



PHOENIX
ENERGY a.s.



PHOENIX ENERGY a.s. CONSOLIDATED FINANCIAL REPORT

2013 / Q2

For the period from 1 April until 30 June 2013

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1. Selected financial results

Selected financial results for the period of 1 April to 30 June 2013

in Thousands	CZK		EUR		PLN	
	2012 Q2	2013 Q2	2012 Q2	2013 Q2	2012 Q2	2013 Q2
Revenues	128 540	2 893	5 098	113	21 663	470
Gross profit	14 090	6 134	562	240	2 377	997
EBITDA	15 867	33 203	632	1 298	2 676	5 397
EBIT	-101 232	33 166	-4 004	1 296	-17 052	5 391
Profit / loss before taxation	-158 324	26 450	-6 272	1 035	-26 678	4 299
Total comprehensive income	-159 981	26 372	-6 338	1 032	-26 957	4 287
Non-current assets	13 513	2 449	555	94	2 215	409
Current assets	1 049 417	173 051	43 106	6 669	171 979	28 919
Cash and cash equivalents	4 144	873	170	34	679	146
Total assets	1 062 930	175 500	43 661	6 763	174 194	29 328
Total equity	153 758	-75 388	6 316	-2 905	25 197	-12 598
Current liabilities	605 049	194 062	24 853	7 478	99 156	32 430
Non-current liabilities	304 123	56 826	12 492	2 190	49 841	9 496
Operating cash flow	-77 545	4 403	-2 972	76	-13 970	750
Investment cash flow	38 379	-217	1 530	-8	6 474	-35
Financial cash flow	5 884	-5 973	241	-232	1 408	-971
Net change in cash	-33 282	-1 787	-1 201	-165	-6 088	-256
<i>CZK exchange rate - low</i>	-	-	24,345	25,570	5,816	5,939
<i>CZK exchange rate - average</i>	-	-	25,247	25,831	5,935	6,154
<i>CZK exchange rate - end of period</i>	-	-	24,345	25,950	6,102	5,984
<i>CZK exchange rate - high</i>	-	-	25,960	26,120	6,110	6,312

Note: Exchange rates provided by the Czech National Bank

Financial highlights:

- Revenues amounted to CZK 2,893 thousand, mainly as the effect of restructuring and sale of the business operations out of the Group;
- EBITDA was positive and amounted to CZK 33.2 million compared to CZK 15.9 million a year ago;
- Profit before taxation was positive and amounted to CZK 26.5 million compared to a loss of CZK 158.3 million a year ago.
- Cash from operations was positive and amounted to CZK 4.4 million.

Other highlights:

- Conclusion of the public tender offer for shares in Phoenix Energy a.s. addressed to the minority shareholders in Phoenix Energy a.s. by Minority Shareholders Photon Energy B.V. (MSBV)

Notes:

- *All data quoted in this report refer to the current reporting period i.e. from 1 April until 30 June 2013, unless specified otherwise;*
- *All references to growth rate percentages compare the results of the reporting period to those of the prior year comparable period;*
- *Total Comprehensive Income (TCI) is the sum of the profit after taxes plus Other Comprehensive income (OCI) according to IAS 16. Other comprehensive income includes revaluation of PPE in a proprietary portfolio to their fair values, share on OCI of associates and joint ventures and foreign currency translation differences.*
- *EPC stands for Engineering, Procurement and Construction and refers to services related to project design and securing documentation, engineering, procurement and construction of solar power plants*
- *Throughout this report Phoenix Energy Group is referred to as the "Group", the "Company" and/or the "Phoenix Energy".*
- *Solar Age Investments B.V. is a company incorporated under the Dutch law, with its registered office at Barbara Strozilaan 201, 1083 HN Amsterdam, the Netherlands, registered with the trade register under number 56233701.*

2. Management discussion and analysis

2.1. A note from the Management Board

The financial statements for 2013 Q2 reflect the results of the completed restructuring process and the current Company strategy to minimise its operating activities. On the balance sheet, the main driver of revenue contraction was a materially lower volume of business, which results from the restructuring of the Group and the sale of its 100% ownership interests both in Czech and Slovak companies.

The most important non-operational event which should be highlighted in 2013 Q2 is the long-awaited public tender offer for shares in Phoenix Energy a.s., aimed at minority shareholders of Phoenix Energy a.s., which was announced on 5 April 2013 by Minority Shareholders Photon Energy B.V. (MSBV) and published in the Commercial Gazette and on the website of Phoenix Energy a.s.

The aim of the tender offer was to enable minority shareholders of Phoenix Energy a.s. to acquire one share in Photon Energy N.V. (PENV) for each one share in Phoenix Energy a.s. The controlling shareholders' aim was to allow minority shareholders to profit from the future growth of the PENV Group.

On 17 May 2013, with respect to the settlement of transactions made on the basis of the public tender offer to acquire shares in Phoenix Energy a.s., held between 12 April 2013 and 15 May 2013, MSBV increased its shares in the capital of Phoenix Energy a.s. and currently owns 22,214,206 shares in the Company, which represent 96.58% of the share capital of the Company and give a right to exercise 22,214,206 votes at the general meeting of the Company, which represents 96.58% of all voting rights.

Furthermore, after having settled the transactions made on the basis of the public tender offer, MSBV (currently Solar Age Investments B.V.) has publicly announced its intention to squeeze out the remaining minority shareholders and provide them with cash compensation in accordance with Czech law. The preparations for the squeeze-out have been already initiated and the authorised valuer has been appointed in order to determine the compensation value of the Company's shares for the remaining minority shareholders, with the minimum compensation determined by the Company's economical situation and being the share's average stock exchange price during the past three months.

Both Phoenix Energy a.s. and Photon Energy N.V. dedicated a lot of resources to the share swap. As a result the General Meeting had to be postponed until Q4 2013. The date of the General Meeting will be announced at least 30 days in advance via an EBI current report and published on the Company's website www.phoenixenergy.as.

2.2. Strategy and its execution

The operating activities of Phoenix Energy a.s. as the holding company after the completion of the restructuring process were gradually minimised and the Company was sold out of the Photon Energy Group.

Phoenix Energy a.s. operations are mainly administration and support activities for the remaining companies in the Phoenix Energy a.s. as well as the coordination of the R&D activities performed in the Czech Republic.

In the light of planned termination of the support for renewable energies in the Czech Republic and Slovakia in 2013 as well as a high level of regulatory uncertainty for the photovoltaic sector in these countries, the Company does not intend to further expand into these markets.

This process naturally results in diminishing sources of income for Phoenix Energy a.s. However, management's intention is to cover all the outstanding liabilities at the Phoenix Energy level by the receivables relating to the sale of Slovak SPV's and the Czech portfolio.

2.3. Financial statement analysis

Profit and Loss statement

The Group's revenues in 2013 Q2 amounted to CZK 2.9 million and significantly decreased on y-o-y basis. The main driver of the revenue contraction was the finalization of the restructuring finished in second quarter 2013. Almost all the assets and sources of income were transferred from the Group.

Cost of sales in Q2 2013 resulted to positive amount of CZK 3.2 million due to the adjustment of cost related to Italian subsidiaries performed in Q1 2013 on the level of cost of sales. Other expenses resulted in positive amount due to the release of allowance for bad and doubtful investment and to financial investment originally owned by the parent company created in 2012 and now released.

The Company recorded a net profit of CZK 26.5 million versus a net loss of CZK 158.3 million a year ago. The major driver of the bottom line was release of significant allowance for financial investment and bad and doubtful debts related to the originally owned subsidiaries.

Chart 1. Revenues and gross profit

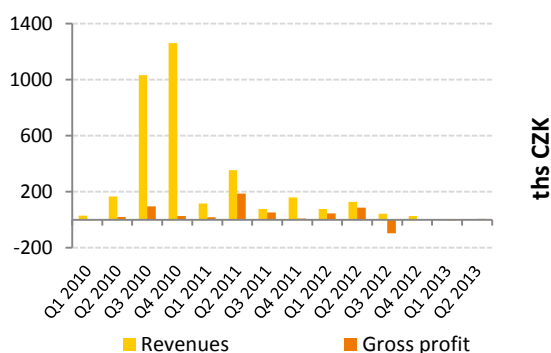
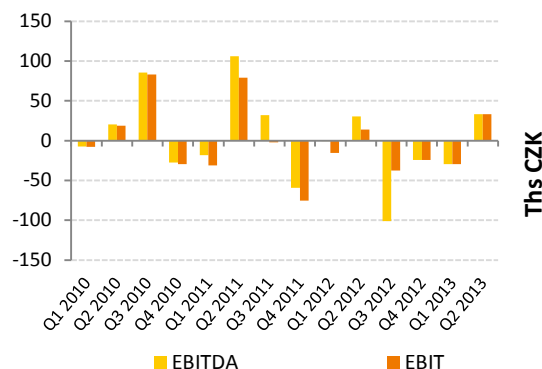


Chart 2. EBITDA and EBIT development



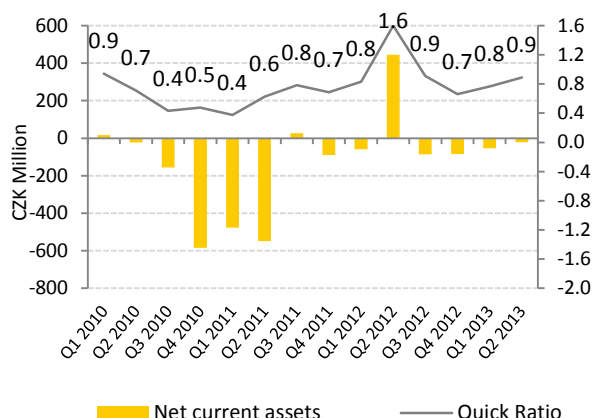
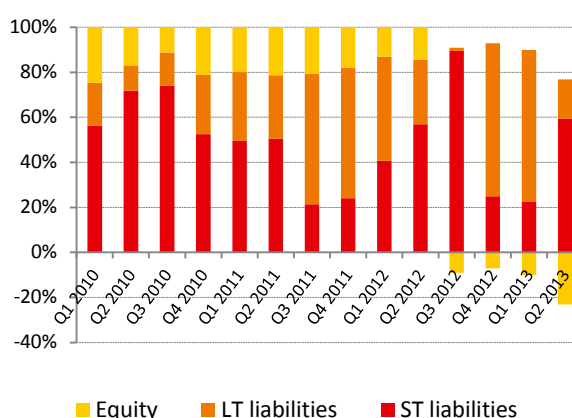
Balance Sheet

Total assets amounted to CZK 175.5 million at the end of 2013 Q2 and decreased by about CZK 633.0 million compared to the end of the previous quarter. The main reason of this significant decrease was set-off of long-term receivables coming from the restructuring together with the other long term liability owned to the originally owned subsidiary. This set off was performed in June 2013 and result of it is outstanding long-term liability of 56 mio CZK shown in other long-term liabilities.

Current assets have decreased from CZ 175.5 million to CZ 173.1 million compared to the previous quarter, most of it are represented by the loans provided to the originally owned companies sold during the process of restructuring.

Negative net current assets amounted to CZK 21.0 million and are caused by higher outstanding trade payables coming mainly from the development and construction of power plants in Italian subsidiaries.

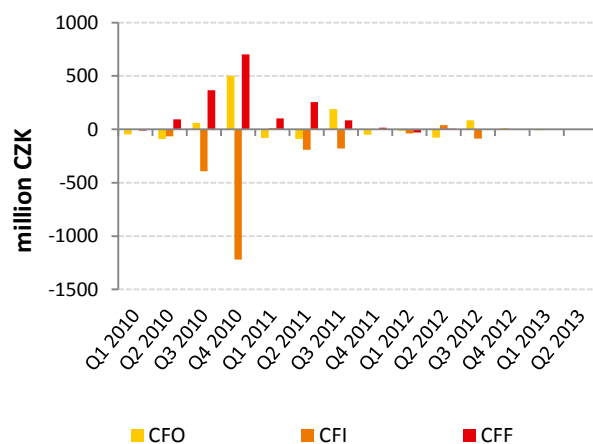
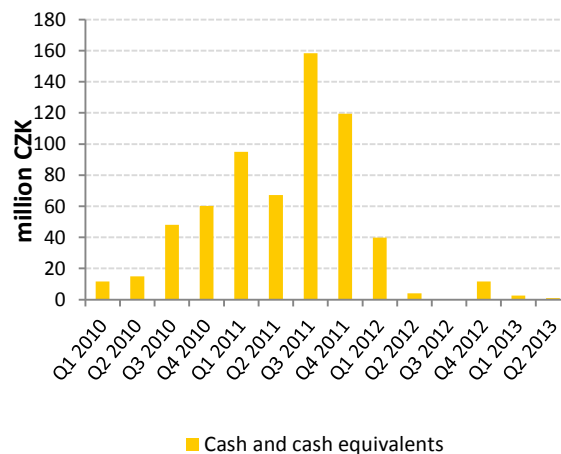
Total equity attributable to equity shareholders was negative, amounted to CZK 75.4 million and increased by CZK 26.4 million compared to the previous quarter, which is mainly attributable to the profit gained in the second quarter 2013 as described in profit and loss section.

Chart 3. Net current assets**Chart 4. Break down of liabilities and equity**

The total liabilities amounted to CZK 250.9 million. The main changes on the balance sheet in the liabilities include significant decrease of other long term liabilities (by 624 mio CZK). The main reason of this significant decrease was set-off of long-term receivables coming from the restructuring together with the other long term liability owned to the originally owned subsidiary. This set off was performed in June 2013 and result of it is outstanding long-term liability of 56 mio CZK shown in other long-term liabilities.

Cash Flow

The Group posted a positive operating cash flow in 2013 Q2, which amounted to CZK 4.4 million. The cash position at the end of the period amounted to CZK 873 thousand.

Chart 5. Operating, investment and financing cash flow**Chart 6. Cash position at the end of the period**

3. General information about the Issuer

The below table presents general information about Phoenix Energy a.s., hereinafter referred to as the "Issuer" and/or the "Company".

Company name:	Phoenix Energy a.s.
Registered office:	U Zvonářky 448/16, 120 00 Praha 2, Czech Republic
Registration:	Municipal Court in Prague, section B, file 13779
Company number:	28223250
Tax-ID:	CZ28223250
Ticker:	PHO
Web:	www.phoenixenergy.as

Phoenix Energy a.s., U Zvonářky 448/16, Praha 2 120 00 Czech Republic, Company no. 28223250, Tax-ID: CZ28223250

Tel: +420 272 048 344, Fax: +420 272 048 144, www.phoenixenergy.as

Registered capital: CZK 2,300,000. The company is registered with the Municipal Court in Prague, section B, file 13779

4. Share capital of the Issuer

The Company's share capital is CZK 2,300,000 divided into 23,000,000 shares with a nominal value of CZK 0.10 each. The share capital is fully paid-up. All shares represent one vote at the General Meeting of Shareholders.

Share capital as of 30 June 2013

Series/ issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (CZK)	Capital covered with
A	bearer	-	-	23,000,000	2,300,000	cash
Total number of shares				23,000,000		
Total share capital					2,300,000	
Nominal value per share = CZK 0,1						

In the reporting period there were no changes to the registered capital.

5. Shareholder structure

As of the date of this report, to the knowledge of the Management Board of Phoenix Energy a.s., the shareholder structure was as follows:

Shareholder	No. of shares	% of capital	No. of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Solar Age Investments B.V.	22,214,206	96.58%	22,214,206	96.58%
Free float	785,794	3.42%	785,794	3.42%
Total	23,000,000	100.00%	23,000,000	100.00%

On 17 May 2013, with respect to the settlement of transactions made on the basis of the public tender offer to acquire shares in Phoenix Energy a.s., held between 12 April 2013 and 15 May 2013, the majority shareholder Minority Shareholders Photon Energy B.V. increased its shares in the capital of Phoenix Energy a.s. and currently owns 22,214,206 shares in the Company, which represent 96.58% of the share capital of the Company and give a right to exercise 22,214,206 votes at the general meeting of the Company, which represents 96.58% of all voting rights.

After the reporting period the main shareholder changed its name from Minority Shareholders Photon Energy B.V. to Solar Age Investments B.V.

6. Statutory bodies of the Issuer

Management Board Members as of 30 June 2013

Name	Position	Date of birth	Member since
Pavel Kolrus	Chairman	14.06.1984	8.10.2012
Vlastimil Matula	Vice-chairman	12.04.1979	8.10.2012
Eduard Kirchner	Member	19.04.1949	10.12.2012

In the reporting period there have been no changes to the Management Board.

Supervisory Board Members as of 30 June 2013

Name	Position	Date of birth	Member since
Daniel Goris	Chairperson	13.02.1977	08.10.2012
Dennis de Rijk	Member	14.07.1977	08.10.2012
Mirko d'Alberto	Member	31.08.1973	10.12.2012

In the reporting period there have been no changes to the Supervisory Board.

7. Description of the Issuer's business

The operating activities of Phoenix Energy a.s. as the holding company of Photon Energy Group after the completion of the restructuring process were significantly reduced and the Company was sold out of the Photon Energy Group. More information can be found in chapter 2.2. Strategy and its execution.

8. Group structure

The following table presents the Group's structure (subsidiaries and joint-ventures) and the holding company's stake in the entities comprising the Group as of 30 June 2013.

Name	% of share	% of votes	Country of registr.	Consolid. method	Legal Owner
1 Phoenix Energy a.s.		Holding Company	CZ	Full Cons.	MSBV
2 Photon Photovoltaic EPC Services CZ Limited	100%	100%	Cyp	Full Cons.	Phoenix Energy
3 Photon Energy Italia s.r.l.	100%	100%	IT	Full Cons.	Phoenix Energy
4 Photon Engineering Italia s.r.l.	100%	100%	IT	Full Cons.	Phoenix Energy
5 Alpensolar Einkauf GmbH	5.90%	5.90%	DE	Not Cons.	Phoenix Energy

Notes:

Phoenix Energy – Phoenix Energy a.s., previously called Photon Energy a.s.

Country of registration

IT – Italy

Cyp-Cyprus

DE – Germany

Consolidation method:

Full Cons. - Full Consolidation

Not Cons. - Not Consolidated

In the reporting period there were no changes in the Group structure.

9. Report on the key events material for the Group's operations

9.1. Summary of the key events from 1 April until 30 June 2013

Below is a summary of the key events which were important for the Issuer's business from 1 April until 30 June 2013 and which were reported in the EBI system:

No. 6/2013 published on 6 April 2013: Tender offer from Minority Shareholders Photon Energy B.V.

No. 7/2013 published on 8 April 2013: Tender offer addressed to the minority shareholders in Phoenix Energy a.s.

No. 8/2013 published on 13 April 2013: The public tender offer for shares in Phoenix Energy a.s.

No. 9/2013 published on 15 May 2013: Quarterly report for Q1 2013

No. 10/2013 published on 20 May 2013: Result of the public tender offer

9.2. Summary of the key events after 30 June 2013

Below is a summary of the key events which were important for the Issuer's business after 30 June 2013 until the date of this report.

No. 11/2013 published on 1 July 2013: Annual report for the year 2012

10. Detailed consolidated financial results for 2013 Q2

The tables below present the **consolidated** and **un-audited** financial statements of Phoenix Energy a.s. for the three-month period starting on 1 April 2013 and ending on 30 June 2013 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

Statement of Comprehensive Income

in Thousands

	CZK		EUR		PLN	
	2012 Q2	2013 Q2	2012 Q2	2013 Q2	2012 Q2	2013 Q2
Revenues from the sale of products, goods and services	128 540	2 893	5 098	113	21 663	470
Cost of sales	-42 104	3 241	-1 670	127	-7 095	527
26% levy	-18 853	0	-748	0	-3 178	0
Gross profit	67 583	6 134	2 681	240	11 390	997
Salaries and compensation - administration expenses	-19 308	-2 508	-765	-97	-3 253	-408
Other administrative expenses	-20 292	-5 044	-805	-196	-3 420	-820
Other income	4 144	2 860	164	109	698	465
Other expenses	-1 842	31 761	-73	1 243	-310	5 163
EBITDA	30 285	33 203	1 204	1 298	5 106	5 397
Depreciation	-16 195	-37	-642	-1	-2 729	-6
EBIT	14 090	33 166	562	1 296	2 377	5 391
Interest income	1 777	4 706	70	182	299	765
Interest cost	-32 996	-11 369	-1 307	-441	-5 560	-1 848
Financial income	0	10	0	0	0	2
Financial expenses	-84 029	-63	-3 326	-2	-14 156	-10
Net finance expenses	-115 248	-6 716	-4 563	-261	-19 417	-1 092
Share of profit from associates / J-Vs	-74	0	-3	0	-12	0
Profit / loss before taxation	-101 232	26 450	-4 004	1 035	-17 052	4 299
Income tax – current	-1 061	0	-42	0	-179	0
Income tax – deferred	-56 031	0	-2 226	0	-9 447	0
Profit/loss from continuing operations	-158 324	26 450	-6 272	1 035	-26 678	4 299
Other comprehensive income for the period	-1 657	-78	-66	-3	-279	-13
Total comprehensive income for the period	-159 981	26 372	-6 338	1 032	-26 957	4 287
Profit/loss from continuing operations	-158 324	26 450	-6 272	1 035	-26 678	4 299
Attributable to the equity holders	-158 324	26 450	-6 272	1 035	-26 678	4 299
Attributable to minority interest	0	0	0	0	0	0
Total comprehensive income for the year	-159 981	26 372	-6 338	1 032	-26 957	4 287
Attributable to the equity holders	-317 998	-4 391	-12 637	-171	-53 613	-714
Attributable to minority interest	158 721	30 763	6 328	1 203	26 775	5 000
Average no. of shares in million	23,000	23 000	23,000	23 000	23,000	23 000
Earnings per share	-6,884	1,150	-0,273	0,045	-1,160	0,187
Comprehensive income per share	-6,956	-0,191	-0,276	-0,007	-1,172	-0,031
CZK exchange rate - low			24,345	25,570	5,816	5,939
CZK exchange rate - average			25,247	25,831	5,935	6,154

Note: Exchange rates provided by the Czech National Bank

Statement of Financial Position

<i>in Thousands</i>	CZK		EUR		PLN	
	30/06/2012	30/06/2013	30/06/2012	30/06/2013	30/06/2012	30/06/2013
PPE – Lands	374	374	15	14	61	63
PPE – Photovoltaic power plants	0	0	0	0	0	0
PPE – Other equipment	3 500	747	144	29	574	125
PPE – Assets in progress	0	811	0	31	0	135
Intangible assets	529	253	22	10	87	42
Investments in associates	0	0	0	0	0	0
Other investments	265	265	11	10	43	44
Goodwill	0	0	0	0	0	0
Deferred tax assets	2 738	0	112	0	449	0
Assets held for sale	0	0	0	0	0	0
Long term loans and other receivables	6 107	0	251	0	1 001	0
Other assets	0	0	0	0	0	0
Non-current assets	13 513	2 449	555	94	2 215	409
Cash and cash equivalents	4 144	873	170	34	679	146
Trade and other receivables	963 477	172 121	39 576	6 633	157 895	28 764
Gross amount due from customers for contract work	0	0	0	0	0	0
Inventories – Goods	81 783	50	3 359	2	13 403	8
Assets held for sale	0	7	0	0	0	1
Prepaid expenses	13	0	1	0	2	0
Current assets	1 049 417	173 051	43 106	6 669	171 979	28 919
TOTAL ASSETS	1 062 930	175 500	43 661	6 763	174 194	29 328
Issued share capital	2 300	2 300	89	89	320	384
Share premium	14 700	14 700	592	566	2 056	2 457
Legal Reserve fund	236	468	9	18	36	78
Retained earnings	451 914	-88 050	18 563	-3 393	74 060	-14 714
Fund for currency conversions	-3 659	-671	-570	-26	-599	-112
Other comprehensive income from previous periods	2 606	0	125	0	838	0
<i>Other comprehensive income</i>	0	0	0	0	0	0
<i>Profit/loss-current year</i>	-314 339	-4 135	-12 492	-159	-51 514	-691
Equity in associates, joint ventures	0	0	0	0	0	0
Equity attributable to equity holders	153 758	-75 388	6 316	-2 905	25 197	-12 598
Minority interests	0	0	0	0	0	0
Total equity	153 758	-75 388	6 316	-2 905	25 197	-12 598
Non-current liabilities	304 123	56 826	12 492	2 190	49 841	9 496
Bank loan	0	0	0	0	0	0
Other long-term liabilities	304 123	56 826	12 492	2 190	49 840	9 496

<i>in Thousands</i>	CZK		EUR		PLN	
	30/06/2012	30/06/2013	30/06/2012	30/06/2013	30/06/2012	30/06/2013
Long-term liability from CIT				0		0
Deferred tax liabilities	0	0	0	0	0	0
Current liabilities	605 049	194 062	24 853	7 478	99 156	32 430
Trade and other payables	313 762	78 096	12 888	3 009	51 420	13 051
Bank loan	1 812	0	74	0	297	0
Other Loans	158 919	103 211	6 528	3 977	26 044	17 248
Other short-term liabilities		12 755		492		2 132
Tax liabilities (CIT)	130 556	0	5 363	0	21 396	0
Total Liabilities	909 172	250 888	37 345	9 668	148 997	41 926
TOTAL EQUITY AND LIABILITIES	1 062 930	175 500	43 661	6 763	174 194	29 328
<i>No. of shares in million</i>	<i>23,000</i>	<i>23 000</i>	<i>23,000</i>	<i>23 000</i>	<i>23,000</i>	<i>23 000</i>
Book value per share	6,685	-3,278	0,275	-0,126	1,096	-0,548

Cash Flow Statement

<i>in Thousands</i>	CZK		EUR		PLN	
	2012 Q2	2013 Q2	2012 Q2	2013 Q2	2012 Q2	2013 Q2
Profit for the year	-158 324	26 450	-6 192	1 042	-26 677	4 299
Adjustments for:		0		0		0
Depreciation	16 195	-157	642	-6	2 729	-26
Net finance costs	115 248	68	4 562	3	19 417	11
Share of profit of equity accounted investees	74	7 657	3	298	12	1 244
Profit /Loss on sale of property, plant and equipment	0	0	0	0	0	0
Receivables write-off	2 293	-422	91	-17	387	-69
Income tax expense	57 092	431	2 268	17	9 625	70
Changes in:		0		0		0
Trade and other receivables	206 628	640 744	8 388	24 931	33 944	104 139
Gross amount due from customers for contract work	41 326	0	1 643	0	6 968	0
Prepaid expenses	319	-1	13	0	54	0
Inventories	14 486	-20	575	-1	2 442	-3
Trade and other payables	-367 228	-671 779	-14 743	-26 247	-61 919	-109 149
Other assets	-10 965	1 432	-436	55	-1 849	233
Other liabilities	0	0	0	0	0	0
Interests paid	5 311	0	213	0	897	0
Income tax paid	0	0	0	0	0	0
Operating cash flow	-77 545	4 403	-2 972	76	-13 970	750
Acquisition of property, plant and equipment	-200	-217	-8	-8	-34	-35
Acquisition of subsidiary (net of cash acquired), associates, joint ventures	0	0	0	0	0	0
Acquisition of other investments	-398	0	-16	0	-67	0
Proceeds from sale of investments	39 363	0	1 569	0	6 640	0
Proceeds from sale of property, plant and equipment, other investments	0	0	0	0	0	0
Other investments	0	0	0	0	0	0
Interest received	-386	0	-15	0	-65	0
Investment cash flow	38 379	-217	1 530	-8	6 474	-35
Proceeds from borrowings	0	0	3	0	413	0
Repayment of borrowings	5 884	-5 973	238	-232	995	-971
Financial cash flow	5 884	-5 973	241	-232	1 408	-971
Net change in cash	-33 282	-1 787	-1 201	-165	-6 088	-256
Cash at the beginning of the period	39 946	2 660	1 615	199	6 709	402
Cash at the end of the period	4 144	873	170	34	679	146
<i>CZK exchange rate - low</i>	-	-	24,345	25,570	5,816	5,939
<i>CZK exchange rate - average</i>	-	-	25,247	25,831	5,935	6,154
<i>CZK exchange rate - high</i>	-	-	25,960	26,120	6,110	6,312

Note: Exchange rates provided by the Czech National Bank

11. Financial results per operating segments

The tables below present the **consolidated** and **un-audited** financial results per operating segment of Phoenix Energy a.s. for the period starting on 1 April 2013 and ending on 30 June 2013 and the corresponding period of the previous year. The reported data is presented in accordance with **International Financial and Reporting Standards (IFRS)**.

Results of the operating segments for the period from 1 January 2013 to 30 June 2013

in Thousands CZK	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
External revenues from the sale of products, goods and services	0	0	0	0	0	2 942	2 942	0	2 942
Revenues within segments from the sale of products, goods and services	0	0	0	0	0	0	0	0	0
Cost of sale	0	-63	0	0	0	-1 937	-2 000	0	-2 000
Out of that depreciation	0	-12	0	0	0	-182	-194	0	-194
Gross profit	0	-63	0	0	0	1 005	942	0	942
Other external income	0	0	0	0	0	15 124	15 124	0	15 124
Administrative and other expenses	0	-1 702	0	0	0	-10 842	-12 544	0	-12 544
Out of that depreciation	0	0	0	0	0	0	0	0	0
Out of that energy tax	0	0	0	0	0	0	0	0	0
Operating income	0	-1 765	0	0	0	5 287	3 522	0	3 522
Interest income	0	0	0	0	0	9 438	9 438	-19	9 419
Interest expenses	0	0	0	0	0	-16 975	-16 975	19	-16 956
Other financial revenues	0	0	0	0	0	10	10	0	10
Other financial expenses	0	-15	0	0	0	-115	-130	0	-130
Profit/loss share in entities in equivalency	0	0	0	0	0	0	0	0	0
Income tax	0	0	0	0	0	0	0	0	0
Profit/loss after taxation	0	-1 780	0	0	0	-2 355	-4 135	0	-4 135
Other comprehensive income	0	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	0	0	-256	-256	0	-256
Total comprehensive income	0	-1 780	0	0	0	-2 611	-4 391	0	-4 391
Assets, of which	0	20 775	0	0	0	155 765	176 540	-1 040	175 500
PPE – Lands	0	0	0	0	0	374	374	0	374
PPE – Photovoltaic power plants	0	0	0	0	0	0	0	0	0

in Thousands CZK	Wholesale and import of PVPP components	Engineering and construction services	Production of electricity	Operations, maintenance and PVPP supervision	PV Invest.	Other	Total for segments	Elimination	Consolidated financial information
PPE – Equipment	0	0	0	0	0	747	747	0	747
PPE – Assets in progress	0	0	0	0	0	810	810	0	810
Intangibles	0	0	0	0	0	253	253	0	253
Trade and other receivables	0	20 762	0	0	0	152 399	173 161	-1 040	172 121
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	0	0	0	0	0	50	50	0	50
Investments in associates, JV, other	0	0	0	0	0	265	265	0	265
Deferred tax receivables	0	0	0	0	0	0	0	0	0
Long term receivables	0	0	0	0	0	0	0	0	0
Prepaid expenses	0	7	0	0	0	0	7	0	7
Assets held for sale	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	0	6	0	0	0	867	873	0	873
Liabilities, of which	0	25 375	0	0	0	226 553	251 928	-1 040	250 888
Trade and other payables	0	24 147	0	0	0	53 949	78 096	0	78 096
Bank Loans and other loans	0	1 451	0	0	0	102 800	104 251	-1 040	103 211
Other long term liabilities	0	0	0	0	0	56 826	56 826	0	56 826
Other short term liabilities	0	-223	0	0	0	12 978	12 755	0	12 755
Current tax liabilities (income tax)	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0	0	0

Results of the operating segments for the period from 1 January 2012 to 30 June 2012

<i>in Thousands CZK</i>	Wholesale and import	Engin. and constr.	Sales of electricity	Operations & manag.	Other	PV investment	Total	Elimin.	Consolid.
Revenues from the sale of products, goods and services, of which:									
external	15,511	5,911	130,188	5,106	0	48,425	205,141	0	205,141
within segments	1,775	0	0	5,130	0	11,304	18,209	-18,209	0
Cost of sale	-23,100	-21,728	-9,208	-7,213	0	-29,446	-90,695	18,128	-72,567
Gross profit	-5,814	-15,817	120,980	3,023	0	30,283	132,655	-81	132,574
Other external income	2,299	0	269	1,049	0	943	4,560	0	4,560
Administrative and other expenses, of which	-1,400	-7,887	-30,072	-4,708	0	-62,885	-106,952	0	-106,952
26% levy	0	0	28,548	0	0	0	28,548	0	28,548
EBITDA	-4,915	-23,704	91,177	-636	0	-31,659	30,263	-81	30,182
Depreciation	-153	-225	-30,466	-333	0	-414	-31,591	0	-31,591
Operating income	-5,068	-23,929	60,711	-969	0	-32,073	-1,328	-81	-1,409
Interest income	1,232	10,853	99	1	0	16,930	29,115	-26,953	2,162
Interest expenses	-29,624	-4,298	-47,201	-2	0	-13,913	-95,038	26,953	-68,085
Other financial revenues	0	2,892	0	0	0	0	2,892	0	2,892
Other financial expenses	-3,916	-76	-4,596	-45	0	-180,642	-189,275	0	-189,275
Share of profit/loss of associates /joint venture	0	0	0	0	-551	0	-551	0	-551
Income tax	251	-4,126	-55,899	-216	0	-83	-60,073	0	-60,073
Net profit	-37,125	-18,684	-46,886	-1,231	-551	-209,781	-314,258	-81	-314,339
Other comprehensive income	0	0	0	0	0	0	0	0	0
Foreign currency translation diff. - foreign operations	0	0	0	0	0	-3,659	-3,659	0	-3,659
Total comprehensive income	-37,125	-18,684	-46,886	-1,231	-551	-213,440	-317,917	-81	-317,998
Assets, of which	814,201	778,403	152	0	0	875,967	2,468,723	-1,405,793	1,062,930
PPE – Lands	0	0	0	0	0	375	375	0	375
PPE – Photovoltaic power plants	0	0	0	0	0	0	0	0	0
PPE – Assets in progress	0	0	0	0	0	0	0	0	0
PPE - Equipment	833	877	0	0	0	1,789	3,499	0	3,499
PPE-Intangibles	0	0	151	0	0	378	529	0	529
Trade and other receivables	643,832	96,181	0	0	0	871,175	1,611,188	-647,711	963,477
Intragroup loans	83,891	674,191	0	0	0		758,082	-758,082	0
Gross amount due from customers for contract work	0	0	0	0	0	0	0	0	0
Inventories – Goods	81,783	0	0	0	0	0	81,783	0	81,783
Investments in associates, JV, other	0	0	0	0	0	265	265	0	265
Deferred tax receivables	2,742	-4	0	0	0	0	2,738	0	2,738
Long term receivables	0	6,107	0	0	0	0	6,107	0	6,107
Prepaid expenses	0	0	0	0	0	13	13	0	13

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Registered capital: CZK 2,300,000. The company is registered with the Municipal Court in Prague, section B, file 13779

<i>in Thousands CZK</i>	Wholesale and import	Engin. and constr.	Sales of electricity	Operations & manag.	Other	PV investment	Total	Elimin.	Consolid.
Assets held for sale	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	1,120	1,051	1	0	0	1,972	4,144	0	4,144
Liabilities, of which	645,490	611,851	185	0	0	299,276	1,556,802	-647,630	909,172
Trade and other payables	237,855	600,459	181	0	0	122,897	961,392	-647,630	313,762
Bank Loans	0	0	0	0	0	160,731	160,731	0	160,731
Current tax liabilities (income tax)	13,917	12,456	4	0	0	6,179	32,556	0	32,556
Deferred tax liabilities	0	0	0	0	0	0	0	0	0
Other long term liabilities	303,306	545	0	0	0	272	304,123	0	304,123
Other short term liabilities	90,412	-1,609	0	0	0	9,197	98,000	0	98,000

12. Summary of significant accounting policies

Basis of preparation

Our accountings policies are based on International Financial Reporting Standards (IFRS) as adopted by EU and were authorized for issue by Board of Directors.

The following main standards are applied by Group:

- IAS 1 – Presentation of financial information
- IAS 2 – Inventories
- IAS 12 – Income Taxes
- IAS 16 – Property, plant and equipment
- IAS 18 – Revenues
- IAS 21 - The effects of changes in foreign exchange rates
- IAS 24 – Related transactions presentation
- IAS 27 – Consolidated and separate financial information
- IAS 28 - Investments in Associates
- IAS 33 - Earnings per Share
- IAS 36 - Impairment
- IAS 37 – Provisions
- IAS 38 – Intangible Assets
- IFRS 3 – Business combinations
- IFRS 5 – Non-current assets held-for-sale and discontinued operations
- IFRS 8 - Operating segments

Use of estimates and judgments

In preparing the financial information, the Company's management uses estimates and makes assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses recognized in the financial information. These estimates and assumptions are based on past experience and various other factors deemed appropriate as at the date of preparation of the financial information and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from the estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized either in the period in which the estimate is revised, providing that the revision relates only to the current accounting period, or in the revision period and future periods, providing the revision affects both the current and future periods.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Presentation of Financial information

Financial information is presented based on historical costs with exemptions when IFRS requires different evaluation method as described below in accounting policies. The statement of comprehensive income is presented with revenues and expenses classified by purpose (function). The cash flow statement is prepared using an indirect method.

Functional currency is the Czech crown (CZK) and for the purpose of the reporting, as required by the regulations of the Alternative System of Trading organized by the Warsaw Stock Exchange - NewConnect, the balances are retranslated into EUR and PLN currencies

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 financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. 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.

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.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of more than 20% and less than 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The cost of the investment includes transaction costs.

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

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealized 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.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management and directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Company's Management has assessed the Group's business from the segment reporting perspective and decided that they financial results of Phoenix Energy Group to be reported per segments from the objective perspective from 1. 1. 2010.

As of 1st January 2012, Management Board has decided to decrease number of segments reported (due to the restructuring performed in 2012) to Engineering and Other.

The Management identified the following segments:

- Wholesale and import of FVE components,
- Engineering and construction services (turn-key photovoltaic systems' installations for external clients and Photon Energy),
- Production of electricity (includes SPE that finished building of photovoltaic powerplants and those are connected to the distribution network and produce the electricity)
- FVE Investment – This segment represents OCI of the Group flowing from the revaluation of the FVE producing the electricity and it is related to project companies that generate the revenues as shown in segment Production of electricity.
- Operations, maintenance and PVPP supervision
- Other, not related to any of the above mentioned segments.
-

Other operations include the financing and insurance solutions for PV investors, intermediating investments in rooftop photovoltaic projects and other less significant activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2013 or 2012.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial information of each of the group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial information is presented in CZK, which is the company's functional and the group's presentation currency.

The consolidated financial information is presented in CZK, however, for presentation purposes; the financial information is translated into EUR and PLN as the presentation currencies. Effect from this translation is presented in Equity - in the Fund for currency conversions.

Exchange rates as shown in table below were applied. All exchange rates were provided by the Czech National Bank. Statement of financial position applicable exchange rate represents the exchange rate as of the last day of the reporting date as according to IAS 21. Statement of comprehensive income exchange rate represents the average of daily exchange rates effective within the relevant period.

	EUR		PLN	
	2012 Q2	2013 Q2	2012 Q2	2013 Q2
CZK exchange rate – low	24.600	25,225	5.816	5,939
CZK exchange rate – high	25.261	26,120	5.932	6,312
CZK exchange rate – average	25.640	25,699	6.035	6,153
CZK exchange rate – end of period	25.960	25,950	6.110	5,984

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(c) Group companies

In case of entities, whose functional currency is EUR, the financial statements are retranslated at the consolidation into CZK using year-end rate for balance sheet and average rate for profit/loss items.

Property, plant and equipment

Property, plant and equipment are carried at their fair values, with the exemption of fixed assets under construction which are carried at costs.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

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, returns, rebates and discounts and after eliminating sales within the group.

The group recognizes 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: the revenues related to development projects (PV power stations) are measured by the percentage of completion method (refer below to Construction contracts).

Trade receivables

Trade receivables are recognized at nominal value, less provision for impairment.

A provision for impairment 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 the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the

difference between the asset's carrying amount and the present value of estimated future cash flows. When a trade receivable is uncollectible, it is written off.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts with banks and term bank deposits.

Share capital

Ordinary shares are classified in equity as Issued share capital. Consideration received above the nominal value of the ordinary shares is classified in equity as Share premium.

Trade payables

Trade payables are recognized at nominal value.

Loans and Borrowings

Loan and Borrowings are classified as short-term liabilities (due within 12 months after the reporting date) or long-term liabilities (due more than 12 months after the reporting date).

Financial costs related to construction period of internal non-current assets are capitalized (refer to Property, plant and equipment).

Current and deferred income tax

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information. Deferred income tax asset is recognized by the Group in case the Management anticipates the future profits will offset the current income tax asset.

13. Management Board declaration

We hereby confirm that according to our best knowledge the information about Phoenix Energy a.s. contained in this report is correct as of the publication of this document and that it fairly reflects the Company's financial situation and business activities.

Prague, 14 August 2013



Vlastimil Matula
Vice-chairman of the Board of Directors



Pavel Kolrus
Chairman of the Board of Directors

14. Investors Relations contact

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Registered capital: CZK 2,300,000. The company is registered with the Municipal Court in Prague, section B, file 13779