



Day4 Energy Reports Fourth-Quarter and Year End 2009 Results *Fourth Quarter Strongest in History with Revenues of \$36.6 Million*

Burnaby, British Columbia —March 16, 2010— Day4 Energy Inc. (TSX: DFE), a solar electric technology developer and supplier of premium solar energy solutions, today reported operating results for the fourth quarter and full year 2009.

“2009 was far from an ordinary year. Global economic events that started to unfold in late 2008 have certainly had a profound impact on the entire PV industry. In the first months of the year market demand for PV modules plummeted and product average selling prices deteriorated rapidly. Day4’s management responded to these challenges by implementing aggressive cash preservation measures, companywide cost reduction and accelerated transition to the outsourced manufacturing model,” said George Rubin, president of Day4 Energy. “We ended 2009 with the strongest quarter in the history of our company. Strong sales, superior cost structure of our outsourced manufacturing as well as recovery in accounts receivable previously accounted for as bad debt expense contributed to the achievement of one of the most significant milestones in our limited operating history – EBITDA profitability during the fourth quarter of 2009. Finally, we ended the year with a cash position of \$27.2 million, 5% higher than at the end of 2008.”

Key events of the quarter and full year 2009 included:

1. Strongest six months performance in the history of the company. The company’s revenues during the second half of 2009 have reached \$50 million CDN with \$36.6 million coming from the 4th quarter sales. This improvement in sales was partly a result of improved market conditions and partly due to the steps taken by management during the year to stimulate demand through actively focusing on new markets opportunities, trade credit insurance and pricing strategy. Notwithstanding slow demand in the first six months of 2009, we managed to maintain our product turn-over at approximately the same level as in 2008 while posting the strongest operating performance in the company’s history in the second six months of the year.
2. Gross profit margins have further improved substantially on increased volume and superior cost structure of the outsourced manufacturing facility, adjusted gross profit realized during the 4th quarter as well as over the course of the entire 6 month period during the second half of 2009 was approximately 7%.
3. During the 4th quarter of 2009 the company has achieved perhaps one of the most significant milestones in our limited operating history – EBITDA profitability. This achievement was possible due to a number of factors including substantial improvement in production cost structure, volume increase as well as tight credit and cash collection policies that resulted in recovery of \$1.7 million in accounts receivable previously accounted for as bad debt.
4. In 2009, we explored and developed opportunities to expand our expertise and product offerings into the investor funded PV project space, where we sell our modules into PV projects that are funded by investors. Revenue related to investor funded projects in 2009 total \$11.2 million relating to 2.4MW project with Günter Heiss Solar GmbH & Co.KG and 1.0MW phase I and II projects with SolarFarm Hüfingen.
5. We successfully completed our implementation of outsourcing manufacturing with Jabil in Poland. The outsourced production reduces the overall capital intensity of the business and leverages existing industry infrastructure to achieve maximum capital utilization efficiency and economies of scales. Positioning our

outsourced manufacturing within our largest market enables us to manage our working capital requirements by eliminating long trans-continental shipping times. This additionally provides a natural hedge against foreign exchange risk by operating within the same currency as our primary sales market, Europe.

6. We continued to expand our sales force to meet expectations of the growing European markets with a goal to strengthen the team with the addition of seasoned management experience and leadership. This focused and dedicated effort is a key requirement to address the rapidly expanding field of opportunities in each of our core markets.
7. As a result of the continued advancements in our R&D efforts, we introduced our second major product, the 60MC-I modules with Guardian Technology™. This Guardian Technology™ lends itself particularly well to the roof-top market since this is where it offers the biggest advantage. Both North American and European legislation is starting to favour this market. The key advancement in our proprietary new module technology minimizes energy losses caused by shading over the modules as well as the effects of debris such as leaves and bird droppings, all of which can dramatically reduce or eliminate electricity production from a standard module. As Day4's 60MC-I modules are able to operate well even when partially shaded, it is possible to arrange them closer together, enabling a larger number of modules to be installed in a smaller area with a greater energy yield, something that is key on a rooftop where space is limited.

Q4 and YE 2009 FINANCIAL RESULTS

Worldwide Product Revenues

Fourth quarter revenues of \$36.6 million increased by \$23.3 million or 175% from the prior quarter revenues and by \$20.0 million or 120% for the same period in 2008. The increase in revenues compared to the prior quarter is due to a solid recovery in demand in our primary markets. Full year revenues for 2009 were \$60.0 million compared to \$76.8 million for the prior year. The decrease in revenue versus the same period in 2008 was primarily due to the impact of the global economic recession and financial crisis that started in the fourth quarter 2008. Notwithstanding slow demand in the first six months of 2009, we have managed to maintain our product turn-over at approximately the same level as in 2008 while posting the strongest operating performance in the company history in the second six months of the year.

Gross Margins

Gross margin was \$2.6 million for the fourth quarter as compared to \$0.1 million in the third quarter 2009 and a gross loss of \$7.4 million in the same period in 2008. Gross margins have sequentially improved through the end of the year as there were no inventory write-downs in the fourth quarter and period costs relating to fixed overhead costs due to low capacity utilization at Jabil of \$0.8 million. These costs continue to be reduced from the period costs in Q3 of \$0.9 million that unfavorably impacted our gross margin in that quarter. During the second half of 2009, Day4 revenues reached \$50 million while adjusted gross margins averaged 7.1% over the same time period, compared to adjusted gross loss of 5.5% over the second half of 2008.

Gross loss was \$8.5 million for 2009 compared to \$7.2 million in 2008. The higher gross loss during the year was primarily due to inventory write-downs of \$9.8 million and period costs due to low capacity utilization of \$4.1 million. In 2008, inventory write-downs totaled \$5.2 million. While the year over year gross losses increased from 9% in 2008 to 14% in 2009 a number of economic factors contributed to the increase. Adjusted gross margin for 2009 was 5% compared to a loss of 3% in 2008. Adjusted gross margins removes the costs relating to inventory write-downs, inefficiency cost due to low capacity utilization and the zero cost based revenue to provide a view of the margin under normal conditions where production is operating at full capacity and when PV module prices are more stable. The improvement in the adjusted gross margin mainly resulted from the outsourcing of our manufacturing to Poland as well as management's continuous efforts in working closely with our material suppliers to negotiate raw material price structures compatible with our product pricing.

Expenses

For the fourth quarter of 2009, general and administrative (G&A) expenses were \$0.7 million, compared to the prior quarter expenses of \$1.9 million and expenses in the fourth quarter of 2008 of \$10.4 million. 2009 full year general

and administrative expenses were \$7.6 million compared to \$14.9 million for 2008. Several factors contributed to this decrease and can be divided into operating and non-operating expenses. While operational activities remained relatively stable between 2009 and 2008 we did decrease our G&A staffing levels from forty-one to thirty-three. Specific charges in 2009 included \$0.1 million of workforce reduction restructuring costs, outsourcing start-up costs of \$1.0 million and a recovery of \$1.7 million on allowance for doubtful accounts previously provisioned in 2008. Equivalent non-operating costs included in 2008 were allowance for doubtful accounts of \$6.3 million and \$0.6 million related to workforce reduction restructuring costs.

Sales and marketing expenses of \$1.0 million for the fourth quarter 2009 compared to \$0.9 million and \$0.8 million in the previous quarter and the same period in 2008 respectively. Full year 2009 sales and marketing expenses were \$3.5 million compared to \$3.6 million for 2008. In 2009, we continued to expand our activities, initiatives and staff resources from the prior year, including customer relations and sales channel development initiatives with our key customers. During 2009, sales and marketing staff levels increased from fifteen to eighteen.

R&D expenses in the fourth quarter decreased to \$1.0 million from \$1.1 million in the prior quarter and \$0.5 million in the fourth quarter in 2008. 2009 full year R&D expenses were \$3.1 million compared to \$2.3 million in 2008. The increase in R&D expenses in 2009 compared to the prior year related primarily to the costs associated with our Burnaby facility which is now used almost exclusively for R&D following the transfer of production to Jabil. Starting in the third quarter of 2009, all production equipment, personnel and facility costs, with the exception of Day4® Electrode wire production, have been repurposed from production to R&D. During the year staff assigned to R&D remained stable at fourteen.

Loss Per Share

The net income for the fourth quarter 2009 was \$0.6 million \$0.02 per share compared with a net loss of \$4.2 million (\$0.12) per share for the prior quarter and a net loss of \$29.0 million (\$0.79) per share for the same period in 2008. Improvement in net income reflected the continuing cost reduction initiatives, new market development and pricing strategy. Fourth quarter results also include the benefit of the recovery of \$1.6 million relating to accounts receivable we had previously written-off in 2008 and revenue of \$0.9 million related to PV modules with a zero cost base because they had been previously written down.

The net loss for the year ended December 31, 2009 was \$20.4 million (\$0.56) per share compared to \$33.9 million (\$0.92) per share for the same period in 2008. The differences in 2008 compared to 2009 were mainly a result of decreased impairment charges on long-lived assets, allowance and recovery for doubtful accounts, increased inventory write-downs, outsourced manufacturing start-up cost, zero cost based module sales and period cost related to low capacity utilization. Net loss adjusted for the above was \$9.5 million in 2009 compared to \$13.7 million for the prior year.

Cash and Short-Term Investments

At December 31, 2009, we had \$27.2 million in cash and short term investments, including restricted cash of \$0.3 million, an increase of \$6.4 million from total cash and short term investments of \$20.8 million at September 30, 2009 and \$25.8 million at December 31, 2008. Cash generated from operations was \$9.6 million for the fourth quarter 2009, compared to cash outflows of \$0.4 million for the third quarter of 2009 and \$5.2 million for the same period in 2008.

Cash used by operations for fiscal 2009 was \$2.0 million, compared to \$32.9 million for the prior year. The decrease in cash used by operations for the year was driven by non-cash working capital decreases relating to inventory and accounts receivable, a direct result of management focus in 2009 to manage working capital and reduce inventory.

Detailed financial results and management's discussion and analysis can be found on our website at www.day4energy.com or on SEDAR at www.sedar.com.

About Day4 Energy

Day4 Energy Inc. is a Canadian company dedicated to providing high performance photovoltaic (PV) solutions for residential, commercial and utility scale installations. By fundamentally improving on the design and assembly of solar cells and modules, the Company produces unique PV panels of high power density, increased lifetime and uncompromised aesthetic appearance. Day4 Energy partners with international technology leaders to develop and deliver IEC- and UL-certified solar products to customers around the world. Day4 Energy is listed on the Toronto Stock Exchange under the symbol "DFE". For more information, please visit www.day4energy.com.

Conference Call Information

Day4 Energy's management will conduct a conference call at 8:30am (ET) March 16, 2010 to review the company's fourth-quarter and year end 2009 financial results. The call can be accessed by dialing 1-800-319-4610 (Canada and US) or 1-604-638-5340 (International) prior to the start of the call. Following the call a recording of the conference call will be archived on Day4 Energy's website, www.day4energy.com

Caution Regarding Forward-Looking Statements

This news release contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements include, among other things, statements relating to our expectations regarding our revenues, expenses, cash flows, operating performance and future profitability. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target", and similar words suggesting future events or future performance.

The forward-looking statements contained in this news release are based on assumptions, which include, but are not limited to, our ability to continue to successfully outsource the majority of our annual PV manufacturing capacity; our ability to manage and meet demand for our products; our ability to obtain an adequate spread between our module average selling price and cost of raw materials, including PV cells; achieving increased PV cell and PV module efficiencies; expanding our existing product line; building the Day4 brand, attracting customers and developing and maintaining customer and supplier relationships; continuing our strong relationships with our suppliers; effectively managing foreign exchange risks; protecting our intellectual property rights and not infringing on the intellectual property rights of third parties; timely processing by certification agencies of new products; and complying with applicable governmental regulations and standards.

Such forward-looking statements are subject to risks, uncertainties and other factors, including those listed in our Annual Information Form filed with Canadian securities regulatory authorities, many of which are beyond our control and each of which contributes to the possibility that our forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. These risks, uncertainties and other factors include, but are not limited to, the impact of general economic, market or business conditions; risks related to the implementation of outsource manufacturing and our dependence on Jabil for the manufacture of our products; our dependence on a limited number of PV cell suppliers; price fluctuations that may impact relations with existing customers; risks relating to the protection of our intellectual property and intellectual property infringement claims by third parties; our reliance on a limited number of suppliers; government subsidies and economic incentives for PV power could be reduced or eliminated; the financial strength of our competitors; competition from other forms of renewable energy; our ability to manage growth effectively; our ability to open up new markets for our products; demand for PV modules may reduce; technological advances from competitors that may render our products uneconomic or obsolete; the impact of global events; and other factors, many of which are beyond our control.

The forward-looking statements made in this news release relate only to events or information as of the date indicated above. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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Day4 Energy Inc.
Consolidated Balance Sheets
As at December 31, 2009 and 2008

	2009	2008
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	17,804,941	14,730,294
Restricted cash	335,000	11,085,230
Short-term investments	9,067,397	-
Accounts receivable	3,598,384	3,320,849
Investment tax credits receivable	600,000	600,000
Other receivables	8,447,806	1,511,301
Inventory	11,078,173	35,018,558
Prepaid expenses	564,336	379,429
Equipment held for sale	-	2,704,913
	<u>51,496,037</u>	<u>69,350,574</u>
Property, plant and equipment	<u>21,679,300</u>	<u>28,254,320</u>
	<u>73,175,337</u>	<u>97,604,894</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	13,321,691	12,504,078
Taxes payable	830,000	830,000
Short-term debt	1,143,521	142,940
Deferred revenue	322,331	168,012
Derivative instruments	-	2,157,218
	<u>15,617,543</u>	<u>15,802,248</u>
Long-term debt	<u>-</u>	<u>1,143,521</u>
	15,617,543	16,945,769
Non-controlling interest	-	26,410
Shareholders' Equity		
Share capital		
Authorized		
Unlimited number of common shares		
Unlimited number of preferred shares		
Issued and outstanding		
36,739,366 (2008 - 36,679,366) common shares	130,972,498	130,952,257
Contributed surplus	2,581,508	2,091,952
Warrants	2,279,890	2,279,890
Accumulated other comprehensive income	(3,201,330)	-
Deficit	<u>(75,074,772)</u>	<u>(54,691,384)</u>
	<u>57,557,794</u>	<u>80,632,715</u>
	<u>73,175,337</u>	<u>97,604,894</u>

Day4 Energy Inc.

Consolidated Statements of Operations and Deficit For the years ended December 31, 2009 and 2008

	2009 \$	2008 \$
Revenues	60,044,856	76,836,546
Cost of revenues	68,531,840	84,075,455
Gross loss	8,486,984	7,238,909
Expenses		
General and administrative	7,602,859	14,910,590
Research and development	3,149,962	2,256,373
Less: Investment tax credits and Government assistance	(120,184)	(195,302)
Selling and marketing	3,476,698	3,568,579
Depreciation	1,387,853	524,420
Amortization	-	284,218
	15,497,188	21,348,878
Loss before undernoted	23,984,172	28,587,787
Foreign exchange gain	3,419,896	4,176,771
Unrealized loss on derivative instruments	-	(2,157,218)
Interest and other income	253,527	2,132,336
Interest expense	(109,848)	(87,507)
Royalty premium expense	-	(476,467)
Gain (loss) on disposal of property, plant and equipment	23,603	(39,973)
Impairment of intangible assets	-	(541,141)
Impairment of property, plant and equipment	-	(8,153,256)
Gain on disposition of subsidiary	24,677	-
Accretion expense	(22,394)	(144,088)
	3,589,461	(5,290,543)
Loss before non-controlling interest	20,394,711	33,878,330
Non-controlling interest	(11,323)	(4,979)
Loss for the year	20,383,388	33,873,351
Deficit - Beginning of year	54,691,384	20,818,033
Deficit - End of year	75,074,772	54,691,384
Net loss per share - basic and diluted	0.56	0.92
Weighted average number of shares outstanding - basic and diluted	36,681,667	36,651,193

Day4 Energy Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2009 and 2008

	2009 \$	2008 \$
Cash flows from operating activities		
Loss and comprehensive loss for the year	(20,383,388)	(33,873,351)
Items not affecting cash		
Stock-based compensation	494,797	742,751
Accretion and royalty premium on IRAP-TPC loan	-	608,188
Depreciation and amortization	2,834,615	2,095,104
Loss (gain) on sale of property, plant and equipment	(23,603)	39,973
Valuation write down of inventory	9,812,699	5,222,615
Impairment of intangible assets	-	541,141
Impairment of property, plant and equipment	-	8,153,256
Gain on disposal of subsidiary	(24,677)	-
Unrealized foreign exchange (gain) loss	5,881,263	1,530,165
Change in value of derivative instruments	(2,157,218)	2,157,218
Deferred lease inducement	-	(11,245)
Non-controlling interest	(11,323)	(4,979)
Changes in non-cash working capital items		
Accounts receivable	(2,967,342)	(2,183,441)
Investment tax credits receivable	-	565,000
Other receivables	(7,003,902)	1,208,506
Inventory	14,127,685	(25,072,632)
Prepaid expenses	(184,904)	168,015
Accounts payable and accrued liabilities	(2,529,878)	5,259,453
Deferred revenue	154,319	(23,616)
	<u>(1,980,857)</u>	<u>(32,877,879)</u>
Cash flows from investing activities		
Purchase of short-term investments	(9,000,000)	(8,000,000)
Proceeds from sale of short-term investments	-	48,000,000
Change in restricted cash	10,750,230	(9,763,090)
Purchase of property, plant and equipment	(2,985,530)	(33,939,145)
Proceeds from sale of property, plant and equipment	8,215,702	54,795
Proceeds from non-controlling interest	-	31,389
Proceeds from sale of subsidiary - net of cash included in sale of 29,098	9,590	-
	<u>6,989,992</u>	<u>(3,616,051)</u>
Cash flows from financing activities		
Repayment of IRAP loan	(142,940)	(142,940)
Proceeds from exercise of warrants	-	492,498
Proceeds from exercise of stock options	15,000	80,000
	<u>(127,940)</u>	<u>429,558</u>
Impact of foreign exchange on cash and cash equivalents	<u>(1,806,548)</u>	<u>(2,298,470)</u>
Increase (decrease) in cash and cash equivalents	3,074,647	(38,362,842)
Cash and cash equivalents - Beginning of year	14,730,294	53,093,136
Cash and cash equivalents - End of year	<u>17,804,941</u>	<u>14,730,294</u>
Supplemental cash flow information		
Cash paid for interest	51,634	13,472
Cash received for interest	19,894	1,937,448

Day4 Energy Inc.

Consolidated Statements of Comprehensive Loss and Accumulated Other Comprehensive Loss For the years ended December 31, 2009 and 2008

	2009 \$	2008 \$
Loss for the year	20,383,388	33,873,351
Unrealized foreign exchange losses on translation of consolidated financial statements to the presentation currency	3,201,330	-
Other Comprehensive Loss	<u>3,201,330</u>	<u>-</u>
Comprehensive Loss	<u>23,584,718</u>	<u>33,873,351</u>

	2009 \$	2008 \$
Unrealized foreign exchange losses on translation of consolidated financial statements to the presentation currency	3,201,330	-
Accumulated Other Comprehensive Loss	<u>3,201,330</u>	<u>-</u>

