

UGE Reports Second Quarter 2015 Financial Results

Revenues increase 107% versus Q2 2014

New York, New York – August 28, 2015 - UGE International Ltd. (the “Company” or “UGE”) (TSXV: UG, OTCQB: UGEIF), a leader in renewable energy solutions for the commercial and industrial sector, reported its financial results for the three and six months ended June 30, 2015. UGE reports all amounts in US dollars.

Second Quarter 2015 Highlights

- Revenue increased by 107% to \$1.4 million, as the Company continues to accelerate its growth by providing renewable energy solutions to the commercial and industrial sectors
- UGE reported its fourth consecutive quarter of growth in confirmed orders, totaling \$5.8 million, resulting in year to date total orders amounting to \$10.2 million, more than double the Company’s total 2014 confirmed orders of \$4.9 million
- Gross profit margin came in below normalized level of approximately 25 percent due to the timing of realizing cost of sales relative to a portion of related revenues not realized in the reported period
- SG&A remains unchanged at \$1.4 million when compared to the same period in 2014, demonstrating the positive levers in the growth profile of the Company going forward

Selected Financial Information

	Three months ended June 30, 2015		Six months ended June 30, 2015	
	2015	2014	2015	2014
Revenue	\$ 1,418,643	\$ 685,794	\$ 2,076,170	\$ 1,534,282
Cost of sales	1,261,029	400,015	1,703,190	958,317
Gross profit	157,614	285,779	372,980	575,965
	11.1%	41.7%	18.0%	37.5%
Selling, general and administrative expenses	1,460,956	1,450,272	3,024,876	2,535,967
Other expenses and income taxes	56,005	9,366	104,779	28,202
Net loss	\$ (1,359,347)	\$ (1,173,859)	\$ (2,756,675)	\$ (1,988,204)
Loss per share - Basic and diluted	\$ (0.12)	\$ (0.15)	\$ (0.25)	\$ (0.34)

Results for the three months ended June 30, 2015

The Company’s performance in the three months ended June 30, 2015 was characterized by high growth in both revenue and confirmed orders. Revenue for the second quarter grew 107%, reaching \$1,418,643 compared with \$685,794 in the same period of the prior year. Furthermore, the revenue numbers do not include \$428,000 from several projects for which we have already recognized cost of sales.

The increase is due to the successful execution of UGE’s growth plan as we continue to book record numbers of confirmed orders, and convert those orders into revenue. Confirmed orders set a new company record, at approximately \$5,762,000, which is, by itself, larger than UGE’s entire 2014 total of approximately \$4,918,000, bringing the total backlog of confirmed orders yet to be recognized as revenue to approximately \$9,697,000.

Confirmed orders represent firm agreements with customers and are tracked as a leading indicator of future revenue.

As discussed more fully in UGE's Management Discussion and Analysis, on some projects recognition of a portion of revenue is delayed, despite full recognition of cost of sales. Some of these cost of sales were recognized in the second quarter, which contributed to a gross profit margin for this period of 11%, as compared with 42% in the same period of the prior year. Factoring out the one project delivered in the second quarter which had delayed revenue recognition, our gross profit margin would have been 24% for the three months ended June 30, 2015. Management expects gross margins to average 20% - 25% for 2015.

While revenue grew by 107%, selling, general and administrative ("SG&A") expenses remained fairly constant for the three months ended June 30, 2015, at \$1,460,956 as compared with \$1,450,272 in the same period of the prior year. As a result of decreased gross profit we had a net loss of \$1,359,347 in the three months ended June 30, 2015, as compared with \$1,173,859 in the same period of the prior year.

"Our growth and execution has been impressive thus far this year, with revenues well exceeding that of 2014. We are on pace to achieve record growth this year, which further validates our strategy to be a leading provider of distributed energy solutions for commercial and industrial clients," said Nick Blitterswyk, CEO of UGE. "We look forward to continued growth, and the resulting positive impact to our investors, customers, employees and society."

Full financial results and Management's Discussion and Analysis are posted to SEDAR (www.sedar.com) and are available through the Company's website.

About UGE

UGE is a leading full service renewable energy provider for commercial and industrial clients, with over 2,000 installations in more than 100 countries. Leveraging project financing and its proprietary technology platform, UGE deploys solar and microgrid energy solutions to reduce energy costs and increase resiliency, while making the world more sustainable.

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