European Photovoltaic Industry Association

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Secretary General

GLOBAL MARKET OUTLOOK
ROLE OF THE SEII

EUPV TP AGM, 18 June 2010

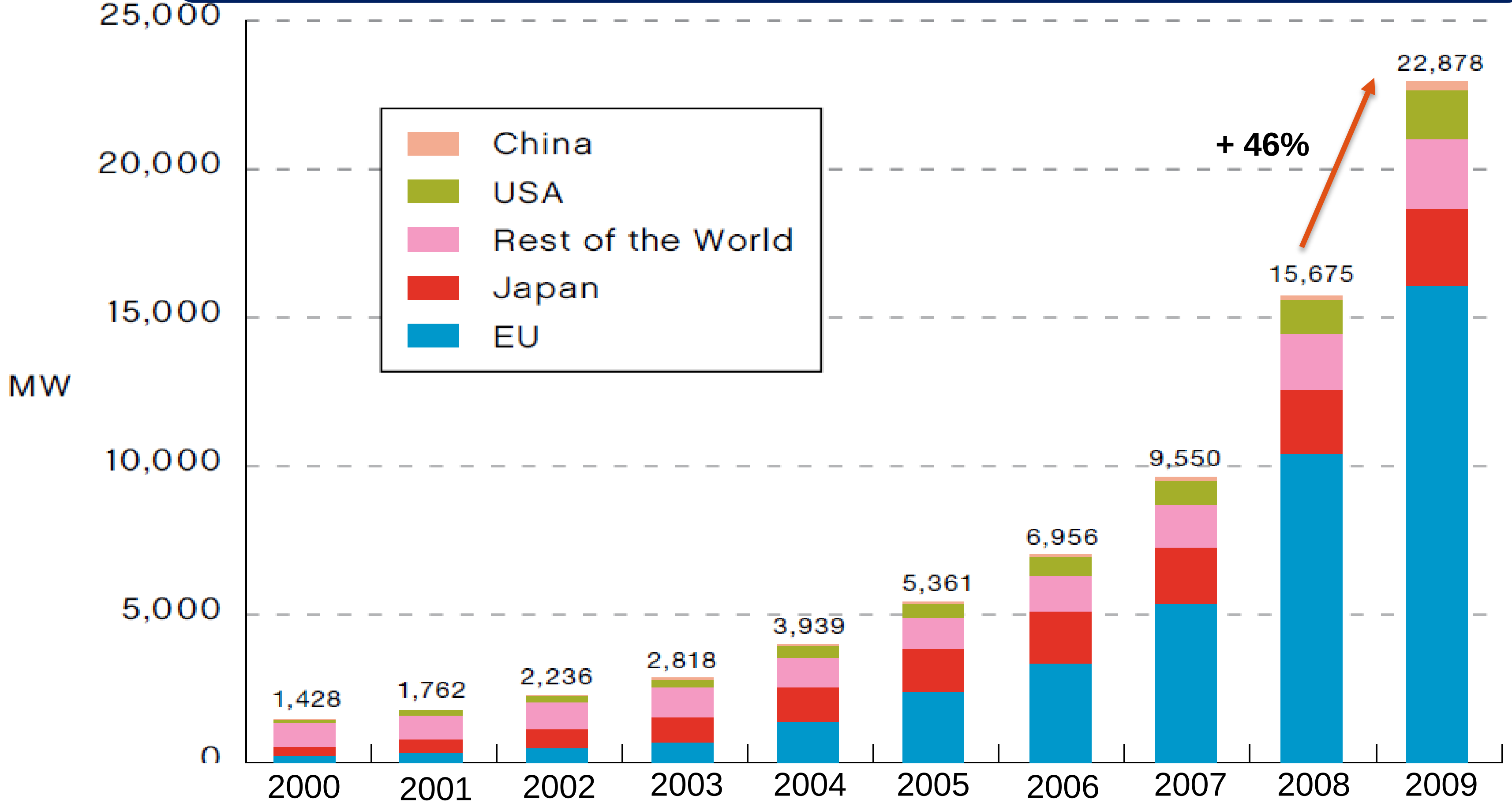
Agenda

1. Historical Market data
2. Market Forecasts EU and WW
3. EU Market Forecasts vs SET For 2020 scenarios
4. Role of the SEII

1. Historical Market data

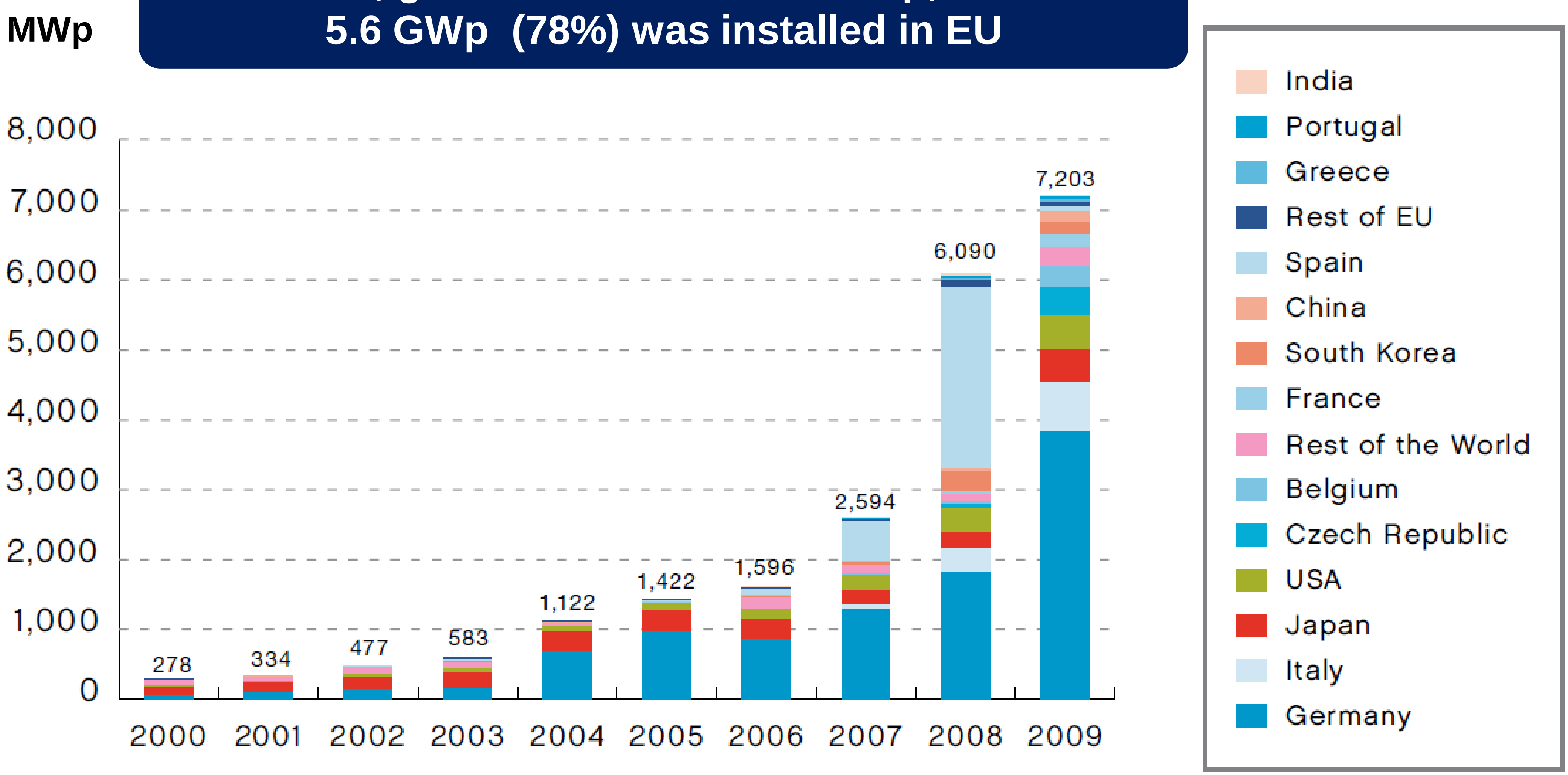
World-wide cumulative installed capacity

In 2009, cumulative installed capacity grew 46% at 23 GWp, of which 17 GWp (75%) in Europe



World-wide Market in 2009

In 2009, global market was 7.2 GWp, of wich 5.6 GWp (78%) was installed in EU



2. Market Forecasts EU & WW

EPIA's Market Forecasts Scenarios

Policy-Driven Scenario

1. Re-enforcement of current existing supports policies
2. Introduction of support policies where non-existing
3. Active removal of regulatory & administrative barriers

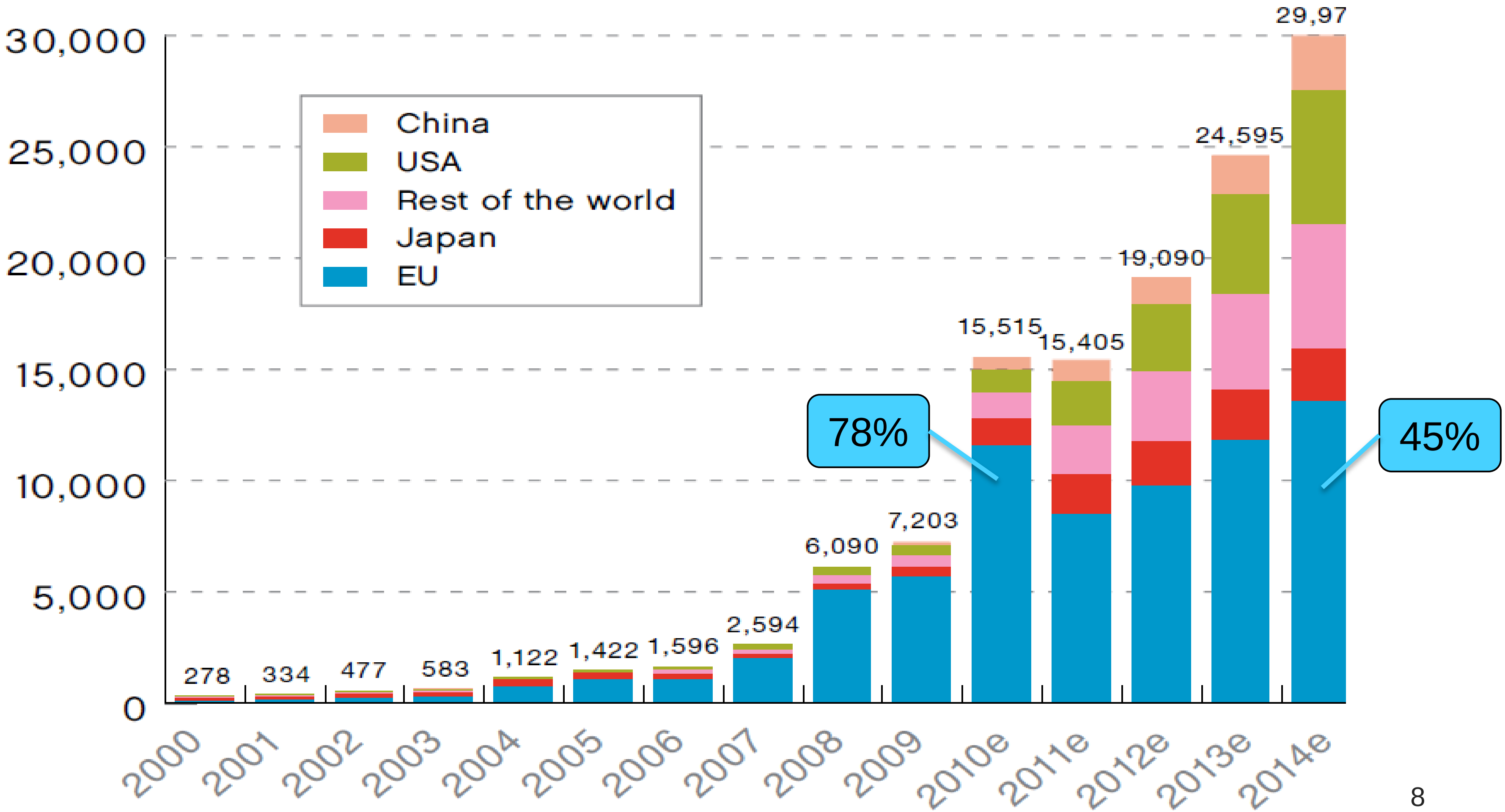
Moderate Scenario

1. No major re-enforcement of current support mechanisms
2. « Business as Usual » market behaviour

All forecasts presented in the following slides relate to the « Policy-Driven » scenario

World-Wide Forecast up to 2014 (policy driven)

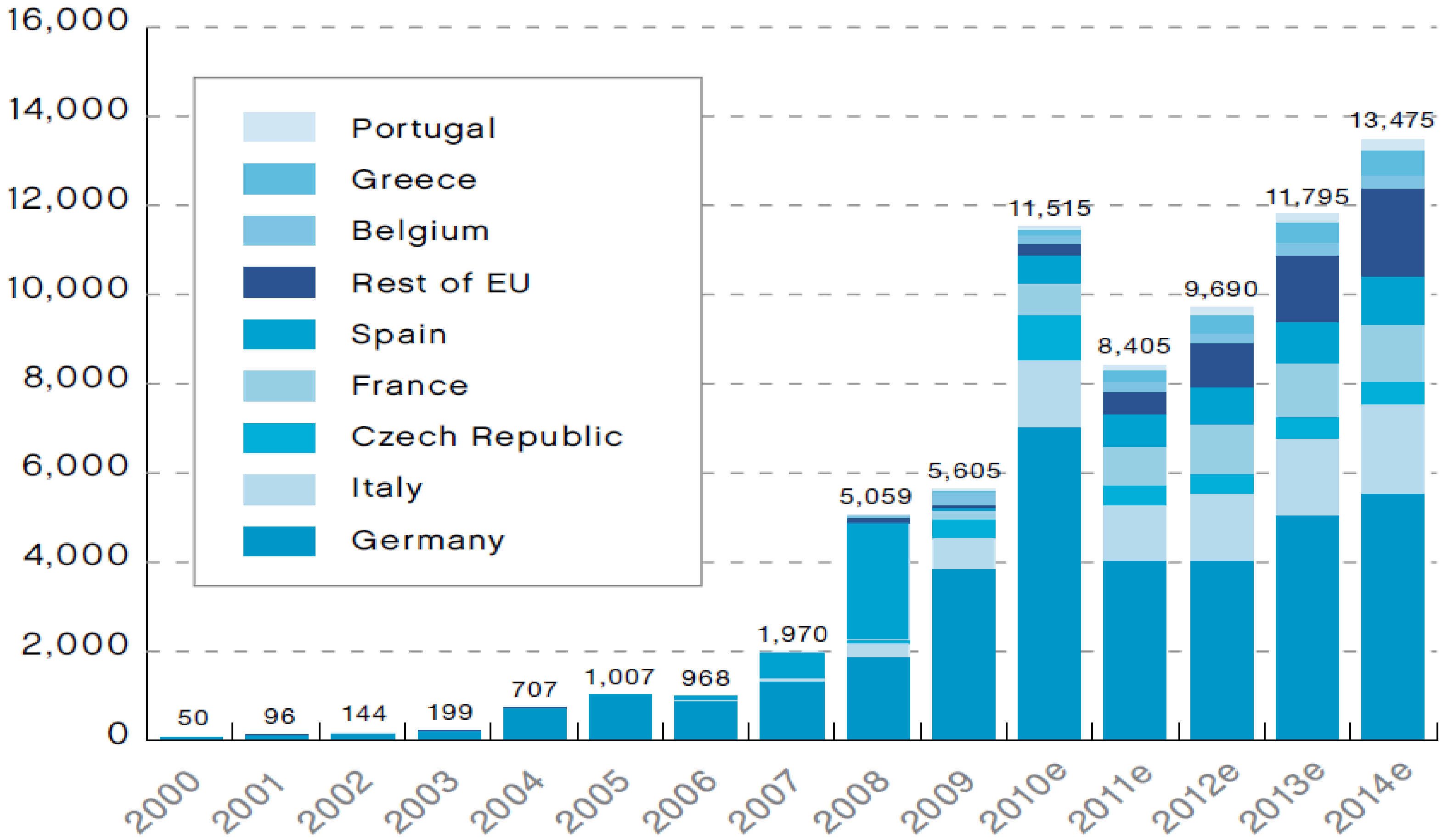
After a huge increase in 2010, EU market is expected to stagnate while significant growth is expected to occur outside EU



Focus on EU

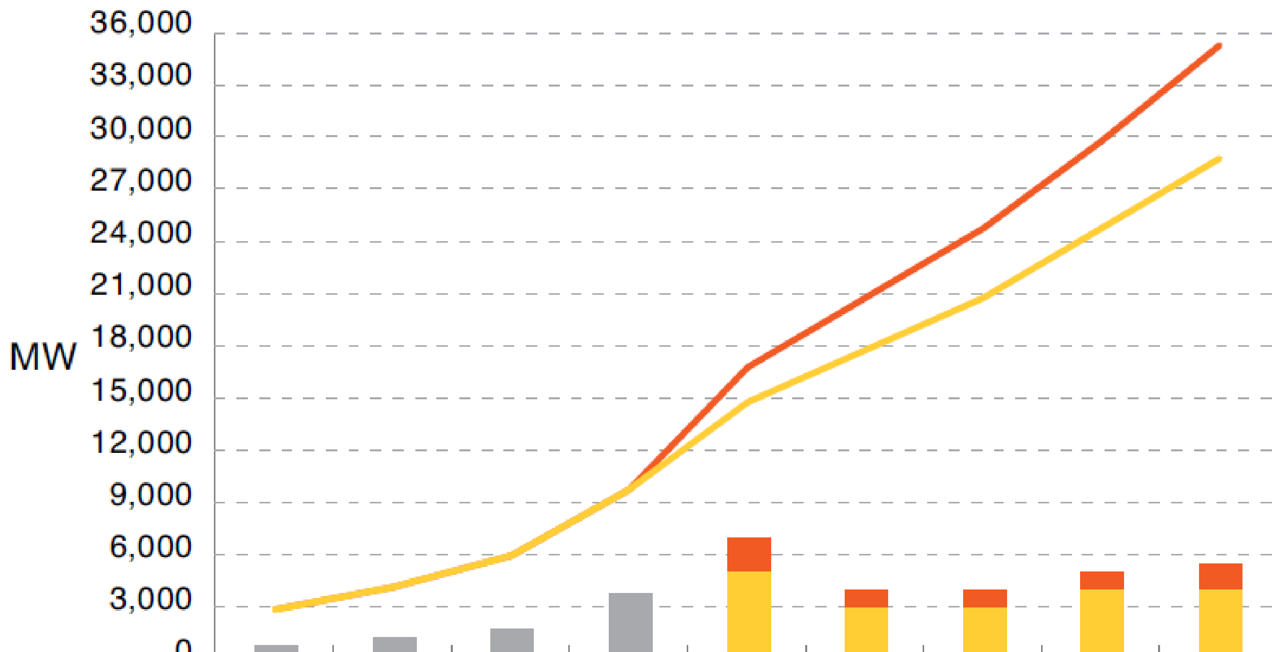
Europe Forecast up to 2014 (policy driven)

After a huge increase in 2010, DE market is expected to contract, the gap being progressively offset by growing markets mainly in IT & FR



Focus on Germany

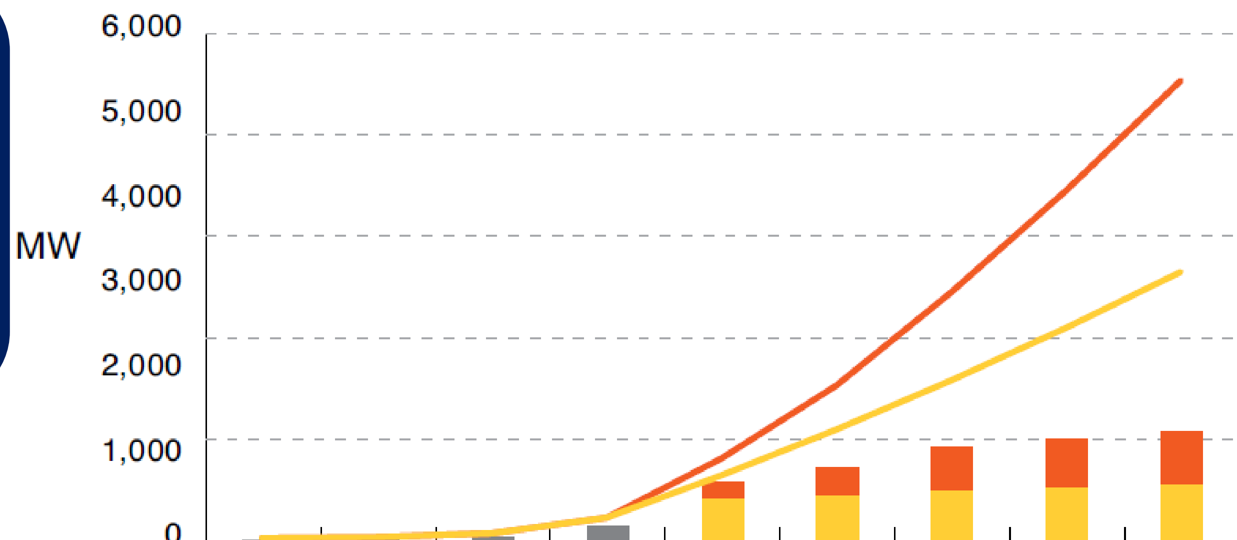
- **Strong growth in 2010**
- **Agressive revisions FITs**
- **« Corridor » digression rates**
- **Rooftop segment**



		2006	2007	2008	2009	2010e	2011e	2012e	2013e	2014e
Annual market (MW)	EPIA Moderate scenario	843	1,271	1,809	3,806	5,000	3,000	3,000	4,000	4,000
	EPIA Policy-Driven scenario					7,000	4,000	4,000	5,000	5,500
Projected cumulative PV power installed (MW)	EPIA Moderate scenario CUM	2,899	4,170	5,979	9,785	14,785	17,785	20,785	24,785	28,785
	EPIA Policy-Driven scenario CUM					16,785	20,785	24,785	29,785	35,285

Focus on France

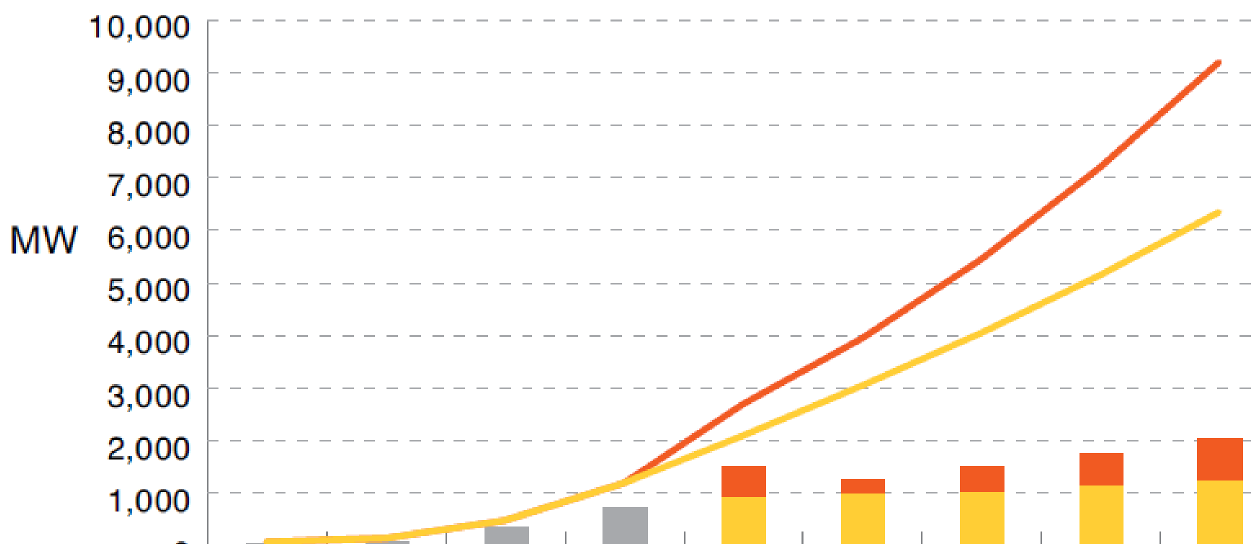
- **Strong growth in 2010**
- **Focus on BIPV**
- **FIT adjustment ?**
- **High admin / connection barriers**



		2006	2007	2008	2009	2010e	2011e	2012e	2013e	2014e
Annual market (MW)	EPIA Moderate scenario	8	11	46	185	500	540	580	620	660
	EPIA Policy-Driven scenario					700	860	1,100	1,200	1,300
Projected cumulative PV power installed (MW)	EPIA Moderate scenario CUM	30	41	87	272	772	1,312	1,892	2,512	3,172
	EPIA Policy-Driven scenario CUM					972	1,832	2,932	4,132	5,432

Focus on Italy

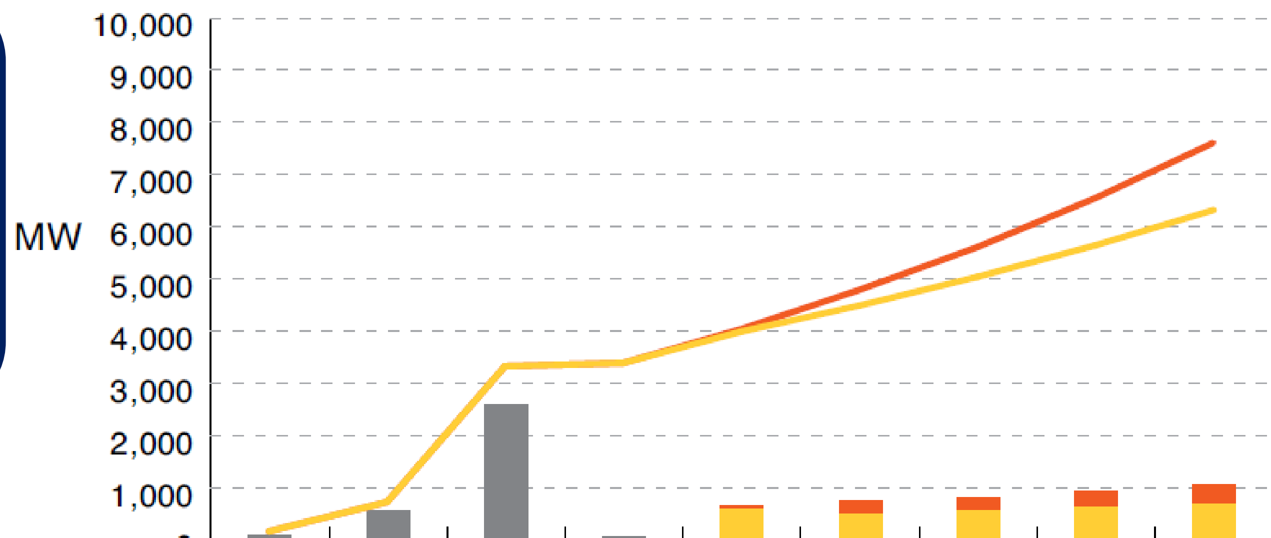
- **Strong growth in 2010**
- **Focus on BIPV**
- **New Conto Energia ?**
- **Residential Grid Parity !**



		2006	2007	2008	2009	2010e	2011e	2012e	2013e	2014e
Annual market (MW)	EPIA Moderate scenario	10	70	338	711	900	950	1,000	1,100	1,200
	EPIA Policy-Driven scenario					1,500	1,250	1,500	1,750	2,000
Projected cumulative PV power installed (MW)	EPIA Moderate scenario CUM	47	117	456	1,167	2,067	3,017	4,017	5,117	6,317
	EPIA Policy-Driven scenario CUM					2,667	3,917	5,417	7,167	9,167

Focus on Spain

- **Policy unstability!**
  May jeopardize market and industry
- **Strong revision of FITs ?**
- **Rooftop segment**



		2006	2007	2008	2009	2010e	2011e	2012e	2013e	2014e
Annual market (MW)	EPIA Moderate scenario	88	560	2,605	69	600	500	550	605	675
	EPIA Policy-Driven scenario					650	750	820	940	1,060
Projected cumulative PV power installed (MW)	EPIA Moderate scenario CUM	151	712	3,317	3,386	3,986	4,486	5,086	5,641	6,316
	EPIA Policy-Driven scenario CUM					4,036	4,786	5,606	6,546	7,606

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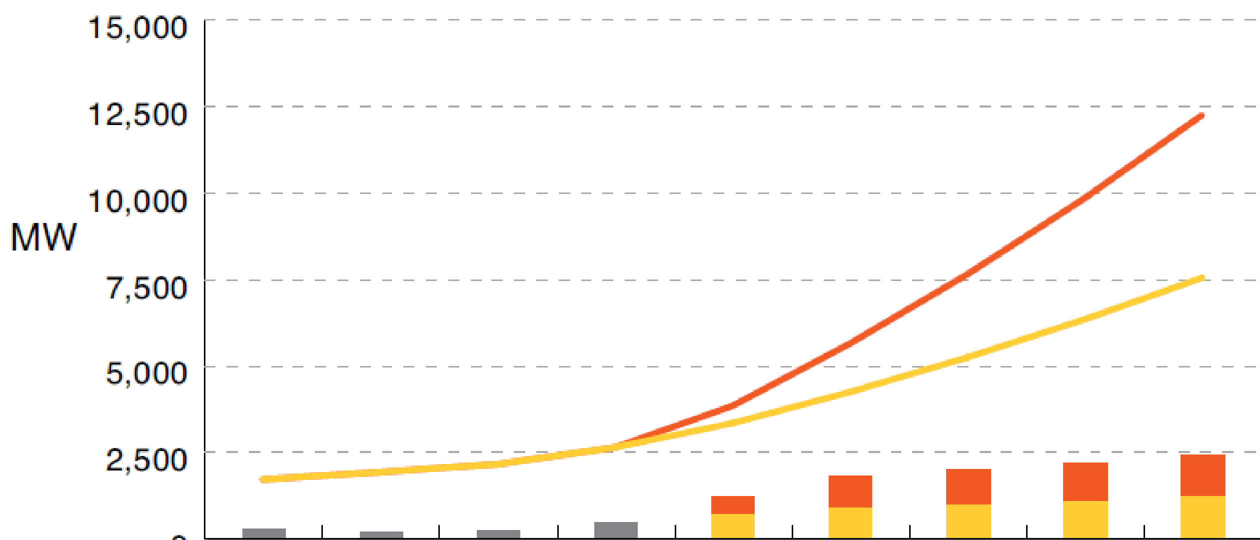
Outside EU

Non-EU Leading Markets: Japan

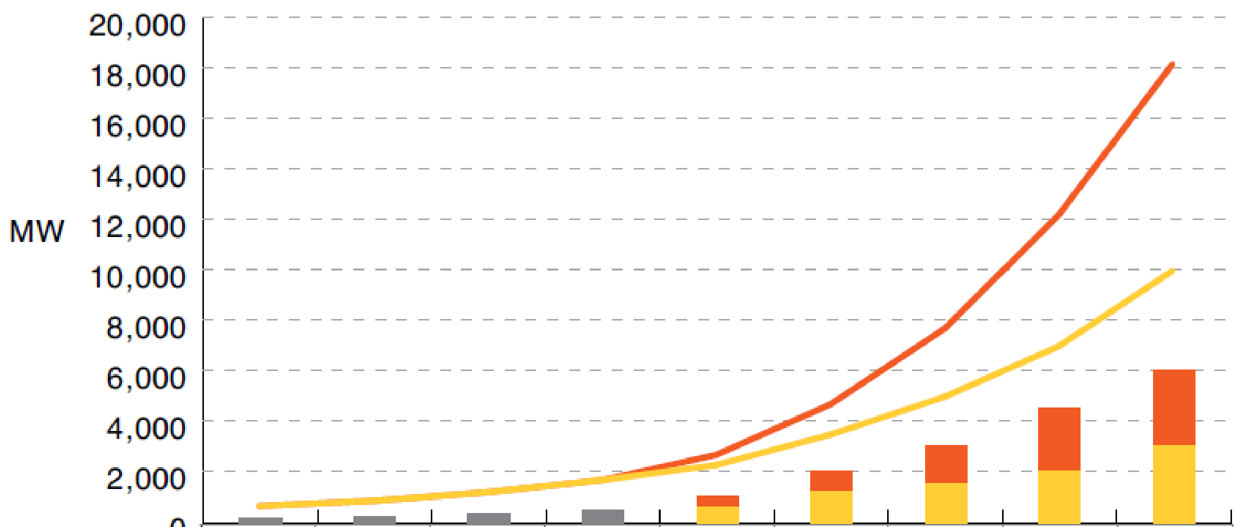
- **Relaunch resid. PV Pgme**
- **Net Metering**
- **Mature market & industry**
- **GW market in 2010 ?**



		2006	2007	2008	2009	2010e	2011e	2012e	2013e	2014e
Annual market (MW)	EPIA Moderate scenario	287	210	230	484	700	900	1,000	1,100	1,200
	EPIA Policy-Driven scenario					1,200	1,800	2,000	2,200	2,400
Projected cumulative PV power installed (MW)	EPIA Moderate scenario CUM	1,708	1,919	2,149	2,633	3,333	4,233	5,233	6,333	7,533
	EPIA Policy-Driven scenario CUM					3,833	5,633	7,633	9,833	12,233

Non-EU Leading Markets: USA

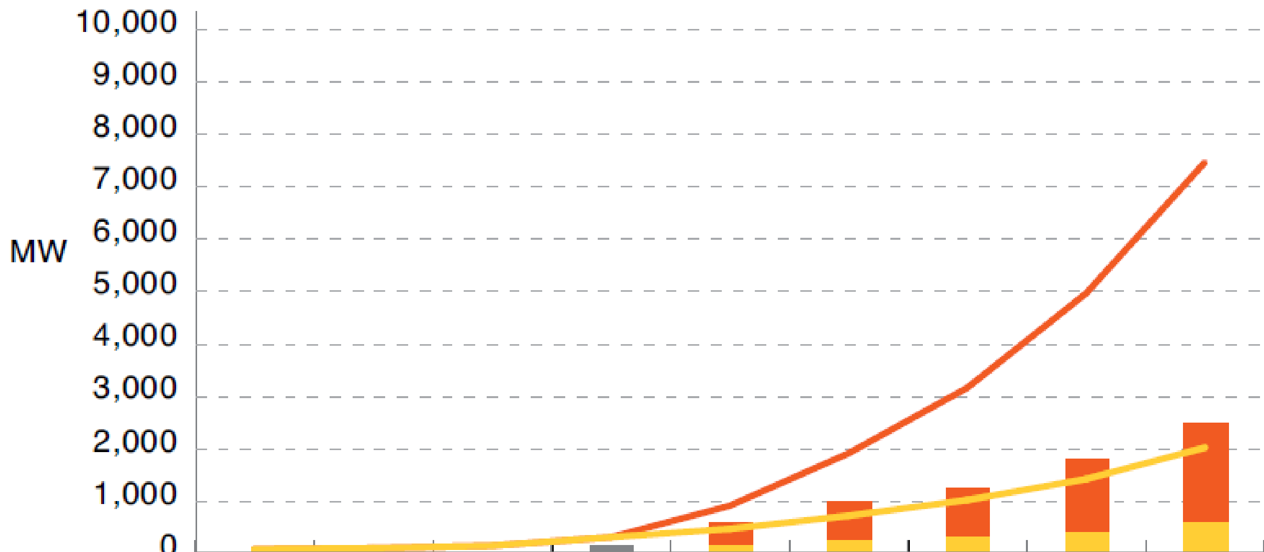
- « Sleeping Giant » awake ?
- Strong President Obama Committment
- State policy framework
- Complex market, local specificities
- GW market in 2010 ?



		2006	2007	2008	2009	2010e	2011e	2012e	2013e	2014e
Annual market (MW)	EPIA Moderate scenario	145	207	342	477	600	1,200	1,500	2,000	3,000
	EPIA Policy-Driven scenario					1,000	2,000	3,000	4,500	6,000
Projected cumulative PV power installed (MW)	EPIA Moderate scenario CUM	624	831	1,173	1,650	2,250	3,450	4,950	6,950	9,950
	EPIA Policy-Driven scenario CUM					2,650	4,650	7,650	12,150	18,150

Non-EU Leading Markets: China

- **PV « Wild Card »**
- **Massive PV potential**
- **Unpredictable Government policy strategy**
- **Market access?**
- **Massive competitive industrial capacity build-up**

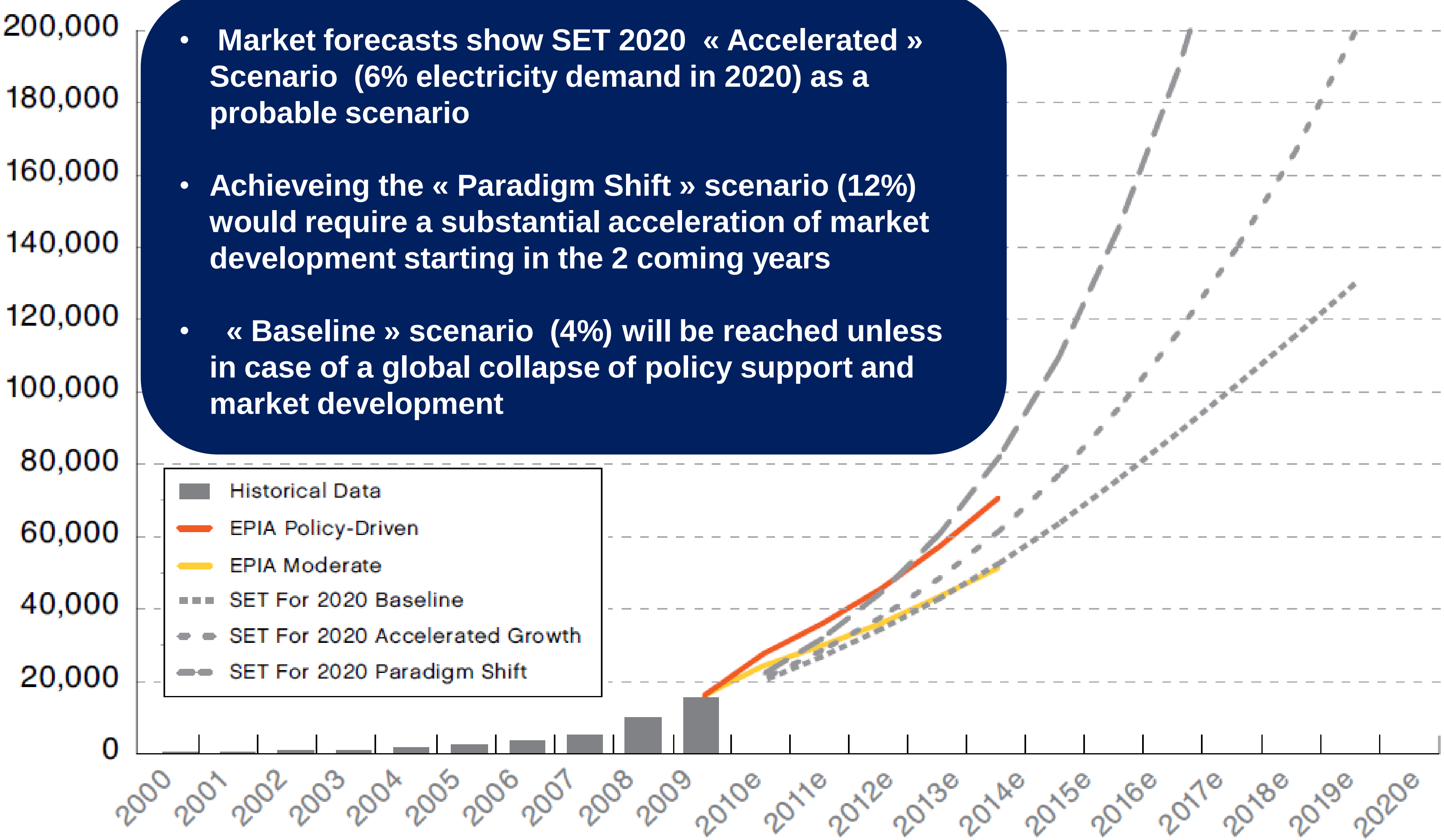


		2006	2007	2008	2009	2010e	2011e	2012e	2013e	2014e
Annual market (MW)	EPIA Moderate scenario	12	20	45	160	160	250	300	400	600
	EPIA Policy-Driven scenario					600	1,000	1,250	1,800	2,500
Projected cumulative PV power installed (MW)	EPIA Moderate scenario CUM	80	100	145	305	465	715	1,015	1,415	2,015
	EPIA Policy-Driven scenario CUM					905	1,905	3,155	4,955	7,455

3. Market Forecasts vs SET For 2020

Europe: On track towards SET For 2020 « Accelerated Scenario »

- Market forecasts show SET 2020 « Accelerated » Scenario (6% electricity demand in 2020) as a probable scenario
- Achieveing the « Paradigm Shift » scenario (12%) would require a substantial acceleration of market development starting in the 2 coming years
- « Baseline » scenario (4%) will be reached unless in case of a global collapse of policy support and market development



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4. Role of SEII

SEII contribution to Industry & Market Development

SEII is key to accelerate PV competitiveness but also to consolidate EU technological and industrial leadership accross the entire PV value chain

2010

2020

COST REDUCTION

- Market deployment Feed-in-Tariffs
- Intensive & continuous R&D

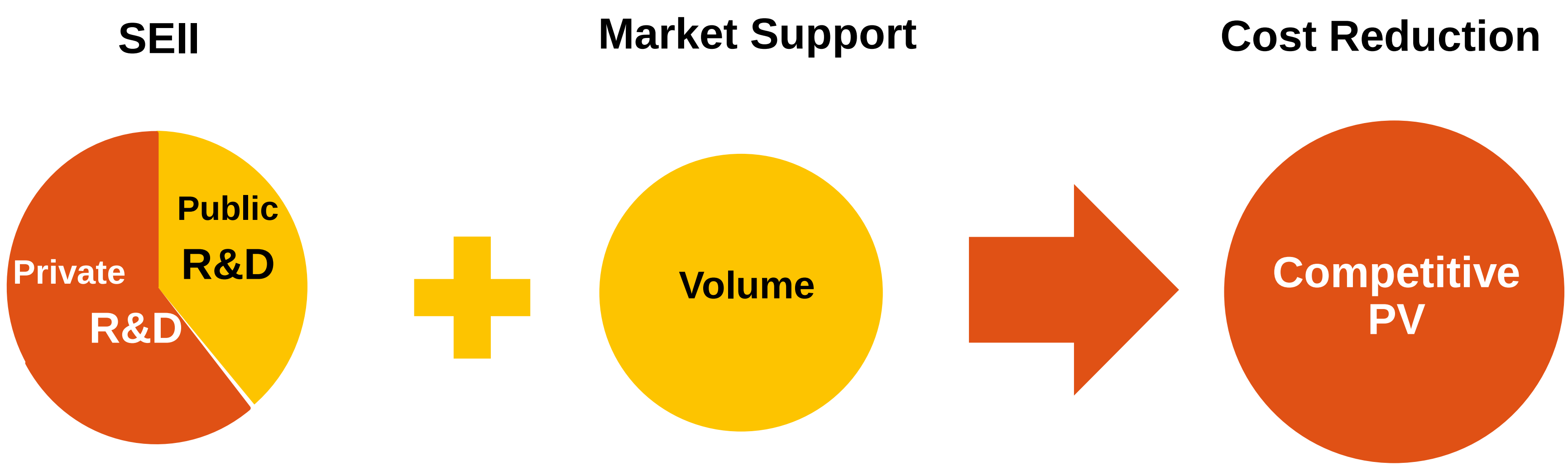
SOLAR EUROPE INDUSTRY INITIATIVE

- PV system integration
- Smart Grids & integration of other RES

Integration

12% Target

SEII and Market Support and necessary complementary policy components



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The Future is here, it is just not widely distributed yet ..