

PRESS RELEASE

Etrion Releases Third Quarter 2013 Results

November 6, 2013, 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 nine months ended September 30, 2013.

Marco A. Northland, the Company’s Chief Executive Officer, commented: *“Etrion has a strong operating platform in Italy that provides stable revenues and cash flows. During the third quarter, we produced almost 38 million kilowatt-hours of solar electricity, approximately 5% above forecast and 6% above the same period in 2012, and we are on target to produce over 100 million kilowatt-hours in 2013. As future projects are connected in Chile, the impact of seasonality on our business will smooth over time, positively impacting our net results and cash flow position.”*

Mr. Northland continued, *“We are making excellent progress on our development pipeline in Chile and expect to start the construction of Aguas Blancas and Project Salvador within the next 90 days, almost doubling our current installed capacity of 60 megawatts. Etrion will be cash flow positive in 2015 with a diversified platform in terms of both geography and contract regime.”*

Highlights

- Produced 37.7 million (2012: 35.6 million) and 90.8 million (2012: 93.1 million) kilowatt-hours (“kWh”) of electricity during the three and nine months ended September 30, 2013, respectively, from seven solar power projects, comprising seventeen solar power plants.
- Generated revenues of US\$19.4 million (2012: US\$18.3 million) and US\$46.2 million (2012: US\$48.3 million) during the three and nine months ended September 30, 2013, respectively.
- Recognized EBITDA of US\$15.9 million (2012: US\$14.4 million) and US\$34.9 million (2012: US\$39.6 million), resulting in an EBITDA margin of 82% (2012: 79%) and 76% (2012: 82%) during the three and nine months ended September 30, 2013, respectively.
- Recognized net income of US\$1.1 million (2012: US\$0.4 million) and a net loss of US\$4.6 million (2012: US\$1.2 million) during the three and nine months ended September 30, 2013, respectively, due to seasonality.
- Obtained a US\$42 million unsecured corporate loan facility from a company affiliated with the Lundin family, Etrion’s largest shareholder, at an annual interest rate of 12% with a 12-month maturity.
- Signed a purchase agreement with Total SA and Solventus Energías Renovables to build, own and operate a 70 MW solar project in northern Chile that will be owned 70% by Etrion, 20% by Total and 10% by Solventus. The total project cost of approximately US\$200 million will be financed 70% through non-recourse project debt financing provided by the Overseas Private Investment Corporation. Construction is expected to commence in the fourth quarter of 2013, and the project is expected to be operational by the first quarter of 2015.

Selected Financial Information for the Third Quarter 2013

	Three months ended		Nine months ended	
	September 30	September 30	September 30	September 30
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	19,414	18,341	46,150	48,277
Gross profit	12,355	11,850	25,112	29,430
EBITDA ⁽¹⁾	15,881	14,409	34,934	39,555
EBITDA margin	82%	79%	76%	82%
Net income/(loss)	1,056	379	(4,638)	(1,166)
Adjusted net income before non-recurring and non-cash items ⁽¹⁾	6,375	5,591	11,433	12,258
Operating cash flow ⁽²⁾	23,318	14,259	30,430	26,046
Working capital ⁽³⁾	13,568	23,786	13,568	23,786

(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 nine months ended September 30, 2013, the Company reported a net income of US\$1.1 million (earnings per share of US\$0.005) and a net loss of US\$4.6 million (loss per share of US\$0.023), respectively, compared to a net income of US\$0.4 million (earnings per share of US\$0.002) and a net loss of US\$1.2 million (loss per share of US\$0.006) during the comparable periods in 2012.

During the three months ended September 30, 2013, the Company produced approximately 6% more electricity and generated approximately 6% more revenues compared to the same period in 2012 due primarily to higher solar irradiation in the third quarter of 2013. Although there was a reduction in the spot market price in Italy, this reduction was completely offset by a strengthening of the Euro against the US dollar during the period, resulting in the same average price per kWh of US\$0.52.

During the nine months ended September 30, 2013, the Company produced approximately 2% less electricity and generated approximately 4% less revenues compared to the same period in 2012 due primarily to lower solar irradiation in the first half of 2013. Note that the weather conditions in 2012 were significantly better than expected. The Company's revenue during the nine months ended September 30, 2013, was also adversely affected by a reduction in the spot market price in Italy, offset by a strengthening of the Euro against the US dollar during the period, resulting in a 2% reduction to the average price per kWh from US\$0.52 to US\$0.51 per kWh.

The net results for the three months ended September 30, 2013, were adversely affected by non-cash items of US\$5.3 million, including depreciation and amortization of US\$5.0 million, unrealized fair value losses associated with derivative financial instruments of US\$0.2 million and stock-based compensation of US\$0.1 million. Excluding these non-cash items, the Company's net income for the three months ended September 30, 2013, would have been US\$6.4 million.

The net results for the nine months ended September 30, 2013, were 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 plus non-cash items of US\$15.4 million, including depreciation and amortization of US\$15.1 million and stock-based compensation of US\$0.4 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 net income for the nine months ended September 30, 2013, would have been US\$11.4 million.

Earnings Call

A conference call/webcast to present the Company's third quarter 2013 results will be held on Thursday, November 7, 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=170334>

In addition, the earnings call presentation and the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2013, plus the related management's discussion and analysis will be available on the Company's website (www.etrion.com).

A replay of the telephone conference will be available until December 8, 2013.

Replay 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 ("IPP") that builds, owns and operates utility-scale solar power generation plants. The Company owns 17 solar power plants in Italy with approximately 60 MW of installed capacity. The Italian operations generate more than US\$40 million of annual earnings before interest, taxation, depreciation and amortization ("EBITDA"). Etrion is also developing solar power projects in Chile, including a 70 MW solar park in partnership with Total SA. The Company is listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden under the ticker symbol "ETX". Etrion's largest shareholder is the Lundin family, which owns approximately 25% 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

Etrion discloses the information provided herein pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act.

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 and, 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 nine months ended September 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 timing and financial impact of 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 assumptions with respect to the revenues and profits to be generated by the Company's Chilean 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 applicable entities and unexpected delays in development and construction of the Chilean solar power 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.