
Press Release

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German photovoltaics market: Federal Network Agency has published installed capacities for March to May 2011. Thus, feed-in-tariffs will not be reduced as of July 1st.

The Federal Network Agency has now published data pertaining to newly installed photovoltaics capacities for March, April and May. According to the status quo, feed-in-tariffs will not be reduced to July 1st, 2011. Even though the exact figures for installed capacity in May have not been published yet, the Federal Network Agency announced in a press release, an estimation of 700 MWp in the months relevant for the calculation. Hence, the market did not meet expectations.

Bonn. In a just published press release, the Federal Network Agency announced current figures for installed photovoltaics capacities in Germany. In the months March, April and May, months relevant for the calculation of degression, 700 MWp came into operation. For the determination of the degression, installed capacity will be multiplied by a factor of four to calculate installations for the full year. With the calculation of 2,800 MWp, Germany remains below the threshold of 3,500 MWp.

As a consequence, degression expected at midyear by market observers will not take place. Matthias Kurth, president of the Federal Network Agency, speaks about "clarity as fast as possible" is given to market participants on the issues of installed capacities with the publication of the latest figures. It has now become clear which feed-in-tariff will apply for the rest of the year. In previous weeks uncertainty circled the funding of photovoltaic systems. Further uncertainty emerged from the discussion on an amendment to the EEG, currently under negotiation in Berlin. Here, once again further cuts for solar technology are in the air. At least cuts for midyear are off the table due to current figures published by the Federal Network Agency.

Weak demand in the first five months

The solar system plant register only covers the months up to April. In these four months 24,921 plants with a total output of 711 MWp were registered. In comparison to the previous year, this is a decline of 39 percent with regard to the output respectively 51 percent in view of the number of plants installed. This decline can be observed in all segments and regions. "We expected a weak start to the year and assumed a moderate degression to midyear thus far", commented Till von Versen, analyst at consulting and research institute EuPD Research, on the current situation. "However, present figures underperformed expectations."

The forecast for the first five months of the market researcher located in Bonn was at 1,500 MWp in comparison to the preliminary reported figure of 1,100 MWp. The main reasons for this tame start to the year are decreasing prices, in addition to the above mentioned uncertainty. "Customers postpone their installations from one month to the next in the

hope that prices will decrease”, said von Versen. Though the market is picking up pace at the moment, it is with a delay of six weeks. EuPD Research expects a significant increase in reported output for the month of June. In the second half of the year, a highly dynamic market is expected that will accelerate even more due to zero depression. The market researcher assesses that the only factor limiting market growth will be the limited capacities of installers.

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