

SOLON Discloses Key Points of Restructuring Program

Berlin, July 21, 2011. The Management Board of SOLON SE is currently developing a concept for the financial and operational restructuring of the company with the assistance of restructuring experts from the renowned consulting firm Alvarez & Marsal. The concept will entail the following measures:

Strategic focus:

SOLON's marketing strategy is meant to focus more attention on the industrial and commercial roofs segment with its tremendous growth potentials. To this end, SOLON has expanded its range of roof solutions with several innovative products that are optimally designed for the special requirements of these types of roofs. In addition, SOLON will go forward with the development of intelligent energy management systems that can be used to link the generation of solar power with consumption and storage.

Its marketing activities will be further strengthened in the most important target markets in Germany, Italy, and the USA. The SOLON partner program will intensify relations with local distribution partners. In addition, further strategic partnerships are being pursued with major industrial partners from the construction and energy sectors.

Improving the flexibility of the cost structure:

SOLON is accelerating the cost reduction program that is already in place in order to adjust cost structures to the current sales plan. Additional savings potentials have been identified with this objective in mind. A new purchasing strategy has been developed to allow material requirements to quickly and more effectively benefit from favorable price trends, especially by taking low-cost purchasing sources in Asian countries into account. To reduce production costs, SOLON's Management Board is working with the restructuring experts on the optimum utilization of the most cost-efficient production locations and is once again scrutinizing its current production situation. The German production facilities in Berlin and Greifswald remain an integral part of the company's market strategy.

Personnel measures:

The successful implementation of the restructuring program entails the significant expansion of SOLON's national and international distribution network. At the same time, cutbacks will be required in individual areas of the company where the staffing no longer corresponds to the current situation. The concrete plans will be completed by the end of August 2011.

Securing long-term corporate financing

On the basis of the adjusted corporate planning, a concept for the reorganization of the group's financing is currently being developed with external consultants and the banks in order to secure the medium- and long-term financing of SOLON. The objective of the financial restructuring efforts is to sustainably reduce net debt. The company still anticipates that the financial restructuring talks will be completed in the fourth quarter of 2011.

“We took a very conservative approach in revising the sales and earnings projections we recently published,” says Stefan Säuberlich, CEO of SOLON. “We also paid attention to potential risks from the investment division and kept them in mind in our planning.”

“SOLON is definitely not out of the woods yet, but I am convinced that after adapting structures, processes, and costs, the company can develop a business model that makes it competitive again and forms a solid basis for profitable growth in the renewable energy market,” said Dr. Walter Bickel, director of Alvarez & Marsal in Germany.

SOLON SE:

SOLON SE is one of the largest manufacturers of solar modules in Europe and is also a supplier of solar system technology for large-scale rooftop and greenfield installations. The SOLON Group has subsidiaries in Germany, Italy, France, and the USA and more than 800 employees worldwide. SOLON’s core business is the production and distribution of solar modules and photovoltaic systems as well as the planning and construction of large rooftop systems and turnkey solar power plants worldwide.

SOLON SE

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