



INVESTOR PRESENTATION

MARCH 2011
ASX: SOO

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Introduction to Solco Limited

Established and profitable wholesale solar supplier

- Core business is an importer and wholesale distributor of solar systems
- Established distribution network across Australia
- Limited number of direct competitors
- Established market position – one of top 3 wholesalers in Australia
- Highly experienced and knowledgeable management and workforce

Secure financial base

- Strong balance sheet and stable financial and operating performance
- Continuing net cash position
- YOY revenue and underlying EBIT growth since 2008

Robust commercial base

- Macro environment supports growth of solar power adoption
- Exclusive contracts with leading domestic and foreign suppliers
- Board/management with excellent industry and technical experience

Headquartered in Perth, Western Australia

Corporate snapshot

ASX Code	SOO
Market cap*	\$23.95M
52 wk H/L*	\$0.14 - \$0.11
Cash*	\$2.41M

*21 December 2010



Introduction to Solco

Solco's Corporate Structure



Introduction to Solco Limited

Board



David Richardson

Executive Chairman

- Qualified mechanical engineer with 30 years' of high-level business experience; Former head of Minerals & Metals at Worley Parsons; Non-exec director of Emerson Stewart Group Ltd
- Major Solco shareholder



Mark Norman

MD & CEO (temporarily absent due to ill health)

- Qualified engineer with extensive experience; Previously CEO and President of several related companies for Orbital Group; COO for Advanced Nanotechnology



Ian Campbell

Non-Executive Director

- Former WA Senator; held high level Cabinet and other offices including Parliamentary Secretary to Treasurer and Minister for Environment and Heritage

Management



John Hebenton

Executive Manager - Projects division

- Qualified engineer with more than 30 years' major international project management experience
- Former MD and Director of listed resource companies



Steve Missen

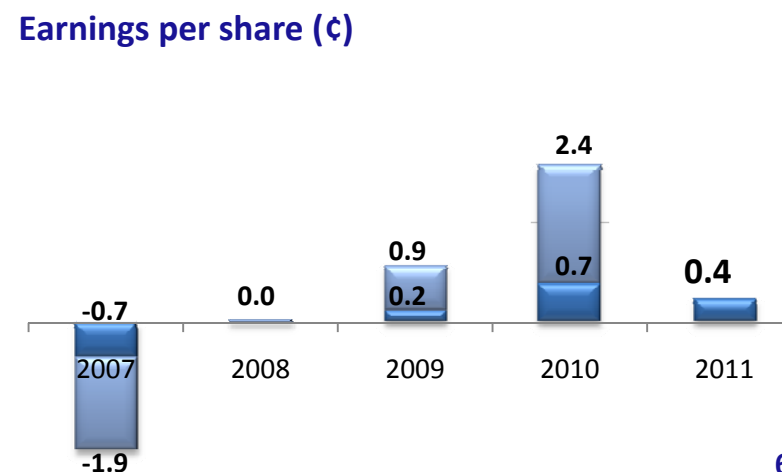
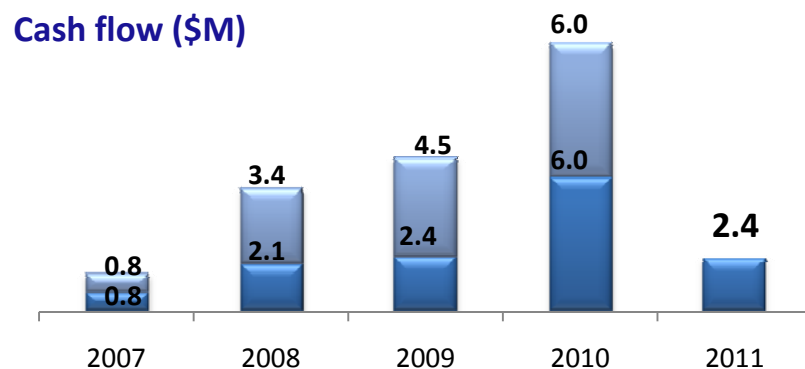
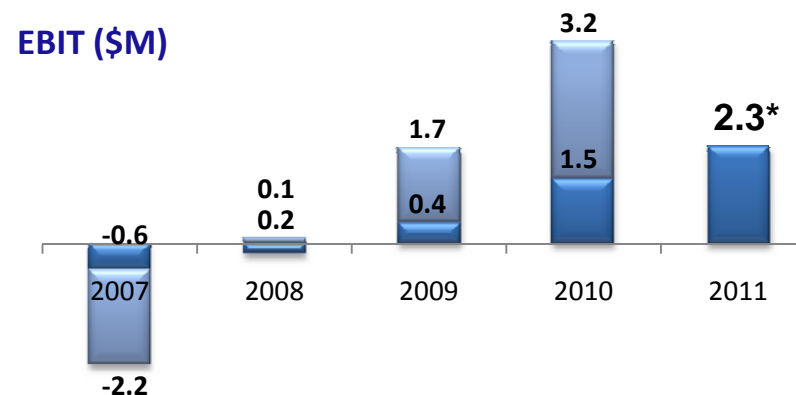
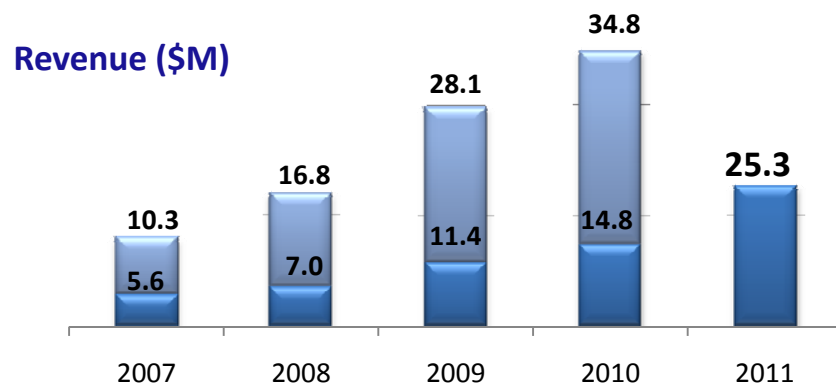
Executive Manager - Products division

Acting CFO

- Qualified CPA. Previously Australian General Manager of Power Products Div Honda MPE

Financial Performance Of Core Business

1H results 2H results



Solco Strategy

1

Grow and protect the core wholesale business:

- Improve efficiencies
- Cost management
- Filter new technologies
- Competitive strength
- Customer focus
- Risk reporting

2

Expand commercial operations and enter new markets:

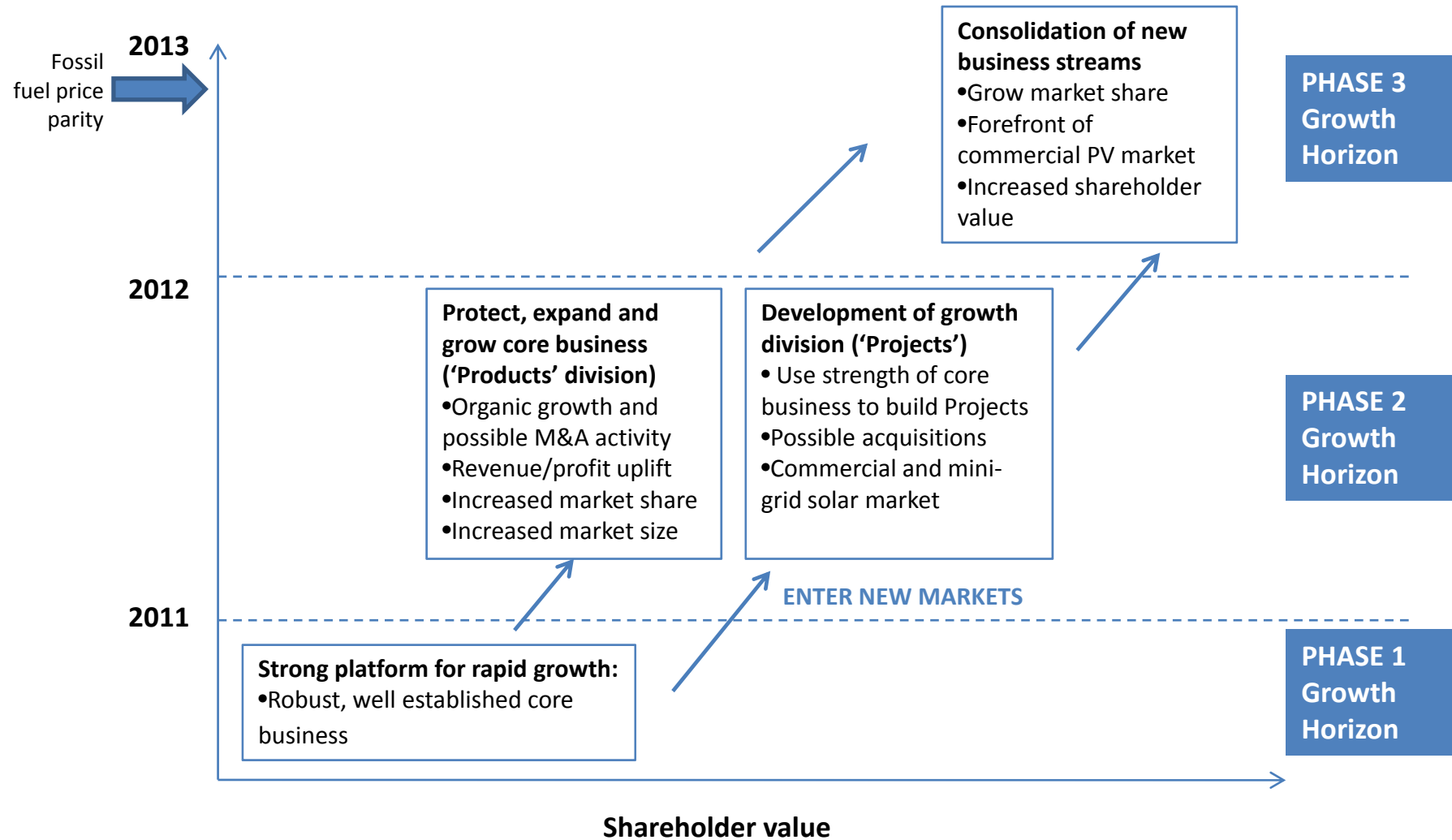
- Utilise IP to grow and diversify
- Strategic alliances
- Feasibility studies
- Acquisitions

3

Build and maintain long-term shareholder value:

- Maintain customer service
- Manage competitive threats
- Industry leadership

Solco Growth Strategy



Solco Growth Strategy

Horizon 1	Stable Organic Growth Phase
Achieved	Proven product review and introduction capability
Primary objective	Reduce risk facing core business to allow sustainable growth
Areas of critical focus	<ul style="list-style-type: none">• Security of supply• Customer service focus• Engage with government & customers over industry issues• Aggressive sales targets• Filter and adopt stream of new technologies• Identify competitor activity• Human resources and organisational culture• Brand and marketing development• Increasing importance of climate change debate• Geographical focus east Australia

Solco Growth Strategy

Horizon 2	Expansion of commercial operations
Primary objective	Utilise strength of core business as platform to increase company size and market share of renewable sector
Areas of critical focus	<ul style="list-style-type: none">• Review possibilities including purchase of a peer or synergistic company such as a carbon business• Review new market opportunities• Create new demands for solar power technology

Horizon 3	Build long-term shareholder value
Primary objective	Consolidation of new business streams
Areas of critical focus	<ul style="list-style-type: none">• Customer service• ICT & Work Systems• Industry leadership• Product supply and security

Australian Solar Energy Market

Solco: Well positioned at the forefront of Australia's fast growing Alternative Energy Market

SOLAR PRICES

Decreasing

SOLAR MARKET SIZE

Increasing

SOLAR DEMAND

Increasing

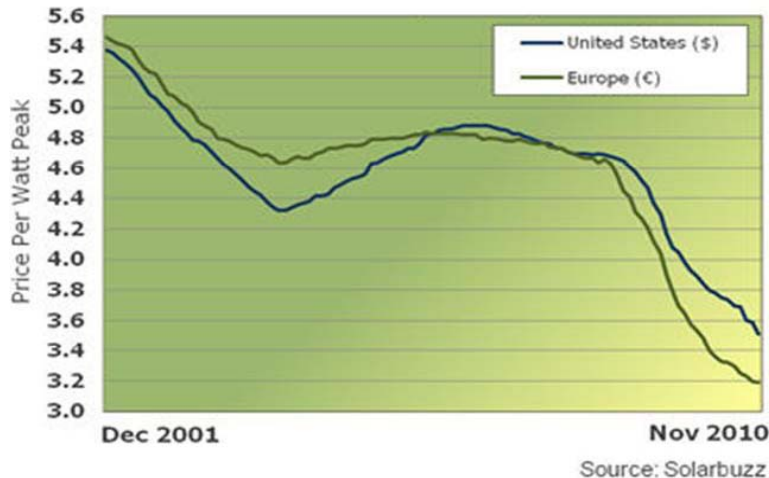
Asia Pacific PV markets (2009)

	Market Size	Growth Y/Y	Global Rank
Japan	477 MW	107%	4
China	228 MW	552%	8
Australia	74 MW	222%	10
India	44 MW	22%	~

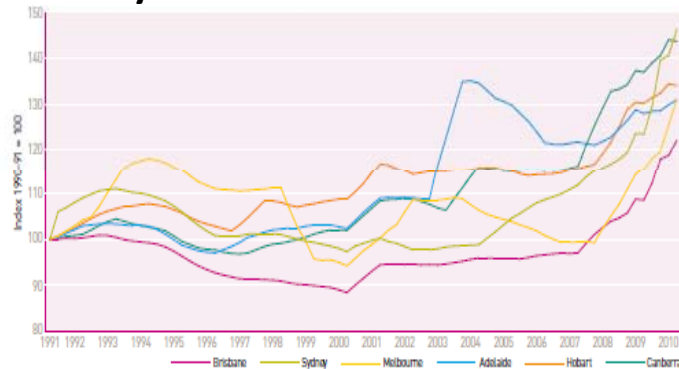
Source: Solarbuzz

Solar Prices: Decreasing

Solar Retail Module Price Index



Electricity Retail Price Index



Solar energy price parity with fossil fuel anticipated by 2013

Unsubsidised solar prices **decreased 37%** to \$5 per watt peak in the last 18 months

Further 32% price reduction required to reach price parity with fossil fuel (\$3.40 per watt peak)

Solar price parity fuelled by:

1. Investment into manufacturing
2. More efficient technology

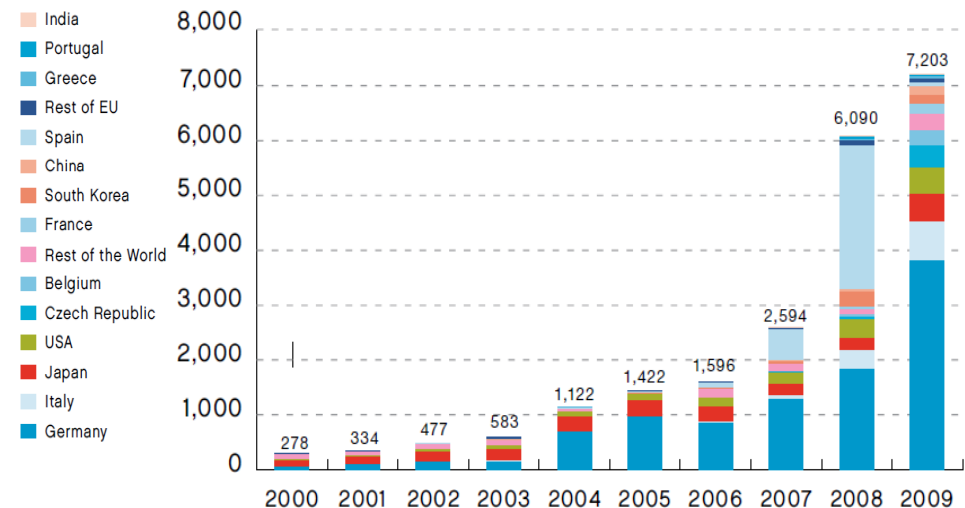
Solar Demand: Increasing

SOLAR ENERGY DEMAND GROWING BY AROUND 30% EVERY YEAR

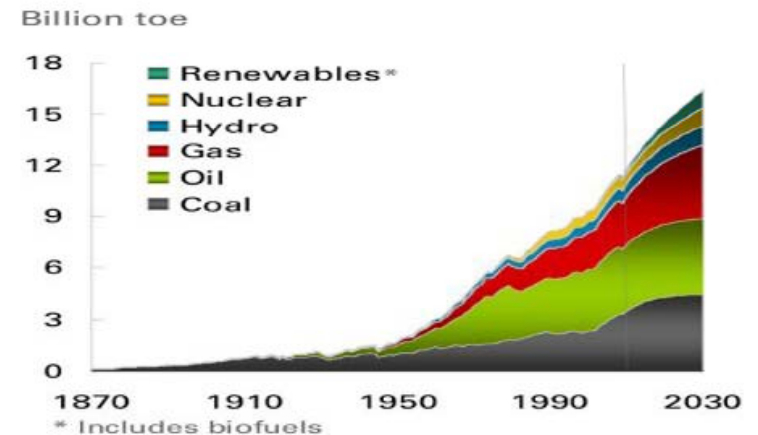
Primary factors boosting solar demand:

1. Increasing fossil fuel costs
2. Solar product price reductions
3. Government incentives
4. Environmental awareness
5. Improved product availability
6. Carbon tax plans

World PV installs (MW)



World commercial energy use



Outlook

	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014
Market size MW (Aust)	90	180	360	720	1500
Solco MW	10	36	100	210	450



**Anticipated Price
Parity between PV
and Fossil Fuels**

Outlook

- Strong earnings expected to continue
- Capitalise on ongoing growth opportunities
- Diversification into new markets
- Positive outlook for solar energy market

Planned Activities During 2011

Products Group

- Build first small production plant (6 months)
- Build larger plant
- Expand national facility network
- Increase sales workforce

Projects Group

- Implement BOO project opportunities
- Expand project capabilities and workforce
- Consolidate Alliances and Joint Ventures



Summary

- **Established and profitable solar energy supplier**
- **Dominant player in Australian wholesale solar supply market**
- **Organic growth trend well placed to continue**
- **Significant upside potential for growth of Projects Group**
- **Solar market achieving significant long-term growth**
- **Board and Management focused on delivering strong results**

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Disclaimer

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