

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

1. General information

Edisun Power Europe AG ('the company') and its subsidiaries (together 'the group') finance and operate photovoltaic systems (PV) in Europe and sell solar energy to the local electricity companies. Its subsidiaries own and operate locally photovoltaic facilities:

• Edisun Power Ltd., Zurich	98.5%
• Edisun Power PLC, Sigmaringen (Germany)	100.0%
• Edisun Power Iberia S.A., Seville (Spain)	100.0%
• Edisun Power France SAS, Lyon (France)	100.0%
• Yellow Hat Ltd., Zurich	55.6%
• Edisun Power Finance Ltd., Zurich	100.0%

Edisun Power Europe AG is a limited company domiciled and incorporated in Switzerland. The address of the registered office is: Universitätstrasse 51, 8006 Zürich, Switzerland.

The Company is listed on the SIX Swiss Exchange.

These half-year group consolidated financial statements were authorized for issue by the Board of Directors on August 30, 2011.

These condensed consolidated financial statements have been reviewed, not audited.

2. Summary of significant Accounting Policies

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

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with IAS 34 'interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRS.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) *New and amended standards adopted by the Group*

No new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011

(b) *Standards, amendments and interpretations to existing standards effective in 2011 but not relevant to the Group*

- IAS 24 (revised) 'Related party disclosures'
- Amendments IAS 32 Financial instruments: Presentation on classification of rights issues.

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

- Amendments to IFRS 1, First time adoption on financial instrument disclosures
- Annual improvements 2010
- Amendment to IFRIC 14, 'Pre-payments of a Minimum Funding Requirement'
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'

(c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted:

- IFRS 10, 'Consolidated financial statements'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosures of interests in other entities'
- IFRS 13, 'Fair value measurement'
- IAS 19 (revised 2011), 'Employee benefits'
- IAS 27 (revised 2011), 'Separate financial statements'
- IAS 28 (revised 2011), 'Associates and joint ventures'
- Amendment to IFRS 7, Financial instruments: Disclosures
- Amendment to IFRS 1 on hyperinflation and fixed dates
- Amendment to IAS 12, 'Income taxes' on deferred tax
- Amendment to IAS 1, 'Presentation of financial statements' on OCI

3. Segmental information

The chief operating decision maker has been identified as the board of directors, since it reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board of Directors considers the business from a geographic perspective, except for the three group companies Yellow Hat Ltd., Edisun Power Finance Ltd. and Edisun Power Europe Ltd. Yellow Hat Ltd is a buying syndicate founded in December 2008 in order to leverage procurement conditions with three other third-party solar players. Edisun Power Finance Ltd., founded in June 2010, is the Group's finance company and provides the Group companies with the necessary debt financing. Edisun Power Europe Ltd. provides services to the local Group companies as well as construction support to third parties, which is neither a core business nor financially material. The Board assesses the performance of the operating segments based on a measure of earnings before interest, taxes, depreciation and amortisation (EBITDA) as well as earnings before interest and taxes (EBIT). The segments at 30 June 2011 are:

- Switzerland
- Germany
- Spain
- France
- Yellow Hat Ltd.
- Edisun Power Europe Ltd. (EPE)
- Edisun Power Finance Ltd. (EPFin)

The reported operating segments derive their revenue from the sale of solar power to local electricity companies and the sale of modules and systems within the Group or to third parties.

Notes to the Condensed Consolidated Interim Financial Statements of Edison Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

The segment results for the half-year ended 30 June 2011 are as follows:

	Switzer- land	Germany	Spain	France	Yellow Hat	EPE	EPFin	Elimina- tions	Group
Total segment revenue	1'376	3'045	766	664	0	4'605	0	-280	10'176
Inter-segment revenue	0	-2'166	0	0	0	-4'480	0	0	-6'646
Revenue from external customers	1'376	879	766	664	0	125	0	-280	3'530
EBITDA	762	446	497	46	-45	46	0	-33	1719
Impairment	0	0	0	0	0	-156	0	0	-156
Depreciation	-414	-220	-294	-225	0	-237	0	411	-979
Segment EBIT	348	226	203	-179	-45	-347	0	378	584
Finance income - net	-316	-260	-424	195	-16	-1'349	-1'693	2'902	-961
Share of loss of associate	0	0	0	0	0	0	0	-5	-5
Profit / (loss) before income tax	32	-34	-221	16	-61	-1'696	-1'693	3'275	-382
Income tax income / (expense)	-19	-63	-9	32	-2	19	0	40	-2
Profit / (loss) for the year	13	-97	-230	48	-63	-1'677	-1'693	3'315	-384

The sale of modules and systems to third parties is included in the revenue of the segments above. 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.

	Switzer- land	Germany	Spain	France	Yellow Hat	EPE	Group
Revenue	0	0	0	0	0	125	125
Goods purchased	0	0	0	0	0	-86	-86

The segment results for the half-year ended 30 June 2010 are as follows:

	Switzer- land	Germany	Spain	France	Yellow Hat	EPE	EPFin	Elimina- tions	Group
Total segment revenue	931	1'031	954	261	6'028	986	0	0	10'190
Inter-segment revenue	-29	-255	0	0	-2'319	-939	0	0	-3'543
Revenue from external customers	902	776	954	261	3'709	46	0	0	6'648
EBITDA	675	439	658	-322	-48	-227	0	-28	1'147
Depreciation	-408	-212	-293	-291	0	-28	0	105	-1'127
Segment EBIT	267	227	365	-613	-48	-255	0	77	20
Finance income - net	-178	-341	-485	-126	-46	623	0	229	-324
Share of loss of associate	0	0	0	-18	0	0	0	0	-18
Profit / (loss) before income tax	89	-114	-120	-757	-94	368	0	306	-322
Income tax income / (expense)	-57	12	27	246	19	-87	0	-51	109
Profit / (loss) for the year	32	-102	-93	-511	-75	281	0	255	-213

The sale of modules and systems to third parties is included in the revenue of the segments above. 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.

	Switzer- land	Germany	Spain	France	Yellow Hat	EPE	Group
Revenue	0	329	0	0	3'650	0	3'979
Goods purchased	0	-150	0	0	-3'506	0	-3'657

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.

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

The segment assets at 30 June 2011 and 2010 are as follows:

	Switzer- land	Germany	Spain	France	Yellow Hat	EPE	EPFin	Elimina- tions	Group
Segment assets 30 June 2011	17'864	13'233	17'829	22'653	470	61'023	44'031	-104'462	72'641
Segment assets 30 June 2010	15'659	16'061	19'775	14'714	1'044	62'393	43'529	-103'804	69'371

4. Land, PV-plants and equipment

	Land	PV Plants	FF&E	Total
Six months ended 30 June 2011				
Opening net book amount as at 1 January 2011	1'190	56'511	12	57'713
Exchange differences	-46	-1'731	5	-1'772
Additions	0	4'288	52	4'340
Disposals	0	-79	0	-79
Depreciation charge	0	-965	-14	-979
Impairment	0	-156	0	-156
Closing net book amount	1'144	57'868	55	59'067

	Land	PV Plants	FF&E	Total
Six months ended 30 June 2010				
Opening net book amount as at 1 January 2010	1'421	59'126	33	60'580
Exchange differences	-158	-6114	-3	-6'275
Additions	0	6'377	20	6'397
Disposals	0	-2'432	-4	-2'436
Depreciation charge	0	-1'076	-12	-1'088
Closing net book amount	1'263	55'881	34	57'178

The amount of assets under construction included in PV-plants in 2011 is CHF 7'904 (2010: CHF 21'486).

Depreciation excludes depreciation and amortisation of intangible assets (2011: CHF 2).

5. Borrowings

	30.06.2011	31.12.2010	30.06.2010
Current			
Loans from third-party	339	430	465
Straight bonds from third-party	4'905	0	2'267
Total current borrowings	5'244	430	2'732
Non-current			
Loans from third-party	7'372	4'644	5'143
Loans from shareholders	0	0	50
Straight bonds from third-party	34'574	38'118	32'350
Total non-current borrowings	41'946	42'762	37'543

Total borrowings include secured liabilities (loans) of CHF 24'089 (2010: CHF 27'902). Third-party loans are secured by PV-Plants of the group and related receivables.

Notes to the Condensed Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts are in 000 CHF if not otherwise noted)

Total borrowings include new bank loans in the amount of CHF 2'925 (EUR 1'777 expiry date: 31.3.2026; interest rate: 5.1% and EUR 663 expiry date: 30.9.2026; interest rate: 5.17%).

6. Acquisition and disposals of non-controlling interests

No acquisitions or disposals of non-controlling interests were made as of June 30, 2011 (2010: CHF 7).

7. Dividends per share

No dividends were paid out as of June 30, 2011 and 2010.

8. Contingencies

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

9. Commitments

As of June 30, 2011 and 2010 the company had no outstanding commitments.

10. Seasonality

The solar electricity business is a seasonal business depending on the power of the sun radiation. The first and fourth quarter of the year have usually a lower production than the average, the second and third quarter produce over the average. The effect of this seasonality equilibrates over the year and within the semesters.

11. Events after the balance-sheet date

On August 12, 2011 the solar plant in Gravona, Corse (869 kWp) was connected to the grid.