

Consolidated financial statements

Consolidated income statement

(in thousand Euros)	March 31, 2014	March 31, 2013
Revenue	247 135	262 863
Cost of sales	(302 835)	(278 434)
Gross profit	(55 700)	(15 571)
Sales and marketing expenses	(17 489)	(15 677)
Research and development expenses	(28 404)	(48 196)
Solar plant projects launch expenses	(3 066)	(3 638)
General and administrative expenses	(32 618)	(39 926)
Current operating income	(137 276)	(123 007)
Other operating income	2 659	-
Other operating expenses	(85 023)	(73 948)
Operating income	(219 640)	(196 955)
Financial income	37 690	16 083
Financial expense	(54 349)	(27 865)
Net financial expense	(16 659)	(11 782)
Profit / (loss) before tax	(236 299)	(208 737)
Income tax	(63)	(28)
Consolidated net profit / (loss) for the year	(236 362)	(208 765)
Share of profit / (loss) of associates	(641)	(925)
Net income	(237 004)	(209 690)
Non-controlling interests	(331)	(193)
Net income (Group share)	(236 673)	(209 497)
Basic net earnings per share in Euros	(1.45)	(1.70)
Diluted net earnings per share in Euros	(1.45)	(1.70)

Consolidated statement of other comprehensive income

(in thousand Euros)	March 31, 2014	March 31, 2013
Net income	(237 004)	(209 690)
Reclassifiable components of other comprehensive income :		
Exchange gains (losses) on translation of foreign operations	(12 193)	4 561
Non reclassifiable components of other comprehensive income :		
Actuarial gains (losses) on pensions and other post-retirement benefits	340	(264)
Income and expenses recognized directly in equity	(11 853)	4 297
Total comprehensive income for the year	(248 857)	(205 393)
Non-controlling interests	(360)	(164)
Total comprehensive income for the year (Group share)	(248 497)	(205 229)

Consolidated Balance sheet

Assets

(in thousand Euros)	March 31, 2014	March 31, 2013
Non-current assets:		
Goodwill and intangible assets	17 032	56 069
Capitalized development projects	2 597	2 968
Property, plant and equipment	280 810	340 583
Solar power plant – non current	15 427	16 284
Deferred tax assets	-	-
Investments in associates	6 886	14 150
Non-current financial assets	2 046	3 601
Other non-current assets	29 010	18 730
Total non-current assets	353 807	452 385
Current assets:		
Inventories	58 767	66 236
Trade receivables	88 811	42 414
Solar power plant – current	-	-
Other current assets	22 766	25 140
Current financial assets	15 873	2 937
Cash and cash equivalents	44 728	130 127
Total current assets	230 945	266 855
Total assets	584 752	719 240

Equity and liabilities

(in thousand Euros)	March 31, 2014	March 31, 2013
Equity:		
Share capital	17 258	12 263
Share premium	704 157	641 233
Treasury shares	(478)	(478)
Retained earnings	(503 453)	(270 661)
Other reserves	3 077	8 736
Group equity	220 561	391 093
Non-controlling interests	-	(119)
Total equity	220 561	390 974
Non-current liabilities:		
Long term financial debt	118 721	139 663
Provisions and other non-current liabilities	18 358	13 133
Total non-current liabilities	137 079	152 796
Current liabilities:		
Short term financial debt	138 200	56 999
Trade payables	45 972	57 593
Provisions and other current liabilities	42 940	60 879
Total current liabilities	227 112	175 470
Total liabilities	584 752	719 240

Statement of changes in equity

(in thousand Euros)	Number of shares	Share Capital	Share premium	Treasury shares	Retained earnings	Other reserves	Total	Non-controlling interests	Total Equity
March 31, 2012	122 128 392	12 213	641 663	(478)	(67 120)	6 233	592 511	-	592 511
Reclassifiable components of other comprehensive income:									
Exchange gains (losses) on translation of foreign operations	-	-	-	-	1 765	2 767	4 532	29	4 561
Non reclassifiable components of other comprehensive income:									
Actuarial gains (losses) on pensions and other post-retirement benefits	-	-	-	-	-	(264)	(264)	-	(264)
Total income and expenses for the year directly recognized in equity	-	-	-	-	1 765	2 503	4 268	29	4 297
Profit /(loss) for the year	-	-	-	-	(209 497)	-	(209 497)	(193)	(209 691)
Total comprehensive income for the year	-	-	-	-	(207 732)	2 503	(205 230)	(164)	(205 394)
Stock options, warrants and free shares	190 101	19	-	-	(19)	-	-	-	-
ABSAAR transactions	-	-	(1 286)	-	-	-	(1 286)	-	(1 286)
Proceeds from share issue	308 250	31	856	-	-	-	887	-	887
Share based payments	-	-	-	-	4 419	-	4 419	-	4 419
Acquisition of non-controlling interests	-	-	-	-	(206)	-	(206)	45	161
Other items	-	-	-	-	(2)	-	(2)	-	(2)
March 31, 2013	122 626 743	12 263	641 233	(478)	(270 661)	8 736	391 093	(119)	390 974

(in thousand Euros)	Number of shares	Share Capital	Share premium	Treasury shares	Retained earnings	Other reserves	Total	Non-controlling interests	Total Equity
March 31, 2013	122 626 743	12 263	641 233	(478)	(270 661)	8 736	391 093	(119)	390 974
Reclassifiable components of other comprehensive income :									
Exchange gains (losses) on translation of foreign operations	-	-	-	-	(6 337)	(5 827)	(12 164)	(29)	(12 193)
Non reclassifiable components of other comprehensive income:									
Actuarial gains (losses) on pensions and other post-retirement benefits	-	-	-	-	-	340	340	-	340
Total income and expenses for the year directly recognized in equity	-	-	-	-	(6 337)	(5 487)	(11 824)	(29)	(11 853)
Profit /(loss) for the year	-	-	-	-	(236 673)	-	(236 673)	(331)	(237 004)
Total comprehensive income for the year	-	-	-	-	(243 010)	(5 487)	(248 497)	(360)	(248 857)
Stock options, warrants and free shares	670 540	67	-	-	(67)	-	-	-	-
ABSAAR transactions	-	-	-	-	-	-	-	-	-
Proceeds from share issue	49 283 512	4 928	66 533	-	-	-	71 461	-	71 461
Share issuance expenses	-	-	(3 608)	-	-	-	(3 608)	-	(3 608)
Océanes 2014: impact of early partial repayment	-	-	-	-	(1 863)	-	(1 863)	-	(1 863)
Convertible bond – Equity component (Océances 2018)	-	-	-	-	13 176	-	13 176	-	13 176
Change in scope	-	-	-	-	-	-	-	479	479
Share based payments	-	-	-	-	(1 028)	-	(1 028)	-	(1 028)
IAS 19 révisé: recognition of prior service costs	-	-	-	-	-	(172)	(172)	-	(172)
March 31, 2014	172 580 795	17 258	704 158	(478)	(503 453)	3 077	220 562	-	220 562

Statement of cash flows

(in thousand Euros)	March 31, 2014	March 31, 2013
Consolidated net profit / (loss) for the year	(237 004)	(209 690)
Elimination of non cash items:		
Share of profit / (loss) of associates	641	925
Depreciation of investments in associates	12 607	-
Depreciation of goodwill	30 668	-
Variation of redeemable cash advances	2 649	-
Amortization expenses	54 152	56 886
Depreciation of fixed assets	26 235	66 729
Provisions, net	15 033	6 407
Provision for retirement indemnities	795	605
Profit / (loss) on disposal of assets	(525)	516
Income tax charge	63	28
Cost of net financial debt	16 661	11 783
Share-based payments	(1 028)	4 419
Total non cash items	157 951	148 298
Increase (decrease) in cash on:		
Inventories	(39 727)	(6 172)
Solar power plant	(16 146)	-
Trade receivables	9 671	7 536
Other receivables	(8 411)	23 101
Receivable from Touwsrivier project sale	(51 156)	-
Trade payables	5 113	11 340
Other liabilities	871	(13 130)
Variation in working capital	(99 785)	22 675
Net cash generated by (used in) operating activities	(178 838)	(38 717)
Purchase of intangible assets	(6 866)	(15 404)
Capitalization of power plant project development fees	(3 193)	-
Purchase of tangible assets	(36 915)	(103 533)
Proceeds from sales of tangible and intangible assets	2 145	747
(Acquisition) and disposal of financial assets	(37 810)	10 746
Capital contributions to Reflexite Soitec Optical Technology	(996)	(7 267)
Entry of minority shareholders - CPV Power Plant 1 (South Africa)	-	138
Net cash generated by (used in) investing activities	(83 635)	(114 573)
Proceeds from capital increases and exercise of stock options	67 853	887
ABSAAR transactions	-	(1 286)
Loan issuance	180 003*	-
Drawing on credit lines	19 456	41 180
Repayment of borrowings (including finance leases)	(68 791)	(10 249)
Interest received	8 552	2 943
Interest paid	(26 315)	(10 656)
Net cash generated by (used in) financing activities	180 758	22 819
Impact of exchange rate fluctuations	(3 684)	794
Change in net cash	(85 399)	(129 677)
Cash at beginning of the year	130 127	259 804
Cash at end of the year	44 728	130 127

* including the South African bond proceeds for 67 238 thousands of euros.