



## Power-One Announces Record Fourth Quarter and Fiscal Year 2010 Results

- Revenue exceeds \$1 billion in 2010
- Quarterly revenue grows 157% year-over-year to \$366 million
- Operating income reaches \$265 million in 2010
- 2010 diluted EPS of \$0.96 includes \$0.14 charge from SynQor litigation

CAMARILLO, Calif., Feb. 3, 2011 (GLOBE NEWSWIRE) -- Power-One, Inc. (Nasdaq:PWER), a leading provider of renewable energy and energy-efficient power conversion and power management solutions, today announced financial results for the fourth quarter and fiscal year 2010. For the quarter ended January 2, 2011, Power-One posted net sales of \$366 million, an increase of 157% from the fourth quarter 2009. Net income attributable to common stockholders for the fourth quarter was \$54 million, or \$0.35 per diluted share, compared to \$5 million, or \$0.05 per share for the same period last year. Net income was negatively impacted by a \$22 million charge as a result of the SynQor litigation, which lowered diluted EPS by \$0.14.

For the full year, Power-One achieved net sales of \$1.05 billion, an increase of 143% compared to 2009. Net income attributable to common stockholders was \$144 million, or \$0.96 per diluted share, compared to a loss of \$65 million, or a \$0.74 loss per share for the prior year.

"We gained market share and achieved record sales and net income in 2010, as both Renewable Energy Solutions and Power Solutions posted positive operating income in the fourth quarter," said Richard Thompson, Chief Executive Officer of Power-One. "With our focus on technology-leading products and customer service, Power-One is positioned for continued revenue and profitability growth in 2011."

### Renewable Energy Solutions

Renewable Energy Solutions posted a revenue increase of 285% versus last year as it continued to grow at a faster pace than the photovoltaic (PV) inverter market. In the quarter, Power-One introduced its U.S. inverter product line and opened its manufacturing and research and design center in Phoenix, Arizona.

Inverter and related product sales reached a record \$263 million in revenue for the fourth quarter 2010. Renewable Energy Solutions contributed nearly 72% of the company's revenue, versus 48% in the fourth quarter of 2009. In the quarter, Power-One shipped 932 MW of inverters, bringing its 2010 total to 2.6 GW.

### Power Solutions

Power Solutions increased sales by 39% year-over-year, with revenue of \$103 million in the fourth quarter 2010 versus \$74 million in the same period of 2009. During the fourth quarter, Power Solutions introduced products that exceed Climate Savers Computing Initiative platinum targets, providing its customers with greater efficiency and higher power density. At the same time, Power-One recorded a number of design wins with its platinum-level products.

### Business Outlook

For the first quarter of 2011, Power-One forecasts revenue of \$260 million to \$290 million, indicating 80% growth at the midpoint of the forecast versus the prior year period. First quarter revenue is expected to be impacted by seasonality, heightened by inclement weather in Europe and a reduction in feed-in-tariffs across multiple markets, as well as excess inverter inventory in the channel. Based on current market demand and expectations of further feed-in-tariff reductions, coupled with expected contributions from the US and China, primarily in the second half of the year, Power-One anticipates generating revenue between \$1.1 billion and \$1.3 billion for the full year 2011.

### Earnings Conference Call

Power-One will discuss its 2010 fourth quarter results today beginning at 2:00 p.m. Pacific Time. The call will be available both via the telephone at (877) 390-5535 or (631) 291-4579, conference ID #35367972, or over the Internet through the Power-One's investor relations Web site at <http://investor.power-one.com>. To listen to the call, please log-in at least 10 minutes early to register, download, and install any necessary audio software. For those who cannot listen to the live broadcast, the webcast will be available on the investor relations section of the Power-One's web site at <http://investor.power-one.com> throughout the current quarter.

## About Power-One

Power-One designs and manufactures energy-efficient power conversion and power management solutions for alternative/renewable energy, routers, data storage and servers, wireless communications, optical networking, semiconductor test equipment, industrial markets and custom applications. Power-One, with headquarters in Camarillo, California, has global sales offices, manufacturing, and R&D operations in Asia, Europe, and the Americas. Power-One is a public company listed on NASDAQ under the ticker symbol PWER. For more information about the Company, please visit [www.Power-One.com](http://www.Power-One.com).

The Power-One, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=7338>

## Safe Harbor Statement

*Statements made in this press release which state the Company's or management's intentions, beliefs, expectations or predictions for the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and may include statements regarding anticipated future productivity. It is important to note that future performance and actual results could differ materially from those discussed in or underlying such forward-looking statements as a result of risks and uncertainties that cannot be predicted or quantified and that are beyond the Company's control. Important factors that could cause actual results to differ materially include, but are not limited to: economic conditions in general and business conditions in the power supplies and renewable energy markets; foreign exchange rates; the Company's ability to improve its operational and supply chain efficiencies; competitive factors such as pricing and technology; the timing and results achieved in completing product manufacturing transitions to Company facilities in China or other low-cost locations; the threat of a prolonged economic slowdown or a lengthy or severe recession; continued volatility of the financial markets, including fluctuations in interest rates and trading prices of the Company's equity securities; the results of pending legal proceedings; the Company's ability to secure market share in higher margin, high-growth markets; the market growth of product sectors targeted by the Company as sectors of focus; and the Company's ability to increase working capital. Additional information concerning factors that could cause actual results to differ materially from expectations expressed in this press release are described in the Company's reports filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 from time to time, which are also available through the Company's Website at [www.power-one.com](http://www.power-one.com) or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at [www.sec.gov](http://www.sec.gov). Power-One undertakes no obligation to publicly update or revise any forward-looking statement.*

**POWER-ONE, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**(In thousands, except per share data)**  
**(UNAUDITED)**

|  | <u>Three Months Ended</u>  |                            | <u>Twelve Months Ended</u> |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | <u>January 2,<br/>2011</u> | <u>January 3,<br/>2010</u> | <u>January 2,<br/>2011</u> | <u>January 3,<br/>2010</u> |
| RENEWABLE ENERGY SALES                   | \$ 262,680                 | \$ 68,154                  | \$ 715,402                 | \$ 128,594                 |
| POWER SALES                              | 103,488                    | 74,280                     | 331,737                    | 302,978                    |
| TOTAL SALES                              | 366,168                    | 142,434                    | 1,047,139                  | 431,572                    |
| COST OF GOODS SOLD                       | 217,290                    | 101,336                    | 644,017                    | 335,279                    |
| GROSS PROFIT                             | 148,878                    | 41,098                     | 403,122                    | 96,293                     |
| GENERAL AND ADMINISTRATIVE               |                            |                            |                            |                            |
| Selling, general and administrative      | 22,152                     | 16,702                     | 74,631                     | 57,662                     |
| Research and development                 | 10,496                     | 8,408                      | 36,401                     | 30,314                     |
| Litigation Charges                       | 22,128                     | --                         | 22,128                     | --                         |
| Amortization of intangibles              | 440                        | 394                        | 1,533                      | 1,553                      |
| Restructuring costs and asset impairment | --                         | 2,367                      | 3,852                      | 8,035                      |
| Goodwill impairment                      | --                         | --                         | --                         | 56,999                     |
| Total expenses                           | 55,216                     | 27,871                     | 138,545                    | 154,563                    |
| INCOME (LOSS) FROM OPERATIONS            | 93,662                     | 13,227                     | 264,577                    | (58,270)                   |

INTEREST AND OTHER INCOME (EXPENSE):

|   |              |            |                |              |
|---|--------------|------------|----------------|--------------|
| Interest income                           | 285          | 19         | 361            | 240          |
| Interest expense                          | (1,421)      | (2,231)    | (6,705)        | (8,744)      |
| Other income (expense), net               | <u>(891)</u> | <u>823</u> | <u>(7,981)</u> | <u>9,807</u> |
| Total interest and other income (expense) | (2,027)      | (1,389)    | (14,325)       | 1,303        |

INCOME (LOSS) BEFORE INCOME TAXES 91,635 11,838 250,252 (56,967)

PROVISION FOR INCOME TAXES 37,578 5,762 103,615 6,866

EQUITY IN EARNINGS FROM JOINT VENTURE 317 189 1,219 568

NET INCOME (LOSS) \$ 54,374 \$ 6,265 \$ 147,856 \$ (63,265)

PREFERRED STOCK DIVIDEND AND ACCRETION 862 848 3,427 2,198

NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS \$ 53,512 \$ 5,417 \$ 144,429 \$ (65,463)

BASIC INCOME (LOSS) PER SHARE \$ 0.44 \$ 0.06 \$ 1.30 \$ (0.74)

DILUTED INCOME (LOSS) PER SHARE \$ 0.35 \$ 0.05 \$ 0.96 \$ (0.74)

BASIC WEIGHTED AVERAGE SHARES OUTSTANDING 104,113 88,201 95,731 88,054

DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING 141,793 158,260 141,910 88,054

**POWER-ONE, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(In thousands)**  
**(UNAUDITED)**

January 2, January 3,  
2011 2010

ASSETS

CURRENT ASSETS:

|   |               |               |
|---|---------------|---------------|
| Cash and cash equivalents                 | \$ 227,907    | \$ 89,553     |
| Accounts receivable:                      |               |               |
| Trade (net of allowance)                  | 262,546       | 119,783       |
| Other                                     | 7,980         | 2,763         |
| Inventories                               | 152,286       | 73,173        |
| Prepaid expenses and other current assets | <u>21,671</u> | <u>10,612</u> |
| Total current assets                      | 672,390       | 295,884       |

PROPERTY AND EQUIPMENT, net 63,325 48,906

INTANGIBLE ASSETS, net 18,802 18,602

OTHER ASSETS 7,295 7,943

TOTAL ASSETS \$ 761,812 \$ 371,335

LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

|  |               |               |
|--|---------------|---------------|
| Bank credit facilities and notes payable       | \$ --         | \$ 504        |
| Accounts payable                               | 213,096       | 89,074        |
| Restructuring reserve                          | 549           | 6,866         |
| Long-term debt, current portion                | 103           | 1,269         |
| Income Tax Payable                             | 103,739       | 11,955        |
| Other accrued expenses and current liabilities | <u>67,339</u> | <u>26,125</u> |

Total current liabilities 384,826 135,793

LONG-TERM DEBT, less current portion 35,911 78,146

OTHER LONG-TERM LIABILITIES 39,445 16,281

REDEEMABLE CONVERTIBLE PREFERRED STOCK 19,597 18,533

STOCKHOLDERS' EQUITY:

|  |                  |                  |
|--|------------------|------------------|
| Common stock                           | 104              | 88               |
| Additional paid-in capital             | 629,687          | 620,261          |
| Accumulated other comprehensive income | 41,420           | 39,267           |
| Accumulated deficit                    | <u>(389,178)</u> | <u>(537,034)</u> |

Total stockholders' equity 282,033 122,582

TOTAL LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' EQUITY

\$ 761,812 \$ 371,335

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