

12 June 2012

## Updated Revenue Guidance

### Key points

- Revenue guidance for FY2012 updated to \$23m
- Further restructuring strategies implemented
- Changes to management team to take the Company forward

Renewable power and water company Solco Ltd (ASX: SOO) today announced a further adjustment to their full-year revenue to \$23 million as the Company restructures itself to adapt in a new environment.

New Chief Executive Officer, Anthony Coles, has moved quickly to introduce a new management team and operating structure to lead Solco back to profitability, by taking a more customer-focussed approach in its strategy.

"The wholesale business had to be restructured from an inventory and staffing point of view, following a significant fall in component costs and a drop in domestic demand due to global over supply and changes in the regulatory environment in Australia," he said.

Every layer of the supply chain, including cell producers, panel manufacturers, wholesalers and retailers/ installers has all been affected by these fundamental changes to the environment.

Despite a drop in its revenue, Solco is positive that it can prosper in this new environment as the Company continues to grow its earnings.

Following a below forecast result in Q3, Solco's wholesale business achieved its best month for FY2012 in May and is continuing to find ways to further reduce operating costs by restructuring warehousing and logistics, to continually improve the Company's bottom line.

"Our procurement, logistics and pricing have now been addressed to meet market needs and as a result sales have been climbing in Q4," says Mr Coles.

Delays on some of the large commercial solar projects, scheduled for completion in Q4, have also contributed to this further adjustment to revenue.

"We had to make a number of tough decisions which included some redundancies but we have dealt with our aged inventory and re-established our core vendor relationships; as a result we are well placed for the post-rebate solar PV environment we are now experiencing."

To take the Company to this next level, a number of new management appointments have been made.

Robert (Bob) Matthews joins the company as Chief Operating Officer, and will head up the Company's commercial projects business.

## Media Release



“Bob has tremendous depth in operational management and leadership roles in larger multi-national power businesses and start-ups,” Mr Coles said.

Former Choice Electric co-owner, Gary Deam joins the Company as Product Manager and Gary Houlton has joined as Sales Manager of Products in the Southern Region, based in Adelaide.

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