

ASX ANNOUNCEMENT

SOLCO LIMITED (ASX : SOO)

ABN 27 084 656 691

Re: Solar Photovoltaic sales continue to drive growth

Strong Photovoltaic (PV) System demand resulted in sales to customers of \$7.89 million during the 3rd quarter driving total sales for the fiscal year to date of \$19.33 million, a 73% uplift on the comparable period last fiscal year.

Solco's continued focus on its core wholesale distribution operations (Choice Electric) as well as continuing to rationalise non-core business lines has been instrumental in profitable growth and positive net operating cash flows of \$1.04 million for the quarter.

Inventory levels of \$4.82 million and cash at bank of \$3.47 million allow Solco to continue to provide and purchase in-demand products to service the needs of our customers within the growth driven market sector of renewable energy.

Trading conditions, EBIT margin levels and product appeal to Australian consumers were assisted by:

- continuing discounting of international pricing in foreign currency terms for silicon based PV panels due to reduced European demand;
- modest improvement of AUD\$ against other currencies over the quarter, although Solco operates on a fully hedged basis for major international purchases;
- and government sponsored renewable energy rebate initiatives.

The attractiveness of domestic and commercial solar power installations across Australia will continue to be enhanced if PV panel prices continue to fall and black energy costs rise further. This situation may lead to increased competition in the Australian green energy market from new domestic and overseas entrants, especially in light of current difficulties in other sectors and markets. We believe Solco is well positioned within the Australian market to take advantage of this expected growth and combat competitive challenges.

With fallout from the world economic crisis continuing and cohesive long-term government energy policies across all states yet to be delivered, performance growth can not be assured. However, Solco's forward order book and continued projected customer demand continues to be strong.

Darren Crawte
Company Secretary
29 April 2009

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

SOLCO LTD

ABN

27 084 656 691

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	7,969	19,952
1.2 Payments for		
(a) staff costs	(507)	(1,605)
(b) advertising and marketing	(45)	(109)
(c) research and development	(1)	(7)
(d) leased assets	(103)	(295)
(e) other working capital	(6,320)	(18,009)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	42	102
1.5 Interest and other costs of finance paid	-	(11)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	1,035	18

+ See chapter 19 for defined terms.

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	1,035	18
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(15)	(17)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(15)	(17)
1.14 Total operating and investing cash flows	1,020	1
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(4)	(12)
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	(4)	(12)
Net increase/ (decrease) in cash held	1,016	(11)
1.21 Cash at beginning of quarter/year to date	2,455	3,482
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	3,471	3,471

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	81
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors Fees & Salaries.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	2,000	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,433	2,417
4.2 Deposits at call	38	38
4.3 Bank overdraft	-	-
4.4 Other (Term Deposit)	-	-
Total: cash at end of quarter (item 1.23)	3,471	2,455

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29th April 2009
(Company Secretary)

Print name: Darren Crawte

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