

SunSi Reports Fiscal First-Quarter 2012 Results

NEW YORK, Oct. 17, 2011 (GLOBE NEWSWIRE) -- SunSi Energies Inc. ("SunSi") (OTCQB:SSIE), a provider of the specialty chemical trichlorosilane ("TCS") to the solar industry, announces its operating results for the first quarter ended August 31, 2011.

Revenue totaled approximately \$10.3 million for the first quarter ended August 31, 2011. SunSi did not record any revenue for the first quarter ended August 31, 2010. EBITDA (Non-GAAP) was \$641,794 in the current period versus a negative EBITDA of (\$158,396) in the corresponding period last year, or an improvement of \$800,190. Results for the first quarter ended August 31, 2011 include approximately \$75,000 in non-recurring expenses directly related to the acquisition of Wendeng. Income from operations before income taxes and non-controlling interest was \$344,238 for the first quarter ended August 31, 2011, compared to a loss of (\$158,396) for the same period ended August 31, 2010.

2012 and Recent Highlights

- Filed an application to list its common stock on the NASDAQ Capital Market
- Named a new Chief Financial Officer and appointed two new independent members to its Board of Directors
- Substantially completed the construction of the first expansion phase of our Wendeng trichlorosilane (TCS) production facility, increasing the size of the facility's total production from 20,000 MT to 30,000 MT
- Announced that Russia-based Nitol Solar, one of Russia's largest polysilicon producers, had purchased 117 metric tons of trichlorosilane (TCS) from our Wendeng facility

David Natan, SunSi Energies' Chief Executive Officer, said, "Despite a difficult period in the solar industry and a significant reduction in polysilicon pricing worldwide, we continue to execute our business plan and position ourselves for future growth. We believe our low cost structure in China, lean corporate overhead in the U.S., the diversification of our business outside of China and our future expansion plans, will give us a competitive advantage in the segment of the solar industry in which we operate."

Richard St-Julien, SunSi Energies' Chairman of the Board, stated, "We are starting to gain traction in the TCS industry as more and more polysilicon makers become aware of our capability to deliver a high quality product anywhere in the world at a competitive price. We remain solidly focused on growing SunSi's business and delivering shareholder value."

Financial Results and Non-GAAP Measures

SUNSI ENERGIES INC.

Consolidated Statements of Operations and Comprehensive Income (Loss)

	Three Months Ended August 31,		Year Ended August 31,	
	2011	2010	2011	2010
Sales	\$ 10,266,791	\$ --	\$ 10,266,791	\$ --
Cost of goods sold	8,230,394	--	8,230,394	--
Gross margin	2,036,397	--	2,036,397	--
Operating expenses:				
Professional fees	227,067	117,237	227,067	117,237
General and administrative	1,465,092	41,159	1,465,092	41,159
Total operating expenses	1,692,159	158,396	1,692,159	158,396
Income (loss) from operations before income taxes	344,238	(158,396)	344,238	(158,396)
Provision for income taxes	146,748	--	146,748	--
Net income (loss)	197,490	(158,396)	197,490	(158,396)
Less: Net income attributable to noncontrolling interests	232,290	--	232,290	--
Net income (loss) attributable to SunSi Energies Inc. common stockholders	\$ (34,800)	\$ (158,396)	\$ (34,800)	\$ (158,396)
Basic and diluted earnings (loss) per share	\$ --	\$ (0.01)	\$ --	\$ (0.01)

Weighted-average number of common shares outstanding:

Basic and diluted	<u>29,665,127</u>	<u>27,428,995</u>	<u>29,665,127</u>	<u>27,428,995</u>
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SUNSI ENERGIES INC.
Consolidated Balance Sheets

	August 31, 2011	May 31, 2011
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,213,642	\$ 640,880
Accounts receivable, net	3,780,964	4,669,490
Notes receivable	1,586,522	941,314
Inventory	1,006,432	563,579
Prepaid expenses and other current assets	<u>72,191</u>	<u>399,086</u>
Total current assets	7,659,751	7,214,349
Fixed assets	7,741,571	7,559,369
Goodwill	3,411,073	3,357,277
Intangible assets, net	3,290,229	3,025,489
Related party receivables	1,529,985	1,177,204
Other assets	<u>21,448</u>	<u>248,879</u>
Total assets	<u>\$ 23,654,057</u>	<u>\$ 22,582,567</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 4,600,572	\$ 5,320,381
Accrued liabilities	775,548	256,444
Related party payables	5,615,675	5,535,149
Income taxes payable	<u>1,449,070</u>	<u>1,561,112</u>
Total current liabilities	<u>12,440,865</u>	<u>12,673,086</u>
Total liabilities	<u>12,440,865</u>	<u>12,673,086</u>
Commitments and contingencies	--	--
Redeemable common stock and capital in excess of \$0.001 par value.		
1,349,628 shares, included in issued and outstanding below	--	2,707,488
Equity:		
SunSi Energies Inc. stockholders' equity:		
Preferred stock, \$0.001 par value. 25,000,000 shares authorized; zero shares issued and outstanding	--	--
Common stock, \$0.001 par value. 75,000,000 shares authorized; 29,947,128 and 29,436,928 shares issued and outstanding as of August 31, 2011 and May 31, 2011, respectively	29,947	29,437

Additional paid-in capital	8,700,812	5,057,252
Retained earnings (accumulated deficit)	(1,288,144)	(1,253,344)
Accumulated other comprehensive income	<u>215,743</u>	<u>100,896</u>
Total SunSi Energies Inc. stockholders' equity	7,658,358	3,934,241
Noncontrolling interests	<u>3,554,834</u>	<u>3,267,752</u>
Total equity	<u>11,213,192</u>	<u>7,201,993</u>
Total liabilities and equity	<u>\$ 23,654,057</u>	<u>\$ 22,582,567</u>

SUNSI ENERGIES INC.

Non-GAAP Measure - Consolidated Earnings Before Depreciation, Amortization, Interest and Taxes ("EBITDA")

	Three Months Ended August 31,		Year Ended August 31,	
	2011	2010	2011	2010
Net income (loss)	197,490	(158,396)	197,490	(158,396)
Depreciation	157,259	--	157,259	--
Amortization	140,297	--	140,297	--
Interest	--	--	--	--
Taxes	146,748	--	146,748	--
EBITDA	<u>641,794</u>	<u>(158,396)</u>	<u>641,794</u>	<u>(158,396)</u>
Less: EBITDA attributable to noncontrolling interests	<u>342,043</u>	<u>--</u>	<u>342,043</u>	<u>--</u>
EBITDA attributable to SunSi Energies Inc. stockholders	<u>299,751</u>	<u>(158,396)</u>	<u>299,751</u>	<u>(158,396)</u>

SUNSI ENERGIES INC.

Reconciliation of GAAP Earnings to Non-GAAP Earnings

	Three Months Ended August 31,		Year Ended August 31,	
	2011	2010	2011	2010
Net income (loss) attributable to SunSi Energies Inc. common stockholders	\$ (34,800)	\$ (158,396)	\$ (34,800)	\$ (158,396)
Earnings (loss) per share, basic and diluted	<u>\$ --</u>	<u>\$ (0.01)</u>	<u>\$ --</u>	<u>\$ (0.01)</u>
Add: Amortization of intangibles assets identified in Wendeng acquisition	130,344	--	130,344	--
Less: Effect of income taxes	(32,586)	--	(32,586)	--
Less: Effect of noncontrolling interests	(39,103)	--	(39,103)	--

Non-GAAP earnings attributable to SunSi Energies Inc. common stockholders	<u>\$ 23,855</u>	<u>\$ (158,396)</u>	<u>\$ 23,855</u>	<u>\$ (158,396)</u>
Non-GAAP earnings (loss) per share, basic and diluted	<u>\$ --</u>	<u>\$ (0.01)</u>	<u>\$ --</u>	<u>\$ (0.01)</u>
Weighted-average number of common shares outstanding:				
Basic and diluted	<u>29,665,127</u>	<u>27,428,995</u>	<u>29,665,127</u>	<u>27,428,995</u>

About SunSi Energies Inc.

SunSi Energies' goal is to become one of the world's largest producers of trichlorosilane ("TCS"). The Company plans to achieve this objective by acquiring and developing a portfolio of high-quality, scalable, strategically located TCS production facilities that possess a potential for future growth and expansion. U.S. based SunSi controls approximately 55,000 metric tons of TCS production in China. TCS is a chemical primarily used in the production of polysilicon, which is an essential raw material in the production of solar cells for PV panels that convert sunlight to electricity. TCS is considered to be the first product in the solar PV value chain before polysilicon, and is also the principal source of ultrapure silicon in the semiconductor industry. For further information, please visit the company's website at <http://www.sunsienergies.com>.

Non-GAAP Financial Measures

From time to time, SunSi management may publicly disclose certain "non-GAAP financial measures" in the course of its financial presentations, earnings releases, earnings conference calls, and otherwise. For these purposes, the SEC defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial positions, or cash flows that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable

measure calculated and presented in accordance with GAAP in financial statements, and vice versa for measures that include amounts, or is subject to adjustments that effectively include amounts, that are excluded from the most directly comparable measure so calculated and presented. For these purposes, "GAAP" refers to generally accepted accounting principles in the United States. Non-GAAP financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing our financial condition and operating results. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Pursuant to the requirements of Regulation G, whenever the Company refers to a non-GAAP financial measure, the Company will also generally present, the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure it references with such comparable GAAP financial measure.

Forward-Looking Statements

This news release contains forward-looking statements related to the future financial condition and results of SunSi's operations. Forward looking statements are based on SunSi's current expectations and estimates regarding: TCS markets and industry in which we operate being the most profitable segment of the solar energy value chain and management's beliefs and assumptions regarding these markets, NASDAQ approval for a listing of our common stock on the NASDAQ Capital Market, achieving fiscal 2012 financial guidance, increasing the trading volume and price of SunSi's stock, future earnings and revenue projections, receiving additional TCS orders from companies outside of China, completion of our Wendeng expansion plan, achieving our overall expansion plan, and other TCS related acquisition transactions. These statements are subject to important risks and uncertainties, which are difficult to predict, and assumptions which may prove to be inaccurate. Some of the factors that could cause results or events to differ materially from current expectations include, but are not limited to: general economic conditions, market or business conditions; general stock market performance; the performance of the solar energy industry in general; changing competitive environment; changing regulatory conditions or requirements; changing technology; raising sufficient capital to fund the expansion of Wendeng to 75,000 MT; the price of TCS sold within China and outside of China; the level of production by the Wendeng factory; our joint venture Baokai's success in attaining new clients under its TCS distribution agreement; the decision by the NASDAQ to reject the Company's application for listing; the decision by companies located outside of China to purchase TCS and success in implementing productivity initiatives. Some of these factors are largely beyond the control of SunSi. Should any factor impact SunSi in an unexpected manner, or should assumptions underlying the forward-looking statements prove incorrect, the actual results or events may differ materially from the results or events predicted.

All of the forward looking statements made in this document are qualified by these cautionary statements, therefore, there can be no assurance that the results or developments anticipated by SunSi will be realized or, even if substantially realized, that they will have the expected consequences for SunSi. Readers should not place undue reliance on any forward-looking statements. Furthermore, SunSi disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or any other occurrence.

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