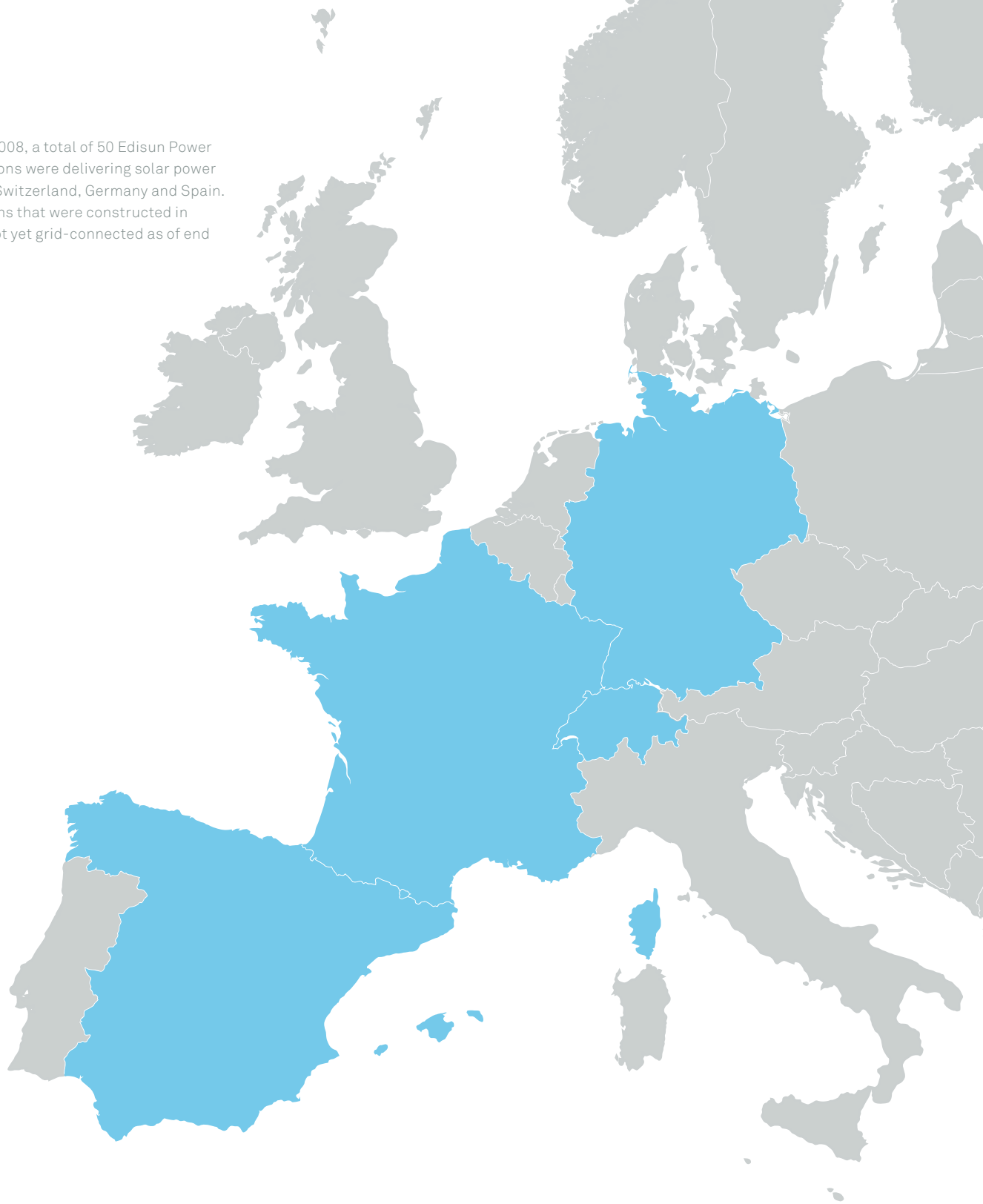


**Edisun Power Europe Ltd.**  
Annual Report 2008



By the end of 2008, a total of 50 Edisun Power solar installations were delivering solar power to the grids in Switzerland, Germany and Spain. Two installations that were constructed in France were not yet grid-connected as of end 2008.



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“I have complete trust in solar energy production technology.”

Photovoltaics is a proven technology that converts sunlight into valuable electricity. We have completed legally binding, guaranteed contracts in various countries that enable Edisun Power to supply solar electricity to power grids at economical prices over a 20 to 25 year period. These countries also believe in sustainable solar energy production.

Pius Hüsser, Chairman of the Board



# Edisun Power's Initial Public Offering (IPO)

We have had an eventful year: Edisun Power Europe incorporated most of the Swiss company Edisun Power Ltd. in early 2008, thus, the prerequisites for our stock exchange listing were established. In spring 2008, the Edisun Board of Directors and our lead Bank Sal. Oppenheim, resolved to list Edisun Power on the stock exchange. In June 2008, Edisun Power founded its subsidiary, Edisun Power France SAS and built the first installation in France. In summer 2008, Edisun's first Spanish installation was grid-connected and a second one followed shortly afterwards.

## The Milestone

The final milestone was reached on September 26, 2008: Edisun Power shares were traded for the first time on the SIX Swiss Exchange's main segment. In spite of the financial market's crisis, we raised new capital, although somewhat less than was originally planned. However, we are confident to fulfil our expansion strategy.

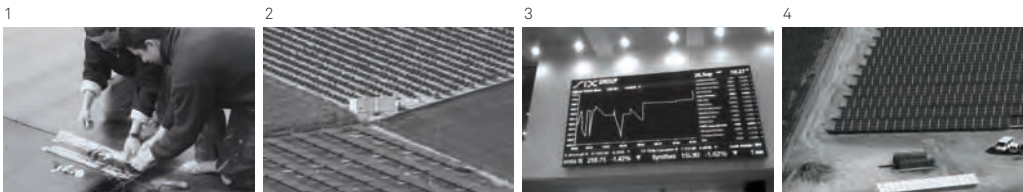
In December 2008, the Edisun Power Group and three other companies in the solar energy field jointly founded the Yellow Hat purchasing company through which we have reliable access to attractively priced solar modules

in the ever-growing solar electricity market. This is yet another positive driving force in boosting Edisun Power's growth.

## A Look Towards the Future

It appears that 2009 will be a particularly challenging year for the photovoltaic industry. The Spanish market has collapsed. For the first time the industry is confronted with over-capacity which has consequently led to a decline in module prices. However, Edisun Power will eventually even benefit from this situation. Lower module prices increase our flexibility in identifying projects and also allow us to work in new markets. While the production industry must deal with a longer dry spell, we are being pursued as module buyers. Therefore, it is our ambitious goal to more than double the installed power capacity in 2009.

Thanks to the interesting feed-in tariff in France, the country is developing into one of our growth markets. However, the lengthy administrative procedures for installation completion up until the moment of grid-connection are sometimes an obstacle to timely project conclusion.



## 2008 IN REVIEW

### June 2008

Edisun Power founded its subsidiary, Edisun Power France SAS in Lyon. In France, Edisun's core business of building integrated solar power systems is particularly promising. [1]

### July 2008

El Tesoro, Edisun Power Iberia's first solar power plant, was completed and will soon supply electricity to the grid. El Tesoro is well positioned as the only Edisun Power Group's single-axis tracking power plant. [2]

The new Spanish reimbursement decree makes roof-integrated systems more profitable than ground based solar power plants. This enables us to concentrate on our core business of roof integrated photovoltaics.

**“We have set ambitious goals for ourselves and I am confident that we will achieve them with our outstanding team.”**

In Germany, the remuneration for the feed-in-tariff was lowered by 8% – 10%, in contrast to 2008. Nevertheless, thanks to the decrease in module prices, this market once again becomes more attractive. We will build various installations in Switzerland, within the framework of the Zurich Electric Power Company “ewz-Solarstrombörse”. Should the government decide to lift the cap of the remuneration of feed-in-tariffs, this might lead to new market opportunities. However, as long as the Parliament doesn’t come to such a decision, growth will remain limited in Switzerland.

### Off to New Horizons

We carefully monitor our new potential markets and have already taken our first steps in establishing a foothold in further interesting markets in 2009.

We have set ambitious goals for ourselves and I am confident that we will achieve them with our outstanding team.

My thanks go to the staff and all the shareholders, as well as to our partners, suppliers and customers. Only by working together can we succeed.



Pius Hüsler  
Chairman of the Board

#### September 2008

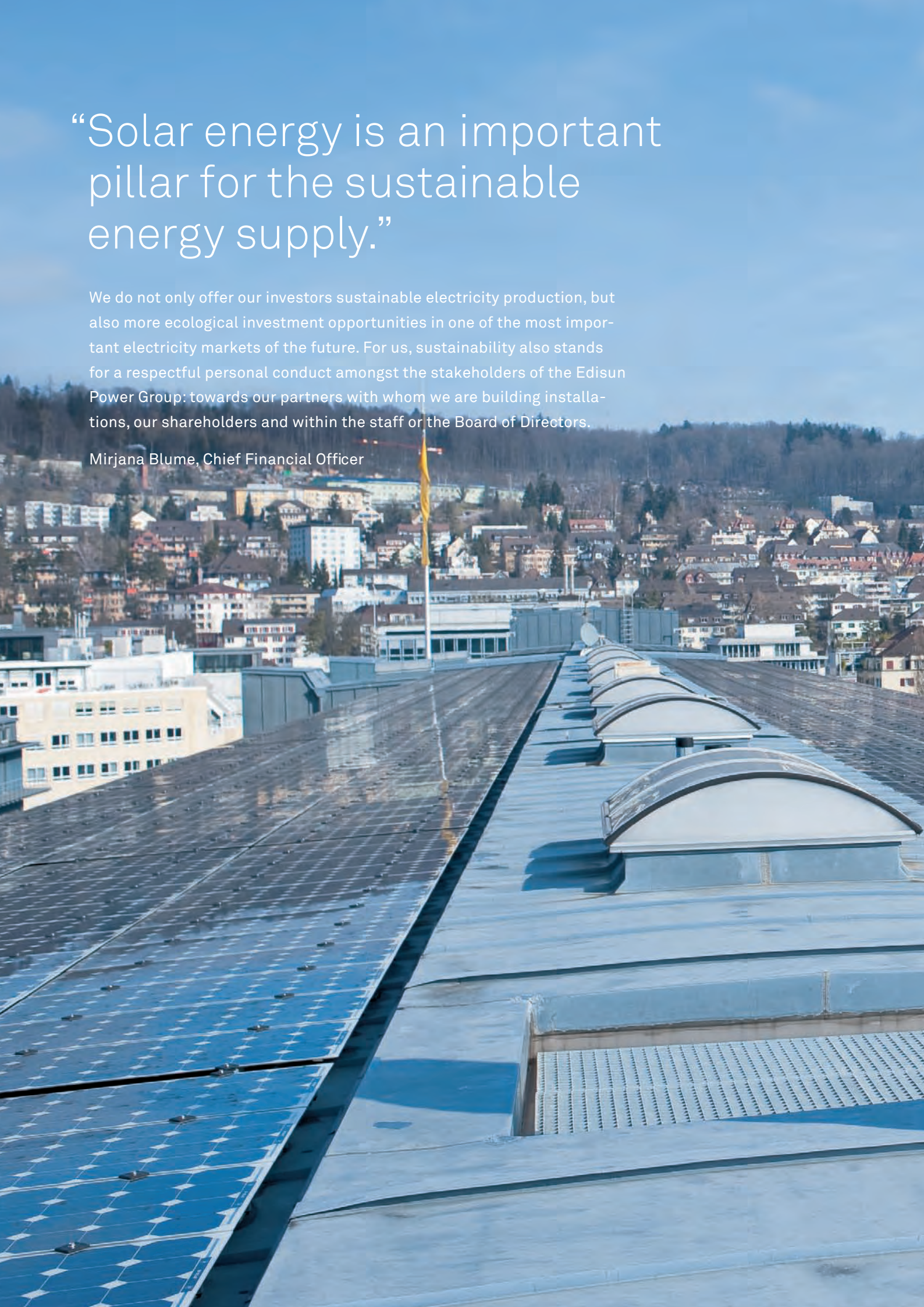
On September 26, 2008, Edisun Power shares were traded for the first time on the main segment of the SIX Swiss Exchange, eleven years after the company's founding. [3]

#### September 2008

El Trujillo, Edisun Power Iberia's second solar power plant was connected to the grid which means that approximately 20% of Edisun Power's installations are now on Spanish soil. [4]

#### December 2008

The Edisun Power Group and three other companies in the solar energy field jointly founded the Yellow Hat purchasing company.



“Solar energy is an important pillar for the sustainable energy supply.”

We do not only offer our investors sustainable electricity production, but also more ecological investment opportunities in one of the most important electricity markets of the future. For us, sustainability also stands for a respectful personal conduct amongst the stakeholders of the Edisun Power Group: towards our partners with whom we are building installations, our shareholders and within the staff or the Board of Directors.

Mirjana Blume, Chief Financial Officer





# Always a Step Ahead

Approximately 11 years ago, Edisun Power Ltd. was founded with the goal to make a considerable contribution to solar energy production in Switzerland. Today Edisun Power is the leading solar contractor in Switzerland. However, most of its installations are constructed abroad. Mirjana Blume, CFO and Robert Kröni, CEO of Edisun Power Europe Ltd. give a firsthand look at recent events.

**Edisun's IPO in 2008 was the most important milestone for the Edisun Power Group. What has this changed for the company in the project sector, as well as in the financial sector?**

Mirjana Blume: The company was able to greatly enhance its reputation with its IPO on the stock exchange. This has positively affected Edisun's business development in project acquisitions, as well as in raising capital.

Robert Kröni: Earlier we developed in a step-by-step manner: Starting with a planning phase, continuing by a financing phase, followed by the module purchasing phase. This was more a "stop and go" development. Now our activity "rolls on;" i.e., we are constantly developing new projects that can be immediately implemented, because we now have an adequate stock of modules thanks to secured financing.

**Private investors formed the financial backbone of Edisun Power for a long time. Have they become less important?**

Mirjana Blume: In principle they are the backbone of the company, and we are grateful that they have always been, since the beginning of Edisun Power. 63% of our investors have been private shareholders as of the end of 2008...

Robert Kröni: Nevertheless, institutional investors have boosted our financial capacity and that is in turn quite important to our private investors. Thanks to the institutional investors, we can assure our rapid growth. This is a development from which our private investors who helped us to build up the company will benefit as well.

**Has Edisun Power's IPO influenced the size of the staff?**

Robert Kröni: The staff's size has been increased in a focussed manner, with regard to the IPO and in order to achieve the planned growth. For example, we hired Mirjana Blume as the CFO and in doing so, strengthened the company's management.

Mirjana Blume: ... And we plan to grow especially in our main markets in France and Spain; and to increase our staff by approximately one-third in 2009.

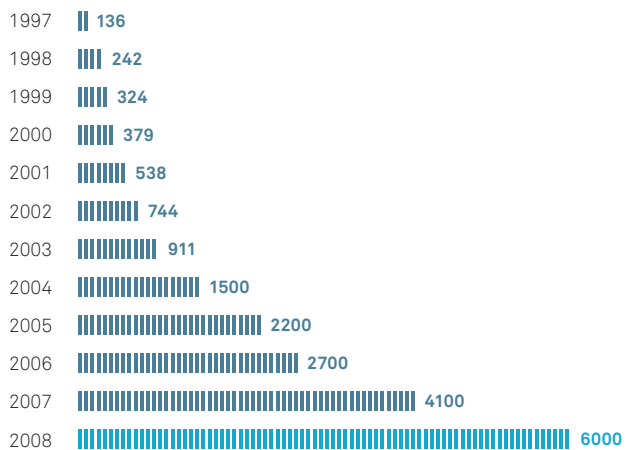
**Which investments were among the most important to the company in 2008?**

Robert Kröni: The greatest investment was clearly the individual commitment of each and every staff member. They made it possible for us to achieve the IPO, even with our small structure.

Mirjana Blume: Regarding installations, the biggest investment was the construction of the two new solar power plants in Spain, amounting to an investment of around CHF 10 million.

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Installed capacity of the installations in kilowatts



### Will there be a further increase in share capital in 2009?

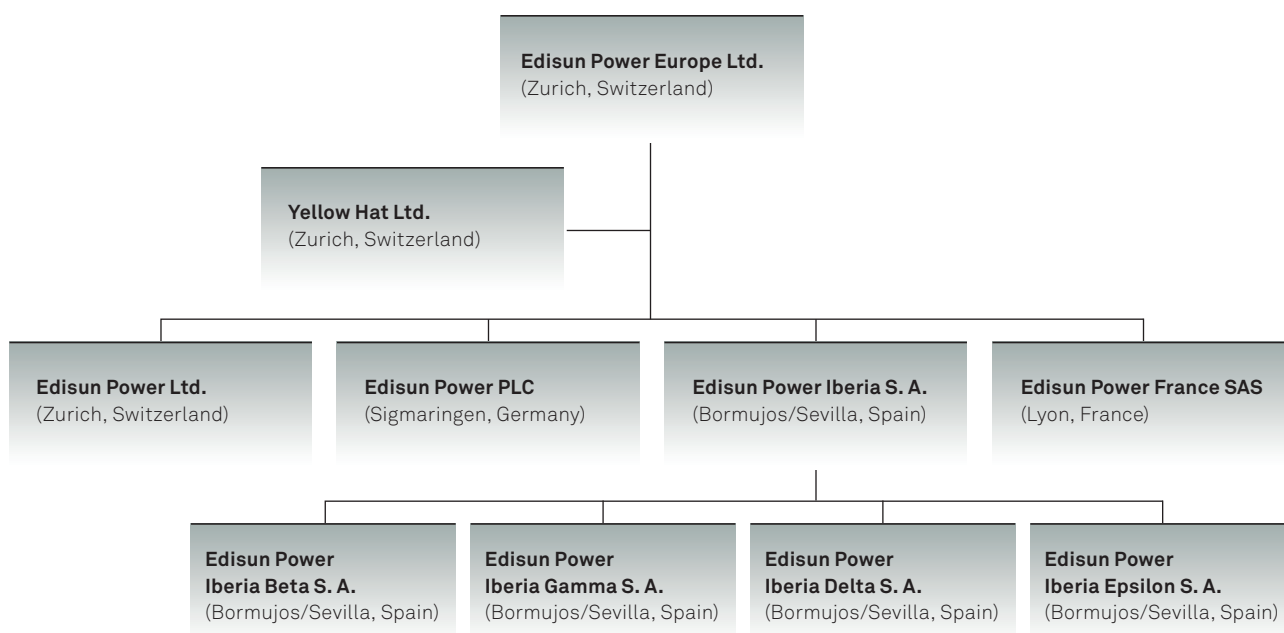
Mirjana Blume: In order to realize our ambitious growth targets for 2009, we are planning a further admission of outside capital at mid year. This might be in the form of a loan, bank credits and/or refinancing existing photovoltaic installations.

### Is the Edisun Power Group facing strong competition?

Robert Kröni: We must focus on staying ahead in three competitive fields: First, we have to obtain good site lo-

cations; although, since there are many first-rate locations, we are not sensing much competition in this area. Secondly, until recently, there were not enough modules on the market to satisfy demand. Therefore, to perform better in the market, we have founded the Yellow Hat purchasing company.

Mirjana Blume: Thirdly, we need to contend with the capital market, which has become an issue since the financial crisis. We consider ourselves as a solid company in an active growth market; thus providing real and solid value.



“Our highly committed staff carries out their work and services in a professional and reliable manner.”

The Edisun Power staff achieves their professional goals with the greatest commitment: In an 11 year period, a small company in the previously small Swiss solar energy market has grown into a company listed on the stock exchange that builds and operates photovoltaic power systems in Europe. We and our shareholders, along with our bondholders, truly know that photovoltaics equals real value.

Robert Kröni, Chief Executive Officer





# Under the Sign of The Solar Power Exchange

Edisun Power owns and operates 43 solar power systems in Switzerland with a total installed capacity of 2 624.8 kilowatts (kW).



## Recent Installations

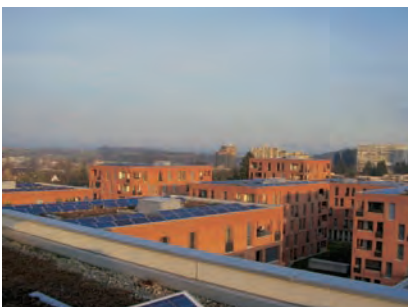
In 2008, following ewz-Solar Power Exchange's last call for tenders, two projects were completed: The Ruggächern II and the Trimmis School building solar power installations. Both systems are exceptional. The Trimmis School has a large roof integrated photovoltaic system. Within the objective of integrating the system with the best appearance possible, modules with a dark backsheet were used. This adds a refined touch to the project. At the Ruggächern II solar power system, the Zurich General Building Cooperative (Allgemeinen Baugenossenschaft Zürich ABZ) Ruggächern housing development's roofs were fitted with photovoltaic modules. The total installed capacity amounts to approximately 224 kW, representing the largest solar power system on a Swiss residential development. Based on a pending building permit, we will install the last solar power system which was a part of the Solar Power Exchange's 2007 call, in spring 2009.

## System Operations

To our greatest satisfaction, our installations once again operated at optimal performance in 2008, and surpassed the forecasted target. Due to a large number of new Swiss grid-connected installations which were running between end 2007 and early 2008, solar electricity production increased by 31%; from 1.77 gigawatt hours to 2.32 gigawatt hours. In order to avoid any risk of a breakdown, we will be replacing the over 10 year old inverters of some of our older installations during 2009.

## Energy Policy

In April 2008, the Cost-covering Remuneration for Feed-in-tariffs to the electricity grid (CRF) came into force. The funding that was accorded by the photovoltaics ordinance has not been able to keep pace with the demand. This has resulted in a long waiting list which includes some of Edisun Power's projects. The great demand attests to the fact that the population supports photovoltaics as an environmentally friendly energy source. Edisun Power would welcome an increase in funding for solar energy.



Left: 224 kW installation; on a total of 14 residential buildings in the Ruggächern development, in Zurich.

Right: The Trimmis School's 60 kW system.

# Watching and Waiting

Edisun Power owns and operates 6 solar power systems in Germany with a total installed capacity of 1 068.5 kilowatts (kW).



## Recent Installations

There were no new installations built in Germany in 2008. The strong demand for modules in Spain drove the module prices up; thus making investments in Germany less attractive in comparison to Spain and France.

## System Operations

Edisun Power's installations in Germany are some of our best performing installations. Electricity produced in 2008 amounted to 1.13 gigawatt hours; the same as in 2007. Per kilowatt installed power, a yearly average of 1 066 kilowatt hours has been produced; quite a high result. The only significant maintenance undertaken was an inverter replacement at the Kempten installation.

## Energy Policy

The situation in Germany in 2008 was influenced by the revision of the German Renewable Energy Sources Act ("Einspeisegesetz EEG"). Due to the great apprehension that the solar electricity boom might come to a halt in

Germany on the grounds of major policy shifts, politicians agreed on a pragmatic and exemplary solution. As a first step, the feed-in tariffs were reduced by about 9% and for the following years another 9% reduction is planned. The solar energy industry can easily cope with these measures and this will lead photovoltaics faster to grid-parity; which means that solar electricity is priced the same as traditionally produced electricity. In return, planning security and the free market have been assured through a provision without a cap on the financing.

It is also worth mentioning a special development in Germany: Ground based systems have a very low remuneration of about 30 € cents per kilowatt hour. The government intended to slow down construction on ground based systems. However, ground based systems are among the most profitable investments in the German solar electricity area, because it is especially advantageous to use thin-film modules in these projects. In fact, if the costs of ground based systems in Germany are taken into account, it would already be possible to achieve grid parity in southern Europe.



Left: A 450 kW system on the Lebert Company's industrial building; Erbach, Bavaria, Germany.

Right: Robert Kröni (on the right) with the company managers.

# The Largest in the Group

Edisun Power owns and operates 2 solar power plants in Spain with a total installed capacity of 1 100 kilowatts (kW).



## Recent Installations

In 2008, Edisun Power Iberia connected their first two solar power plants – El Tesoro and El Trujillo – to the grid, with a total installed capacity of 2 200 kW. The Edisun Power Group has 50% ownership in each installation. El Tesoro is the only Edisun Power Group installation equipped with technically simple single-axis solar trackers that increase production by approximately 20%, when compared to a fixed structure.

## System Operations

Both installations are Edisun Power Group's largest and only ground based solar power plants. They went into service, are operating perfectly and are producing electricity according to expectations, despite Spain's rainy December. The solar trackers have been functioning flawlessly since the start up.

## Energy Policy

Installations which were completed by 28 September 2008, along with the finalization of administrative procedures, benefited from economically attractive feed-in-tariffs. The construction of Edisun Power Iberia's installations stayed on schedule, thanks to careful planning. The new Spanish Royal Decree foresees economical feed-in-tariffs, which constitute an asset in turning Spain into the second most important photovoltaic power systems market in Europe. In addition, the new decree especially encourages rooftop solar power systems, which are Edisun Power Group's core activity. These types of installations due to their small size may sometimes be less interesting to major investors, but they are ideally suited to Edisun Power's company policies.



Left: The El Tesoro solar power plant with a 1 100 kW total installed capacity; of which 550 kW are owned by Edisun Power.

Right: Edisun Power also owns 550 kW of the 1 100 kW El Trujillo solar power plant.



# Focus on Building Integration

Edisun Power owns and operates 2 solar power systems in France with a total installed capacity of 321 kilowatts (kW).



The subsidiary, Edisun Power France SAS was founded in 2008. The company is developing well and quickly growing.

## Recent Installations

Edisun Power France SAS implemented several interesting projects whose construction was completed at the end of 2008, or that were in the advanced stage of construction. In France, only building integrated solar power systems have been installed because they benefit from a higher feed-in-tariff.

Edisun Power's first thin-film module 124 kW solar power system was installed on a supermarket. The Open Club installation which is on the roof of a fitness center, has a 197 kW total installed capacity. It is Edisun Power's most powerful building integrated system. By the end of 2008, four other projects with a 740 kW installed capacity were about to be constructed.

## System Operations

Unfortunately, we have nothing to report on system operations in France for the moment, although two installations are ready for use. In order to be grid-connected, extensive administrative procedures are required which take over six months to complete. The same procedure in Germany takes only one week. All system installers must go through the same procedure, regardless of system size. This is indeed a regrettable situation. However, since photovoltaic installations are planned to operate for more than 30 years, this has little impact on the return on investment.

## Energy Policy

French photovoltaic electricity policy is rooted in stability. The feed-in-tariffs are stable and any modifications are promptly announced with sufficient advance. The French feed-in-tariff's quality is a bonus for building integrated power systems. Thanks to a roof-integration mounting system developed in Switzerland, and its logistics supply chain, Edisun Power is able to inexpensively install systems on buildings and develop profitable projects for the company.



Left: The 197 kW system on the Open Club fitness center; in Challes-les-Eaux, near Chambéry, France.

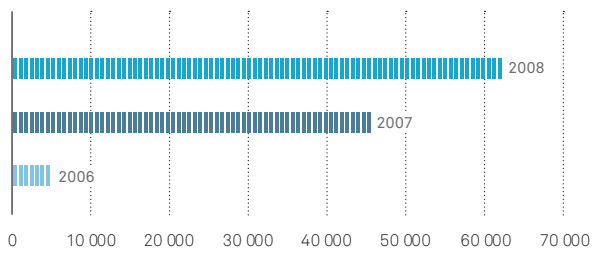
Right: Edisun Power's first thin-film module system, at the Super U shopping center, in Prissé, near Mâcon, France.

# Key Figures 2008

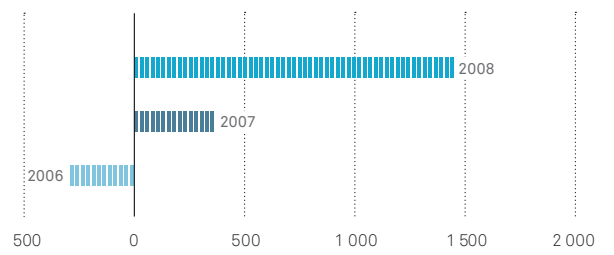
Edisun Power Europe Group	2006 * TCHF	2007 TCHF	2008 TCHF	Variance 2008 to 2007
<b>Balance Sheet</b>				
Net investments	432	31 989	41 168	29 %
Total assets	5 182	45 716	62 229	36 %
Equity	5 031	14 505	30 689	112 %
in % of total assets	97.1 %	31.7 %	49.3 %	
<b>Income Statement</b>				
Revenue from goods and services				
Revenue from sale of electricity	0	279	3 208	1 050 %
Services and other revenue	148	4 993	3 942	-21 %
EBITDA	-302	353	1 479	319 %
in % of total revenue	-204 %	7 %	21 %	
Depreciation	-11	-213	-1 499	
EBIT	-313	140	-20	-114 %
in % of total revenue	-211 %	95 %	-14 %	
Net (loss) / profit	-246	196	-931	
in % of total revenue	-166 %	132 %	-629 %	
<b>Employees</b>				
Employees	4	4	7	
Earnings per employee	37	1 318	1 021	-23 %
<b>Per Share Information</b>				
Nominal value	100	100	100	
Share price at 31.12.	-	-	94.10	
High	-	-	118.20	
Low	-	-	65.00	
Profit per share	-8.30	3.09	-4.45	

\* 2006: Without Edisun Power PLC, Germany and Edisun Power Ltd., Switzerland, since those were bought in 2007.

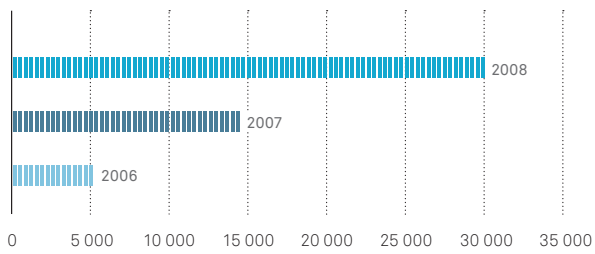
### Total assets



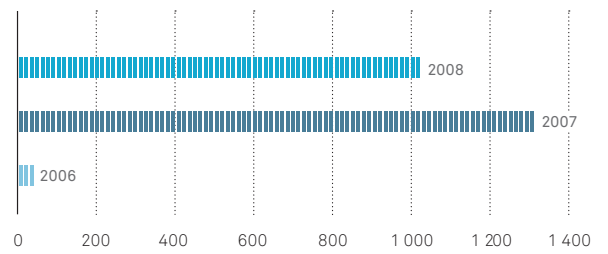
### EBITDA



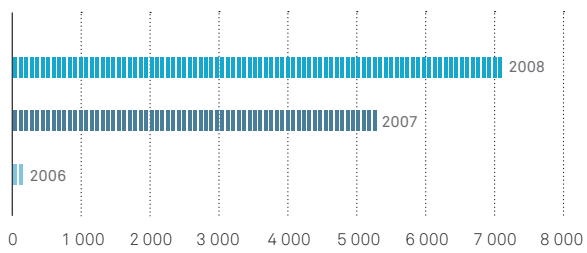
### Equity



### Earnings per employee



### Revenue from goods and services



# The Edison Power Team



## Members of the Board of Directors

From upper left to lower right

Pius Hüsser, Chairman of the Board; Heinrich Bruhin, Vice-Chairman of the Board; Georg Fankhauser, Board Member; Robert Kröni, Board Member and Board Member Delegate; Giuseppina Togni, Board Member; Peter Toggweiler, Board Member



## Edisun Power Group's Staff

From upper left to lower right

Robert Kröni, CEO, Graduate Engineer, ETH/SIA; Mirjana Blume, CFO, Bachelor of Business Administration HWV, MBA HSG; Felix Gudat, Technical Project Director; Eveline Wild, Secretary; Alexander Meister, Managing Director, Edisun Power France SAS; Verena Huber, Accounting; Tatiana Stiefenhofer, Secretary

# Key Aspects for Spain and France

In 2009, Edisun Power has set the ambitious goal of more than doubling the total installed capacity, which had already reached 6 megawatts by end 2008. The 2009 growth strategy relies on the two main markets in Spain and France.

## Spanish Market

The feed-in-tariff system was restructured and greatly modified on September 28, 2008. Since then, investments in rooftop installations are more profitable. This means that Edisun Power has reduced the size of its installations; and will now build 200 – 500kW medium-sized installations. The Edisun Power Group welcomes this development, since it corresponds to its core competencies in building integration. Edisun Power's strategy on building medium-sized installations is paying off.

## French Market

In France, Edisun Power held preliminary discussions for various large-scale solar power plants of several megawatts in size. In order to minimize Edisun Power's risk, projects that are over 2 MW are implemented in joint ventures with third party financing. Several of these types of

projects are ready to be signed. There is also a multitude of smaller projects under development, which will allow us to reach the business plan targets in France.

## Other Markets

In Switzerland, various installations are scheduled. Also, Edisun Power is waiting for the "ewz" decision on the 2008 Solar Power Exchange call for tenders. We have submitted several projects for a 700 kW total installed capacity. We have temporarily halted our investments in Germany, as the markets in France and Spain have become more profitable. The Czech Republic and Italy could develop into interesting new markets for Edisun Power.

## 2009 OUTLOOK

### January 2009

The Edisun Power Group signed a basic agreement in Spain for rooftop integrated systems for a total installed capacity of 800 kW. The installations will be built on the rooftops of industrial buildings in the vicinity of Seville.

### April 2009

Robert Kröni, Edisun Power Group's CEO, leaves the company in order to dedicate himself to new challenges. The Board of Directors appoints Mirjana Blume as the new CEO of Edisun Power.



**Edisun Power Europe Ltd.**

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