



SOLON Company Presentation

QIII Results

November 12, 2010

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

- 
- Company
 - Financials
 - Strategy
 - Outlook

Recent events

Markets

- Germany: Over 5 GWp installed until end of September but demand slowing down noticeably in QIII; reduction of FIT by 13% in 2011
- Italy: Strong year-end rallye under way with numerous projects scheduled for completion until end of 2010
- France: Another change of feed-in regulations as of Sept. 1 but FIT for residential segment still very attractive; introduction of a cap as well as cut of tax refunds for residential customers still in discussion
- Great Britain: Solar subsidies not affected by budget cuts; stable investment environment expected until 2013
- USA: Proposition 23 rejected in California (proposition to suspend local renewables standards until unemployment rates improve); prospects for largest solar market in the U.S. remain good

Recent events

Business

- SOLON Corp. to realize turn-key 1.6 MWp EPC project for Arizona utility Tucson Electric Power
- SOLON Corp. awarded 18 MWp EPC project by U.S. utility Arizona Public Service
- First part of 12 MWp Italian roof project at Interporto Padova in operation
- Framework contract with French solar wholesaler France Photovoltaïque
- First solar power plants developed and built by SOLON inaugurated in France
- SOLON Corp. awarded “2010 Generation Supplier of the Year” by Californian utility PG&E

Status of restructuring program

In 2009, SOLON launched a comprehensive restructuring program to align group-wide processes and structures and to optimize the group's cost position in the module as well as power plant business

Milestones reached in QIII:

- Standardization of system technology well under way; new power plant solution SOLON Velocity launched
- Strategic focus on utility-scale projects confirmed by contracts with Tucson Electric Power, National Grid, Arizona Public Service
- Management buy-out of Austrian subsidiary concluded, effective Jan. 1, 2011
- French subsidiary established to support market entry in France
- Working capital management further improved

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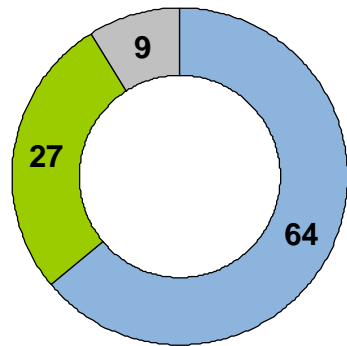
Key financials SOLON Group

€million	Jan-Sep 2010	Jan-Sep 2009	Change
Revenue	404.6	218.4	+85%
EBITDA	8.3	-72.2	n/a
EBIT	-5.3	-87.0	n/a
Net result	-17.4	-146.7	n/a
EPS	€-1.20	€-11.71	n/a

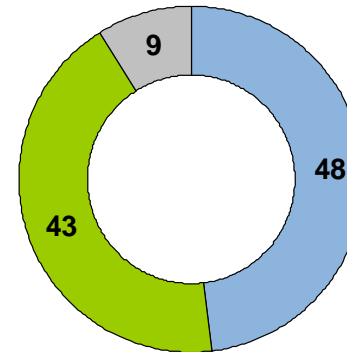
€million	QIII 2010	QIII 2009	Change
Revenue	161.0	99.0	+63%
EBITDA	1.6	-29.5	n/a
EBIT	-3.1	-34.5	n/a
Net result	-7.8	-36.6	n/a
EPS	€-0.45	€-2.92	n/a

Revenue split by Region

YTD 30 Jun 2010



YTD 30 Sep 2010

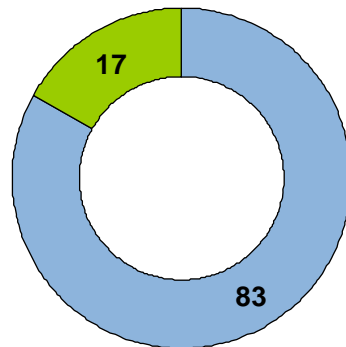


■ Germany ■ Europe other ■ RoW

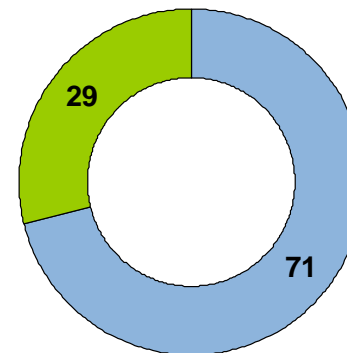
- Business in Germany slowing down in QIII due to shift towards non-German markets
- Over 50% of revenues generated outside of Germany, driven by strong project business
- Main non-German markets: Italy, U.S.
- Other relevant EU markets: France, Czech Republic, Belgium, Greece

Revenue split by Sales Unit

YTD 30 Jun 2010



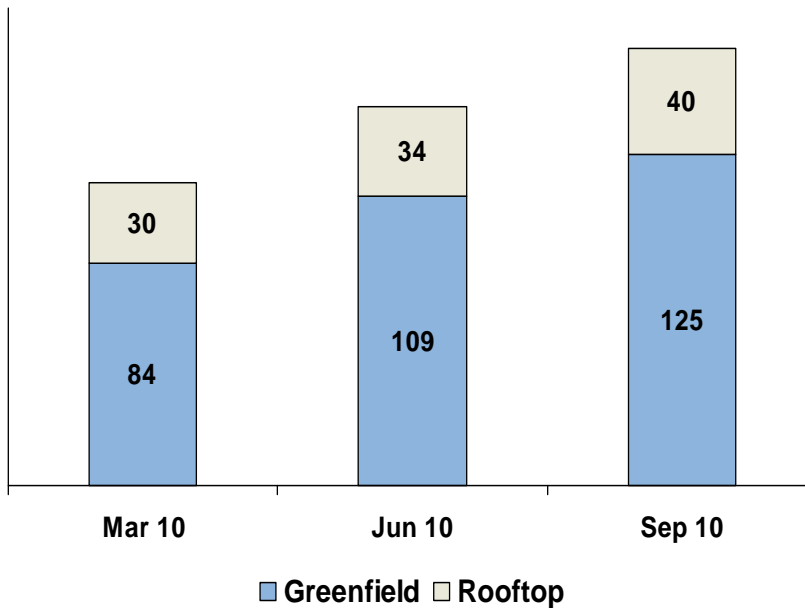
YTD 30 Sep 2010



■ Components ■ Systems

- Module sales still robust in QIII due to continued high demand in Germany but slowing down since mid of QIII
- Development in line with SOLON business plan of stronger power plant business in 2nd HY 2010 (mostly Italy, US)

Project pipeline Systems

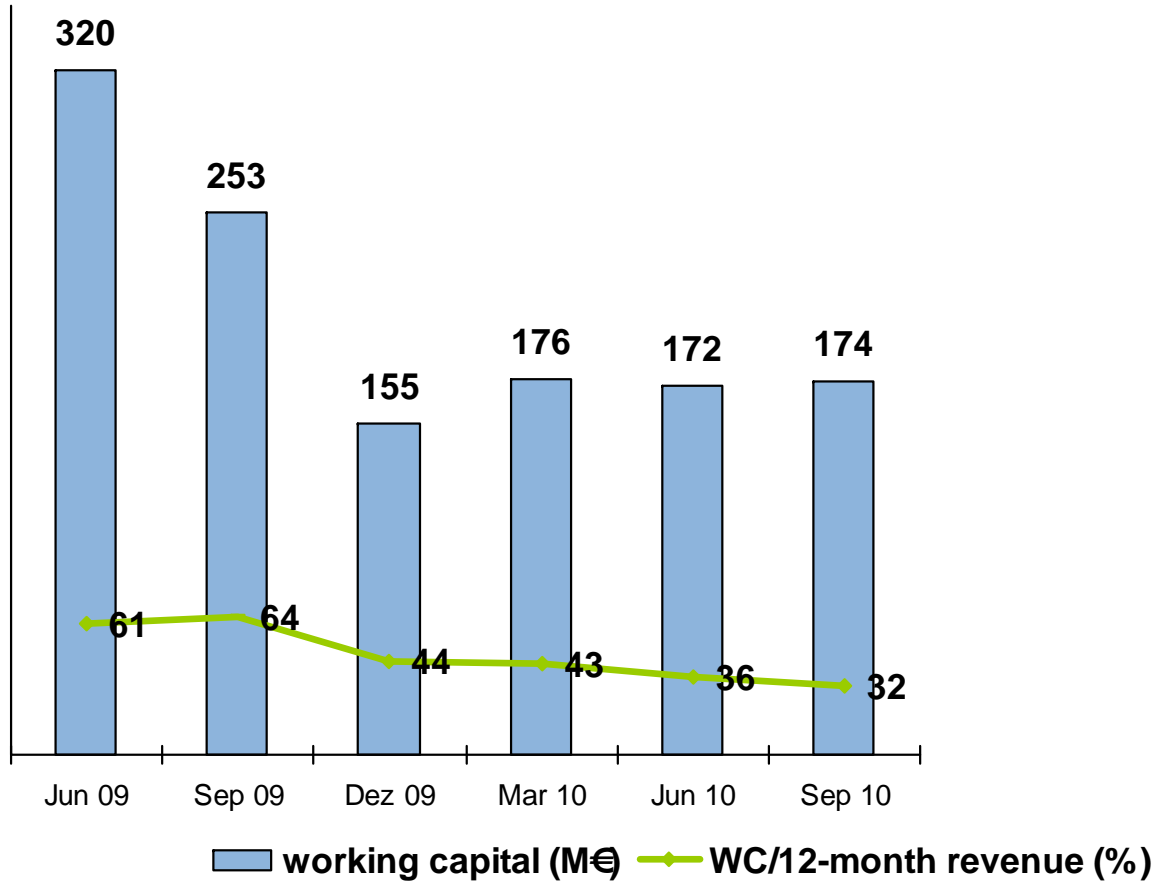


- Strong pick-up of systems business in QIII/QIV mainly driven by demand from Italy and the U.S.
- Project pipeline increased to over 165 MWp ($\geq 80\%$ probability)

Balance sheet

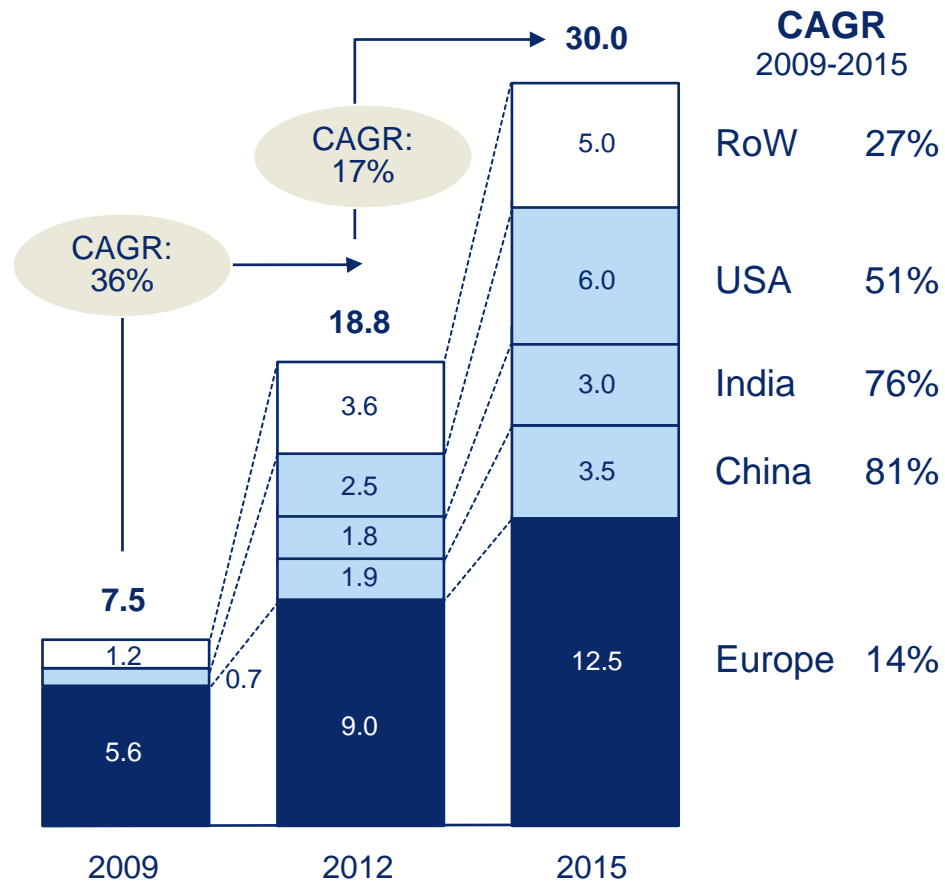
€million	Sep 30, 2010	Jun 30, 2010	Dec 31, 2009
Trade receivables	128.3	117.6	117.6
Inventories	130.0	123.3	90.6
Trade liabilities	84.2	69.0	53.3
Net debt	368.5	367.0	343.9
Shareholders' equity	112.5	116.9	110.4
<i>Equity-to-assets ratio</i>	16.9%	17.5%	17.2%
Balance sheet total	663.9	668.5	642.7

Working capital



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Prospects of the global PV market



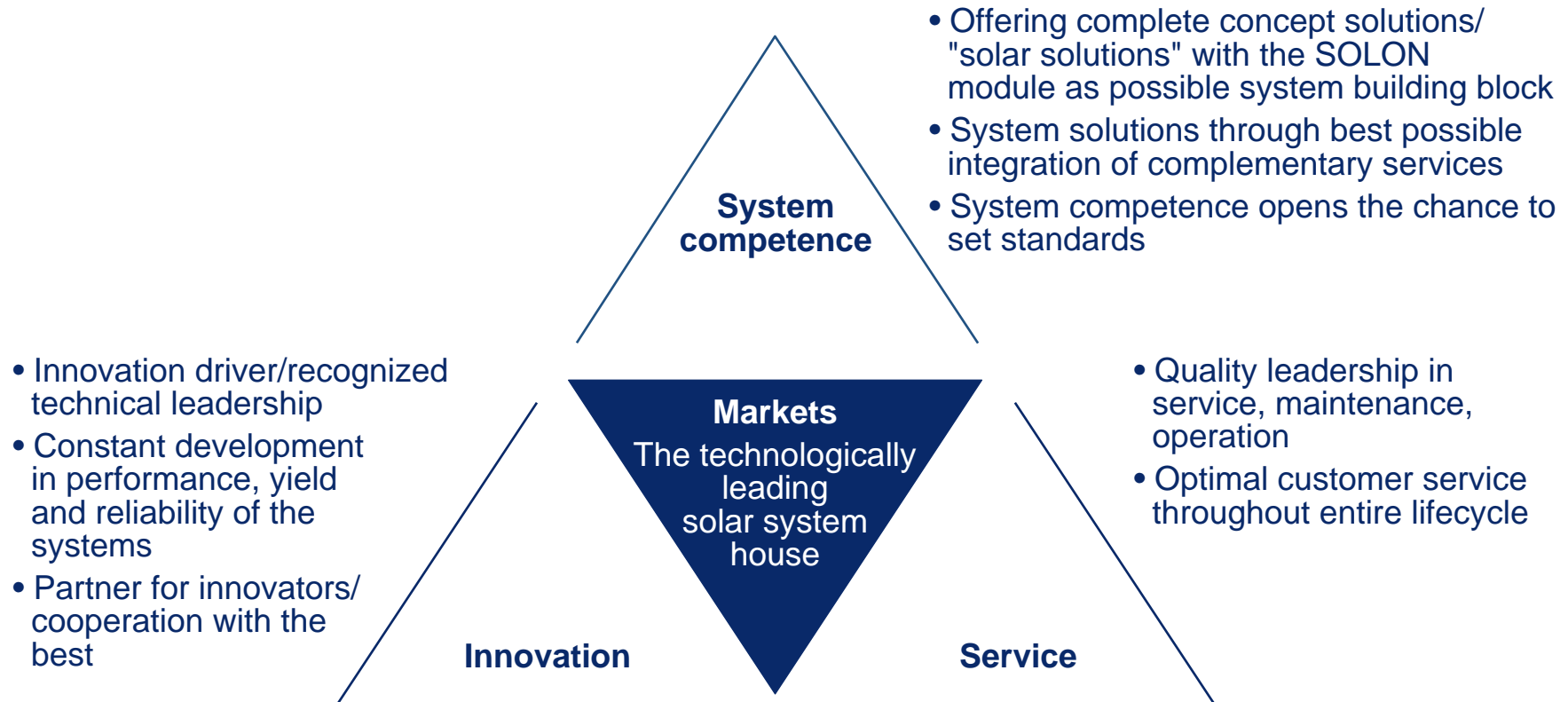
Aspects of market development

- Type and volume of government subsidies, available financing and price developments determine market volume development
- With a 50% market share, Europe remains the core market; USA, China and India are becoming attractive due to market volume and growth rates
- Large-scale projects by suppliers and governments are the key growth drivers in USA and Asia
- ROI-driven investor business dominates in Italy and France
- Ground-mounted systems will be irrelevant in Germany in the future; PV is on its way to house services product

Drivers of the global PV market

		Consequences/Success factors	
Price declines	Continual price declines of 10 – 15% per year, overcapacities and passing along cost reductions	Competitive cost position through scale effects, reducing diversity, access to cost-effective locations, increasing flexibility, efficiency gains	1
Regional market development	Regionally differing growth rates and market segment developments (components/systems)	Turnover in the European home market and market presence in growth markets, in particular in the high-volume project business	2
Asian manufacturers	Increasing importance and performance of Asian manufacturers in all global markets, also in Europe	Defend performance advantage with technology, develop new features for differentiation in a commodity market	3
Technology changes	New markets and solutions in view of SmartGrids, energy storage, system solutions	Innovation will grow in importance as a factor for market differentiation and price reduction	4

Strategic positioning of SOLON



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Outlook 2010

Outlook QIV 2010

- Components business slowing down until year-end
- Shift towards power plant business
- Main focus Italy

Targets FY 2010

- Production output of 280 MWp
- Revenues well above €500 million
- Balanced EBIT

Outlook 2011

Strategic targets:

- Double-digit percentage growth in output
- Revenue split components/ systems of 60/40
- Key markets: Germany, Italy, France, U.S.
- Further cost reduction through optimization of cell and product portfolio; standardization in systems business
- Gaining broader access to project (pre-)financing
- SOLON as a provider of Superior Solar Solutions

Financial targets:

- Double-digit percentage growth in revenues
- Reduction of net debt
- Return to bottom-line profitability

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Thank you for your attention

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