

## Etrion Fourth Quarter and Full Year 2012 Results

March 11, 2013, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), an independent solar power producer, today released its annual consolidated financial statements and related management’s discussion and analysis (“MD&A”) for the year ended December 31, 2012.

Marco A. Northland, the Company’s Chief Executive Officer, commented: *“Our operational platform in Europe continues to over perform and the seasonality of our business should smooth over time as we add additional projects in Chile and other parts of South America, positively impacting our net results and cash flow position. 2012 was a transformational year for the Company, as we executed on our strategy to diversify in terms of geography and contract regime, while at the same time, streamlining operations, redeploying resources and reducing overhead.*

*The key to our business is to demonstrate that renewable energy, such as solar, can compete with traditional sources of electricity in places that either have an abundance of renewable energy resources and large energy demand or that have attractive sustainable subsidies and strong business fundamentals. We expect 2013 to be an exciting year for us as we secure additional projects.”*

### Selected Financial Information for the Fourth Quarter and Full Year 2012

	Three months ended		Twelve months ended	
	December 31		December 31	
	2012	2011	2012	2011
	US\$’000	US\$’000	US\$’000	US\$’000
Revenue	7,385	8,585	55,662	51,910
Gross profit	(1,262)	1,620	29,736	29,762
EBITDA <sup>(1)</sup>	3,576	(4,330)	43,131	28,502
EBITDA margin	48%	(50)%	77%	55%
Net Loss	(7,292)	(19,795)	(8,458)	(26,289)
Adjusted net (loss)/income before non-recurring and non-cash items <sup>(1)</sup>	(2,351)	51	10,562	4,254
Operating cash flow <sup>(2)</sup>	14,524	(9,728)	40,570	(2,153)
Working capital <sup>(3)</sup>	17,703	20,114	17,703	20,114

(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.

The results for the fourth quarter and full year 2012 were negatively impacted by foreign exchange rate movements due to a weakening of the Euro against the US dollar as the Company’s revenues and a significant portion of expenses are derived in Euros (therefore resulting in foreign exchange rate movements on the translation of the Company’s annual consolidated financial statements). However, despite a weakening of the Euro against the US dollar by 4% during the fourth quarter of 2012 and 8% during the full year 2012, Etrion generated significant revenues from operations and performed above plan.

### Operational Highlights

- Produced 107.8 million (2011: 88.3 million) kilowatt-hours of solar electricity from 17 solar power plants during 2012, up 22% from prior year.
- Implemented a new asset management organizational structure to further streamline operations, improve efficiencies and increase production.

## Financial Highlights

- Generated solar electricity revenues of US\$55.7 million (2011: US\$51.9 million) during 2012, up 7% from prior year.
- Recognized EBITDA of US\$43.1 million (2011: US\$28.5 million) during 2012, up 51% from prior year, resulting in an EBITDA margin of 77% (2011: 55%).
- Closed 2012 with a cash balance of US\$37.7 million (2011: US\$39.7 million) and positive working capital of US\$17.7 million (2011: US\$20.1 million).

## Business Development Highlights

- Announced in January 2013, first project in Chile to develop, build and operate an 8.8 MW solar project, to provide electricity through a long-term take-or-pay power purchase agreement to a mining operation in the north of Chile, diversifying the Company's portfolio in terms of geography and contract regime.

## Results

During the fourth quarter of 2012, Etrion reported a net loss of US\$7.3 million (loss per share of US\$0.04) compared to a net loss of US\$19.8 million (loss per share of US\$0.11) during the same period of 2011. The net results for the fourth quarter of 2012 were positively impacted by non-recurring items of US\$0.2 million, primarily related to insurance proceeds received during the quarter and were adversely impacted by non-cash items of US\$5.1 million, including depreciation and amortization of US\$5.0 million and share-based compensation of US\$0.2 million, offset by unrealized fair value gains associated with derivative financial instruments of US\$0.1 million. Excluding these non-recurring and non-cash items, the Company's consolidated net loss for the fourth quarter of 2012 would have been US\$2.4 million. The net results for the fourth quarter were also adversely impacted by seasonality due to the variability of daily sun hours in the summer versus winter months.

During 2012, Etrion reported a net loss of US\$8.5 million (loss per share of US\$0.04) compared to a net loss of US\$26.3 million (loss per share of US\$0.14) during 2011. The net results for 2012 were positively impacted by non-recurring items of US\$1.6 million, including other income of US\$1.4 million related to the conversion of the Chief Executive Officer's previously held 10% equity interest in one of the Company's subsidiaries and other income of US\$0.2 million related to liquidation damages and insurance proceeds received during the year and were adversely impacted by non-cash items of US\$20.8 million, including depreciation and amortization of US\$20 million, share-based compensation of US\$0.5 million, unrealized fair value losses associated with derivative financial instruments of US\$0.2 million and severance payments of US\$0.1 million. Excluding these non-recurring and non-cash items, the Company's consolidated net income for 2012 would have been US\$10.6 million.

## Earnings Call

A conference call/webcast to present the Company's fourth quarter and full year 2012 results will be held on Tuesday, March 12, 2012 at 10:00 a.m. Eastern Standard Time (EST) / 3:00 p.m. Central European Time (CET).

### Dial-in details:

North America: +1-416-340-2218 / North America Toll Free: +1-866-226-1793 / Europe Toll Free: 00-800-9559-6853

### Webcast:

A webcast will be available at <http://www.investorcalendar.com/IC/CEPage.asp?ID=170276>

In addition, the earnings call presentation, along with the Company's 2012 annual consolidated financial statements and related MD&A, 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 April 12, 2012.

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 (ticker symbol "ETX").

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 March 12, 2013.*

*Non-IFRS Measures:*

*This press release includes non-IFRS measures not defined under IFRS, specifically 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. Refer to Etrion's MD&A for the year ended December 31, 2012, 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 Company's growth plans and statements with respect to the acquisition of additional solar projects) 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. 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 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.*