

ABU DHABI HEATS UP THE GLOBAL SOLAR MARKET WITH \$2 BILLION INVESTMENT IN PHOTOVOLTAIC MANUFACTURING

A potential “game-changer” according to PV industry experts

Abu Dhabi, May 29, 2008 – Masdar PV today announced a multi-billion dollar investment in thin-film photovoltaic solar technology, as part of its drive to become a world leader in alternative energy.

The total investment of over US\$2 billion represents one of the largest investments ever made in solar, and will fund a three-phased manufacturing and expansion strategy to produce the latest generation of thin-film photovoltaic (PV) modules.

Phase one involves an investment of US\$600 million, which will fund the development of two manufacturing facilities – the first, in Erfurt, Germany will be operational by Q3 2009, and a second facility in Abu Dhabi which will begin initial production by Q2 2010. The combined annual production capacity of these two sites will be 210 megawatts, which is committed to major PV system installers in Europe and for Masdar’s own energy generation needs.

Masdar chose Germany as the site for its first plant because Germany is currently the center of the global PV industry. This German plant will act as a reference plant for technology and knowledge transfer to the larger Abu Dhabi plant by a joint German-Abu Dhabi team.

This approach represents a significant step in Masdar’s objective to transform Abu Dhabi into an developer and exporter of technology, rather than an importer. With a goal of reaching 1 gigawatt of annual production by 2014 through capacity expansions and other new plants, this multi-country operation will allow Masdar PV to become a global leader in thin-film PV.

Dr. Sultan Al Jaber, CEO of Masdar, said, “Thin-film PV is a key part of our build-deploy-develop strategy to actively build a strong position in alternative energy. Abu Dhabi is a global energy leader, so it makes sense to engage these new energy technologies and become a leader in alternatives”, al Jaber explained.

“This marks a major milestone for Masdar and Abu Dhabi. It will not only establish Masdar as a major global PV player, but will be the first high-tech semiconductor nano-manufacturing facility of its kind in the entire region”, he added.

According to Deutsche Bank the current global PV market is worth US\$15 billion and growing rapidly at 40% per year. Thin film PV is growing even faster, with an annual growth rate of 100%

The plants will use the latest generation of equipment capable of high-volume processing of ultra-large glass substrates, which, at 5.7 m², are eight times larger and five times more powerful than that of the current market leader.

High-volume manufacturing of thin film PV, which requires less than 1% of expensive semiconductor material compared to traditional PV, is key to rapidly driving down the cost of PV and making it fully-competitive with fossil fuels.

The technology for grid-parity solar power exists in most sunny markets today. It's a matter of achieving the right scale to achieve lower costs. Masdar PV will combine scale plus a proven PV technology, advanced manufacturing capability, and advanced R&D to deliver lower costs

PV industry experts applauded the move. "This potentially represents a paradigm shift in solar, a real game-changer", commented Dr. Winfried Hoffmann, President of the European Photovoltaic Industry Association, the largest organization representing the PV industry. "The entry of such powerful energy leaders into solar is very exciting, and could change the dynamics of the entire industry" by not only adding capacity but also new future big markets in and around the Middle East with a lot of sun and capital to deploy PV systems, he added.

In addition to low-cost manufacturing, thin film PV offers requires only one year to pay back the carbon cost of producing these panels, and maintenance costs are minimal. It is ideally suited for hot sunny climates, as well as for building-integrated solutions, known as BIPV.

The Masdar Initiative, Abu Dhabi's response to the need for cleaner future energy solutions, is the region's leader in the research, development and deployment of renewable energy and sustainability related technologies.

About Masdar

The Masdar Initiative is Abu Dhabi's multi-faceted, multi-billion dollar investment in the development and commercialization of innovative technologies in renewable, alternative and sustainable energies as well as sustainable design. Masdar is driven by the Abu Dhabi Future Energy Company (ADFEC), a wholly owned company of the government of Abu Dhabi through the Mubadala Development Company. In January 2008, Abu Dhabi announced it will invest \$15 billion in Masdar, the largest single government investment of its kind. For more information about the Masdar Initiative, please visit www.masdaruae.com.

Press Contact:

Jonathan Adashek
Tel: +1 +202 528 7479
Jonathan.Adashek@edelman.com

Inga Mönch
Tel: +49 (0)69 756 199 66
inga.moench@edelman.com

Laura Misselbrook
Tel: +44 (0)203 047 2208
laura.misselbrook@edelman.com

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