

## PRESS RELEASE

**Etrion Releases First Quarter 2014 Results**

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May 8, 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 months ended March 31, 2014.

**Operational Highlights**

- **Production:** Produced 16.5 million (2013: 16.0 million) kilowatt hours (“kWh”) of solar electricity from 17 solar power plants in Italy during the three months ended March 31, 2014.
- **Construction:** Started construction of the 70 megawatt (“MW”) solar park in northern Chile (“Project Salvador”) being built by SunPower Corporation and owned initially 70% by Etrion, 20% by Total S.A. and 10% by Solventus Energías Renovables. Project Salvador is scheduled to be fully operational by Q1 2015.
- **Development:** Partnered with Hitachi High-Technologies Corporation (“HHT”), a subsidiary of Hitachi, Ltd., to develop utility-scale solar power plants in Japan. Etrion and HHT secured the Feed-in-Tariff (“FIT”) of ¥40 (US\$0.38) per kWh and executed land agreements for two projects, Shizukuishi and Mito, with a combined capacity of 34 MW, owned 85% by Etrion and 15% by HHT. Etrion and HHT are currently negotiating project financing for these projects with a Japanese bank and expect to start construction this year. The project pipeline in Japan is expected to reach at least 100 MW of solar power generation facilities under construction or shovel-ready by 2015.

**Financial Highlights**

- **Revenue:** Generated revenues of US\$8.4 million (2013: US\$8.3 million) during the three months ended March 31, 2014.
- **EBITDA:** Recognized earnings before interest, taxes, depreciation and amortization (“EBITDA”) of US\$3.7 million (2013: US\$4.7 million) and adjusted EBITDA of US\$4.6 million before extraordinary expenses during the three months ended March 31, 2014.
- **Equity Financing:** Completed an equity financing in January 2014 of approximately US\$80 million through a private placement of 124,633,571 new common shares issued at SEK 4.15 (approximately CAD\$0.70) per share.
- **Bond Financing:** Completed a bond issue in April 2014 of €80 million in senior secured bonds in the Norwegian bond market at 8.0% annual interest with bullet maturity in April 2019. The net proceeds from the bond issue will be used to redeem the existing €60 million corporate bonds on May 19, 2014, as well as for general corporate purposes.
- **Cash and Working Capital:** Closed the first quarter of 2014 with a cash balance of US\$124.1 million (December 2013: US\$94.9 million) and positive working capital of US\$30.4 million (December 2013: US\$47.5 million).

**Management Comments**

Marco A. Northland, the Company’s Chief Executive Officer, commented, “We significantly strengthened our balance sheet in the first quarter through the equity placement and bond issue, raising gross proceeds of more than US\$185 million. We are fully funded for the 70 MW Project Salvador in Chile plus the equity commitments for our initial 34 MW in Japan, and we have additional cash to accelerate our growth. The financial results for the first quarter of 2014 demonstrate once again the reliability of our 60 MW Italian portfolio with strong revenues and cash flows. In Chile,

construction of Project Salvador is on track and will likely be completed ahead of schedule. In Japan, we expect to secure bank financing for our first projects by August.”

## **Results**

During the three months ended March 31, 2014, Etrion reported a net loss of US\$8.2 million (loss per share of US\$0.03) compared to a net loss of US\$5.5 million (loss per share of US\$0.03) for the comparable period of 2013. The net results for the first quarter of 2014 were adversely impacted by a decrease in the spot market price in Italy and non-recurring operating and general administrative expenses.

## **Earnings Call**

A conference call/webcast to present the Company’s first quarter 2014 results will be held on Friday, May 9, 2014, at 10:00 a.m. Eastern Daylight Time (EDT) / 4:00 p.m. Central European Summer Time (CEST).

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=172032>

In addition, the conference call presentation and the Company’s interim financial statements for the three months ended March 31, 2014, and related documents will be available on the Company’s website at [www.etrion.com](http://www.etrion.com).

A replay of the telephone conference will be available until June 9, 2014.

Replay dial-in details:

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

Pass code for replay: 15897258

## **About Etrion**

Etrion Corporation is an independent power producer (IPP) 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 is 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](http://www.etrion.com) or contact:

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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 Summer Time on May 8, 2014.*

*Non-IFRS Measures:*

*This press release includes non-IFRS measures not defined under IFRS, specifically EBITDA, adjusted EBITDA and adjusted net income/loss before non-recurring and non-cash items. Non-IFRS measures have no standardized meaning prescribed under IFRS and therefore such measures may not be comparable with those used by other companies.*

*Adjusted net income/loss before non-recurring and non-cash items represents the Company's performance during the period/year on a cash-flow basis, excluding non-cash items, such as depreciation and amortization, share-based compensation and fair value movements associated with derivative financial instruments and non-recurring items, such as other income/expenses. Adjusted net income/loss before non-recurring and non-cash items and EBITDA are useful metrics to quantify the Company's ability to generate cash before extraordinary and non-cash accounting transactions recognized in the financial statements. In addition, EBITDA is useful to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting policy decisions, while adjusted EBITDA is useful to perform the analysis by excluding also expense items that are expected to not be recurrent. Refer to Etrion's MD&A for the three months ended March 31, 2014, for a reconciliation of the adjusted net income before non-recurring and non-cash items reported during the period/year.*

*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 solar electricity revenue which is subject to confirmation of both the applicable feed-in-tariff ("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 growth targets for 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 all required permits in a timely fashion and to obtain project financing on economic terms 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 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 and the risk that the Company may not be able to identify and/or acquire additional renewable energy projects on economic terms.*

*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.*