodically reviewed by the Nomination and Compensation Committee. The compensation of the CEO is determined by the Board of Directors and periodically reviewed by the Nomination and Compensation Committee.

Compensation to Members of the Board of Directors and the Management Board
Compensation to the Board of Directors

Total compensation to the Board of Directors consists of a fixed fee, social benefits (employer's contribution) and a extraordinary remuneration to compensate all fees in connection with the Board of Directors position within Edisun Power Ltd. (the former holding company). This remuneration has been paid out through a share compensation of Edisun Power Europe shares.

The following table shows the compensation to the individual members of the Board of Directors in the year under review and the previous year in CHF:

	Financial year	Fixed fee	Social benefits (employer's contribution)	Total cash compensation	Value of extraordinary share compensation	Total compensation
Pius Hüsser Chairman	2008	47 500	783	48 283	12 955	61 238
	2007	29 500	0	29 500	0	29 500
Heinrich Bruhin Vice Chairman	2008	15 000	2 464	17 464	25 730	43 194
	2007	18 250	1 104	19 354	0	19 354
Robert Kröni Member	2008	0	0	0	28 990	28 990
	2007	0	0	0	0	0
Peter Toggweiler Member	2008	15 000	0	15 000	30 923	45 923
	2007	14 250	0	14 250	0	14 250
Giuseppina Togni Member	2008	15 000	907	15 907	0	15 907
	2007	7250	438	7 688	0	7 688
Georg Fankhauser Member	2008	15 000	0	15 000	0	15 000
	2007	0	0	0	0	0
Eberhard Jung Former Member	2008	0	0	0	0	0
	2007	3 250	196	3 446	0	3 446
Hansjörg Leibundgut Former Member	2008	0	0	0	0	0
	2007	2 000	0	2 000	0	2 000

Related Parties Transactions

The following transactions were carried out with related parties:

Purchase of Service	2008	2007
An entity controlled by a board member	206 500	210 000

Services are bought from an entity controlled by a member of the Board of Directors on normal commercial terms and conditions.

Compensation to the Management Board

The total compensation to the Management Board consists of a fixed salary and a extraordinary incentive in relation with the IPO, expenses, social benefits (employer's contribution).

The following table shows the compensation granted to the CEO and the CFO in the year under review and in the previous year in CHF:

	Financial year	Fixed fee	Extraordinary Incentive	Expenses	Social benefits (employer's contribution)	Total compensation
Robert Kröni CEO	2008	155 655	28 900	6 000	18 243	208 798
	2007	146 240	0	6 000	14 609	166 849
Mirjana Blume CFO	2008	128 333	50 000	2 291	12 769	193 393
	2007	0	0	0	0	0

Additional Payments to Members of the Board of Directors and the Management Board

Neither in the reporting period nor in the previous year were additional fees paid for services on top of the ordinary compensation, nor were there any loans awarded or guarantees given to members of the Board of Directors or the Management Board and persons closely linked to them.

Shareholders' Participation Rights

Voting Rights and Representation Restrictions Voting Rights Restrictions

To be recognized as a shareholder with comprehensive rights, the acquirer of shares must place an application for entry in the share register. The registration in the share register as a shareholder with voting rights is limited to 5 % of the share capital (Art. 6 para. 1 of the Articles of Association). Linked parties are considered as one person.

Granting Exceptions in the Year under Review

No exceptions were granted in the reporting period.

Statutory Rules on Participation in the General Shareholders' Meeting

In exercising their voting rights, no shareholder may unite, by a combination of own and represented shares together, more than 5 % of the total number of shares of the company shown in the share register (Art. 12 para. 2 of the Articles of Association). The restrictions on the voting rights do not apply to independent proxy holders or a depositary.

Statutory Quorums

The General Shareholders' Meeting passes its resolutions and carries out its elections with an absolute majority of the share votes represented, to the extent that neither the law or Articles of Association provide otherwise.

Convocation of the General Shareholders' Meeting

The Annual General Shareholders' Meeting is held within six months after the close of the financial year.
Extraordinary General Shareholders' Meetings can be called as often as necessary, in particular, in all cases required by law.
General Shareholders' Meetings are convened by the Board of Directors and, if necessary, by the auditors. Extraordinary General Shareholders' Meetings are convened by the Board of Directors if shareholders representing at least 10 % of the share capital request such meetings in writing, setting forth the items to be discussed and the proposals to be decided upon.

Agenda

Shareholders entitled to vote who represent at least 10 % of the share capital may request items to be added to the agenda by indicating the relevant proposals. Such requests must be addressed in writing to the Chairman of the Board of Directors no later than 45 days before the meeting.

Changes of Control and Defense Measures

There are no clauses relating to changes of control or defense measures.

Auditors

Duration of the Mandate and Term of Office of the Lead Auditor

During the Annual General Shareholders' Meeting of May 9, 2008, PricewaterhouseCoopers AG were elected as auditors of Edisun Power Europe Ltd. and Edisun Power Group. They were elected for a term of one year. Patrick Balkanyi is the lead auditor responsible for the existing auditing mandate. Previously, Ecovis ws&p AG was in charge of the statutory audit.

Fees

The following overview shows all cost which PricewaterhouseCoopers charged to the Edisun Power Group during the financial year 2008 and 2007 in CHF:

CHF	**2008**	**2007**
Audit Services and audit related services	305 500	31 083
Tax services	109 434	0
Total	**414 934**	**31 083**

Audit services are defined as the standard audit work that needs to be performed each year in order to issue opinions on the Consolidated Financial Statements of the Edisun Power Group as well as opinions on the local statutory accounts.

Audit-related services consists of services which can be performed by the Group auditor but which are not directly in connection with the annual standard audit works. In 2008, the amount of CHF 45 500 was in connection with the ordinary year-end audit. The remaining amounts occurred in connection with the initial public offering of the company.

Tax services consist of tax compliance and tax advice.

Information Instruments Pertaining to the External Audit

The external auditors report their findings semi-annually directly to the Audit Committee of the Board of Directors. The Audit Committee of the Board of Directors reviews the performance, compensation, and independence of the external auditors on a regular basis. The Audit Committee reports regularly its findings to the Board of Directors.

Information Policy

The Edisun Power Group reports to shareholders, the capital market, employees and the public at large in a transparent and timely manner concerning its strategy, its global activities and the current state of the company. We nurture an open dialogue with our most important stakeholders, based on mutual respect and trust. This enables us to promote an understanding of our objectives, strategy and business activities, and ensure a high degree of awareness about our company.

As a listed company, Edisun Power Europe Ltd. is committed to disclose facts that may materially affect the share price (ad-ho disclosure, Art. 72 of the listing rules). Members of the Board of Directors and the Management Board are subject to SWX rules on the disclosure of management transactions. These can be accessed on the SIX website (www.six-swiss-exchange.com).

The most important information tools are the annual and quarterly reports, the website (www.edisunpower.com), media releases, meetings for financial analysts and investors, investor information events as well as the Annual General Shareholders' Meeting.

Financial Calendar

May 8, 2009
Annual General Shareholders' Meeting of Edisun Power Europe Ltd. at Novotel in 8005 Zürich

August 24, 2009
Publication of Semi-Annual Report as of June 30, 2009
Media and Analysts Information

April 2010
Publication of the Annual Report as of December 31, 2009
Media and Analysts Information

May 2010
Annual General Shareholders' Meeting of Edisun Power Europe Ltd.

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Consolidated Financial Statements of Edisun Power Europe Ltd.

Consolidated Balance Sheet

	Notes	31.12.2008	31.12.2007
Assets		**TCHF**	**TCHF**
Cash and cash equivalents	10	14 689	7 461
Trade receivables	9	1 617	2 616
Other receivables and current assets	9	1 494	1 472
Financial assets	8	1 625	1 591
Total current assets		**19 425**	**13 140**
Property, Plant and equipment	6	41 168	31 989
Intangible assets	7	237	258
Deferred tax asset	15	1 176	0
Financial assets	8	223	329
Total non-current assets		**42 804**	**32 576**
Total assets		**62 229**	**45 716**
Liabilities and equity			
Borrowings	14	360	1 880
Trade payables	13	602	1 387
Other payables	13	611	3 879
Accrued expenses		126	490
Current income tax liability		124	122
Total current liabilities		**1 823**	**7 758**
Borrowings	14	28 804	22 435
Provisions	17	741	709
Accrued pension cost	16	33	30
Deferred tax liabilities	15	139	279
Total non-current liabilities		**29 717**	**23 453**
Total liabilities		**31 540**	**31 211**
Share capital	12	34 158	13 839
Share premium		-310	732
Treasury shares		0	-383
Other reserves		-2 353	15
Retained earnings		-948	-21
		30 547	**14 182**
Minority interest		142	323
Total equity		**30 689**	**14 505**
Total liabilities and equity		**62 229**	**45 716**

The notes are an integral part of these financial statements.

Consolidated Income Statement

	Notes	2008	2007
		TCHF	**TCHF**
Revenue	18	7 139	5 265
Other income		11	7
Goods and services purchased		-3 922	-4 270
Personnel expenses	19	-732	-329
Rental and maintenance expenses		-188	-60
Administration expenses		-564	-169
Advertising		-118	-54
Other operating expenses		-147	-37
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**1 479**	**353**
Depreciation and Amortisation	6, 7	-1 499	-213
Operating profit (loss)		**-20**	**140**
Finance income net	20	-1 193	151
Share of profit of associate	11	0	2
Net profit (loss) before tax		**-1 213**	**293**
Income taxes	21	282	-97
Net profit (loss)		**-931**	**196**
Attributable to shareholders of Edisun Power Europe Ltd.		-927	194
Attributable to minority interest		-4	2
Earnings per share for profit (loss) attributable to the shareholders of Edisun Power Europe Ltd. during the year (expressed in CHF per share):			
– basic and diluted	**22**	**-4.45**	3.09

The notes are an integral part of these financial statements.

Consolidated Cash Flow Statement

	Notes	2008 TCHF	2007 TCHF
Net profit / (loss)		**-931**	**196**
Reversal of non-cash items:			
Depreciation and amortization on plant, equipment, intangible assets and other assets		1 552	213
Share-based payments		100	0
Change in accruals and provisions		-389	-216
Finance expense / (income)		1 109	-151
Share of (profit) / loss of associated companies		0	-2
Income tax expense		-282	97
Interest paid [1]		-697	-254
Income taxes paid		-44	-35
Cash flow before working capital changes		**418**	**-152**
Change in receivables and other assets		-27	-731
Change in payables		-405	1 101
Cash flow from operating activities		**-14**	**218**
Investments in plant and equipment [1]		-14 360	-7 844
Investments in intangible assets		0	-50
Acquisition of Edisun Power PLC, net of cash acquired	11, 26	0	-1 178
Acquisition of Edisun Power Ltd., net of cash acquired	26	0	-642
Proceeds from financial assets		49	500
Investments in financial assets		0	-6 532
Interest received		138	65
Change in receivable grants outstanding		740	0
Cash flow used for investing activities		**-13 433**	**-15 681**
Issuance of share capital	12	18 395	9 696
Transaction cost		-2 266	-440
Sale of treasury shares		0	155
Issuance of borrowings, net of transaction costs		7 272	12 275
Repayment of borrowings		-2 147	-787
Issuance share capital Yellow Hat Ltd. to minority shareholder		57	0
Dividends paid to minority interest		-4	0
Cash flow from financing activities		**21 307**	**20 899**
Net change in cash and cash equivalents		**7 860**	**5 436**
Cash and cash equivalents at the beginning of the year		**7 461**	**1 913**
Exchange gains (losses) on cash and cash equivalents		-632	112
Cash and cash equivalents at the end of the year		**14 689**	**7 461**

[1] Total interest paid CHF 1 101 (2007: 448), of which CHF 404 (2007: 194) capitalised within investments in plant and equipment

Significant non cash transaction:
Authorized share capital in the amount CHF 2 800 has been issued (accrued in other liabities in 2007, see note 12)

The notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

		Attributable to Equity Holders of the Company					Minority interest	Total Equity
TCHF	Notes	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings		
January 1, 2007	**12**	**5 625**	**-307**	**0**	**-12**	**-275**	**0**	**5 031**
Asset revaluation surplus acquisition EP PLC	12					60		
Translation exchange					27			27
Net income recorded directly in equity					**27**	**60**		**87**
Net profit						194	2	196
Total received income					**27**	**254**	**2**	**283**
Capital increase	12	8 214	1 039					9 253
Acquisition of subsidiaries				-538			321	-217
Sale of treasury shares				155				155
December 31, 2007		**13 839**	**732**	**-383**	**15**	**-21**	**323**	**14 505**
Translation exchange					-2 368			-2 368
Net expenses recorded directly in equity					**-2 368**			**-2 368**
Net loss						-927	-4	-931
Total received income					**-2 368**	**-927**	**-4**	**-3 267**
Capital increase	12	20 319	876					21 195
Cost for capital increase	12		-1 890					-1 890
Sale of treasury shares				153				153
Dividend payout to minorities							-4	-4
Purchase minority interests share of Edisun Power Ltd.			-28	230			-230	-28
Founding Yellow Hat Ltd. minority interest share							57	57
December 31, 2008		**34 158**	**-310**	**0**	**-2 353**	**-948**	**142**	**30 689**

The notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements of Edisun Power Europe Ltd.

All amounts are in 000 CHF if not otherwise noted

1. General Information

Edisun Power Europe Ltd. is a European electricity supplier, which finances and operates photovoltaic systems (PV) and sells solar energy to the local electricity companies. The company was established on December 16, 2005. Its subsidiaries own and operate local photovoltaic facilities:

Edisun Power Ltd., Zürich	97.7 %
Edisun Power PLC, Sigmaringen Germany	100 %
Edisun Power Iberia, Alella/Barcelona Spain	100 %
Edisun Power France, Lyon France	100 %
Yellow Hat Ltd., Zürich	88.6 %

Edisun Power Europe Ltd. is a limited company domiciled and incorporated in Switzerland. The address of the registered office is: Technoparkstrasse 1/71, CH-8005 Zürich, Switzerland.

The Company is listed on the SIX Swiss Exchange.

These group consolidated financial statements were authorized for issue by the board of directors on March 23, 2009.

2. Summary of Significant Accounting Policies

As a result of the preparation of the financial statements 2008, errors have been discovered with respect to prior year financial statements, concerning the cash flow and the initial accounting for the business combinations. For details, please refer to note 10 and 26.
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements of Edisun Power Europe Ltd. have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below, where a standard or an interpretation requires a different valuation method.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(a) Interpretations effective in 2008

IFRIC 14, "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction", provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum-funding requirement. This interpretation does not have an impact on the Group's consolidated financial statements.

IFRIC 11, "IFRS 2 – Group and treasury share transactions", provides guidance on whether share-based transactions involving treasury shares or involving group enti-

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ties (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the group's financial statements.

(b) Standards and amendments early adopted by the group

No standard was earlyer adopted by the group.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2009 or later periods, but the group has not early adopted them:

IFRS 8 replaces IAS 14, "Segment reporting", and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented. In addition, the segments are reported in a manner that is consistent with the internal reporting provided to the Management Board.

IAS 23 (Amendment), "Borrowing costs" (effective from 1 January 2009). The amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group already treated borrowing cost this way in prior years, therefore this amendment does not have an impact on the Group's consolidated financial statement.

IFRS 3 (revised) «Business Combinations» (effective from July 1, 2009). IFRS 3(revised) includes some main changes to the existing requirements of the accounting principles of business combinations. The Group will apply IFRS 3 (revised) for business combinations with acquisition date after January 1, 2010.

IFRS 5 (Amendment), "Non-current assets held for sale and discontinued operations" (and consequential amendment to IFRS 1, "First-time adoption") (effective from 1 July 2009). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. The group will apply the IFRS 5 (Amendment) prospectively to all partial disposals of subsidiaries from 1 January 2010.

IAS 27 (Revised), "Consolidated and separate financial statements" (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The group will apply IAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010, but is not expected to have any impact on the group's financial statements.

All amounts are in 000 CHF if not otherwise noted

IAS 28 (Amendment), "Investments in associates" (effective from 1 January 2009). An investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The group will apply the IAS 28 (Amendment) to impairment tests related to investment in subsidiaries and any related impairment losses from 1 January 2009.

IAS 36 (Amendment), "Impairment of assets" (effective from 1 January 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The group will apply the IAS 28 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment), "Intangible assets" (effective from 1 January 2009). A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The group will apply the IAS 38 (Amendment) from 1 January 2009, but does not expect any impact on the group's financial statements.

IAS 39(Amendment), "financial instruments: Recognition and measurement" (effective from 1 January 2009). This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge. The group will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the group's income statement.

(d) Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Group's operations:

IFRIC 13, "Customer loyalty programs" (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to the Group's operations because none of the Group's subsidiaries operate any loyalty programs.

IFRIC 15, "Agreements for construction of real estates" (effective from 1 January 2009). The interpretation clarifies whether IAS 18, "Revenue", or IAS 11, "Construction contracts" should be applied to particular transactions. IFRIC 15 is not relevant to the Group's operations because none of the Group's operations is constructing real estates.

IFRIC 16, "Hedges of a net investment in a foreign operation" (effective from 1 October 2008). IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the group. The requirements of IAS 21, "The effects of changes in foreign exchange rates", do apply to the hedged item. The amendment will not have an impact

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on the group's operations because none of the group's companies has any hedging position within their balance sheet.

IAS 16 (Amendment), "Property, plant and equipment" (effective from 1 January 2009). Entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. The amendment will not have an impact on the group's operations because none of the group's company's ordinary activities comprise renting and subsequently selling assets.

IAS 20 (Amendment), "Accounting for government grants and disclosure of government assistance" (effective from 1 January 2009). The benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39, "Financial instruments: Recognition and measurement", and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the group's operations, as there are no loans received or other grants from the government.

IAS 29 (Amendment), "Financial reporting in hyperinflationary economies" (effective from 1 January 2009). The guidance has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the group's operations, as none of the group's subsidiaries or associates operates in hyperinflationary economies.

IAS 31 (Amendment), "Interests in joint ventures (effective from 1 January 2009). Where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32, "Financial instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures". The amendment will not have an impact on the group's operations, as there are no interests held in joint ventures.

IAS 32 (Amendment), "Financial instruments: Presentation", and IAS 1 (Amendment), "Presentation of financial statements" – "Puttable financial instruments and obligations arising on liquidation" (effective from 1 January 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The amendment will not have an impact on the group's operations, as the group holds no puttable financial instruments.

IAS 40 (Amendment), "Investment property" (effective from 1 January 2009). Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not have an impact on the group's operations, as there is the group holds no investment properties.

IAS 41 (Amendment), "Agriculture" (effective from 1 January 2009). It requires the use of a market-based discount

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rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the group's operations as no agricultural activities are undertaken.

2.2 Consolidation

(a) Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

They are de-consolidated from the date that control ceases. The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

All full-consolidated subsidiaries are listed in the General Information. December 31 represents the uniform closing date for all companies included in the consolidated financial statements. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

(a) Transactions and minority interests
Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity.

(b) Associates
Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an

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associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Management Board and the Board of Directors. The Operating segments (geographical segment) are engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign Currency Translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in CHF ("the presentation currency").

Transactions in foreign currency are recorded and translated to CHF at the actual exchange rate of the transaction date. The resulting translation differences are included in the income statement as exchange gains or losses.

Monetary assets and liabilities in foreign currencies are translated into the functional currency on the balance sheet date at the year-end rates of exchange. Non-monetary items are translated using the exchange rate prevailing on the transaction date. Translation differences are recorded in the income statement.

(b) Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded

All amounts are in 000 CHF if not otherwise noted

in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The exchange rates relevant to the annual consolidated financial statements were:

	31.12.2008	Average 2008	31.12.2007	Average 2007
1 EUR	**1.4888**	**1.5720**	**1.6552**	**1.6325**

2.5 Land, Plant and Equipment

Land consists of property that has been bought to build PV-plants. It is shown at cost. All other plant and equipment are stated at cost less cumulative depreciation. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items. Borrowing costs that are directly attributable to the construction of PV-plants are capitalized as part of the cost of this asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Plant	20 years [1)]
Furniture, fittings and equipment (FF&E)	3 – 5 years

The Group estimates the residual value of PV-plants at 10 – 13 % of its purchase price.

[1)] In Spain plants are depreciated over a period of 25 years without leaving a residual value.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "Other (losses)/gains – net" in the income statement.

Grants from the electricity operators related to the construction of PV-plants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. The costs of the plant are reduced by the grant received resulting in a reduced depreciation charge.

2.6 Intangible Assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net

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identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "investments in associates" and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Trademarks and licences

Acquired trademarks and licences are shown at historical cost. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives (15 – 20 years).

2.7 Impairment of Non-Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 Financial Assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise "trade and other receivables", loans and cash and cash equivalents in the balance sheet.

The group did not own any financial assets of other categories in the reporting period.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2.9 Trade Receivables

Trade receivables, which generally have a 30-day term are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (normally equivalent to the notional amount), less provision for impairment. A provision for impairment

All amounts are in 000 CHF if not otherwise noted

of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

2.10 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.11 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued.

2.12 Trade Payables and other Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowing

Borrowings (loans and straight bonds) are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless payments can be deferred for at least 12 months.

2.14 Current and Deferred Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when

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the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.15 Employee Benefits

(a) Pension obligations

The group has only employees in Switzerland under a single plan. The plan is funded through payments to an insurance company and classified as a defined benefit plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions in excess of the greater of 10 % of the value of plan assets or 10 % of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past service-costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(b) Bonus plans

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 Provisions

Provisions are recognized when the Group has a legal or constructive obligation (e.g. deconstruction cost for PV-plants) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. The costs associated with the deconstruction of PV-plants are capitalized in the carrying value of property, plant and equipment and depreciated over the life of the asset. The total provisions related to the PV-plants, discounted to its present value, are recorded under long-term provisions.

All amounts are in 000 CHF if not otherwise noted

2.17 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods – electricity
The Group sells solar energy to local electricity firms. Sales of electricity is in general based on a long-term (20 –25 years) fixed-price contract and recognised in the period the delivery took place. In Germany, the amount of the compensation is based on the German Renewable Energy Sources Act (EEG) dated 2000 and amended 2004. In Spain the current regulatory framework is embodied in the Royal Decree 661/2007.

(b) Sales of trade goods – modules and systems
Revenue from sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, which is usually on delivery, at a fixed and determinable price, and when collectability is reasonably assured.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

(c) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

2.18 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.19 Dividend Distribution

Dividend distribution to the shareholders of Edisun Power Europe Ltd. is recognized as a liability in the group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Financial Risk Management Objectives, Policies and Capital Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on balancing risks through spreading the business over different European countries and through borrowings in the relevant foreign currencies.

All amounts are in 000 CHF if not otherwise noted

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the EURO. Foreign exchange risk arises from future commercial transaction, recognized assets and liabilities and net investments in foreign operations.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At 31 December 2008, if the currency had weakened/strengthened by 5% against the Euro with all other variables held constant, post tax profit for the year would have been CHF 609 higher / lower, mainly as a result of foreign exchange gains / losses on translation of Euro-denominated trade receivables, financial assets and borrowings.

(ii) Cash flow and fair value interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. Group policy is to maintain approximately 90% of its borrowings in fixed rate instruments. For information regarding fair values of fixed rate instruments refer to note 14.

(b) Credit risk

Credit risk arises primarily from exposures to local electricity companies, which are owned by the government or federal state (canton, province). Those companies are regarded as being very solvent. For further information regarding receivables refer to note 8 and 9.

The table below shows the balance of the major counterparties at the balance sheet date:

	2008	2007
Zürcher Kantonalbank	289	2697
Alternative Bank ABS	2421	3847
GLS Bank, Germany	11716	0
Other	263	917
Total cash and cash equivalents	**14689**	**7461**

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Edisun aims to maintain flexibility in funding by negotiating credit lines and keeping committed bridge loans available. Information regarding due dates of borrowings is included in note 8. Trade and other payables are in general due within 30 days.

(d) Capital risk management

Edisun Power Europe Ltd. capital comprises the shareholder's equity as recognized in the consolidated financial statements. The objective of the group's capital management is to ensure the continuation of its business activities. Reasonable income should be generated for the shareholders. Financial resources should be available to mitigate risks, to protect the group against unforeseeable events and for investments in new business segments. Edisun Power Europe Ltd. aims for an optimized balance sheet structure that reflects the cost of capital.

All amounts are in 000 CHF if not otherwise noted

The Edisun Power Europe Ltd. monitors its capital by means of the equity ratio.

	2008 CHF	2007 CHF
Equity	30689	14505
Total assets	62229	44716
Equity ratio in %	**49.3**	**31.7**

The objective of Edisun is a minimum equity ratio of 20 %.

4 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The group tests annually whether goodwill is impaired in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The significant assumptions are disclosed in Note 7. Changes to the assumptions may result in an impairment loss in subsequent years.

(b) Estimated useful economic life of photovoltaic plants

The Group bases its earning-value calculations and depreciation on the estimated useful economic life of the photovoltaic plants. The Group's calculating basis relies on historic experiences with similar photovoltaic plants and modules as well as estimates on the useful life taking into consideration market reports and studies. A change in the useful life of an asset may have an effect on the future amount of depreciation recognized in the income statement.

Would the actual useful lives of the plant and equipment for those with a 20 years depreciation period differ by 5 years from management's estimates, the yearly depreciation charge of plant and equipment would be an estimated TCHF 419 higher or TCHF 184 lower.

(c) Income tax

The company recognises deferred tax assets for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised (for details see note 15).

All amounts are in 000 CHF if not otherwise noted

5 Segmental Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a geographic perspective, except for Edisun Power Europe Ltd. as this company provides services to the local group companies. Additionally Edisun Power Europe Ltd. provides support for construction to third parties, which is not defined as a core business of the group.

The segments at 31 December 2008 include:
- Switzerland
- Germany
- Spain
- France
- Edisun Power Europe Ltd. (EPE)

The reported operating segments derive their revenue primarily from the sale of solar power to local electricity companies. A minor part of the revenue is driven by the sale of modules and systems within the group or to third parties.

The segment results for the year ended 31 December 2008 are as follows:

	Switzerland	Germany	Spain	France	EPE	Eliminations	Group
Total segment revenue	1 996	2 142	1 282	2	2 683		8 105
Inter-segment revenue	0	0	0	0	-955		-955
Revenue from external customers	1 996	2 142	1 282	2	1 728		7 150
EBITDA	1 182	706	128	-188	-274	-75	1 479
./. Depreciation	-818	-436	-226	0	-19		-1 499
Segment profit (EBIT)	364	270	-98	-188	-293	-75	-20
Finance income – net (note 20)	-392	-465	83	2	-355	-66	-1 193
Profit before income tax	-28	-195	-15	-186	-648	-141	-1 213
Income tax expense	8	32	4	62	148	28	282
Profit for the year	**-20**	**-163**	**-11**	**-124**	**-500**	**-113**	**-931**

The sale of modules and systems to third parties is included in the revenue of the segment EPE. The respective sales and the related goods purchased from third parties have been summarised in the following table. Internal costs such as payroll expenses have not been allocated since there is no detailed information available.

	Switzerland	Germany	Spain	France	EPE	Group
Revenue	144	1 227	834	0	1 724	3 929
Goods purchased	-138	-1 114	-761	0	-1 768	-3 781

All amounts are in 000 CHF if not otherwise noted

The segment results for the year ended 31 December 2007 are as follows:

	Switzerland	Germany	Spain	EPE	Eliminations	Group
Total segment revenue	125	200	3 167	5 392		8 884
Inter-segment revenue	0	0	-3 167	-417	-28	-3 612
Revenue from external customers	125	200	0	4 975	-28	5 272
EBITDA	83	144	-153	274		348
./. Depreciation	-48	-70	0	-95		-213
Segment profit (EBIT)	35	74	-153	184		140
Finance income – net (note 20)	-11	-65	-1	228		151
Share of profit in associate	0	0	0	2		2
Profit before income tax	24	9	-154	414	0	293
Income tax expense	-6	-6	38	-127	4	-97
Profit for the year	**18**	**3**	**-116**	**287**	**4**	**196**

The sale of modules and systems to third parties is included in the revenue of the segment EPE. The respective sales and the related goods purchased from third parties have been summarised in the following table. Internal costs such as payroll expenses have not been allocated since there is no detailed information available.

	Switzerland	Germany	Spain	EPE	Group	Group
Revenue	0	0	3 167	4 686	-3 167	4 686
Goods purchased	0	0	-3 167	-4 270	3 167	-4 270

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a consistent manner with the income statement.

The revenue is generated from the delivered services and products described in note 18.

Out of the total revenue, no individual external customer generated 10 % or more.

Other segment items included in the income statement are as follows:

Year ended 31 December 2008	Switzerland	Germany	Spain	France	EPE	Group
Impairment (note 7)	-3	-3	0	0	-2	-8
Impairment of goodwill (note 7)	0	0	0	0	0	0

All amounts are in 000 CHF if not otherwise noted

Year ended 31 December 2007	Switzerland	Germany	Spain	EPE	Group
Impairment (note 7)	0	0	0	-56	-56
Impairment of goodwill (note 7)	0	0	0	0	0

During 2007, the French operation was not established yet and therefore didn’t qualify as a segment.

Segment assets consist primarily of land, plant and equipment, loans, trade and other receivables and cash and cash equivalents.

Segment liabilities comprise primarily operating liabilities and borrowings including straight bonds.

Capital expenditure comprises additions to land, plant and equipment (note 6) and intangible assets (note 7).

The segment assets and liabilities at 31 December 2008 and capital expenditure for the year then ended are as follows:

	Switzerland	Germany	Spain	France	EPE	Eliminations	Group
Segment assets	21 189	11 316	14 861	4 742	52 790	-42 669	62 229
Segment liabilities	17 527	10 145	14 766	4 785	20 510	-36 193	31 540
Capital expenditures	1 578	0	5 326	6 597	11	0	13 512

The segment assets and liabilities at 31 December 2007 and capital expenditure for the year ended are as follows:

	Switzerland	Germany	Spain	EPE	Eliminations	Group
Segment assets	20 899	10 411	14 780	31 637	-32 011	45 716
Segment liabilities	17 266	8 867	14 528	16 876	-26 326	31 211
Capital expenditures	301	99	8 335	20	0	8 755

All amounts are in 000 CHF if not otherwise noted

6 Land, Plant and Equipment

	Land	PV Plants	FF&E	Total
Year ended 31 December 2007				
Opening net book amount	416	0	16	432
Acquisition of subsidiary (note 26)	0	23 791	0	23 791
Additions	12	7 751	15	7 778
Disposals	0	0	0	0
Depreciation charge	0	-201	-12	-213
Foreign exchange difference	0	201	0	201
Closing net book amount	**428**	**31 542**	**19**	**31 989**
At 31 December 2007				
Cost or valuation	428	31 743	41	32 212
Accumulated depreciation	0	-201	-22	-223
Net book amount	428	31 542	19	31 989
Year ended 31 December 2008				
Opening net book amount	428	31 542	19	31 989
Exchange differences	-152	-2 674	0	-2 826
Additions	1 146	12 346	20	13 512
Disposals	0	-8	0	-8
Depreciation charge	0	-1 480	-19	-1 499
Closing net book amount	**1 422**	**39 726**	**20**	**41 168**
At 31 December 2008				
Cost or valuation	1 422	41 407	61	42 890
Accumulated depreciation	0	-1 681	-41	-1 722
Net book amount	1 422	39 726	20	41 168

The Company issued invoices for grants of CHF 237 in financial year 2008 (2007: CHF 977), which have been paid in 2009.
The amount of assets under construction included in PV-plants in 2008 is CHF 7 920 (2007: CHF 9 498).

Third-party loans are secured by PV-Plants of the group. See note 14.

In 2008 borrowing costs of CHF 404 (2007: CHF 194) have been capitalized. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.4 %.

All amounts are in 000 CHF if not otherwise noted

7 Intangible Assets

	Goodwill	Contracts	Other	Total
Year ended 31 December 2007				
Opening net book amount	0	0	56	56
Exchange differences	0	0	0	0
Additions	0	0	50	50
Disposals	0	0	0	0
Acquisition of subsidiary (note 26)	158	41	9	208
Amortisation / Impairment	0	0	-56	-56
Closing net book amount	**158**	**41**	**59**	**258**
At 31 December 2007				
Cost	158	41	115	314
Accumulated amortisation and impairment	0	0	-56	-56
Net book amount	158	41	59	258
Year ended 31 December 2008				
Opening net book amount	158	41	59	258
Exchange differences	-10	0	-3	-13
Additions	0	0	0	0
Disposals	0	0	0	0
Amortisation / Impairment	0	-3	-5	-8
Closing net book amount	**148**	**38**	**51**	**237**
At 31 December 2008				
Cost	148	41	112	301
Accumulated amortisation and impairment	0	-3	-61	-64
Net book amount	148	38	51	237

In financial year 2007, a capitalised intangible asset was impaired as the Company decided to stop the development project in 2007. This project was recognised in Edisun Power Europe Ltd. but did belong to a project in Spain.

All amounts are in 000 CHF if not otherwise noted

Impairment test for goodwill

A segment-level summary of the goodwill allocation is presented below:

	2008	2007
Switzerland	80	80
Germany	68	78
Total	**148**	**158**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a four-year period. Cash flows beyond the four-year period are extrapolated using the estimated growth rates stated below. The key assumptions used for value in use calculation are as follows:

	WACC (after tax)
Switzerland	5.18 %
Germany	5.29 %

Debt financing is done either by issuing bonds or by project financing. In both cases the built photovoltaic plants serve as a security, which has a positive impact on the debt interest rate.

As of December 31, 2008 the impairment test did not indicate that goodwill is impaired and no impairment charge was recorded. The revenue growth rate of the PV-plants, which are under operations, amounts to 0 %.

The group has also performed a sensitivity analysis. Based on the business model, the main impact is coming from the discount rate. Therefore the WACC had been amended as result that the borrowings interest rate has increased and decreased of 0.25 %. As result no impairment has incurred as a result of the test.

All amounts are in 000 CHF if not otherwise noted

8 Financial Instruments by Category

31 December 2007	**Loans and receivables**	**Total**
Assets as per balance sheet		
Trade and other receivables	3 173	3 173
Finance lease receivable (Lessor)	112	112
Loans	227	227
Other financial assets	1 580	1 580
Cash and cash equivalents	7 461	7 461
Total	**12 553**	**12 553**

Other financial assets include bank deposits for guarantee purpose related to projects in Spain. After completion these bank deposits will be paid back.

Liabilities as per balance sheet	**Other financial liabilities**	**Total**
Borrowings incl. Straight bonds	24 315	24 315
Total	**24 315**	**24 315**

31 December 2008	**Loans and receivables**	**Total**
Assets as per balance sheet		
Trade and other receivables	3 113	3 113
Finance lease receivable (Lessor) [1)]	85	85
Loans	167	167
Other financial assets	1 596	1 596
Cash and cash equivalents	15 242	15 242
Total	**20 203**	**20 203**

Other financial assets include bank deposits for guarantee purpose related to projects in Spain. After completion these bank deposits will be paid back.

Liabilities as per balance sheet	**Other financial liabilities**	**Total**
Borrowings incl. Straight bonds	29 164	29 164
Total	**29 164**	**29 164**

[1)] The gross finance lease receivable amounts to CHF 112, included CHF 27 future finance income. Therefore the present value amounts to CHF 85. The net investment in finance lease not later than one year amounts to CHF 29 (gross finance lease receivable CHF 34). The remaining balances of the net investment in finance lease of CHF 56 are between 1 year and three years (gross finance lease receivable CHF 63).

All amounts are in 000 CHF if not otherwise noted

The following table shows the contractual liquidity analysis:

As of December 31, 2007	**Between 0 and 3 months**	**3 monhts to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**
Borrowings	0	1880	0	4056	18379
Trade payables	1387	0	0	0	0
Other short-term liabilities	4491	0	0	0	0
Total	**5878**	**1880**	**0**	**4056**	**18379**

As of December 31, 2008	**Between 0 and 3 months**	**3 monhts to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**
Borrowings	0	360	2572	7572	18660
Trade payables	602	0	0	0	0
Other short-term liabilities	860	0	0	0	0
Total	**1462**	**360**	**2572**	**7572**	**18660**

9 Trade and Other Receivables

	2008	**2007**
Trade receivables	1617	2616
Other receivables	1494	1472
Other receivables from related parties	0	0
Less: provision for impairment of trade receivables	0	0
Trade and other receivables – net	3111	4088
Current portion	**3111**	**4088**

The fair values of trade and other receivables are as follows:

	2008	**2007**
Trade receivables	1617	2616
Other receivables and current assets	1494	1472
Total	**3111**	**4088**

All amounts are in 000 CHF if not otherwise noted

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2008, trade receivables of CHF 388 (2007: CHF 462) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	2008	2007
undue	1 229	2154
Up to 3 months	289	462
3 to 6 months	99	0
Total	**1 617**	**2 616**

The carrying amount of the group's trade and other receivables are denominated in the following currencies:

	2008	2007
CHF	1 266	2 672
EUR	1 845	1 416
Total	**3 111**	**4 088**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The group does not hold any collateral as security.

10 Cash and Cash Equivalents

	2008	2007
Cash and cash equivalents	14 689	7 461
Total	**14 689**	**7 461**

As a result of the preparation of the Cash Flow of 2008, an error has been discovered. Therefore, the cash flow statement 2007 had to be restated. There were certain capital expenditures which have been capitalised in 2007 but paid in 2008. These outstanding invoices were included in the payables in 2007. As a result, the change of payables and the operating cash flow were CHF 911 too high. The operating cash flow has been reduced from CHF 1 128 to CHF 218. In addition, the investments in plant and equipment have been amended from 8 755 to 7 844. As a result of this reduction, the cash flow used for investing activities has changed from CHF 15 681 to CHF 16 592.

11 Investment in Associate

	2008	2007
Beginning of the year	0	258
Share of profit	0	2
Foreign exchange impact	0	10
Transfer (see note 26)	0	-270
Total	**0**	**0**

All amounts are in 000 CHF if not otherwise noted

Name and percentage	Country of incorporation	Assets	Liabilities	Revenue	Profit
2006					
Edisun Power GmbH (20 %)	Germany	9247	8051	621	75

Edisun Power Europe Ltd. acquired 20 % of shares of Edisun Power PLC during the financial year 2006. On November 19, 2007, Edisun Power Europe Ltd. acquired the outstanding 80 % of shares of Edisun Power PLC (see Note 26). Since the acquisition date, Edisun Power PLC is fully consolidated.

12 Share Capital

	Number of ordinary shares issued	Number of ordinary shares outstanding
At 1 January 2007	56 245	56 245
Capital increase	82 146	82 146
Purchase of treasury shares through business combination	0	-4 840
Sale of treasury shares	0	1 464
At 31 December 2007	**138 391**	**135 015**
Sale of treasury shares	0	3 376
Capital increase	203 185	203 185
At 31 December 2008	**341 576**	**341 576**

a) Subscribed share capital

The share capital of Edisun Power Europe Ltd. entered in the commercial register amounts to CHF 34 158 and has been fully paid in.

As a result of the listing on the SIX Swiss Exchange on September 26, 2008, ordinary shares of 175 186 were issued at a price CHF 105 per share. Only new issued shares have been sold to new investors during the listing. The net proceeds of the capital increase amounted to CHF 16 157, net of transaction costs. Beside of this capital increase, Edisun Power Europe Ltd. increased the share capital of CHF 2 780 (for detail refer to next chapter b) authorized capital) in March 2008; as a result of the acquisition of Edisun Power Ltd. in 2007 (see note 26).

The total authorised number of ordinary shares is at 31 December 2008 341 576 shares (2007: 138 391 shares) with a par value of CHF 100 per share (2007: CHF 100 per share).

The weighted average number of outstanding shares is 208 420 shares (2007: 62 748 shares).

All amounts are in 000 CHF if not otherwise noted

b) Authorized capital
The company's authorized share capital in the amount of CHF 2 800 resolved at the General Meeting of May 7, 2007, was used for an amount of CHF 2 780 pursuant to the capital increase registered with the commercial register on February 29, 2008. The remaining authorized share capital in the amount of CHF 100 was cancelled by resolution of the Annual General Meeting of May 9, 2008.
At the company's annual General Meeting of May 9, 2008 and on the extraordinary General Meeting of September 9, 2008 respectively, the shareholders created authorized capital of CHF 3 000 with an expiry date of May 9, 2010.

c) Conditional capital
The company has no conditional capital outstanding on December 31, 2008.

d) Share premium
Share premium includes the premium related to the capital increases of Edisun Power Europe Ltd. in 2007 less accumulated annual losses, which were offset against the capital reserves in accordance with the resolutions of the General Shareholders' Meeting for the appropriation of available earnings. In addition, share premium includes proceeds from the company's first-time listing on the SIX Swiss Exchange adjusted for the incremental costs of CHF 1 890, net of tax. The incremental cost includes only third parties expenses with respect to the listing and capital increase (net of tax). No internal expenses from management etc have been included in this cost. This internal cost has been charged to the income statement as incurred.

e) Own shares
As of the balance sheet date, Edisun Power Europe Ltd. no longer holds any own shares (2007: 3 376).

f) Other reserves
Other reserves include the cumulative foreign exchange impact.

g) Retained earnings
The retained earnings comprise the accumulated and unappropriated earnings. In addition, as result of the acquisition of Edisun Power PLC in 2007, net earnings of CHF 60 have been recognised.

h) Minority interests
In 2008, Edisun Power Europe Ltd. acquired a 5.7 % share in Edisun Power Ltd. from its minority shareholders. The purchase price was paid with treasury shares from Edisun Power Europe Ltd..

13 Trade and Other Payables

	2008	**2007**
Trade payables	602	1 387
Value added taxes	0	659
Social security and other taxes	50	9
Other	561	3 211
Total Trade and other payables	**1 213**	**5 266**

All amounts are in 000 CHF if not otherwise noted

14 Borrowings

	2008	2007
Current		
Loans from third-party	360	315
Straight bonds from third-party	0	1565
Total current borrowings	**360**	**1 880**
Non-current		
Loans from third-party	2999	3831
Loans from shareholder	50	50
Straight bonds from third-party	25755	18554
Total non-current borrowings	**28 804**	**22 435**

Loans

Total borrowings include secured liabilities (loans) of CHF 28 395 (2007: 25 292). Third-party loans are secured by PV-Plants of the group and related receivables. (See separate table.)

Currency exchange differences arising from equity loans have been booked through the equity (gross amount: CHF 2 474).

The exposure of the group's borrowings to interest rate changes and the contractual repayment dates at the balance sheet dates are as follows:

	2008	2007
< 1 year	360	1 880
1-5 years	10 144	4 056
> 5 years	18 660	18 379
Total	**29 164**	**24 315**

The carrying amounts of the group's borrowings are denominated in the following currencies:

	2008	2007
CHF	27 007	21 108
EUR	2 157	3 207
Total	**29 164**	**24 315**

The group has the following undrawn credit facilities:

Floating rate:		
- Expiring beyond one year CHF	500	500
- Expiring beyond one year EUR	2 978	0

The facilities have been arranged to help financing short-term financial needs.

All amounts are in 000 CHF if not otherwise noted

Straight bonds

The group has issued several straight bonds:

Edisun Power Ltd.	Nominal value in 000 local currency	Fair value in 000 CHF	Bookvalue 2008 in 000 CHF
4.0% 2003 – 2013 (CHF)	1720	1676	1720
3.5% 2004 – 2010 (CHF)	1485	1469	1485
4.0% 2004 – 2014 (CHF)	2015	1946	2015
4.5% 2005 – 2010 (CHF)	275	278	275
4.5% 2004 – 2010 (EUR)	490	711	730
5.0% 2004 – 2014 (EUR)	450	609	670

Edisun Power Europe Ltd.	Nominal value in 000 local currency	Fair value in 000 CHF	Bookvalue 2008 in 000 CHF
3.75% 2007 – 2012 (CHF)	3855	3855	3804
4.25% 2007 – 2015 (CHF)	3280	3280	3230
4.50% 2007 – 2019 (CHF)	4810	4810	4760
3.75% 2008 – 2012 (CHF)	1125	1125	1106
4.25% 2008 – 2015 (CHF)	1730	1730	1701
4.50% 2008 – 2019 (CHF)	4540	4540	4465

The fair value was estimated using the expected future payments discounted at market interest rates. The following current and future receivables from the sale of solar power to local electricity companies have been pledged to secure third-party loans:

	2008	2007
To private persons (associates and third-party)	795	912
To banks	746	813
To bond-holders	26112	22385
To firms and foundations	742	1182
Total	**28395**	**25292**

All amounts are in 000 CHF if not otherwise noted

15 Deferred Tax Assets and Liabilities

The gross movement on the deferred income tax account is as follows:

	2008	2007
Beginning of year	-279	37
Income statement credit	322	11
Equity statement credit	982	0
Foreign exchange difference	12	0
Acquisition of subsidiary	0	-327
Net deferred tax (liabilities) / assets at end of year	**1 037**	**-279**

The tax effects of temporary differences that give rise to deferred tax assets and liabilities were as follows:

	2008	2007
Finance liability	33	40
Tax loss carry-forwards	1 353	37
Total deferred income tax assets	**1 386**	**77**
Plant and equipment	-341	-348
Intangible assets	-8	-8
Other	0	0
Total deferred income tax liability	**-349**	**-356**
Net deferred tax (liability) asset	**1 037**	**-279**

Deferred income tax assets and liabilities are offset when they relate to the same tax authority and tax subject. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2008	2007
Deferred tax asset	1 176	0
Deferred tax liability	-139	-279

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit throught the future taxable profits is probable. Edisun Power recognized deferred income tax assets of CHF 1 353 (2007: CHF 37) related to tax loss carry-forwards.

16 Retirement Benefit Obligations

	2008	2007
Pension costs of pension plans are presented below:		
Current service costs	15	11
Interest cost on projected defined benefit obligation	21	23
Expected return on plan assets	-17	-19
Total pension cost	**19**	**15**

All amounts are in 000 CHF if not otherwise noted

The amounts recognized in the balance sheet are determined as follows:

	2008	2007
Present value of funded obligations:		
Balance at beginning of year	787	649
Current service cost	15	11
Interest cost	21	23
Plan participations contributions	15	11
Actuarial losses	50	11
Benefits paid	-297	82
Defined benefit obligation at end of year	**591**	**787**
Fair value of plan assets:		
Balance at beginning of year	713	593
Expected return on plan assets	17	19
Employer contributions	15	11
Plan participants contributions	15	11
Actuarial losses	-3	-3
Benefits paid	-297	82
Fair value of plan assets at end of year	**460**	**713**
Defined benefit obligations in excess of plan assets	**131**	**74**
Unrecognised actuarial losses	-98	-44
Liability in the balance sheet	**33**	**30**

All amounts are in 000 CHF if not otherwise noted

Actuarial assumptions	2008	2007
Discount Rate	3.25	3.25
Expected return on plan assets	3.00	3.00
Future salary increase	2.00	1.00

The actual return on plan assets amounted to CHF 14 (2007: CHF 17). The assets of the retirement benefit scheme have been invested under a collective insurance contract in accordance with an affiliation contract concluded with ASGA Pensionskasse. In 2009 Edisun Power Europe Ltd. expects to pay ordinary employer contributions of CHF 15 (2007: CHF 21) into the pension plan.

17 Provisions for other Liabilities and Charges

Deconstruction	2008	2007
At beginning of year	709	0
Additions	61	0
Foreign exchange difference	-29	0
Acquisition of subsidiaries	0	709
At end of year	**741**	**709**

Provisions for deconstruction of PV-Plants after termination of the contract with the owner (generally 20 – 25 years after construction of the PV-plant) are based on future estimated costs that are discounted using a discount rate of 5 % (2007: 5 %).

18 Revenue

	2008	2007
Revenue from sale of electricity	3 208	279
Revenue from sale of modules and systems	3 929	4 686
Revenue from services	2	300
Total revenue	**7 139**	**5 265**

19 Personnel Expenses

	2008	2007
Wages and salaries	558	325
Social security costs	77	32
Pension costs – defined benefit plans	15	15
Other personnel cost	82	-43
Total Personnel cost	**732**	**329**
Number of employees	**7**	**4**

All amounts are in 000 CHF if not otherwise noted

20 Financial Income and Costs

	2008	2007
Interest expense:		
- Borrowings third-party	-73	-90
- Straight bonds	-830	-121
Foreign exchange losses	-671	-2
Total Finance cost	**-1 574**	**-213**
Finance income		
- Interest income on loans	257	183
Foreign exchange gains	124	181
Finance income	**381**	**364**
Net finance (cost) / income	**-1 193**	**151**

21 Income Tax Expenses

	2008	2007
Current tax expense	40	86
Deferred tax expense (income)	-322	11
Total income tax expense (income)	**-282**	**97**

The applicable tax rate was 21.17 % (2007: 21.17 %).

The applicable tax rate is the tax rate of Edisun Power Europe Ltd.. The reconciliation between the income tax expense calculated on the basis of the applicable income tax rate and the income tax expense in the income statement is as follows:

	2008	2007
Income before income tax expense	-1 184	293
Income tax rate	21 %	21 %
Income tax expense (income) at the expected income tax rate	-251	62
Reconciliation ot the effective income tax expense:		
Effect of income tax losses not recognized in prior years	0	-30
Different treatment of capital issuance cost	0	23
Effect of applicable different tax rates in countries in which the group operates	-25	2
Other effects	-6	40
Total income tax expense (income)	**-282**	**97**

In prior year other effects included finance costs only partially not deductible for tax purposes and income tax which is related to revenue (CHF 33). Edisun Power decided to capitalize certain incurred tax losses in 2007, as the assessment on the development of the operatives carried out, indicated the future partially appropriation of the incurred tax losses.

All amounts are in 000 CHF if not otherwise noted

22 Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Group and held as treasury shares (note 12).

	2008	2007
(Loss) / profit attribuable to equity holders of the Group	-927	194
Weighted average number of ordinary shares outstanding	208 420	62 748
Basic and diluted earnings per share (CHF per share)	**-4.45**	**3.09**

23 Dividends per Share

No dividends were paid out in 2008 and 2007.

24 Contingencies

The group had no contingent liabilities in 2008 and 2007.

25 Commitments

Commitments of the group comprise solar modules of total CHF 14 Mio. (EUR 9.4 Mio.) in 2008 and CHF 12 Mio. (EUR 7.3 Mio) in 2007.

26 Business Combinations

As described in prior year financial statements, the initial accounting for the business combination was determined only provisionally. As a result of the finalisation of the initial accounting, it was discovered that certain errors have been incurred with respect to the initial accounting for the business combinations. They are:
Transaction expenses of CHF 52 have been allocated to the acquisition of Edisun Power Ltd. although this transaction cost should be allocated to the acquisition of Edisun Power PLC.
Certain shares of Edisun Power Europe Ltd. with respect to the exchange of shares Edisun Power Ltd. with shares Edisun Power Europe Ltd. were not delivered before year-end to the shareholders of Edisun Power Ltd. although the shareholders of Edisun Power Ltd. have already transferred their shares of Edisun Power Ltd. to Edisun Power Europe Ltd. before year-end. Therefore the accruals were understated by CHF 131. Therefore the purchase price increased from CHF 3 698 to CHF 3 778.
Furthermore various smaller amendments with respect to the fair value adjustment concerning fixed assets, intangible assets, borrowings and deferred tax liabilities have been done which end up with identified net assets of CHF 4 019 compared to CHF 4 022 before. The minority interests had to be reduced from CHF 331 to CHF 321. The recorded goodwill is CHF 80 instead of CHF 6.

With respect to Edisun Power PLC, the purchase price increased from CHF 1 348 to CHF 1 400 as result of allocation of transaction cost of CHF 52. Furthermore the open-

All amounts are in 000 CHF if not otherwise noted

ing balance before fair value adjustment and the fair value of the acquired PV plants have been reviewed and amended. The new fair value adjustment with respect to PV plants amounts to CHF 416 and the corresponding tax liabilities CHF 113. Overall the net impact is an increase of the identified net assets of CHF 414 to CHF 1 652. As a result the equity attributable to interest already held was amended from CHF 248 to CHF 330. All this amendments ended to a higher identified net assets after deduction of equity attributable to interest already held of CHF 1 322 compared to CHF 990 and to a goodwill of CHF 78 compared to CHF 358.

The net impact as of December 31, 2007 is an increase of CHF 40 to CHF 32 576 for the total assets, an increase of the total liabilities of CHF 119 to 31 211 and a decrease of the total equity CHF 79 to CHF 14 505.

On November 30, 2007, the group acquired 92 % of the shares of Edisun Power Ltd., Switzerland.

Details of net assets acquired and goodwill are as follows:

Edisun Power Ltd.	
Purchase consideration:	
- Cash paid	723
- Direct costs relating to the acquisition	124
- Fair value of shares issued	2 931
Total purchase consideration	3 778
Fair value of net assets acquired	3 698
Goodwill (note 7)	**80**

The assets and liabilities as of 30 November 2007 arising from the acquisition of Edisun Power Ltd. are as follows:

	Fair value	**Acquiree's carrying amount**
Cash and cash equivalents	206	206
Other current assets	755	755
Property, plant and equipment	14 318	13 612
Intangible assets	41	0
Other non-current assets	5 757	5 757
Current liabilities	-3 182	-3 182
Borrowings	-13 276	-13 464
Other non-current liabilities	-600	-387
Identified assets and liabilities	**4 019**	**3 297**
Equity attributable to minority interests (8 %)	-321	
Net assets acquired	**3 698**	
Purchase consideration settled in cash	847	
Cash and cash equivalents in subsidiary acquired	-206	
Cash outflow on acquisition	**641**	

The shareholders of Edisun Power Ltd. had the option between a cash payment, a compensation in shares of Edisun Power Europe Ltd. or both. The fair value of the shares of Edisun Power Europe Ltd. was determined based on the consideration paid in cash.

All amounts are in 000 CHF if not otherwise noted

The customer contracts includes long-term fixed price contract in Switzerland and will be amortised over the remaining contract period.

Goodwill recorded in the transaction relates mainly to the future growth and the synergies expected from the new corporate structure. Edisun Power Ltd. contributed revenues of CHF 199 and net profit of CHF 18 to the group for the period from1 December 2007 to 31 December 2007.

On November 19, 2007 the group acquired 80 % of Edisun Power PLC, Germany. Before this transaction, the Group already held 20 % of the acquiree's shares

Edisun Power PLC

Purchase consideration:	
- Cash paid	1 342
- Direct costs relating to the acquisition	58
- Fair value of shares issued	-
Total purchase consideration	1 400
Fair value of net assets acquired	1 322
Goodwill (note 7)	**78**

The assets and liabilities as of November 19, 2007 arising from the acquisition are as follows:

	Fair value	Acquiree's carrying amount
Cash and cash equivalents	222	222
Other current assets	567	567
Property, plant and equipment	9 473	9 057
Other non-current assets	210	210
Current liabilities	-255	-255
Borrowings	-8 163	-8 163
Other non-current liabilities	-402	-289
Identified assets and liabilities	**1 652**	**1 379**
Equity attributable to interest already held (20 %)	-330	
Net assets acquired	**1 322**	
Purchase consideration settled in cash	1 400	
Cash and cash equivalents in subsidiary acquired	-222	
Cash outflow on acquisition	**1 178**	

Goodwill recorded in the transaction relates mainly to the future growth and the synergies expected from the new corporate structure. The Edisun Power PLC contributed revenues of CHF 200 and net profit of CHF 3 to the group for the period from19 November 2007 to 31 December 2007. In opposite of Switzerland, there are no contracts fixed price contracts with customers in Germany as the

All amounts are in 000 CHF if not otherwise noted

amount of the compensation is based on the German Renewable Energy Sources Act (EEG), which described the terms.

If the acquisition of Edisun Power Ltd. and Edisun Power PLC had occurred on 1 January 2007, group revenue would have been CHF 7 101 and profit would have been CHF 220.

27 Related-party Transactions

The following transactions were carried out with related parties:

(a) Purchase of services	2008	2007
Purchase of services:		
- An entity controlled by a board member	207	210
Total purchase of service	**207**	**210**

Services are bought from an entity controlled by a member of the board on normal commercial terms and conditions.

(b) Key management and board compensation	2008	2007
Salaries and other short-term employee benefits	577	227
Social benefits (employer's contribution)	35	16
Termination benefits	0	0
Total compensation	**612**	**243**

(c) Year-end balance arising from sales/purchase of goods/services	2008	2007
Payables to related parties:		
- Entity controlled by a board member	123	11
Total balance	**123**	**11**

The payables to related parties arise mainly from purchase transactions and are due two months after the date of purchase. The payables bear no interest.

A detailed overview on the remuneration of the Board of Directors and the Management Board is shown in the notes to the statutory financial statement of Edisun Power Europe Ltd..

28 Risk Policy

The group's risk policy is explained in the notes to the statutory financial statement of Edisun Power Europe Ltd..

29 Events After the Balance Sheet Date

The group had no relevant events after the balance-sheet date.

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Report of the statutory auditor
to the general meeting of
Edisun Power Europe Ltd.
Zürich

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Edisun Power Europe Ltd., which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 24 to 62), for the year ended 31 December 2008.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PRICEWATERHOUSECOOPERS

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2008 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi	Matthias Haller
Audit expert	Audit expert
Auditor in charge	

Zürich, 23 March 2009

Financial Statements

Balance Sheet Edisun Power Europe Ltd.

	Notes	31.12.2008	31.12.2007
Assets		**TCHF**	**TCHF**
Cash and cash equivalents		13 015	6 544
Trade receivables		520	882
Other receivables		25 424	11 572
Other current assets		9	535
Total current assets		**38 968**	**19 533**
Investments in subsidiaries and associates	1	6 435	5 252
Plant and equipment		11	82
Intangible assets		50	50
Financial assets		5 012	6 280
Total non-current assets		**11 509**	**11 664**
Total assets		**50 476**	**31 197**
Liabilities and equity			
Trade payables		94	1 043
Other payables		214	3 483
Accrued expenses		691	394
Total current liabilities		**999**	**4 920**
Borrowings	2	19 218	11 945
Total non-current liabilities		**19 218**	**11 945**
Total liabilities		**20 216**	**16 865**
Share capital		34 158	13 839
Share premium		1 367	689
Retained earnings		-5 266	-196
Total equity		**30 259**	**14 332**
Total liabilities and equity		**50 476**	**31 197**

The notes are an integral part of these financial statements.

Income Statement Edisun Power Europe Ltd.

	1.1.2008 – 31.12.2008	1.1.2007 – 31.12.2007
	TCHF	**TCHF**
Revenue from goods and services	2681	5390
Other revenue	1	2
Goods purchased	-1768	-4512
Personnel expenses	-715	-326
Rental and maintenance expenses	-57	-47
Administration expenses	-265	-118
Advertising	-105	-50
Other cost	0	-21
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**-228**	**318**
Depreciation and Amortisation	-19	-340
Earnings before interest and tax (EBIT)	**-247**	**-22**
Financial (costs) / income, net	- 2553	95
Extraordinary cost	-2226	0
Net (loss) / profit before tax	**-5026**	**73**
Income taxes	-42	-59
Net (loss) / profit	**-5068**	**14**

The notes are an integral part of these financial statements.

Notes to the Financial Statements of Edisun Power Europe Ltd. as per December 31, 2008

1 Investments

	Capital	Signed	31 Dezember 2008		31 Dezember 2007	
			Share	CHF	Share	CHF
Investment Edisun Power Ltd.	CHF 2 634 000	100 %	98 %	3 860 973	89 %	3 522 600
Investment Yellow Hat Ltd.	CHF 5 00 000	100 %	89 %	442 857	0 %	0
Investment Edisun Power Iberia SA	EUR 6 1 000	100 %	100 %	90 817	100 %	25 242
Investment Edisun Power Iberia Beta SA	EUR 61 000	100 %	100 %	90 817	100 %	25 242
Investment Edisun Power Iberia Gamma SA	EUR 61 000	100 %	100 %	90 817	100 %	25 242
Investment Edisun Power Iberia Delta SA	EUR 61 000	100 %	100 %	90 817	100 %	25 242
Investment Edisun Power Iberia Epsilon SA	EUR 61 000	100 %	100 %	90 817	100 %	25 242
Investment Edisun Power PLC	EUR 7 50 000	100 %	100 %	1 603 182	100 %	1 603 182
Investment Edisun Power France	EUR 5 0 000	100 %	100 %	74 514	0 %	0
Total Investment				**6 435 610**		**5 251 991**

The Spanish companies are located in Burmujos, Sevilla, the French Company in Lyon and the German Company is located in Sigmaringen. The objectives of these companies are the financing, construction and the operation of solar plants.

2 Straight Bond

	31.12.2008 CHF	31.12.2007 CHF
3.75 % Bond 2007 – 2012	3 855 000	3 855 000
4.25 % Bond 2007 – 2015	3 280 000	3 280 000
4.50 % Bond 2007 – 2019	4 810 000	4 810 000
3.75 % Bond 2008 – 2012	1 106 416	0
4.25 % Bond 2008 – 2015	1 701 423	0
4.50 % Bond 2008 – 2019	4 465 005	0
Long-term obligation bonds	**19 217 844**	**11 945 000**

3 Fire Insurance Value of Fixed Assets

	31.12.2008 CHF	31.12.2007 CHF
	20000	**20000**

4 Pledged Assets as well as Qualified Asset

The following current and future receivables form energy deliveries from the sale of solar power to local electricity companies of the subsidiaries of Edisun Power Europe Ltd. have been pledged to secure third-party loans / straight bonds:

Beneficiary	31.12.2008 CHF	31.12.2007 CHF
Bondholders	19 217 844	11 945 000
	19 217 844	**11 945 000**

5 Share Capital

Changes in the share capital	31.12.2008 CHF	31.12.2007 CHF
Ordinary share capital	34 157 600	13 839 100
Total shares	341 576	138 391
Authorized share capital	3 000 000	0
Authorized shares	30 000	0

6 Significant Shareholders

Significant shareholders and their direct holdings	31.12.2008 in %	31.12.2007 in %
New Energies Invest AG	18 %	13 %
Coopera Sammelstiftung	3 %	1 %

7 Own Shares

Edisun Power Europe Ltd. acquired some of its own shares through the acquisition of Edisun Power Ltd. as Edisun Power Europe Ltd.
Edisun Power Europe Ltd. issued shares during its general capital increase in 2007. Edisun Power Ltd. purchased some of those shares and held them as security stock. The purpose of those shares was:

- to have shares available for investors who were unable to sign or pay for the stock at the closing date,
- to takeover 100 % of Edisun Power Ltd,
- to acquire a third party company through a stock transaction.

According to the Swiss Law Art. 659 b OR, shares would be classified as treasury shares if an entity acquires a majority investment in another entity which owns shares in the acquirer entity. In this case, the acquiring entity has to make reserves for these treasury shares. Thus, Edisun Power Europe Ltd., the acquirer of Edisun Power Ltd., must establish reserves for its treasury shares. However, the company has no free available reserves, and thus the future net profit for the year will be unavailable for distribution until the necessary reserve for own shares has been created. Edisun Power Ltd. has sold all treasury shares by the end of 2008.

	Number shares	**Transaction value** in 000 CHF
Opening balance as of January 1, 2007	0	0
Increase through acquisition of Edisun Power Ltd.	4 840	538
Sale of own shares	-1 464	-155
Period end balance as of December 31, 2007	3 376	383
Opening balance as of January 1, 2008	3 376	383
Sale of own shares	-3 376	-383
Period end balance as of December 31, 2008	**0**	**0**

8 Pension Fund

	31.12.2008 CHF	31.12.2007 CHF
Pension fund liabilities	**10 913**	**8 456**

9 Risk Policy

The Edisun Power Europe Ltd. has established a yearly process evaluating in detail all relevant strategic and operational risks for the entire group. All identified risks are qualified and quantified (according to their realization probability and impact). This risk overview is the objective of an annually repeating discussion process in the group's Board of Directors and Audit Committee. The permanent observation and control of the risks is a management objective.

For identified risks, which arise from the accounting and financial reporting, a risk assessment is performed. Throughout the Internal Control System framework on financial reporting relevant control measures are defined, which reduce the financial risk. Remaining risks are categorized depending on their possible impact (low, average or high) and appropriately monitored.

10 Remuneration of Members of the Board of Directors and Management Board (in CHF)

Board of Directors

	Financial year	Fixed fee	Social benefits (employer's contribution)	Value of extra-ordinary share compensation	Total cash compensation
Pius Hüsser Chairman	2008	47 500	783	12 955	61 238
	2007	29 500	0		29 500
Heinrich Bruhin Vice Chairman	2008	15 000	2 464	25 730	43 194
	2007	18 250	1 104		19 354
Robert Kröni Member	2008	0	0	28 990	28 990
	2007	0	0		0
Peter Toggweiler Member	2008	15 000	0	30 923	45 923
	2007	14 250	0		14 250
Giuseppina Togni Member	2008	15 000	907		15 907
	2007	7250	438		7 688
Georg Fankhauser Member	2008	15 000	0		15 000
	2007	0	0		0
Eberhard Jung Former Member	2008	0	0		0
	2007	3 250	196		3 446
Hansjörg Leibundgut Former Member	2008	0	0		0
	2007	2 000	0		2 000

The extraordinary share compensation has been paid trough Edisun Power Ltd. and is related to the board membership of Edisun Power Ltd.

Management Board

	Financial year	Fixed fee	Extraordinary Incentive	Expenses	Social benefits (employer's contribution)	Total compensation
Robert Kröni CEO	2008	155 655	28 900	6 000	18 243	208 798
	2007	146 240	0	6 000	14 609	166 849
Mirjana Blume CFO	2008	128 333	50 000	2 291	12 769	193 393
	2007	0	0	0	0	0

Compensation in CHF

	31.12.2008	31.12.2007
Total compensation of members of the Board of Directors	210 252	76 238
Total compensation of the Management Board	402 191	166 849

Highest Total Compensation in CHF

	31.12.2008	31.12.2007
Board of Directors: Pius Hüsser, a cash payment of CHF	48 283	29 500
Management Board: Robert Kröni, a cash payment of CHF	208 798	166 849

PRICEWATERHOUSECOOPERS

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Report of the statutory auditor
to the general meeting of
Edisun Power Europe Ltd.
Zürich

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Edisun Power Europe Ltd., which comprise the balance sheet, income statement and notes (pages 66 to 74), for the year ended 31 December 2008.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 December 2008 comply with Swiss law and the company's articles of incorporation.

PRICEWATERHOUSECOOPERS

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi	Matthias Haller
Audit expert	Audit expert
Auditor in charge	

Zürich, 23 March 2009

The Corporate Governance Report can be downloaded at: **www.edisunpower.com**

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