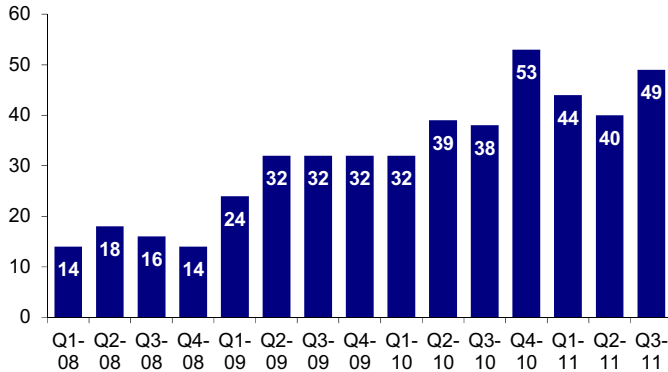
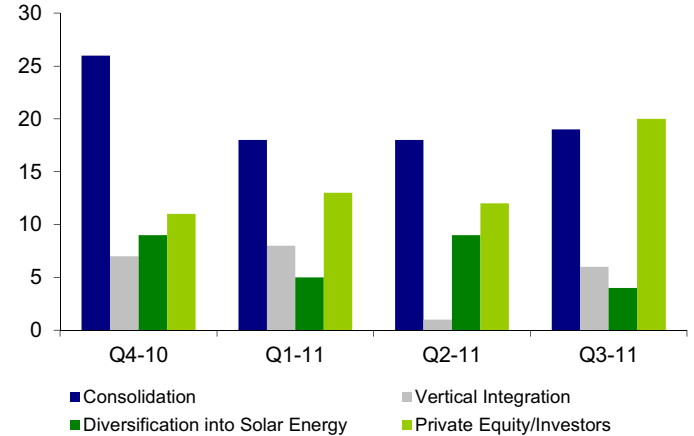


# Q3 2011 Deal Volume Comparison

**Chart A: Completed Solar Energy Transactions**

**Chart B: Quarterly Comparison - M&A by Category**


## Announcements

- Sun Edison LLC acquired Fotowatio Renewable Ventures, Inc. (September-11)
- SunLogics Inc. (DB:18L) acquired Phoenix Solar Holdings Corp. (September-11)
- Meyer Burger Technology AG (SWX:MBTN) acquired Roth & Rau AG (XTRA:R8R) (August-11)
- Real Goods Solar, Inc. (NasdaqGM:RSOL) acquired Alteris Renewables, Inc. (August-11)

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

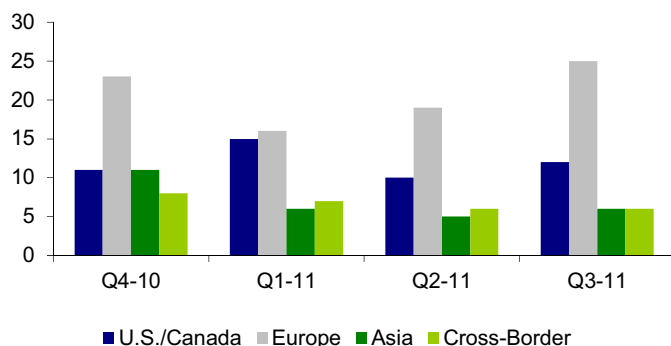
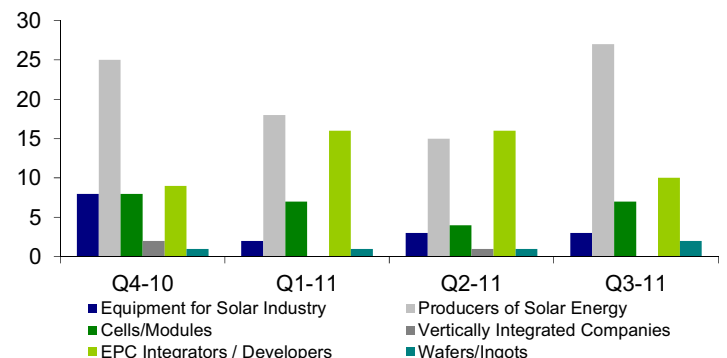
There were 49 completed solar energy transactions in Q3 2011 compared to 40 in Q2 2011. This number is the second highest amount of transactions in a quarter since Lincoln began tracking M&A activity within the solar energy sector. These statistics continue to show a robust level of transactions within the solar industry since 2005, as the industry continues to grow. 2011 is on track to be another record year from a transaction perspective, largely driven by the steady volume of consolidation transactions as well as an increase in private equity/investor transactions.

Within the solar energy transactions, private equity/investors represented 41% of transactions, or 20 deals in Q3 2011. Close behind, the next largest category was consolidation with 19 transactions, or 39% of the quarterly total. Vertical integration was next with six transactions, or 12% of transactions in Q3 2011. Lastly, diversification into the solar energy industry by corporations and investors accounted for four transactions in Q3 2011, or 8% of the quarterly total.

In Q3 2011, 25 transactions, or 51% of the quarterly total, came from Europe. The number of transactions from U.S./Canada in Q3 2011 was 12, or 24% of the total. Cross-border transactions and Asia each accounted for six transactions, or 12%, respectively, of the total for Q3 2011.

The majority of the transactions in Q3 2011 involved target companies categorized as solar energy producers with 27, or 55% of the total transaction volume. There were 10 transactions for target companies categorized as EPC integrators / developers, or 20%, while there were seven transactions for cells / modules producers, or 14% of the total. There were three transactions for companies categorized as solar equipment providers, or 6% or the total, and two for companies categorized as wafer/ingot producers, or 4% of the total. There were no transactions with vertically integrated companies this quarter.

The upward trend in transaction activity resumed in the third quarter of the year after declines in the previous two quarters, with activity increasing particularly within the private equity / investors category. Activity in this area reached a new high with 20 transactions for the quarter. Private investors continue to show interest in the space, particularly in Europe, where there exist a larger number of solar projects for sale. In addition, industry consolidation continues to drive the volume of transactions as increased competition is forcing some companies to seek liquidity. As the solar energy industry continues to develop, it can be expected that transaction activity be robust as well.

**Chart C: Quarterly Comparison - M&A by Geography**

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


# An Analysis of Growth Trends Affecting the Solar Energy Industry

The solar energy industry had its highest revenue total in 2010, more than any year since we began tracking this data. This comes as a rebound from the downswing that occurred in 2009, which was a difficult year for the 35 solar energy companies tracked in Lincoln's Solar Stock Index due

to the global economic downturn. In 2010, year-over-year revenue was up in all categories, with the largest increase from Wafers/Ingots providers. On a last 12 months (LTM) basis as of September 2011, the combined total of the four categories produced a sales increase of over 25%

compared to the same period a year ago. As shown in Chart E, overall solar energy LTM revenue has increased across all categories, however at lower levels than in 2010. Wafers/Ingots providers' revenue increased 43.2% on an LTM 2011 basis versus an increase of 54.7% for the same period a year ago. Revenue increased for Cells/Modules manufacturers by 21.3% compared to a revenue increase of 63.1% for the same period a year ago. Vertically integrated companies' LTM 2011 revenue increased by 36.9% versus an increase of 53.1% in LTM 2010. The EPC Integrators/Developers' revenue increased by 7.0% in LTM 2011, this compares to a 77.0% increase from the same period a year ago.

Chart E: Year-over-Year Revenue Growth by Category

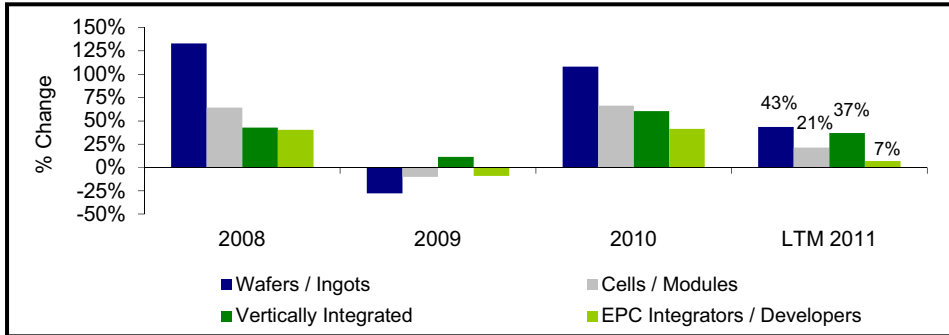


Chart F: Global Annual PV Market Outlook, Policy-Driven Scenario

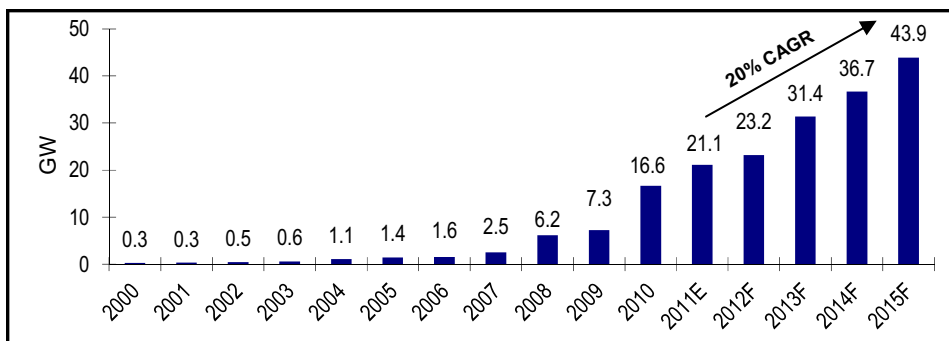


Chart G: Global Annual PV Installed by Region

	Annual PV Installed MW by Region		Year-over-Year % Growth
	2009	2010	
Spain	69 MW	369 MW	434.8%
Germany	3,806 MW	7,408 MW	94.6%
USA	477 MW	878 MW	84.1%
Japan	484 MW	990 MW	104.5%
Rest of Europe	1,796 MW	5,469 MW	204.5%
Rest of World	678 MW	1,515 MW	123.5%
<b>Total</b>	<b>7,310 MW</b>	<b>16,629 MW</b>	

Source: European Photovoltaic Industry Association, Global Market Outlook for Photovoltaics Until 2015

## Contact

Lincoln International's Renewable Energy Group is led by a former CEO of a public company. The firm's Renewable Energy team provides transactional, financial and strategic advisory services to renewable energy companies and private equity groups with an interest in the renewable energy space.

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