

Etrion Releases Second Quarter 2014 Results

August 6, 2014, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, today released its condensed consolidated interim financial statements and related management’s discussion and analysis (“MD&A”) for the three and six months ended June 30, 2014.

Operational Highlights

- **Production:** Produced 35.4 million (2013: 37.1 million) and 51.9 million (2013: 53.1 million) kilowatt-hours of solar electricity from 17 solar power plants in Italy during the three and six months ended June 30, 2014, respectively.
- **Construction:** Accelerated construction of the 70 megawatt (“MW”) solar park in the North of Chile (“Project Salvador”), being built by SunPower Corporation and owned initially 70% by Etrion, 20% by Total Energie Developpement, a subsidiary of Total S.A., and 10% by Solventus Chile SpA. Project Salvador is now expected to be fully operational by the end of 2014.
- **Development:** Through the partnership with Hitachi High Technologies Corporation (“Hitachi High-Tech”), a subsidiary of Hitachi Ltd., to develop utility-scale solar projects in Japan, Etrion advanced on the development of its first two projects, totaling 34 MW. Financial close for both projects is expected before the end of September 2014, with construction to commence shortly thereafter.

Financial Highlights

- **Revenue:** Generated revenues of US\$17.8 million (2013: US\$18.4 million) and US\$26.1 million (2013: US\$26.7 million) during the three and six months ended June 30, 2014, respectively.
- **EBITDA:** Recognized earnings before interest, taxes, depreciation and amortization (“EBITDA”) of US\$14.2 million (2013: US\$14.3 million) and US\$18 million (US\$19.1 million) during the three and six months ended June 30, 2014, respectively.
- **Bond Financing:** Completed a bond issue in April 2014 of €80 million in senior secured bonds in the Norwegian bond market at 8% annual interest with a 5-year maturity, a portion of which was used to redeem the previous €60 million corporate bonds.
- **Cash and Working Capital:** Closed the second quarter of 2014 with a cash balance of US\$197.9 million (December 2013: US\$94.9 million) and positive working capital of US\$180 million (December 2013: US\$47.5 million).

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “The first half of 2014, was a transformational period for Etrion as we were able to raise over US\$185 million in the capital markets, significantly strengthening our balance sheet. We now have a fully-funded diversified near-term growth platform that will complement our Italian portfolio going forward. In Chile, our 70 MW Project Salvador remains ahead of schedule and is expected to be fully operational by the end of this year. In Japan, we have made excellent progress on our first two projects, together with Hitachi High-Tech, totaling 34 MW, with financial close expected before the end of September 2014. Japan is a very exciting market for Etrion, working alongside Hitachi High-Tech, where we expect to have 100 MW of projects shovel-ready or under construction by the end of 2015.

Mr. Northland continued, “As communicated previously, certain changes were proposed to the Italian Feed-in-Tariff (“FiT”) regime and we are still awaiting the final version of the law to determine exactly what impact these changes will have on our Italian portfolio. Based on our preliminary analysis, we are confident that we will be able to meet our

covenant obligations associated with the project debt. We are exploring all options to best optimize the economics, given Etrion's strong track record in Italy and above expectation performance. The proposed changes highlight the importance of our strategy shift two years ago to diversify into new markets with different contract regimes. As our growth is focused on countries outside of Europe, Italy will represent less than 50% of our expected installed capacity in 2015."

Results

During the three months ended June 30, 2014, Etrion reported a net loss of US\$1.4 million (loss per share of US\$0.005) compared to a net loss of US\$0.2 million (loss per share of US\$0.001) for the comparable period of 2013. The net results for the second quarter of 2014 were adversely impacted by lower solar irradiation, a reduction in the spot market price in Italy and non-recurring finance costs associated with the early redemption of the previous €60 million corporate bonds.

During the six months ended June 30, 2014, Etrion reported a net loss of US\$9.6 million (loss per share of US\$0.031) compared to a net loss of US\$5.7 million (loss per share of US\$0.028) for the comparable period of 2013. The net results for the first half of 2014 were adversely impacted by lower solar irradiation, a reduction in the spot market price in Italy and non-recurring operating and general and administrative expenses as well as finance costs associated with the early redemption of the previous €60 million corporate bonds.

Earnings Call

A conference call/webcast to present the Company's second quarter 2014 results will be held on Thursday, August 7, 2014, at 10:00 a.m. Eastern Daylight Time (EDT) / 4:00 p.m. Central European Time (CET).

Dial-in details:

North America: +1-647-788-4922 / Toll Free: +1-877-223-4471 / Sweden Toll Free: 02-079-4343

Webcast:

A webcast will be available at: <http://www.investorcalendar.com/IC/CEPage.asp?ID=172033>

In addition, the conference call presentation and the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2014, and related documents will be available on the Company's website at www.etrion.com.

A replay of the telephone conference will be available until September 7, 2014.

Replay dial-in details:

North America: +1-416-621-4642 / Toll Free: +1-800-585-8367

Pass code for replay: 61065610

Other Disclosures

In July 2014, Etrion granted 3,220,212 restricted share units ("RSUs") to certain directors, officers and other eligible persons of the Company under the new RSU plan that was approved by shareholders at the Company's Annual and Special General Meeting held in June 2014. The RSUs are exercisable, subject to vesting provisions, over a period of three years.

About Etrion

Etrion Corporation is an independent power producer that builds, owns and operates utility-scale solar power generation plants. Etrion owns 17 solar power plants in Italy with approximately 60 MW of installed capacity and has a 70 MW solar project in Chile under construction that is expected to be operational by the end of 2014. Etrion is also actively developing greenfield solar power projects in Chile and Japan. The Company is listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden under ticker symbol "ETX". Etrion's largest

shareholder is the Lundin family, which owns approximately 24% of the Company's shares directly and through various trusts.

For additional information, please visit the Company's website at www.etrion.com or contact:

Pamela Chouamier – Investor Relations
Telephone: +41 (22) 715 20 90

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Note: The capacity of power plants in this release is described in approximate megawatts on a direct current ("DC") basis, also referred to as megawatt-peak ("MWp").

Etrion discloses the information provided herein pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication in Sweden at 22:00 Central European Time on August 6, 2014.

Non-IFRS Measure:

This press release includes a non-International Financial Reporting Standard ("IFRS") measure, EBITDA. Non-IFRS measures have no standardized meaning prescribed under IFRS and therefore such measures may not be comparable with those used by other companies. EBITDA is useful to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting policy decisions. Refer to Etrion's MD&A for the three and six months ended June 30, 2014, for a reconciliation of EBITDA reported during the relevant periods.

Forward-Looking Information:

This press release contains certain "forward-looking information". All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to electricity revenue from the Italian projects which is subject to confirmation of both the applicable FiT to which the Company is entitled by the state-owned company Gestore Servizi Energetici and the applicable spot market price by the local utilities for electricity sales to the national grid and statements relating to the anticipated timing for the Company's development projects in Chile and Japan and the Company's anticipated growth in Japan) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions including, without limitation, confirmation of the applicable FiT and spot market price for electricity sales, the ability of the Company to obtain project financing on economic terms, if at all, and all required permits in a timely fashion and the ability of the Company to identify and acquire additional solar power projects. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, the lack of confirmation or reduction of the applicable FiT and the spot market price for electricity sales from the Italian projects by the designated entities, uncertainties with respect to the receipt or timing of all applicable permits for the development of projects, the risk that the Company may not be able to obtain project financing on economic terms, if at all, the risk that the Company may not be able to identify and/or acquire additional renewable energy projects on economic terms, if at all, and changes in applicable laws and regulations that would have a negative impact on existing or future solar projects.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.