

Bonn, August 3<sup>th</sup> 2007

## Press Release

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### EuPD Research Business Climate Index 2nd Quarter 2007

**The development of the photovoltaic and solar thermal sector in the 2nd quarter of 2007 is inconsistent: Climate among solar thermal companies declines – Positive business situation in the photovoltaic industry.**

Bonn. The business climate index of EuPD Research for the photovoltaic and solar thermal branch shows an inconsistent picture for the 2nd quarter of 2007. While the interviewed companies being active in the solar thermal sector estimate their business situation clearly more negative than in the previous quarter, companies of the photovoltaic sector are currently satisfied. Almost two thirds of the inquired firms evaluate their business situation as "very good" or "rather good". The demand of photovoltaic systems has increased – mainly due to fallen prices. Consequently, half of the companies could realize gains in turnover. By their own account, for a quarter of the interviewees the capital expenditure rose. Only the lower business expectation for the next quarter leads to the slightly declining business climate index. Hence, only 40 percent of the companies expect a "rather advantageous" or a "clearly advantageous" business development in the next two quarters of 2007. In the first quarter of this year, after all, 64 percent of the companies had positive expectations. According to Markus A.W. Hoehner – managing director of EuPD Research – the reason for this development can be seen in the discussion about the amendment of the Renewable Energy Law. "The plans concerning the reduction of solar promotion – as currently demanded by the Federal Minister for environment – that are taking shape more and more seem to make the companies insecure" interprets Hoehner the findings of the survey.

In the field of solar thermal, the business climate index has clearly decreased in comparison to the first quarter of the year. The indicated business situation lies significantly under the value of the previous year and falls – for the first time since the beginning of 2005 – under the initial value of 100 scores. Only the company expectation for the following six months decreased to a lesser extent. "These market breaks result from the long discussion about a new Renewable Heat Law. Many end customers seem to be reluctant from investments in the solar thermal sector since they expect better conditions after the amendment", Hoehner explains. Thus, 43 percent of the solar thermal companies expect an economic rebound in the second half of 2007.

In order to particularly follow up the development of the solar markets by means of profound data, EuPD Research has set up the business climate indices for the photovoltaic and the solar thermal market. Hence, EuPD Research quarterly inquires 100 companies from the photovoltaic- and solar thermal sector about their estimations of the current business situation and the business expectation for the next six months. Besides, developments of prices, employment, investment and turnover are surveyed.

Diagram: Business Climate Index "Photovoltaic"

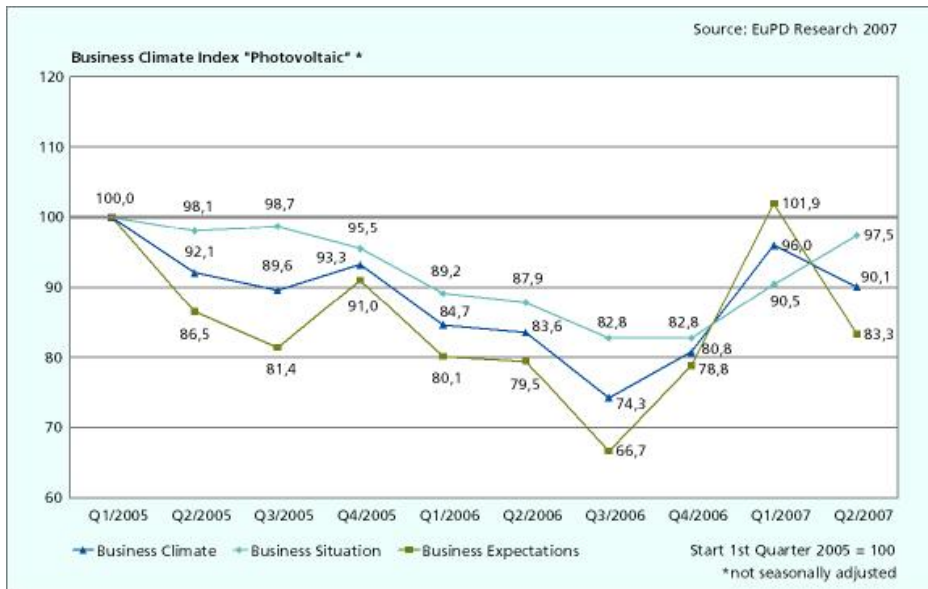


Diagram: Business Climate Index "Solar Thermal"



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EuPD Research is a market and opinion researcher for media and companies. As a full-service provider with an own interview center, we offer a wide range of quantitative and qualitative research services. We create market studies, sector reports and business climate indices and therewith, develop target-oriented decision support for our customers. In the process, we hark back to an expert network of scientists, decision makers and media representatives.