



# ***SOLON Investor Presentation***

## ***Q1 2011 Results***

***May 12, 2011***

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

- 
- Recent Events
  - Financials
  - Outlook

## *Recent events - markets*

- **Germany:** New EEG adopted in February 2011 with further decrease of FIT by July 1, 2011; typical seasonal weakness of market in Q1 combined with high level of inventories at wholesalers and installers; demand only picking up very slowly in QII so far
- **Italy:** Beginning of March, Italian government announced another revision of feed-in law to take effect on June 1, 2011; Conto Energia IV provides for further FIT cuts particularly affecting greenfield projects
- **France:** FIT modified again effective March 10, 2011 with 500 MW annual cap and public tendering of large projects effecting power plant business in particular
- **Great Britain:** Less than one year after the implementation of the new FIT system in the UK, the government announced massive FIT cuts of up to 70% especially affecting projects larger than 50 kW

## *Recent events – company*

- SOLON Corp. awarded 18 MW project by U.S. utility Pacific Gas & Electric; SOLON selected supplier for 250 MW program of PG&E
- 21 MW project for Arizona Public Service starts in March
- Launch of SOLON SOLraise – solar system solution with integrated power optimizing unit developed to increase yields by up to 25%
- Launch of SOLON SOLfixx – plug & play system for flat roofs with low loading capacities
- Divestment of minority stake in industrial service provider ml&s
- Changes to the Management Board: new COO and CSO

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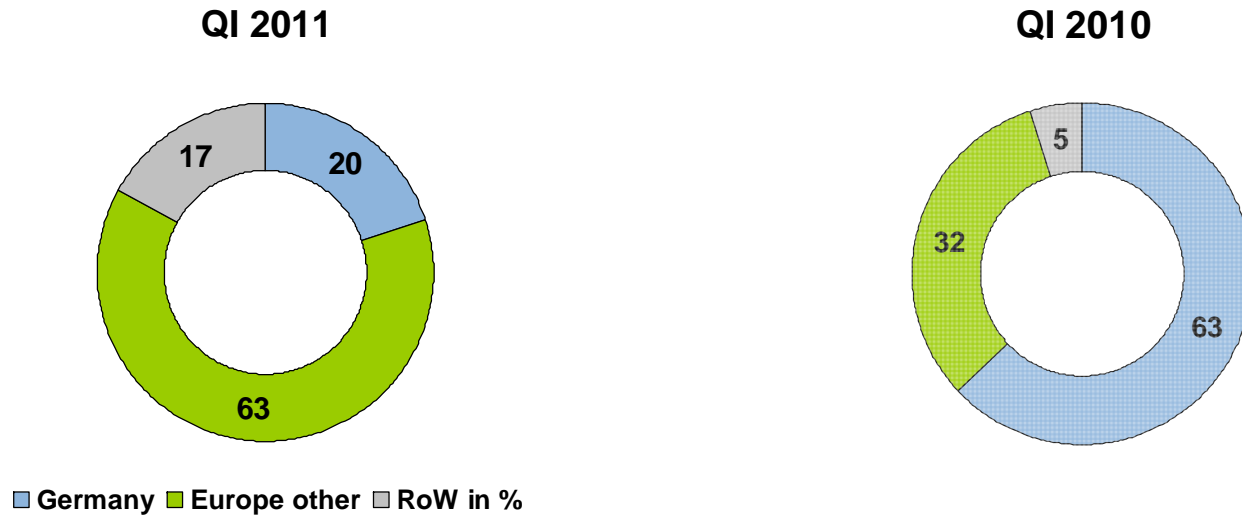
## Key financials SOLON Group

€million	QI 2011	QI 2010
Revenues	65.2	88.3
EBITDA	-12.9	-2.2
EBIT	-17.0	-6.4
Net result	-21.5	-8.2
EPS (€)	-1.25	-0.65

# Balance sheet

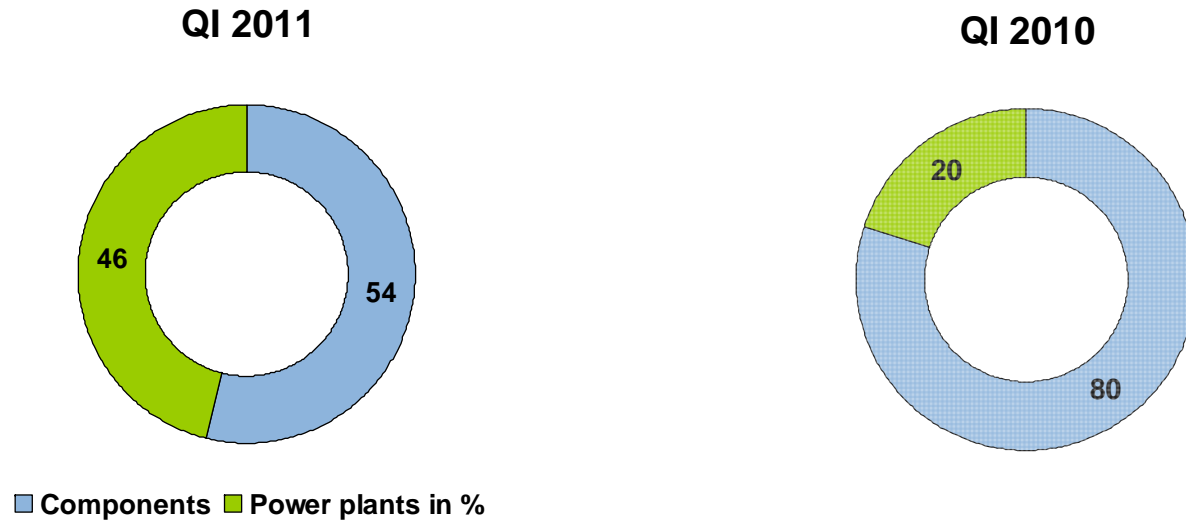
€million	Mar 31, 2011	Dec 31, 2010
Trade receivables	148.4	170.7
Inventories	160.3	108.4
Trade liabilities	95.6	106.6
Working capital	213.0	172.5
<i>Working capital-to-revenues ratio</i>	36%	28%
Net debt	402.1	369.1
Shareholders' equity	89.8	107.8
<i>Equity-to-assets ratio</i>	13.3%	16.1%
Balance sheet total	673.4	667.5

# Revenue split by region



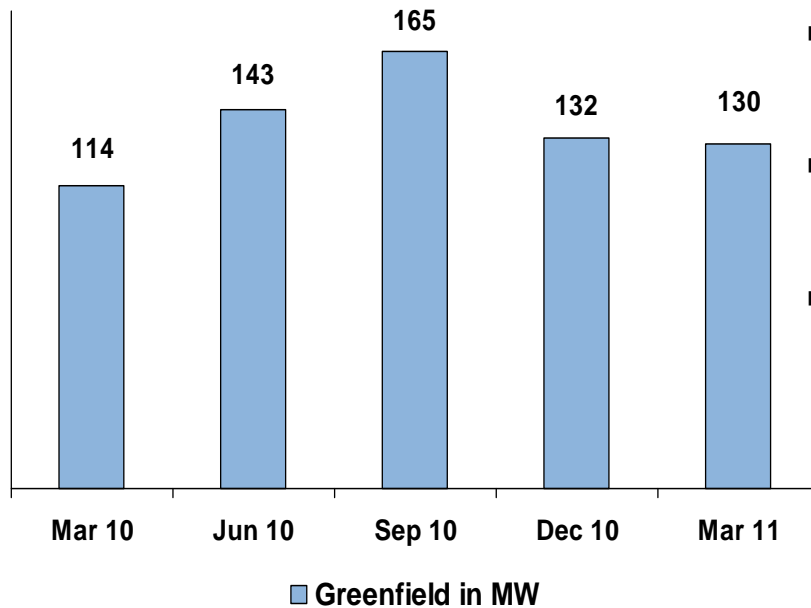
- Demand in Germany extremely low leading to lower than expected revenues particularly in the Components business
- Revenues coming almost entirely from non-German markets, i.e. Italy, US
- Rising share of US business based on large-scale utility projects under realization

# Revenue split by sales unit



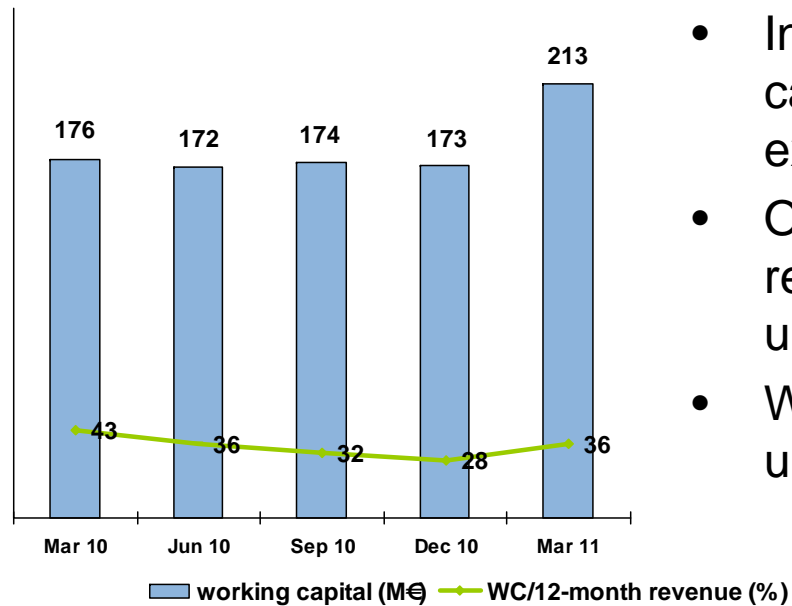
- Business in QI 2011 almost evenly split between components and power plant business mainly due to low components sales in Germany

# Project pipeline power plants



- Project pipeline remaining robust at year-end level
- 18 MW EPC project awarded by PG&E in February
- SOLON selected supplier for the 250 MW five-year program of PG&E

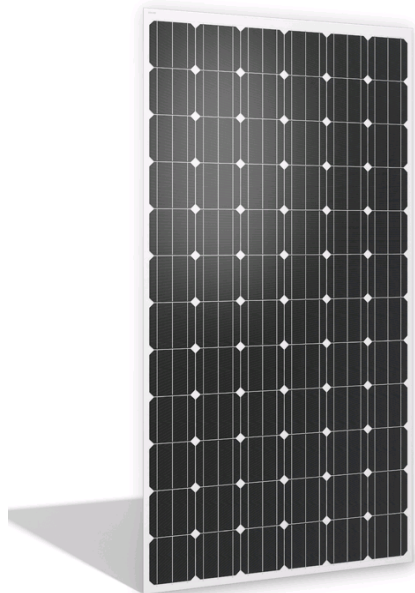
# Working capital



- Increase in working capital mainly caused by inventory build-up in view of expected pick up in demand in Germany
- One third of increased inventories result from APS project currently under realization
- Working capital-to-revenues ratio up to 36% again

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# *SOLON SOLbond. PV system designed for metal roofs*

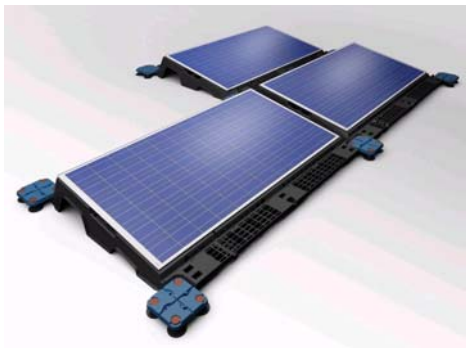


- Low static load, only 8.5 kg/m<sup>2</sup>
- Assembly without roof penetration
- 20 years warranty on bonding
- System statics tested according to DIN 1055/EN 1991-T1-T6



# *SOLON SOLfixx.*

## *PV system for flat rooftops*



- More yield per square meter of area-optimized system
- Suitable for light roofs from 13.9 kg/m<sup>2</sup> load-carrying capacity
- Meets the static requirements of DIN 1055/ EN 1991-T1-T6
- Time-saving plug-and-play concept: No tools required
- Ideal for roof renovations: special fixing solutions for bitumen and plastic roofing strips
- up to 25-year warranty for sub-structure

# 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 - revised:***

- Revenues in the range of 2010
- Reduction of net debt

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*Thank you for your attention*

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