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Solar Specialist Sovello Launches International M&A-Process

- The management of Sovello, together with the preliminary trustee, Mr. Depping of dnp Depping, launches an international M&A-process
- Potential investors, who are committed to turnaround of the company, will be approached shortly and the process shall be swiftly completed
- KPMG Corporate Finance/M&A has been retained to conduct a structured process

Thalheim. The management of Sovello Germany has launched an international M&A-process. Investors will be approached shortly and systematically and the process shall be swiftly completed. Key criteria for the selection of potential investors will be the commitment to the turnaround of Sovello as well as the ability to conclude the process in a swift manner.

A team of M&A-professionals from KPMG Corporate Finance is advising the management of Sovello to conduct a structured M&A-process. All efforts will further be closely coordinated with the preliminary trustee, Mr. Depping of dnp Depping, to maintain all options of a turnaround.

Sovello had revenues of around 200 million euros last year and employs around 1,250 people. "Our company as part of the photovoltaic can be regarded as a promising business. The photovoltaic market will grow by another 20 percent per year. Several interested parties have already been in touch with us," CEO Reiner Beutel says.

"We consider Sovello a highly attractive investment opportunity, based on the STRING RIBBON™ technology, its proven technological competence with a stable high quality production process as well as access to attractive markets. As well as in the interest of the company as in the interests of creditors, we start - after a beauty contest for the financial advisor - an orderly bidding process in order to find the best investor for Sovello in the current environment," the preliminary insolvency administrator Depping adds. "The transaction can be structured alongside the German insolvency law to the specific needs of the investor."

About Sovello:

Sovello GmbH is one of the world's largest integrated module manufacturers that produces photovoltaic solar wafers, solar cells and solar modules under one roof. In 2010, the company has widened its focus to gain access to a number of promising international markets. When producing STRING RIBBON™ wafers, Sovello uses up to 50 % less silicon and consumes up to 50 % less energy compared to traditional silicon based technologies. Therefore, the high-performance solar modules made by Sovello are different from conventional, multicrystalline solar modules being manufactured in a particularly resource-efficient way and enjoy short energy amortization.

The site of Sovello consists of three production sites in Bitterfeld-Wolfen, Saxony-Anhalt. The first plant, SV1, began operating in June 2006. In June 2007, Sovello brought its second production site SV2 online. With its third production site, SV3, Sovello has a total annual production capacity of

180 MWp in Germany. As a reaction to a market environment that has fundamentally changed within a short space of time, the company obtained the latest generation of 'Quad' furnaces for its site in Thalheim in order to expand its production capacity at its German site in Thalheim from 180-megawatt peak (MWp) to around 250 MWp.

Sovello press contact:

Robert Reinsch
Corporate Communications

Phone: +49 (0)3494-6664 1518

Mobile: +49 (0)1525-4600 317

Email: r.reinsch@sovello.com

www.sovello.com