

Press Release

November 21, 2011

SCHWEIZER implements Diversification Strategy and starts Market Entry into Photovoltaic in Asia

- Start of four production line for photovoltaic cells and modules in China, each with a capacity of 100 MW
- Investment volume for the first production line between 50 and 60 Million USD
- Cooperation with Schmid Group, World Market Leader for Turnkey Production lines in the area of PV-Solar
- Set-up of own Distribution Network in Asia
- MoUs signed about Projecting of Solar Parks in two „Eco-Cities“ in China

Schramberg, November 21, 2011 – Schweizer Electronic AG, one of the leading manufacturers of premium PCBs as well as innovative solutions and services for automotive, solar and industry electronics, today informs about first concrete steps regarding the diversification of their business strategy. Following the foundation of the business division „Energy“ in spring 2011 the company announced last weekend via an ad hoc release the start of a production of photovoltaic (PV) – high efficiency modules in Asia as well as the set-up own sales channels for solar parks in China. The investment volume for the first production line amounts to 50 to 60 million USD. By investing anti-cyclically, SCHWEIZER plans to participate in the expected positive development of the photovoltaic market. „We believe in the future of photovoltaic“, says Dr. Marc Schweizer, CEO of SCHWEIZER AG, the solar strategy of the company. „Just now is the right point in time to enter the solar business. With our planned production line we are excellently positioned to directly meet future demands“, he explains.

The photovoltaic market („PV“) experiences a growing demand for high efficiency modules. The present supply shortage will presumably get worse in future. Particularly due to an excellent cost-performance ratio, high efficiency modules can contribute to quickly achieving grid parity and hence to generating competitive power. Additionally, power obtained from conventional fossil fuel, is expected to become more expensive in future. However, PV production faces big challenges: Optimum process technology and high production yields must be guaranteed. Applying most modern and innovative technologies of the next generation of equipment for the PV production is necessary to counteract the ongoing high pressure to reduce cost in cell while simultaneously increasing efficiency and gradually reducing cost in the long run.

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Schweizer Energy fulfils these requirements and will operate a plant for manufacturing high efficiency modules with up to four 100 MW production lines in the Chinese City Nantong, about 100 km north-west of Shanghai. The capacity per production line is among the highest worldwide. Beyond, production lines are set-up in a modular way to allow for integration of latest process steps in future.

Cells and modules to be produced feature a degree of efficiency higher 19 % in the first stage and higher 20 % in the second stage and offer an excellent cost-performance ratio. This performance is being facilitated by implementing highly innovative and trend-setting technology which had not been available before. This technology allows for fully integrating cell and module manufacturing as well as for reducing consumption of raw materials. Thus SCHWEIZER will be granted technology leadership, similar to their core business PCB. The strategic technology partner for the first of the production lines will be Schmid Group, Freudenstadt. Schmid is an experienced and long-term equipment supplier of Schweizer Electronic AG and world market leader for turnkey production lines for wafer, cell and module production in the area of PV. Product equipment of Schmid uses the most successful emitter technology, whereof 6 gigawatts (GW) have been sold and already are in production operation for the most part. Furthermore, the planned new production plant will employ the revolutionary contact-free „HiMet“ metallization technology with laser transfer and nanoparticles inkjet printing for the first time.

Dr. Marc Schweizer comments on the cooperation with Schmid Group: „It is initially of prominent importance for the marketability of PV modules to have the right production processes that allow for mass production and permanent reduction of production cost. On a sustainable basis we have already proven in our core business of PCB production that we are able to advance cost-efficient highly qualitative products to series-production within shortest time using equipment of the latest generation. Now we are strengthening our expertise with the recognized know-how of our competent partner Schmid Group.“

Christian Schmid, managing director of Schmid Group, explains the cooperation with SCHWEIZER: „SCHWEIZER’s recognized core competency in the area of manufacturing know-how and process optimization in the electronics industry as well as Schmid’s technology competency are an optimum combination. We dispose of comprehensive experience in quickly ramping-up turnkey PV cell and module manufacturing projects, whereof more than 90 % of the process technology is being developed and produced within Schmid Group. All these factors form a unique basis for a long-term and sustained success of this investment. The production site will be a milestone for the next generation of cell and module manufacturing. Operating cost will be highly competitive on the global PV market. We are looking forward to realizing this project together with SCHWEIZER.“

Within the area of PV, Asia is an emerging market. Attractive site and logistics conditions were key in selecting a production location as was an investment agreement with the City of Nantong. SCHWEIZER was able to win a strategic co-investor for this project who disposes of an excellent network in the Asian region. Start of production is planned for 2013. The set-up of the plant will be

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accompanied by an Asian management team of SCHWEIZER. The local team disposes of comprehensive experience in the PV industry and will be supported by an expert team of Schmid Group.

In parallel to building the PV production SCHWEIZER is working on setting-up their own sales channels in Asia. Beyond the planned PV production SCHWEIZER Energy will thus act as a system integrator for the consulting, projecting and installation monitoring of solar parks and their maintenance and operations in the area of sales service. For this part of the business RALOS New Energies AG, Griesheim, will bet he experienced and competent cooperation partner of SCHWEIZER. RALOS develops, plans, builds and operates innovative PV parks, predominantly in Europe, whose performance spectrum covers all system sizes, ranging from private solar systems to high performance large-scale power plants. The company has substantial experience in partnering models and international projects.

Target market for Schweizer Energy is Asia Pacific, however, in particular China. It is planned to sell cells/modules via international sales channels but also on the local market. The emerging market for renewable energy in Asia offers excellent entry and growth opportunities. Moreover SCHWEIZER is still outstandingly well-connected in this region and well-known as a technology leader, originating from their previous business activity during the Joint Venture Pentex-Schweizer. Only recently the company succeeded in closing two MoUs with the Joint Venture Sino Singapore about projection parks in two of the most important eco-cities (Guangzhou Knowledge City und Nanjing Eco Hightec Island) in China. This Joint Venture is based on a treaty between China and Singapore to jointly develop socially a socially harmonious, environmentally friendly and resource-conserving cities in China. Hence SCHWEIZER has already opened up first sales channels and is able to also market modules produced in their own plant in Nantong.

Dr. Marc Schweizer emphasizes: „In our strategy we have determined to further explore business areas beyond our successful core business PCB in order to generate significant revenues for SCHWEIZER Group in the coming years. By producing high efficiency modules and in parallel establishing our own sales channels in China, we are convinced to generate further profitable growth for SCHWEIZER Group. We expect an attractive development of the photovoltaic market, independent of a possible reduction of government aids. Within this context, our partners and we have assigned the highest priority to the topics of cost reduction and mastering technological challenges in this new business division.“

About Schweizer:

Schweizer Electronic AG is a leading manufacturer of premium PCBs, innovative solutions and services for automotive, solar and industry electronics. Based on recognized technology and consultancy competencies, SCHWEIZER's products and systems address central challenges in the areas of Power Electronics, Embedding and System Cost Reduction and are characterized by energy and environmentally friendly features.

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Together with its partners Contag GmbH and Meiko Electronics Co. Ltd. the company offers cost and production optimised solutions for small, medium and large series and within this network employs more than 13.000 people in Germany, Japan, China and Vietnam.

With about 750 employees SCHWEIZER achieved sales of 105.4 million Euro in Fiscal Year 2010 (ending December). The company was founded in 1849, is managed by family members and listed at the Stuttgart Stock Exchange (ticker symbol „SCE“, „ISIN DE 000515623“).

About Schmid:

Production Equipment for photovoltaic, PCB, Flat Panel Display

Schmid is global technological market leader and supplier for system and process solutions for PCB technology, Flat Panel Display production as well as photovoltaic for thin film applications and in manufacturing of solar wafer, cells and modules. The product portfolio includes single equipment as well as turnkey production lines with guaranteed performance parameters such as production capacity and efficiency degree in the areas of wafer, cell and module. Schmid Group covers the entire solar value chain with a high with a high inhouse-production share.

The tradition of being a system supplier is being continued in the fifth generation, focus of which are customer-oriented process solutions, economic concepts and a continuous development of new process technologies in own research center. With about 2,800 employees worldwide (status June 2011) Schmid Group produces in sites in Germany, Switzerland, Taiwan, Japan, China and USA and is represented by numerous service offices.

Company Data:

Headquarters: Freudenstadt (Germany)
Employees worldwide: 2,800 (June 2011)
Group Sales: 550 million Euro (2010)
Group Members: 24 Sites (2011)
Production Sites: 9 Sites (2011)
Founding Year: 1864
Certified: DIN EN ISO 9001

About Ralos:

Since 1991 RALOS New Energies AG is a company specialising in the growing market of renewable energies, particularly in photovoltaic and thus a pioneer in the industry. With daughter and sales companies in Germany, Spain, Italy, Great Britain, France, Canada, Dubai and Asia in future RALOS New Energies AG is positioned in international attractive markets, beyond the world biggest photovoltaic market in Germany. Beyond the experience, this earned us the recommendation of about 2,000 projects which have been completed with highest customer satisfaction. RALOS is one of the qualitatively best companies in die industry for plants which are to reliably produce energy for 20 to 25 years. A significant success factor is the continuous responsibility and control of the entire (value added) process, from planning via the construction up until service (operating &

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maintenance) of the plants. Thus the company remains a reliable partner for the customers for the entire production time. RALOS New Energies AG is a publicly listed company (WKN 520 300).
Executive Board: Martin Meurer (Spokesperson of the Board / CFO) and Benjamin Jansen (CSO)

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