



# *Annual Results 2008*

Conference Call, April 2, 2009

**SOLON**  *Don't leave the planet  
to the stupid*

# Recent Events

## Critical

- Major global economic downturn since Q IV 2008 (Q4 08: Germany: -2.1%; Euro area: -1.5%)
- Expected GDP growth for 2009: Germany: -5%; Euro area: -3.2% (or worse)
- Global recession causing ongoing uncertainty amongst investors
- Corporate banking affected by increasing risk aversion of banks
- Limited visibility in major PV markets (Italy, Spain, US)

# Recent Events

## Positive

- Further diversification of global markets; subsidy programs in place in over 30 countries worldwide
- Positive medium- and longterm prospects for PV (Grid Parity scenario)
- General willingness to finance PV projects still in place
- Obama's presidency expected to stimulate US market for renewables
- New subsidy program adopted in China
- Improved feed-in program planned in Turkey
- New feed-in law expected for Japan

# Key Financials SOLON Group

€million	2007*	2008*	Change
Sales	503.1	815.1	+62%
EBIT	35.2	60.0	+70%
Net result	22.2	30.9	+39%
Earnings per Share (€)	2.16	2.46	+14%
Revenue by segments (% of sales) (Components/ System technology)	61/39	45/55	---
Revenue by regions (% of sales) Germany/ EU other/ RoW	33/64/3	24/74/2	---

\*Excluding one-offs

- SOLON again one of the fastest growing solar companies in Germany
- Sales in over 20 countries worldwide
- EBIT margin at 7.4%, net margin at 3.9%

# One-off effects

€ million

One-Off	One Time Effect	Total Effect	Equity	Cost of Material	Other Operating Expenses	Financial Result	Taxes	Net profit effects
no	Depreciation of projects	-1.5		-1.5	-9.0			-10.5
no	Depreciation of short term assets	-1.2			-1.2			-1.2
yes	Depreciation of participations	-36.8	-22.4		-2.3	-12.1		-14.4
yes	Income from repurchase of convertibles	22.4				22.4		22.4
	Tax effects	-2.3						
yes	Tax effect on <i>one-offs</i>	-6.2					-6.2	-6.2
no	Tax effect on <i>non one-offs</i>	3.9					3.9	3.9
	<b>Total</b>	<b>-28.4</b>	<b>-22.4</b>	<b>-1.5</b>	<b>-12.5</b>	<b>10.3</b>	<b>-2.3</b>	<b>-6.0</b>
	<i>One-offs</i>	-20.6	-22.4		-2.3	10.3	-6.2	1.8
	<i>No one-offs</i>	-7.8		-1.5	-10.2		3.9	-7.8

# Balance Sheet

€million	2007	2008	Change
Trade receivables	133.9	251.1	+88%
Inventories	151.4	178.8	+18%
Trade liabilities	63.9	90.9	+42%
Net debt	114.8	378.9	+230%
Shareholders' equity	363.9	375.7	+3%
Balance sheet total	764.0	903.1	+18%

- Increase in inventories lower than increase in revenues
- Net debt / EBITDA ratio at 5.1
- Equity ratio at 41.6 %

# Liquidity

€million	2007	2008	Change
Working capital	221.4	339.0	+53 %
% of prior 12 months revenues	44%	42%	---
Operating Cash flow	-60.5	-88.9	+47 %

- Approx. €60 million free cash credit facilities as of year-end
- Spanish projects completed in 08 not entirely cashed in by year-end
- Working capital management remains major topic

# *Outlook Q1 09 and Full Year*

- Business in Q1 very weak due to global economic crisis and strong winter
- Q1 result expected to be negative
- Components business with substantial market demand
- System technology business expected to remain slow until second half of 09
- Expected revenue split by segments: 50/50
- Expected revenue split by regions: 30% Germany and Italy, 15% US, 25% RoW

# *2009 – How to meet the challenge*

- Renegotiation of supply contracts on prices, volumes and payment terms
- Temporary reduction of production
- Reduction of temporary staff
- Cutting of investments
- Review of all staffing and project plans
- Management Board waives payment of 2008 bonus
- Various other cost-cutting measures



*Thank you for your attention!*

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