

## Etrion Releases Second Quarter 2013 Results

August 2, 2013, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), an independent solar 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, 2013.

Marco A. Northland, the Company’s Chief Executive Officer, commented: *“Our Italian assets continue to perform in line with the budget, despite having experienced an unusually large number of rainy days during the first half of 2013 and we expect to produce over 100 kilowatt-hours (“kWh”) of solar electricity during the year.*

*We are also making excellent progress on our development pipeline in Chile. We announced earlier this week the signing of our first power purchase agreement (“PPA”), a 15-year fixed price take or pay contract with Atacama Minerals Chile S.C.M and we have pre-selected the EPC contractor for the construction of this project. We expect financial close to be reached by December 2013 and for the project to be operational by the end of the second quarter of 2014. We are also advancing on the permitting process for an additional aggregate capacity of 90 megawatts (“MW”) in Chile, which should be fully permitted by the end of 2014. Becoming cash flow positive remains our top priority and I believe Etrion is well positioned to reach this target in 2015 as we diversify in terms of geography and contract regime. It is very exciting to see that solar can compete with traditional sources of electricity, allowing us to act like any other utility company in Chile. Once future projects are connected, we will smooth the impact of seasonality on our business, positively impacting our net results and cash flow position.”*

### Selected Financial Information for the Second Quarter 2013

	Three months ended		Six months ended	
	June 30 2013 US\$'000	June 30 2012 US\$'000	June 30 2013 US\$'000	June 30 2012 US\$'000
Revenue	18,414	19,198	26,736	29,936
Gross profit	11,246	12,834	12,757	17,580
EBITDA <sup>(1)</sup>	14,312	15,999	19,053	25,146
EBITDA margin	77%	83%	71%	84%
Net (loss)/income	(238)	756	(5,694)	(1,545)
Adjusted net income before non-recurring and non-cash items <sup>(1)</sup>	4,805	5,309	5,058	6,668
Operating cash flow <sup>(2)</sup>	6,137	6,702	7,096	11,785
Working capital <sup>(3)</sup>	15,420	25,057	15,420	25,057

(1) Earnings before interest, tax, depreciation and amortization (“EBITDA”) and adjusted net income before non-recurring and non-cash items are non-international Financial Reporting Standard measures (“IFRS”).

(2) Operating cash flow refers to cash flows before investing and financing activities and the effects of foreign exchange rate differences.

(3) Working capital refers to current assets less current liabilities.

### Results

During the three and six months ended June 30, 2013, the Company reported a net loss of US\$0.2 million (loss per share of US\$0.001) and a net loss of US\$5.7 million (loss per share of US\$0.028), respectively, compared to a net income of US\$0.8 million (earnings per share of US\$0.004) and a net loss US\$1.5 million (loss per share of US\$0.008) during the comparable periods in 2012.

During the three and six months ended June 30, 2013, the Group produced approximately 1% and 8% less electricity, respectively, compared to the same periods of 2012, due mainly to lower solar irradiation in 2013. In addition, the Group’s revenues were also adversely impacted by a reduction of the spot market price in Italy. The Group received an average of US\$0.07 per kWh during the three and six months ended June 30, 2013, compared to US\$0.09 per kWh during the three months ended June 30, 2012 and US\$0.10 during the six months ended June 30, 2012.

The net results for the three months ended June 30, 2013, were also adversely affected by non-recurring other expenses of US\$0.2 million and non-cash items of US\$4.8 million, including depreciation and amortization of US\$5.0 million and stock-based compensation of US\$0.2 million, offset by unrealized fair value gains associated with derivative financial instruments of US\$0.4 million. Excluding these non-recurring and non-cash items, the Company's net income for the three months ended June 30, 2013, would have been US\$4.8 million.

The net results for the six months ended June 30, 2013, were also adversely affected by non-recurring items of US\$0.6 million, related to an impairment loss associated with the Company's business development activities of US\$0.4 million and other expenses of US\$0.2 million and non-cash items of US\$10.1 million, including depreciation and amortization of US\$10.1 million and stock-based compensation of US\$0.3 million, offset by unrealized fair value gains associated with derivative financial instruments of US\$0.3 million. Excluding these non-recurring and non-cash items, the Company's net income for the six months ended June 30, 2013, would have been US\$5.1 million.

### **Earnings Call**

A conference call/webcast to present the Company's second quarter 2013 results will be held on Monday, August 5, 2013 at 10:00 a.m. Eastern Standard Time (EST) / 4:00 p.m. Central European Time (CET).

#### Dial-in details:

North America: +1-416-340-8061/ Toll Free: +1-866-225-0198 / Europe Toll Free: 00-800-6578-9898

#### Webcast:

A webcast will be available at <http://www.investorcalendar.com/IC/CEPage.asp?ID=170333>

In addition, the earnings call presentation, along with the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2013, and related management's discussion and analysis will be available on the Company's website ([www.etrion.com](http://www.etrion.com)).

A replay of the telephone conference will be available until September 5, 2013.

#### Dial-in details:

North America: +1-905-694-9451 / Toll Free: +1-800-408-3053 / Europe Toll Free: 00-800-3366-3052  
Pass code for replay: 6439478

### **About Etrion**

Etrion Corporation is an independent power producer that owns and operates renewable assets. Etrion currently owns approximately 60 MW of operational, ground-based solar photovoltaic power plants in Italy. The Company is listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden.

For additional information, please visit the Company's website at [www.etrion.com](http://www.etrion.com) or contact:  
Cheryl Eversden – Chief Financial Officer  
Telephone: +41 (22) 715 20 90

*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 7:30 a.m. Central European Time on August 5, 2013.*

#### Non-IFRS Measures:

*This press release includes non-IFRS measures not defined under IFRS, specifically EBITDA and adjusted net income 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 before non-*

*recurring and non-cash items represents the Company's performance during the period excluding non-recurring items, such as other income/expenses, 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. Refer to Etrion's MD&A for the three and six months ended June 30, 2013, for a reconciliation of the adjusted net income before non-recurring and non-cash items 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 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 the Company's development pipeline in Chile 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 and the entering into of a PPA with a buyer of electricity in Chile in a timely manner. 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 and unexpected delays in the execution of the PPA and resulting delays of the associated project.*

*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.*