



Cut of solar feed-in tariff by 16 percent

Hannover, July 06, 2010

Yesterday the federal government and states agreed on following the proposition of the federal ministry of the environment and cut the feed-in tariff for solar power plants on roofs by 16 percent. Starting with a cut of 13 percent by July 1st the cut is actually 3 percent less than suggested by the German Bundestag. Nevertheless, the next cut of 3 percent will already follow on October 1st. Bundestag and Bundesrat now still have to ratify the proposition this week.

With this decision the German government once again failed to supply the troubled German solar industry with planning security for the future. Many companies expect a decline in orders during the coming half year of up to 50 percent in comparison to the first six months of 2010. Due to the decline in demand the market is threatened by an ever increasing price pressure and that during a time when manufacturers are highly unlikely to reduce their prices. "The low workload will probably lead to short-time work and endanger jobs" stated AS Solar CEO Thomas Rust. "The federal government further ignores the general wish to realize the necessary and possible change towards sustainable energies and to strengthen solar technology."

In January 2011 the feed-in tariff will be decreased once again by another 9 to 11 percent. This is already the fourth cut in the last 12 month and will lead to a further intensification of the situation.

AS Solar GmbH

Specialized wholesaler for solar technology and pellet systems

Am Tönniesberg 4A

D-30453 Hannover

Tel.: +49 511 475578-0

Fax : +49 511 475578-11

info@as-solar.com

www.as-solar.com

Contact person: Meike Koithahn, Head of Marketing