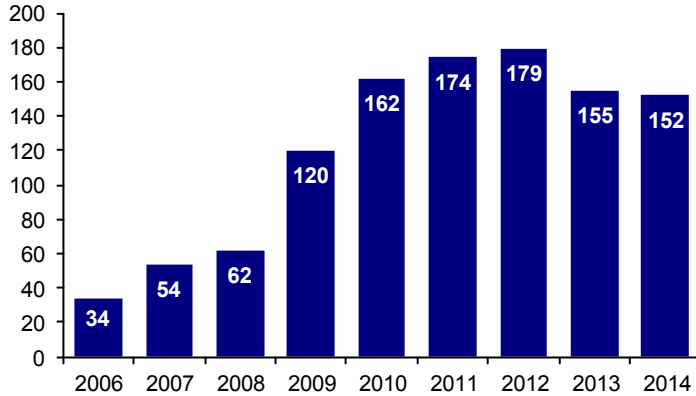
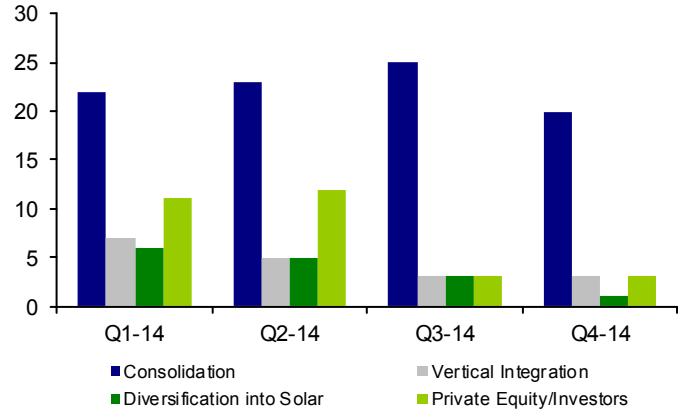


2014 Deal Volume Comparison

Chart A: Completed Solar Energy Transactions

Chart B: Quarterly Comparison - M&A by Category


Announcements

- Capital Stage AG (DB:CAP) acquired six solar projects in Italy (Dec-14)
- TerraForm Power, Inc. (NasdaqGS:TERP) acquired 100% stake in 10 U.S. companies (Dec-14)
- SunPower Corporation (NasdaqGS:SPWR) acquired SolarBridge Technologies, Inc. (Nov-14)
- CEE Management GmbH acquired three solar projects in France (Oct-14)
- NRG Energy, Inc. acquired Pure Energies Inc. (Oct-14)

Sources: All information contained in this newsletter including the charts was obtained from company websites, Lincoln International's internal data and Capital IQ.

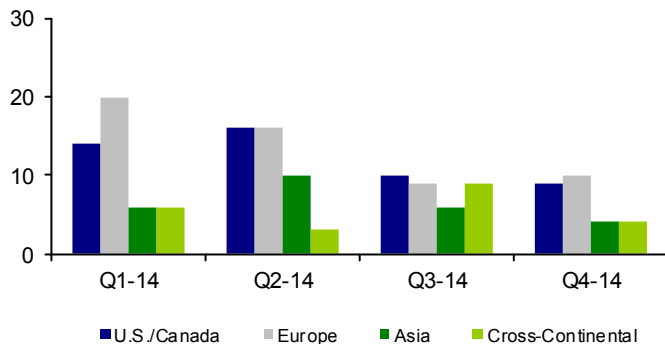
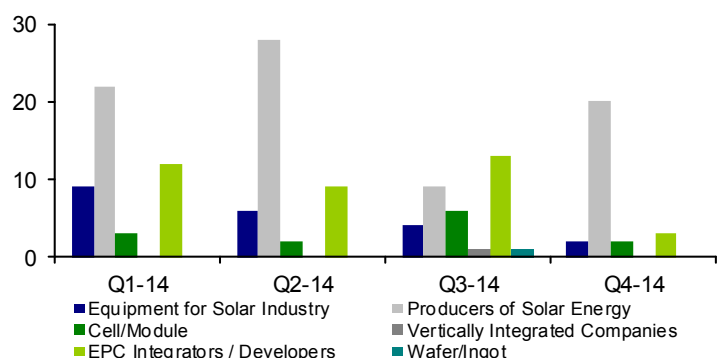
There were 152 completed solar energy M&A transactions in 2014, approximately 2% less than the 155 recorded in 2013. 2014 is the second year in a row exhibiting a slowdown in transaction volume. However, the overall level of transactions in the solar industry is still quite robust given the continued consolidation in the industry.

Within the solar M&A transactions, consolidation represented 59% of the volume, or 90 deals in 2014. The next largest category was investment in the solar energy industry by private equity or private investors with 19% of transactions, or 29 deals this year. Vertical integration accounted for 12% of the total, or 18 transactions, and diversification into the solar energy industry accounted for 10% of the total, or 15 transactions.

This year, 36% of the solar energy M&A transactions occurred in Europe, which continues to be the most prevalent geography for M&A activity in the sector. The number of transactions within the U.S./Canada in 2014 was 49, or 32% of the total. This represents a 3% share decrease for the U.S./Canada geography as compared to the prior year. Cross-Continental transactions accounted for 22 transactions, or 14% of the total for 2014, while deals within Asia represented 26 transactions, or approximately 17% of the total for 2014.

There were 79 acquisitions of companies categorized as producers of solar energy, representing the most common category of targets at 52% of the 2014 total. This category primarily represents the acquisition of solar projects. EPC integrators/developers were the next most frequent acquisition targets, accounting for 37 transactions, or 24% of the total. Companies categorized as providers of equipment for the solar industry recorded 21 transactions, or 14% of the total, while cell/module producers accounted for 13 transactions, or 9% of total deals in 2014. Vertically integrated companies and wafer/ingot manufacturers each represented a single transaction, respectively.

Echoing the trend in 2013, transaction activity was strongest among targets categorized as producers of solar energy. Consolidation amongst producers as well as private equity and private investment in solar largely drove demand for solar deals as the industry further matures and attracts available capital. Geographically, the Asian markets showed an increase in transaction activity potentially given some of the growth occurring and expected in the region. While the total number of transactions decreased in 2014, the market dynamics in solar remain supportive for continued interest in M&A.

Chart C: Quarterly Comparison - M&A by Geography

Chart D: Quarterly Comparison - M&A by Sector of Target Company


Select Q4 2014 Solar Energy Transactions

#	Date	Acquirer	Seller	Target	Type
1	Dec-14	SPI Solar Power Suzhou Co., Ltd.	Xinjiang Sang'ou Solar Equipment Co., Ltd.	Gonghe County Xinte Photovoltaic Co., Ltd.	1
2	Dec-14	TerraForm Power, Inc.	SunEdison, Inc.	26 MW Solar project	1
3	Dec-14	Foresight Group	Trina Solar Limited	Solar project in the UK	4
4	Dec-14	Tempress Systems, Inc.	RENA GmbH Print Systeme	SoLayTec B.V.	3
5	Dec-14	Solar Power Company Limited	Energy for Environment Foundation	Solar Power (Sakon Nakhon 1) Co., Ltd	1
6	Dec-14	Capital Stage AG	GP JOULE GmbH	Six solar projects	4
7	Dec-14	Duke Energy Renewables LLC	ET Solar Energy Corp.; Geenex LLC	Solar project in Canada	1
8	Dec-14	TerraForm Power, Inc.	Capital Dynamics US Solar Energy, L.P	100% stake in 10 U.S Companies	1
9	Dec-14	Gunkul Engineering Public Co., Ltd.	Private	Sendai Okura Mega Solar Godo Kaisha	1
10	Dec-14	Belltown Power Limited	Private	Five solar projects	1
11	Dec-14	Inter Far East Engineering Public Co., Ltd.	Private	Isenergy Co., Ltd.	1
12	Dec-14	Sustainable Power Group; Camborne Capital	RGE Energy UK Limited	Solar project in the UK	1
13	Nov-14	Belltown Power Limited	Green Hedge Renewables plc	Solar project in the UK	1
14	Nov-14	Equal Earth, Inc.	Private	Three solar rojects in Ohio	1
15	Nov-14	SunPower Corporation	Private	SolarBridge Technologies, Inc.	2
16	Nov-14	SunEdison, Inc.; TerraForm Power, Inc.	Just Energy Group Inc.	Hudson Energy Solar Corp.	1
17	Oct-14	Abengoa Solar New Technologies S.A.	Private	Sol3g, S. L.	2
18	Oct-14	Sustainable Power Group; Camborne Capital	Hive Energy Ltd	Solar project in the UK	1
19	Oct-14	SolarReserve, LLC	Aerojet Rocketdyne, Inc.	Aerojet Rocketdyne, Inc. (solar business)	2
20	Oct-14	SunEdison, Inc.	SolAmerica Energy, LLC	Two solar projects	1
21	Oct-14	CEE Management GmbH	123 Venture; Solairedirect SA	Three solar power plants in France	4
22	Oct-14	Primrose Solar Limited	Private	Solar project in the UK	1
23	Oct-14	Primrose Solar Limited	ib vogt GmbH	Three solar projects	1
24	Oct-14	Sustainable Power Group; Camborne Capital	RGE Energy UK Limited	Solar project in the UK	1
25	Oct-14	SPI China (HK) Limited	Sin Sin Solar Capital LP	Sinsin Renewable Investment Limited	1
26	Oct-14	NRG Energy, Inc.	New Enterprise Associates; NGEN Partners, LLC	Pure Energies Inc.	1
27	Oct-14	Arava Power Company Ltd.	Supergas Israel Gas Distribution Company Ltd.	Twelve solar projects	1

Type Key: 1=Consolidation, 2=Vertical Integration, 3=Diversification into Solar Energy, 4=Private Equity/Investors

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