



The French Photovoltaic Market

Structures, Potentials and Difficulties

EuPD Research
Freiburg, June 21st, 2007

Agenda

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Imprint

A.1. EuPD Research

About us

- EuPD Research is a market and opinion research institute, which is active in international markets. We offer the entire range of quantitative as well as qualitative research. EuPD Research | Energy & Utilities has been able to develop special competence in the field of renewable energies.

Examples of projects in the field of photovoltaics (PV)

- Studies on the German photovoltaic market since 2002
- The Spanish Photovoltaic Market 2006/07 – Growth Market with Initial Difficulties
- The Italian Photovoltaic Market 2006/07 – Basics, Potentials, Risks
- Further PV country market studies (e.g. California)
- Business Climate Index Photovoltaics
- Shared Service Studies
- Exclusive market research

A.2. Method

Approach

- Identification of all companies, which are active in the business segment of photovoltaics with the help of indices of exhibitors at relevant trade fairs, indices of members of solar associations, and indices on the Internet
- Survey of the identified companies of all levels of the value-added chain except Bureaux d'Etudes (counseling offices) (ca. 220)
- Field time: May 2007
- Returned questionnaires: 60 (quota of return: 27.3%)
- Analysis with consideration of different company types (installers, distributors and system integrators, producers)

B.1. The French Photovoltaic Market



Status of the PV market in France

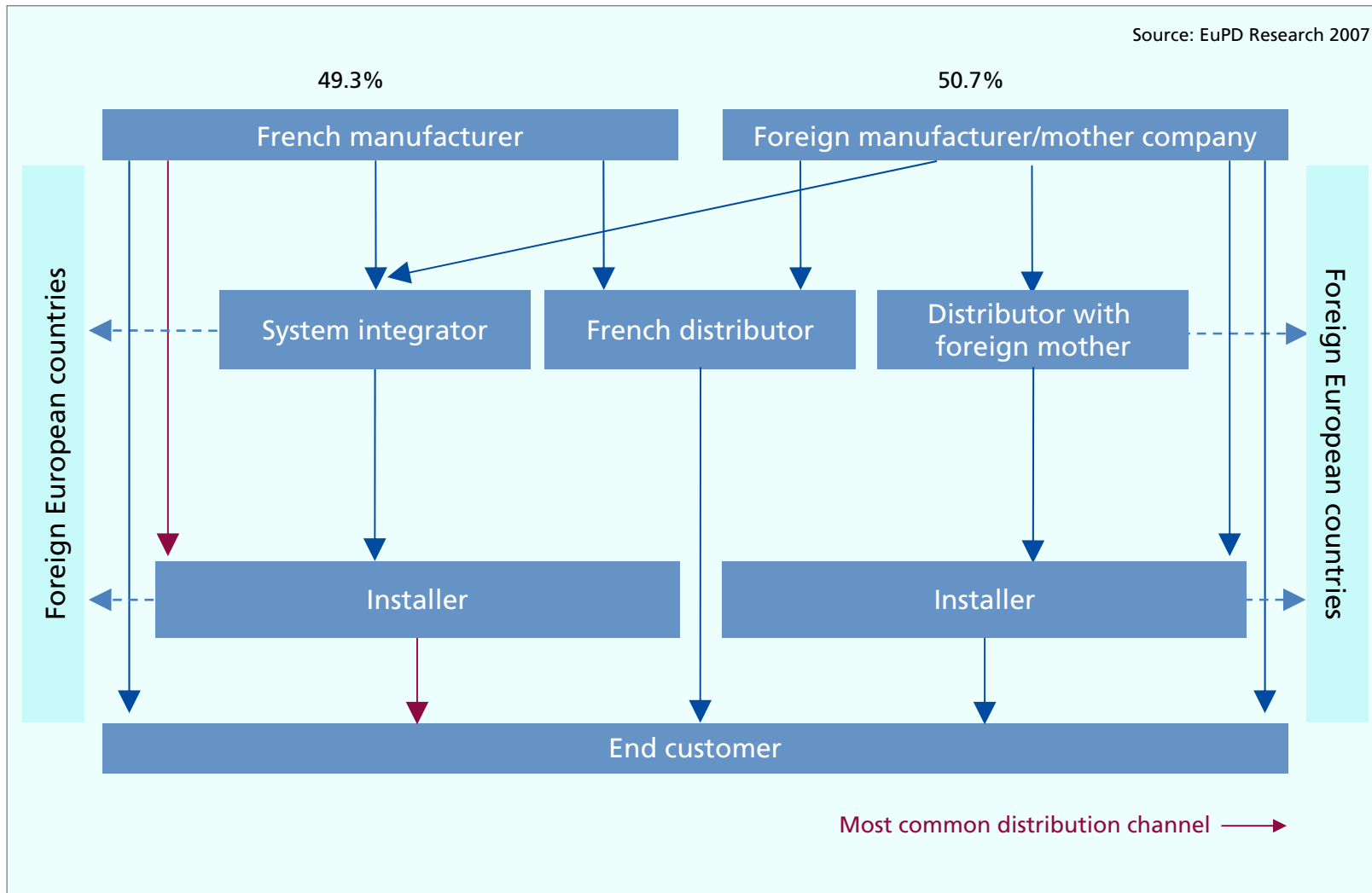
- Excellent promotion conditions, especially for BIPV
- Newly installed capacity of 14.4 MW in 2006 (Adème)
- Market growth 2006: ~ 120%
- Expected market growth this year: more than 100%

B.1. Market Structure

In the past, the French PV market has been largely dominated by two market participants: Tenesol and Apex BP Solar. At the moment, more and more companies are entering the market.

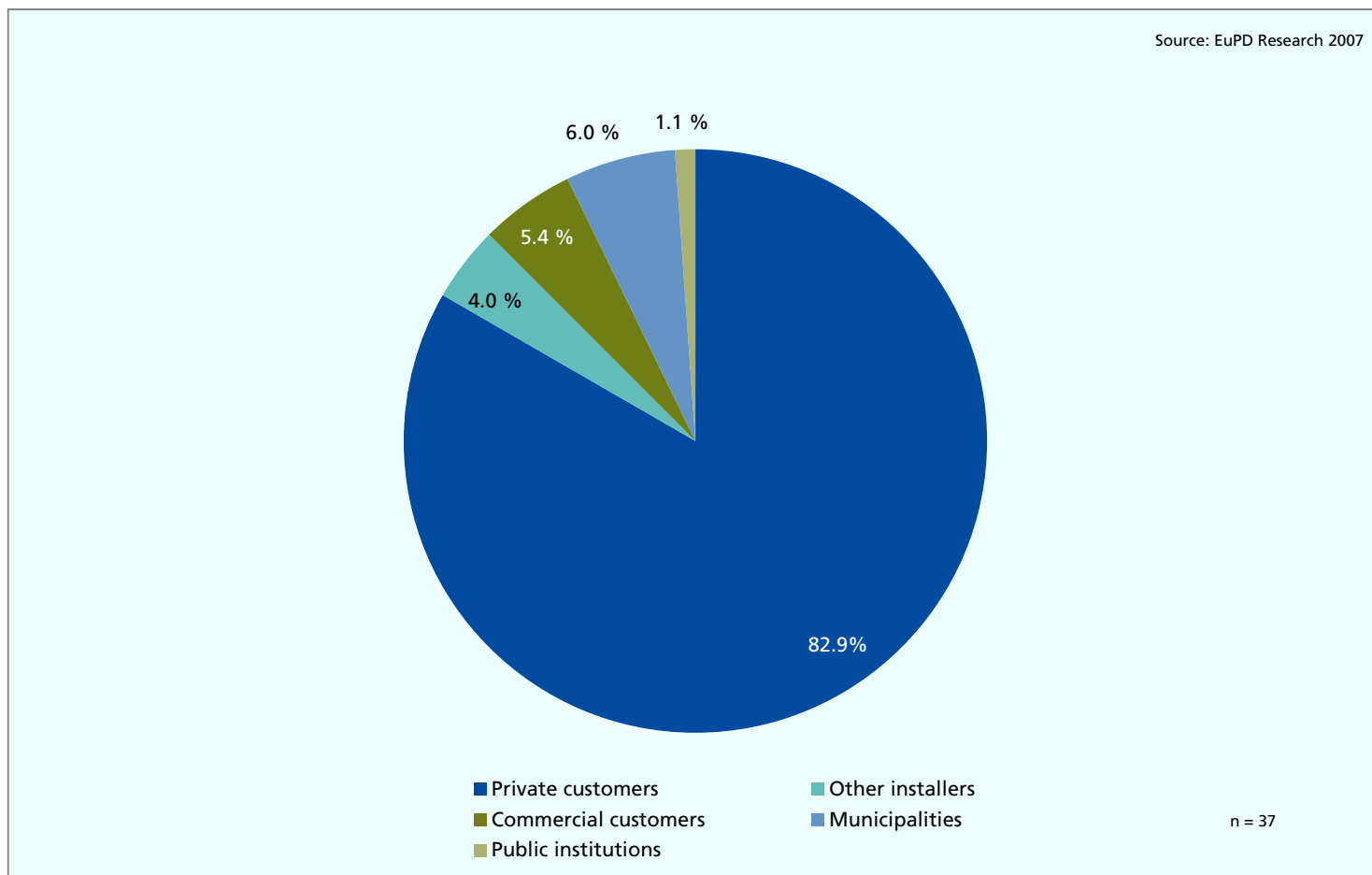
Wafer/cell/ module/thin-film producers	<ul style="list-style-type: none">▪ Emix (wafers, capacity n.n.)▪ Tenesol (capacity 50 MWp crystalline modules), Photowatt (capacity 60 MWp mono-/polycrystalline cells, 50 MWp modules), quantities largely exported▪ Solemns, FreeEnergy (thin-film technology)
Other producers (e.g. special products, BOS)	<ul style="list-style-type: none">▪ 5-10 companies▪ E.g. Imerys, Lafarge (solar roof tiles), Ainelec (batteries) etc.
Distributors/ wholesalers/ system integrators	<ul style="list-style-type: none">▪ 10-15 French distributors▪ Ca. 5 system integrators▪ 10-15 distribution subsidiaries of international producers/wholesalers
Installers	<ul style="list-style-type: none">▪ Ca. 180-250 installers▪ Ca. 40-50 Bureaux d'Etudes ("counseling offices")

B.2. Distribution Structure Modules



B.3. End Customer Structure of Installing Companies

Customer structure of inquired installers – Weighted according to installed capacity



The French PV market is largely dominated by small-sized private systems up to now.

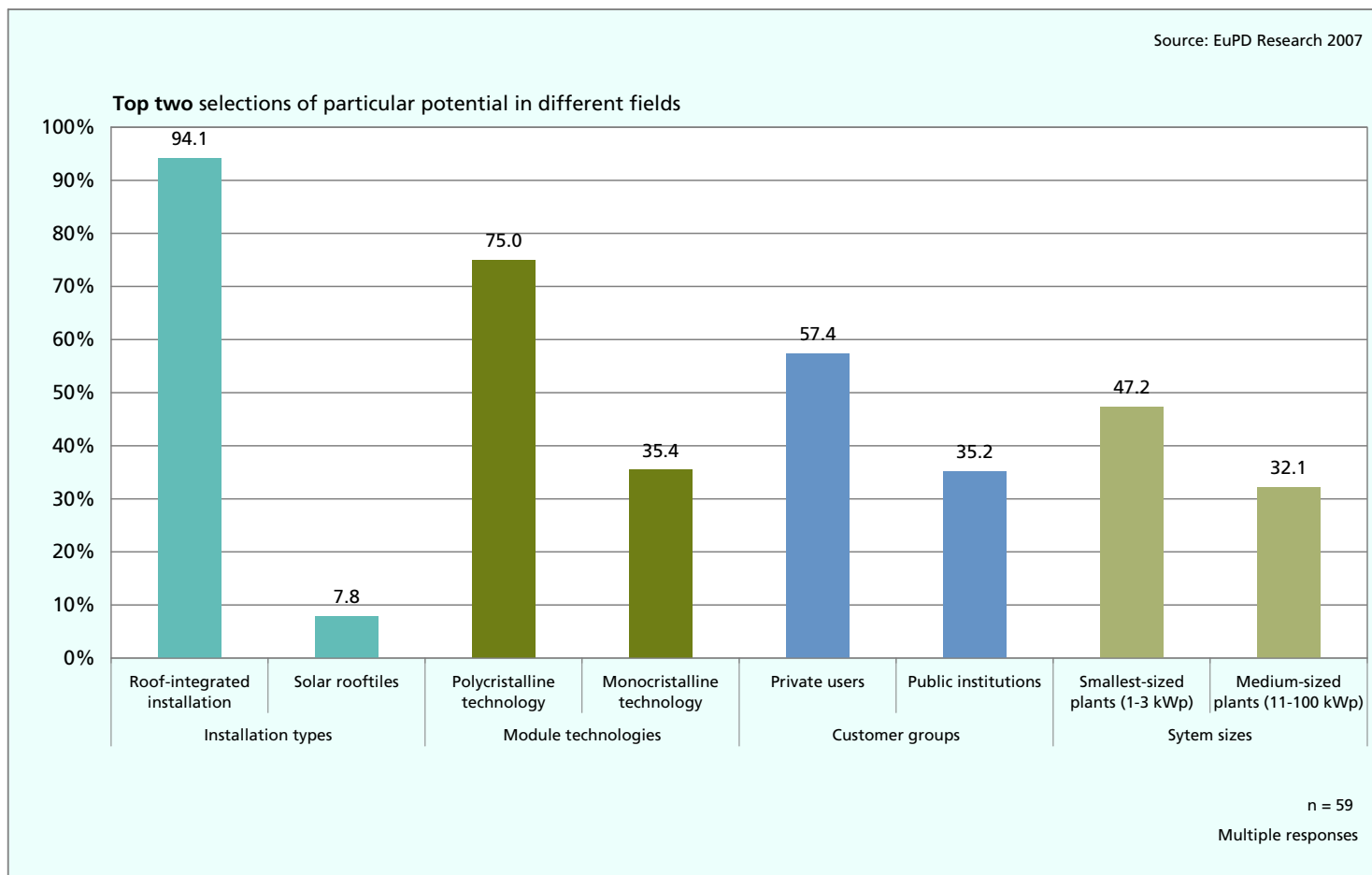
Accordingly, the clients of French installers are mainly private customers (82.9%).

This is in line with the fact that more than three quarters of the inquired firms install small-sized plants up to 3 kWp.

Only very few bigger systems were installed in the French market within the past few years.

B.5. Market Development 2007 – Potentials

Which fields of application bear the highest potential in the French solar market within the next two years?



Clear focus in the French PV market: Roof-integrated systems.

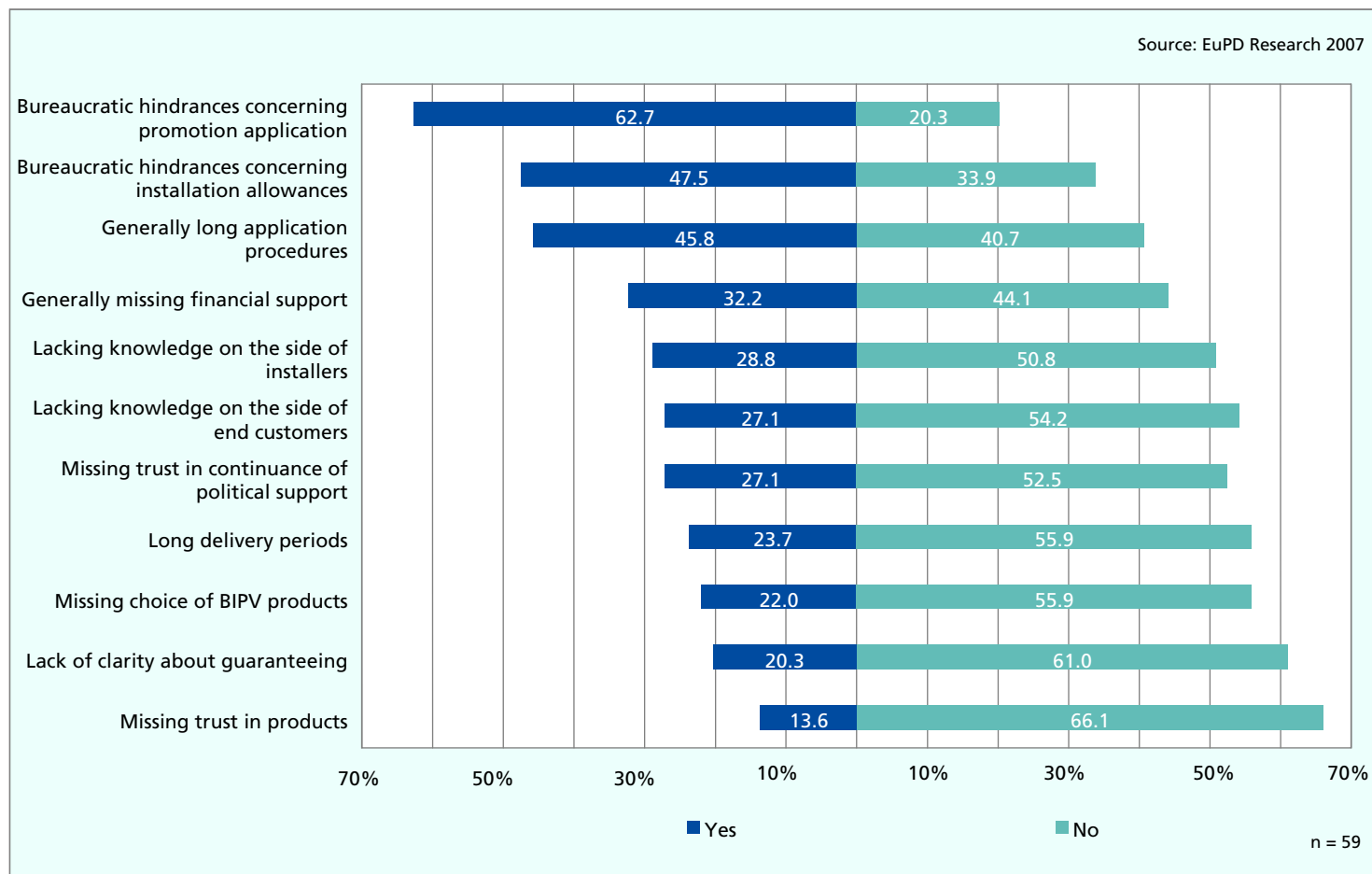
Regarding technologies, crystalline modules are clearly in the fore, especially polycrystalline ones. Only 8.3 percent see a particular potential in a-Si thin-film applications.

Also in the future, private small-sized systems are expected to play the most significant role in the market.

Another relevant customer group in France: public institutions.

B.5. Market Development 2007 – Difficulties

Do the following problems hinder the growth of the French PV market (yes/no)?



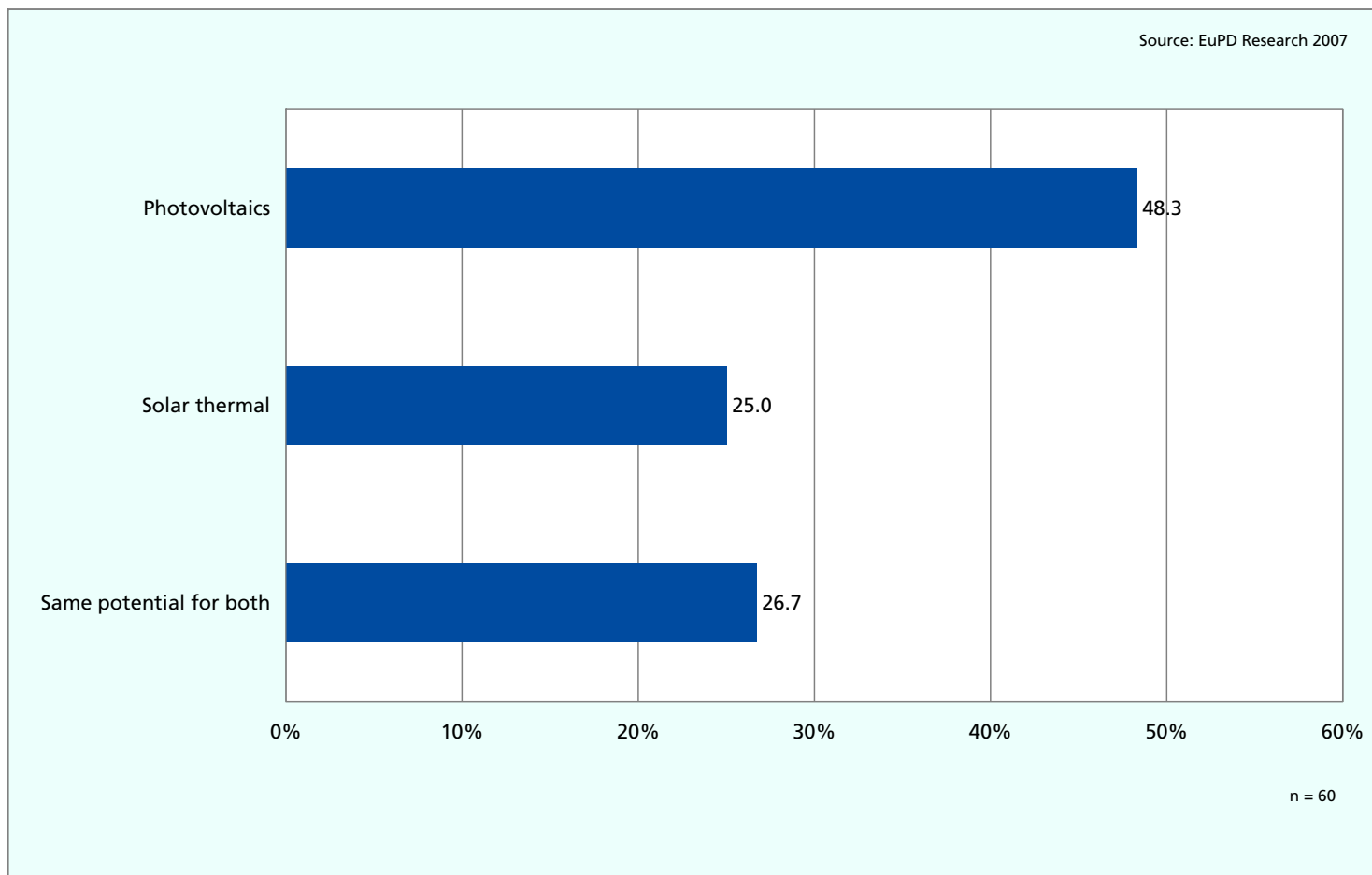
Biggest problem in the French photovoltaic market are the bureaucratic hindrances concerning promotion application. This particularly concerns the tax credit scheme.

Furthermore, problems frequently appear in connection with installation allowances, e.g. building codes.

Long application procedures make implementation times of up to a year possible.

B.5. Market Development 2007 – Solar Thermal vs. Photovoltaics

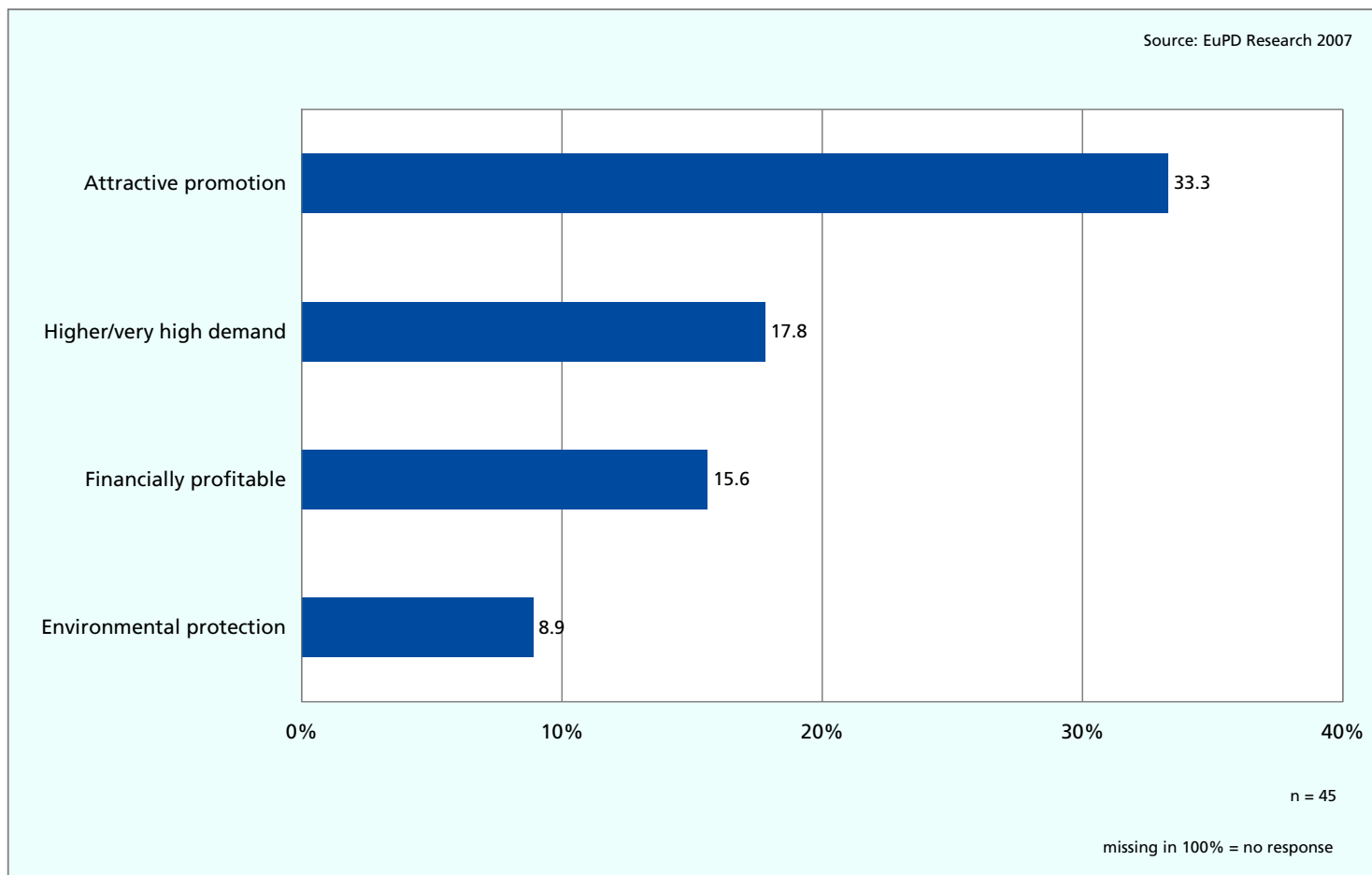
Do you see a higher potential for photovoltaics or for solar thermal in France?



Despite strong growth rates for solar thermal, most interviewees see a higher potential for photovoltaics in France.

B.5. Market Development 2007 – Reasons for Preferring Photovoltaics

Given reasons for seeing a higher potential in photovoltaics (unaided questions)



Reason for this decision clearly is the new feed-in tariff: All three most frequently named aspects concern this promotion measure.

Ethical aspects such as environmental protection play an inferior role.

The New Study “The French Solar Market 2007 – c. Structures, Potentials and Difficulties”

Study “The French Solar Market” by EuPD Research

Primary study shedding light on the structures, potentials and difficulties of the French photovoltaic and solar thermal market

Complete study to be published in December 2007

Contents of the study:

- Background information on political and business culture in France
- Legal framework of the French solar markets
- State of the PV industry
- Presentation of relevant market players
- Analysis of sales and supply market
- Market development and specifics of the two markets (continental and overseas)
- ...

- Extensive information will soon be available on our website
<http://www.eupd-research.com>

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Thank you very much for your attention.