



**News Release
For Immediate Release**

DAY4 ENERGY REPORTS FOURTH QUARTER AND FULL YEAR 2010 RESULTS

Burnaby, British Columbia — March 31, 2011— Day4 Energy Inc. (TSX: DFE), a leading global provider of solar photovoltaic (PV) products and solutions, today reports its operating results for the fourth quarter and full year 2010.

“During this past year, we achieved a number of objectives including improving our product cost structure and reaching new levels of market adoption for our technology. In addition, we established the foundation for the business strategy that we believe will allow us to capitalize on these accomplishments moving forward. As we enter 2011, our industry is at a critical point in its development due to a combination of factors, including volatile feed-in tariff environments and continued price reductions as supply is widely expected to exceed demand. We believe the consequences of this shift in the market will be a very challenging business environment in which consolidation among companies will be likely, and survivors will be identified by their strong, competitive and differentiated product offerings,” says George Rubin, President of Day4 Energy Inc.

“In the fall of 2010 we successfully completed the acquisition of our long-term manufacturing equipment development partner, ACI ecoTec GmbH (“ACI”). ACI’s acquisition provides us with accelerated manufacturing technology development capabilities, as well as a manufacturing solutions and equipment sales, production and delivery infrastructure. With this acquisition, we commenced the transformation of our business from technology scale-up, and the required market development associated with PV module manufacturing and distribution, to a manufacturing technology and product marketing solutions company. We believe this strategy allows us to benefit from the strengths of our brand and technology, and address the challenges of the coming months” concludes Mr. Rubin.

Key events of the quarter and full year 2010 included:

1. Increasing Market Penetration

During the last year we successfully increased sales volumes to \$166.7 million, an increase of 178% from the previous year. Furthermore, we entered new markets and expanded geographic diversification of our market presence. Our Italian market sales increased to \$76.6 million compared to \$4.3 million in 2009. At the same time we expanded our sales presence in emerging markets, including Australia, where our sales increased to \$3.7 million compared to \$Nil in 2009.

2. Improving Product Cost Structure

During the last 12 months we concentrated our production and R&D efforts on improving the cost structure of our product offering. During the first and second quarters of 2010 our product cost reduction efforts focused on the transition to new, lower cost product design and expanding our manufacturing footprint at the Jabil facility in Poland. During the second half of the year we further improved our product cost structure by adjusting the bill of materials to include low cost components while maintaining high quality standards of our product offering. As a result of these efforts we maintained positive gross margin throughout the year and reached 8% in gross margin in Q4 of 2010, even though adverse fluctuations in foreign exchange (FX) rates had a strong negative impact on our cost of sales during the year.

3. Creating the Foundation for Future Growth

While our operating expenses continued to exceed gross profits for the year, we established a foundation for the business model that we believe will enable us to leverage the full potential of our now established proprietary manufacturing process and ultimately improve our profit margins to sustainable levels. By acquiring ACI in the fall of 2010 we have combined experience



as technology developers, module and equipment manufacturers and marketing and sales experts to customers around the world wishing to establish or expand their PV business through our Day4 solarSYSTEMS licensing program.

Q4 and FY 2010 FINANCIAL RESULTS

Worldwide Product Revenues

Fourth quarter revenues of \$57.7 million increased by \$21.1 million or 57% from the same period in 2009 and by \$16.3 million or 40% from the prior quarter. Revenues for the full year ended December 31, 2010 increased by \$106.6 million when compared to the same period in 2009.

Gross Margins

Gross margin was \$4.7 million (8%) for the fourth quarter 2010 as compared to a gross margin of \$1.7 million (4%) in the prior quarter and \$2.6 million in the fourth quarter 2009. We improved gross margin in the fourth quarter due to stabilizing costs, near capacity production and favourable FX rates. The change to a 5% gross margin in 2010 from a 14% gross loss in 2009 was due to continuous improvement in the overall manufacturing cost structure of our business, including: continuous reductions in the bill of materials, production volume expansion and the transition to a lower cost product mix which yielded a higher average selling price per watt.

Expenses

For the fourth quarter of 2010, general and administrative (G&A) expenses were \$2.5 million, an increase of \$0.6 million and \$1.8 million over expenses of \$1.9 million in the prior quarter and \$0.7 million for the same period in 2009, respectively. The increase in G&A expenses from the prior quarter relates primarily to the acquisition of ACI and ACI's contribution to G&A expenses in the period.

G&A expenses were \$9.7 million for the full year ended December 31, 2010 and \$7.6 million for the same period in 2009. The increase in G&A expenses in 2010 primarily relates to due diligence activities for the acquisition of ACI and the production capacity expansion at our facility in Poland.

Sales and marketing expenses were \$1.2 million for the fourth quarter 2010 compared to \$1.0 million in the same period in 2009 and \$0.8 million in the third quarter 2010. The increase in marketing expenses in the quarter reflects the addition of ACI's sales and marketing activities since acquisition.

Sales and marketing expenses for the full year ended December 31, 2010 were \$4.1 million compared to \$3.5 million for the prior year. The increased expenditures in 2010 reflect the increases in our sales and marketing activities through the year to take advantage of opportunities in the growing European markets. These efforts were essential to address the rapidly expanding opportunities in each of our core markets and to align our infrastructure to roll out our turn-key manufacturing technology solution.

R&D expenses in the fourth quarter were \$1.8 million compared to \$0.8 million for the prior quarter and \$1.0 million for same period in 2009. The increase was due to investments made to process improvements and products.

For the full year ended December 31, 2010 R&D expenses were \$4.1 million compared to \$3.1 million the prior year same period. The increase in R&D expenses reflect additional research and development activities conducted by ACI since acquisition and the repurposing of our Burnaby facility.

Loss per Share

The net loss for the fourth quarter 2010 was \$1.3 million (\$0.04 per share) compared to \$2.3 million (\$0.06 per share) in the prior quarter and a net income of \$0.6 million (\$0.02 per share) for the same period in 2009.



The net loss for the full year ended December 31, 2010 was \$9.8 million (\$0.26 per share) compared to \$20.4 million (\$0.56 per share) for the same period in 2009. The lower net loss in 2010 was primarily due to improvements in gross margin. Also, approximately \$9.8 million loss in 2009 related to inventory write-downs.

Cash and Short-Term Investments

Working capital was \$20.7 million at the end of the fourth quarter and full year ended December 31, 2010 a decrease of \$5.0 million compared to the previous quarter. Cash and cash equivalents, restricted cash and short-term investments totaled \$12.3 million at December 31, 2010, a decrease of \$2.1 million from \$14.4 million at September 30, 2010; a decrease of \$14.9 million from \$27.2 million at December 31, 2009. Cash and cash equivalents have decreased since December 31, 2009 primarily due to the utilization of funds to finance operations.

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 (EST) March 31, 2010 to review the company's fourth quarter and full year 2010 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 obtain an adequate spread between our module average selling price and cost of raw materials, including PV cells; the continued ability of Jabil Circuit Inc. ("Jabil") to successfully manufacture our products; the interest of third parties in manufacturing Day4's products under license; our ability to meet and manage demand for our products; achieving increased PV cell and PV module efficiencies; expanding our existing product line; developing new markets for our products and securing necessary certifications in such markets; 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; effectively managing credit risks of customers and other counterparties; protecting our intellectual property rights and not infringing on the intellectual property rights of third parties; timely processing by certification agencies for new products; the continued existence of government incentives for the generation of electricity using solar power; 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, with the continued integration of ACI, Day4 may be subject to additional financial and personnel strains; ACI may not be able to fulfil orders in a timely fashion for products necessary for the implementation of the Company's strategy of licensing third party manufacturers of the Company's products; Third Party Suppliers of equipment needed as part of our turnkey manufacturing solution may default on their obligations; there may be a lower than expected interest from third parties in manufacturing Day4's products under license; risks related to the outsourcing of our manufacturing and our dependence on Jabil for the manufacture of our products; the possibility that we may be subject to litigation by our suppliers or customers; 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; our financial strength and our ability to effectively manage our cashflow; 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 general economic, market or business conditions; currency market fluctuations; 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.

###

Contact:

Justin Lacey
Media Contact
Day4 Energy Inc.
(604) 296-0449
media@day4energy.com

Day4 Energy Inc.
Consolidated Balance Sheets
As at December 31, 2010 and 2009

	2010	2009
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	10,486,264	17,804,941
Restricted cash (note 5)	1,784,355	335,000
Short-term investments (note 6)	-	9,067,397
Accounts receivable	13,427,928	3,598,384
Investment tax credits receivable (note 7)	-	600,000
Other receivables (note 8)	4,474,808	8,447,806
Inventory (note 9)	13,859,553	11,078,173
Prepaid expenses	798,030	564,336
	<u>44,830,938</u>	<u>51,496,037</u>
Property, plant and equipment (note 10)	22,163,895	21,679,300
Intangible assets (note 11)	854,636	-
Goodwill (note 12)	4,131,137	-
	<u>71,980,606</u>	<u>73,175,337</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	17,539,949	13,321,691
Taxes payable (note 13(d))	935,221	830,000
Current portion of long-term debt (note 16)	3,859,806	1,143,521
Deferred revenue	566,569	322,331
Capital lease obligation – current	1,215,457	-
	<u>24,117,002</u>	<u>15,617,543</u>
Capital lease obligation (note 15)	429,541	-
Long-term debt (note 16)	1,375,665	-
	<u>25,922,208</u>	<u>15,617,543</u>
Shareholders' Equity (note 13)		
Share capital		
Authorized		
Unlimited number of common shares		
Unlimited number of preferred shares		
Issued and outstanding		
43,149,366 (2009 - 36,739,366) common shares	134,391,619	130,972,498
Equity component of consideration issuable for business acquisition	1,128,870	-
Contributed surplus	5,226,334	2,581,508
Warrants	-	2,279,890
Accumulated other comprehensive income	(9,863,502)	(3,201,330)
Deficit	(84,824,923)	(75,074,772)
	<u>46,058,398</u>	<u>57,557,794</u>
	<u>71,980,606</u>	<u>73,175,337</u>
Nature of operations and going concern (note 1)		
Commitments (note 17)		

Approved by the Board of Directors

(signed) John S. MacDonald Director

(signed) James Topham Director

The accompanying notes are an integral part of these financial statements.

Day4 Energy Inc.

Consolidated Statements of Operations and Deficit For the years ended December 31, 2010 and 2009

	2010 \$	2009 \$
Revenues	166,689,249	60,044,856
Cost of revenues	157,668,679	68,531,840
Gross margin (loss)	9,020,570	(8,486,984)
Expenses		
General and administrative	9,701,674	7,602,859
Research and development	4,061,575	3,149,962
Less: Investment tax credits and government assistance (notes 7 and 19)	(456,116)	(120,184)
Selling and marketing	4,081,186	3,476,698
Depreciation	1,979,019	1,387,853
Amortization	37,783	-
	19,405,121	15,497,188
Loss before undernoted	10,384,551	23,984,172
Foreign exchange gain	565,481	3,419,896
Interest and other income	269,360	253,527
Interest expense	(193,971)	(109,848)
Gain (loss) on disposal of property, plant and equipment	(6,470)	23,603
Gain on disposition of subsidiary (note 3)	-	24,677
Accretion expense	-	(22,394)
	634,400	3,589,461
Loss before non-controlling interest	9,750,151	20,394,711
Non-controlling interest (notes 2 and 3)	-	(11,323)
Loss for the year	9,750,151	20,383,388
Deficit - Beginning of year	75,074,772	54,691,384
Deficit - End of year	84,824,923	75,074,772
Net loss per share - basic and diluted	0.26	0.56
Weighted average number of shares outstanding - basic and diluted	37,869,065	36,681,667

The accompanying notes are an integral part of these financial statements.

Day4 Energy Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2010 and 2009

	2010 \$	2009 \$
Cash flows from operating activities		
Loss for the year	(9,750,151)	(20,383,388)
Items not affecting cash		
Stock-based compensation (note 14)	437,626	494,797
Depreciation and amortization	3,465,929	2,834,615
Loss (gain) on sale of property, plant and equipment	6,741	(23,603)
Valuation write down of inventory (note 9)	603,714	9,812,699
Unrealized foreign exchange (gain) loss	317,225	5,881,263
Change in value of derivative instruments	-	(2,157,218)
Non-controlling interest	-	(11,323)
Changes in non-cash working capital items		
Accounts receivable	(6,936,983)	(2,967,342)
Investment tax credits receivable	600,000	-
Other receivables	3,740,244	(7,003,902)
Inventory	(1,717,635)	14,127,685
Prepaid expenses	287,730	(184,904)
Accounts payable and accrued liabilities	(706,027)	(2,529,878)
Deferred revenue	(137,783)	154,319
	<u>(9,789,370)</u>	<u>(1,980,857)</u>
Cash flows from investing activities		
Purchase of short-term investments	(2,500,000)	(9,000,000)
Proceeds from sale of short-term investments	11,500,000	-
Change in restricted cash	(1,449,355)	10,750,230
Purchase of property, plant and equipment	(2,140,468)	(2,985,530)
Proceeds from sale of property, plant and equipment	10,913	8,215,702
Proceeds from sale of subsidiary - net of cash included in sale of \$29,098 (note 3)	-	9,590
	<u>5,421,091</u>	<u>6,989,992</u>
Cash flows from financing activities		
Repayment of IRAP loan	-	(142,940)
Proceeds from bank debt	271,015	-
Repayment of capital lease obligation	(226,995)	-
Proceeds from exercise of stock options	252,500	15,000
	<u>296,520</u>	<u>(127,940)</u>
Impact of foreign exchange on cash and cash equivalents	<u>(3,246,918)</u>	<u>(1,806,548)</u>
Increase (decrease) in cash and cash equivalents	(7,318,677)	3,074,647
Cash and cash equivalents - Beginning of year	<u>17,804,941</u>	<u>14,730,294</u>
Cash and cash equivalents - End of year	<u>10,486,264</u>	<u>17,804,941</u>
Supplemental cash flow information		
Cash paid for interest	132,903	51,634
Cash received for interest	133,577	19,894

The accompanying notes are an integral part of these financial statements.

Day4 Energy Inc.

Notes to Consolidated Financial Statements

December 31, 2010 and 2009

	2010	2009
	\$	\$
Loss for the year	9,750,151	20,383,388
Unrealized foreign exchange losses on translation of consolidated financial statements to the presentation currency	6,662,172	3,201,330
Other Comprehensive Loss	<u>6,662,172</u>	<u>3,201,330</u>
Comprehensive Loss	<u>16,412,323</u>	<u>23,584,718</u>

	2010	2009
	\$	\$
Accumulated Other Comprehensive Loss – Beginning of Year	3,201,330	-
Unrealized foreign exchange losses on translation of consolidated financial statements to the presentation currency	6,662,172	3,201,330
Accumulated Other Comprehensive Loss – End of Year	<u>9,863,502</u>	<u>3,201,330</u>