

# Grid parity triggers the next growth phase

New Value spoke with Matthias Schoft, CEO-designate of Solar Industries Module GmbH (SI Module) and COO of Solar Industries Group, a New Value portfolio company. An engineer by training, Mr. Schoft will take the helm in April 2011 and develop the company's business activities across the entire value chain for photovoltaic solar module manufacturing and marketing. Matthias Schoft has broad experience in building and operating PV production centers. New Value asked him about the motivations of his future job, Solar Industries' expansion goals, and his view of the global PV market.

**Mr Schoft, you are an expert on the solar industry and have extensive experience in setting up and developing solar module production centers.**

**What do you find most exciting about your new responsibilities at Solar Industries?**

The biggest attraction for me as CEO of SI Module or COO of Solar Industries Group is the chance to work with a dynamic team. I think SI Module has found the right strategy for the future in our industry. Solar Industries has created a unique competitive advantage with its decentralized module plants with manufacturing scopes that are adapted to their individual locations, along with production at the highest technological and quality levels.

**You will head up SI Module as CEO starting in April. The company recently purchased a solar module production line from Somont. What are your plans in Germany?**

We are directly serving local partners such as trade contractors and module dealers with Somont's comparatively small but modern plant. The goal is to raise output from the current 25MW to 65MW by the end of 2011. If our plans go forward as expected, we'll expand the production center to 100-130 MW next year.

**Why did SI Module choose to acquire an existing facility, rather than build a new one?**

This particular facility was Somont's technical school, equipped with the latest innovations, some of which aren't even available on the market yet. We have thus gained a technological lead that we want to maintain into the future through our connection with Somont and the Meyer Burger Group.



*Matthias Schoft, CEO Solar Industries Module and COO Solar Industries Group ([www.solarindustries.ch](http://www.solarindustries.ch))*

### **Is there enough market demand to justify new production capacity?**

Yes, demand continues to be high. Over the next ten years, we expect to see a dynamic growth market. That's why we can't let ourselves be distracted by short-term price fluctuations that are mainly caused by cyclical variations or changes in local regulations. We're already heading towards grid parity in some important markets: Energy prices are rising around the world, and costs in our industry are simultaneously dropping significantly. This is what needs to happen to make the shift from a subsidized to a «normal» industry. Solar Industries will contribute to achieving grid parity. We will make modern, highly efficient, durable PV modules that ensure excellent yield for our customers and slow down the depletion of our natural resources and climate change.

### **You're planning to build an additional production center in Switzerland by 2012. Is the expensive Swiss economy an appropriate location for producing solar modules?**

Absolutely. We at Solar Industries want to establish ourselves in the Swiss solar market as a systems integrator that offers comprehensive solutions and contributes to defining future developments in the field. This is why we will build an efficient, cutting-edge plant in the central part of Switzerland by 2012, with energy efficiency and environmental protection at the core of the project. The facility's decentralized location is an asset in terms of proximity to suppliers and customers. In addition, we can take advantage of various synergies within the group, such as centralized HR management, research, test labs, purchasing and sales. We can also form strategic partnerships for materials purchasing or investment projects. Finally, at all our existing or future locations we are committed to the principle of local business: We support local employment, local supply, local customers, etc.

### **What do you predict for the future development of the solar market? How will you maintain your competitiveness in the middle and long term, compared with the large Asian suppliers?**

As we already discussed, I believe the PV market will be an extremely attractive growth market over the next ten years and beyond. To my knowledge, the global market will expand by about 17 to 19 gigawatts (GW) in 2011, with Germany easily keeping its market leadership with 7 GW of growth. Italy should achieve grid parity this year, and I expect Solar Industries' other main markets to do so in the next two years: Germany, Switzerland, France, the Benelux, the UK and the US. Reaching grid parity in Central Europe will be the next big growth phase for the solar industry. In countries with low energy prices, this will take a little longer. New production sites will be built in Eastern Europe, Africa, Asia and Latin America, as soon as it makes economic sense. There are several factors that make us believe that we can remain competitive, even compared with Asian suppliers. Solar Industries offers its customers the highest level of quality tailored to their specific requirements. Our advantages include our close proximity to our markets, our technological leadership, and not least our proximity to leading global research centers, such as the Fraunhofer Institute and the German association for technical inspection TÜV. I am firmly convinced that Solar Industries will have outstanding opportunities to participate in the dynamic growth of the solar industry in the coming years.

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*Matthias Schoft (54) was in charge of the successful build-up of a photovoltaic module factory in the mediterranean area, whose capacity has been increased gradually to 130 MW during the last eight years. Before that, he was the head of several companies in the area of building services and aluminium construction. Matthias Schoft has an engineers degree in the field of technological metalliferous industries and is a trained europe-project-engineer.*

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# Innovation

## Naturally effective

### Dog paws need care

Especially during cold winters with snow, ice and salted streets, the paws and pads of our four-legged companions can suffer. Bogar has developed a paw cream for precisely this need, containing calendula and rosemary extract with antibacterial qualities. This quickly absorbed, high quality paw cream promotes healing and keeps paws smooth. A must for all active outdoor dogs!

- Intensive care for dry, cracked paws
- Strong protection for extreme conditions
- Promotes healing
- No artificial colors or perfumes
- No preservatives



### Protection against ticks, fleas & their friends

Tick season is around the corner, and fleas never hibernate but are active year-round. Bogar expanded its anti-parasite product line in mid-January 2011 with the launch of collars with plant-based active ingredients for dogs and cats. The novel, fleece-like collar material contains the biocide Margosa, with continuous release offering ongoing protection over several weeks. This stylish collar is available in red, black and reflective silver.

- Natural protection from fleas, ticks and mites
- Choose from several stylish colors for your cat
- Silver collar with a reflective coating for better visibility at night



## Bogar AG

As a specialist in natural and future-oriented pet health and nutrition, Bogar AG develops, produces and distributes high-quality plant-based pet food supplements and care products. Bogar is a pioneer in the field of veterinary phytotherapy. The continuously expanding product line includes effective nutritional supplements as well as high-quality treatment compounds for dogs, cats and horses.

## Facts and figures

Business lines	Animal health and nutrition using plant-based ingredients
Location	Wallisellen, Switzerland
Workforce on December 31, 2010	8 full-time positions
New Value holding effective December 31, 2010	CHF 2.0 million (43.8% of the total share capital) along with a CHF 0.8 Mio. million convertible loan
New Value Board Member	Rolf Wägli
Website	<a href="http://www.bogar.com">www.bogar.com</a>

## Quarterly information

# Expansion of Solar Industries, portfolio streamlining and launch of tax-exempt stock buyback

**New Value, an investment company focused on the growth areas of Cleantech and Health, supported its portfolio companies in Q3 of the 2010/11 fiscal year in expanding their business. The net asset value (NAV) per share closed at CHF 23.14, compared with CHF 24.12 at the start of the quarter (down 4.1%). In January, New Value streamlined its portfolio and divested the FotoDesk Group through a management buy-out with earnout model. New Value also participated in a capital increase for Solar Industries, which commenced production of photovoltaic modules using an in-house production facility. As a result, NAV per share dropped to CHF 20.65 on January 31, 2011. A shareholder-friendly, tax-exempt stock buyback program was launched on January 4.**

Among the portfolio companies in the Cleantech sector, Solar Industries completed a capital increase of CHF 4.6 million on January 5, 2011. New Value invested CHF 2 million and now holds 34.6% of Solar Industries. ZWS Zukunftsorientierte Wärme Systeme, providing heating solutions based on renewable energies, achieved a substantial increase in sales. Among the portfolio companies in the Health sector, Bogar introduced a paw cream with plant-based active ingredients, as well as natural anti-parasite collars for dogs and cats. New Value increased the stake of Bogar AG by conversion of an existing loan of CHF 0.56 Mio. to 43.8%. QualiLife equipped five VIP rooms in the private «Villa im Park» clinic in Rothrist with the QualiMedical solution for an initial pilot phase. Sensimed negotiated new distribution partnerships with Handok Pharmaceutical in Korea, and Swiss Medical Solution did the same with Pharmatoka in France. Swiss Medical Solution also received CE approval for its new home urinary tract infection test for care-dependent patients and small children.

### **Solar Industries builds solar module production sites**

The newly founded SI Module, a wholly-owned subsidiary of Solar Industries, started manufacturing photovoltaic modules for the German and Swiss markets in Freiburg im Breisgau in early 2011. The company acquired a photovoltaic module production line from Somont in late 2010 with a nominal capacity of 25 MWp. Also launched during the reporting period was the new, highly automated MX Solar module production plant in New Jersey, USA, in which Solar Industries has an indirect stake through MX Group. Solar Industries plans to build a solar module production facility with annual production capacity of 150 MWp in the German-speaking region of Switzerland by 2012.

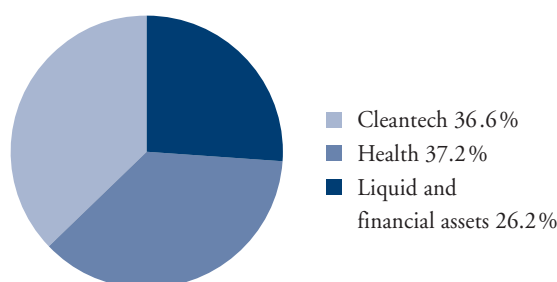
### **Idiag collaborates with Hocoma**

On January 1, 2011, these back-care specialists launched a combined program of testing and analyses together with spinal treatments. The SpinalMouse® back measurement device from Idiag supplements the new Valedo™ back treatment concept from Hocoma. Idiag also added fire departments to its customer base for its SpiroTiger® respiratory training apparatus. Regular training increases physical endurance and capacity, and at the same time it reduces recovery time after peak physical effort.

### **FotoDesk taken over by management**

Online photo service company FotoDesk Group was unable to reach critical mass in a highly competitive market environment. Even the acquisition of netservice.cc in summer 2010 did not lead to the desired success. New Value therefore decided to discontinue financing for the company. The business was taken over by its management at the end

## Investment portfolio by sector as of January 31, 2011



of January 2011. An earn-out model ensures that New Value will receive a share of future earnings. At the end, New Value had a CHF 3.0 million stake in the company, representing a holding of 45%. There were also loans and convertible loans in the amount of CHF 5.9 million. New Value will write off the total amount (CHF 8.9 million) during the current fiscal year 2010/11 (effective March 31, 2011). In the spring of 2010, New Value announced its intention to focus on the clean technology and health care fields. Streamlining the portfolio complies with this refined focus, since FotoDesk was the only company that did not belong to these sectors.

## Shareholder-friendly, tax-exempt stock buyback

On January 4, 2011 New Value launched a buyback of up to 10% of its share capital. Thanks to authorization on January 1, 2011 to use an agio to offset the difference between the buyback price and the face value, share buyback is exempt from the previously customary deduction of capital withholding tax, making this a novel and particularly attractive form of equity buyback. At press time, 50,000 shares had been bought back (equals 1.5% of the total share capital).

Company	Share type	Number of shares / Nominal	Price on ref. date	Market value in CHF <sup>1)</sup>	Share of portfolio <sup>2)</sup>	Share of company
<b>Cleantech</b>						
<b>Mycosym International AG</b> <a href="http://www.mycosym.com">www.mycosym.com</a>	Shares	194,336	8.43	1,638,252	3.8%	49.1%
	Loan	1,087,007	100.0%	1,087,007		
<b>Natoil AG</b> <a href="http://www.natoil.ch">www.natoil.ch</a>	Shares	125,274	6.34	794,015	3.1%	29.9%
	Convertible loan	320,981	443.89%	1,424,795		
<b>Silentsoft SA</b> <a href="http://www.silentsoft.ch">www.silentsoft.ch</a>	Shares	29,506	180.00	5,311,080	7.5%	27.5%
<b>Solar Industries AG</b> <a href="http://www.solarindustries.ch">www.solarindustries.ch</a>	Shares	1,554,100	5.00	7,770,500	10.9%	33.1%
<b>ZWS GmbH</b> <a href="http://www.zws.de">www.zws.de</a>	Loan (EUR)	1,500,000	100.00%	1,867,500	2.6%	0.0%
<b>Health</b>						
<b>Bogar AG</b> <a href="http://www.bogar.com">www.bogar.com</a>	Shares	779,818	2.55	1,988,536	3.9%	43.8%
	Convertible loan	290,385	226.41%	761,991		
<b>Idiag AG</b> <a href="http://www.idiag.ch">www.idiag.ch</a>	Shares	6,928,621	0.64	4,434,317	9.1%	41.5%
	Convertible loan	718,458	287.28%	2,063,968		
<b>Qualilife AG</b> <a href="http://www.qualilife.com">www.qualilife.com</a>	Shares	816,745	3.02	2,468,604	6.1%	41.8%
	Loan	1,900,000	100.0%	1,900,000		
<b>Sensimed SA</b> <a href="http://www.sensimed.ch">www.sensimed.ch</a>	Shares	50,000	35.00	1,750,000	2.5%	6.4%
<b>Swiss Medical Solution AG</b> <a href="http://www.swissmedicalsolution.ch">www.swissmedicalsolution.ch</a>	Shares	311,581	3.20	997,059	11.4%	38.9%
	Convertible loan	2,189,961	324.7%	7,110,933		
<b>Others</b>						
<b>Fotodesk Group AG</b> <a href="http://www.fotodesk.com">www.fotodesk.com</a>	Shares	4,502,115	0.67	3,001,405	12.5%	45.0%
	Loan	2,540,000	100.00%	2,540,000		
	Convertible loan	1,300,000	258.17%	3,356,218		
<b>Total portfolio on Dec. 31, 2010</b>				<b>52,266,181</b>	<b>73.3%<sup>3)</sup></b>	
<b>Liquid and financial assets</b>				<b>18,992,383</b>	<b>26.7%</b>	
<b>Total portfolio, liquid assets and financial assets</b>				<b>71,258,564</b>	<b>100.0%</b>	

Changes as of Jan. 31, 2011

<b>Solar Industries AG</b>	Shares	1,898,928	5.80	11,013,782	17.4%	34.6%
<b>Fotodesk Group AG</b>	Shares / Loan	0		0	0.0%	0.0%
<b>Total portfolio on Jan. 31, 2011</b>				<b>46,611,840</b>	<b>73.8%</b>	
<b>Liquid and financial assets</b>				<b>16,542,048</b>	<b>26.2%</b>	
<b>Total portfolio, liquid assets and financial assets</b>				<b>63,153,888</b>	<b>100.0%</b>	

<sup>1)</sup> In accordance with IFRS, the market value of convertible loans includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion

<sup>2)</sup> Based on market value including liquid and financial assets

<sup>3)</sup> Market value/net assets (degree of investment)

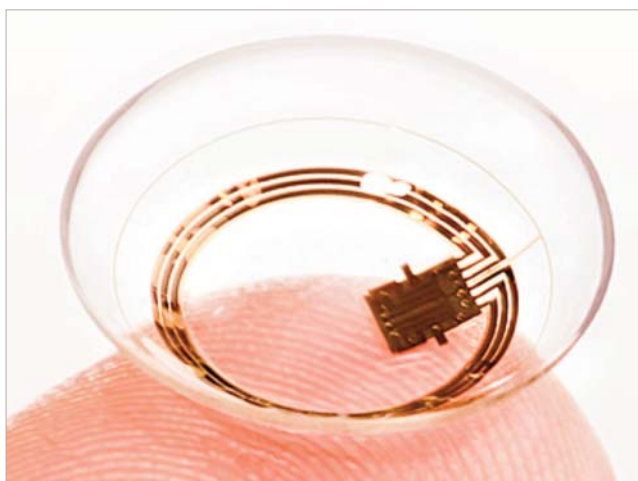


Sensimed SA profile

# Multiple distinctions

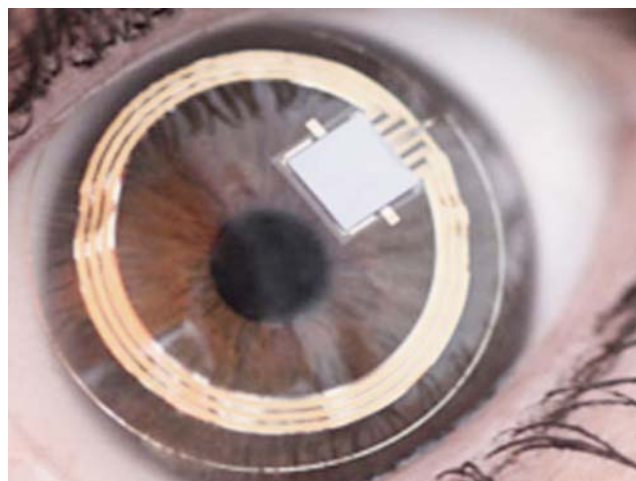
**Sensimed specializes in the design, development and commercialization of integrated microsystems for medical devices. Its first approved product, Sensimed Triggerfish®, is used to continuously monitor intraocular pressure. Excessive intraocular pressure is one of the main risk factors for glaucoma.**

Sensimed is a spinoff of the Swiss Technical School of Lausanne (EPFL) and has received numerous innovation awards, including the R&D 100 Award 2010, CTI Medtech Award, Red Herring 100 Europe Award and DeVigier Foundation prize.



## Soft contact lenses with integrated telemetry sensor

The SENSIMED Triggerfish® is a soft silicone contact lens with an integrated MEMS (micro-electro-mechanical systems) sensor and a ductile ring that measures changes in the corneal surface caused by changes in intraocular pressure. Data is transmitted wirelessly to an external recorder and can be analyzed at a computer terminal.



## Advantages of the SENSIMED Triggerfish®:

- Non-invasive and comfortable
- Monitors intraocular pressure continuously for 24 hours
- Records during sleep and normal daily activities
- Ambulatory or stationary treatment
- Allows early diagnosis and individual treatment of glaucoma

## High socio-economic value

Around 1 to 2 % of people over 40 suffer from glaucoma. An estimated 67 million people are affected, of which some 7 million in Europe. The number is expected to rise to 80–100 million by 2020. Glaucoma is second only to cataracts as a cause of blindness. In 2011, an estimated 8 million individuals will lose their vision to glaucoma – with corresponding consequences for the health care and social services systems. One of every two glaucoma sufferers is currently undiagnosed. One third of patients receiving treatment are given insufficient treatment, leading to continued worsening of symptoms. The SENSIMED Triggerfish® contributes to better diagnosis and treatment of glaucoma patients, with the aim of reducing the number of cases of blindness that result.

# News briefs

[Finanz und Wirtschaft, 8 January 2011, page 14](#) New Value is increasing its commitment to solar with a further CHF 2 million investment in the young company Solar Industries, raising its holding to 35%. The added capital will serve to build a new module production facility in southern Germany. Matthias Schoft will be director of the plant. Construction of an additional manufacturing site is planned in Switzerland next year.

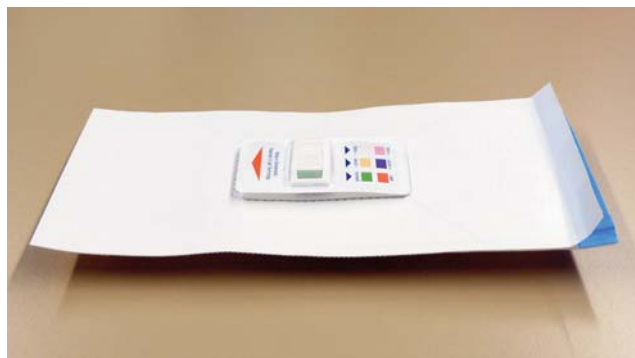
[Finanz und Wirtschaft, 18 December 2010, page 12](#) New Value to launch stock buyback on January 4. Up to 10% of existing shares will be bought back over a second trading line to be kept open until September 30 at latest. These transactions are exempt from withholding tax deductions. The stock buyback with planned capital reduction aims to reduce excess supply, the major reason for the low stock price.

[L'agefi, 8 September 2010, page 4](#) Lausanne medical technology company Sensimed has a new president for a new phase. Sensimed's management has been preparing its action plan for several months. «Phase B of financing is finally completed, so we are actively entering the commercialization stage,» explained Jean-Marc Wismer, CEO of Sensimed. For this purpose, the startup company is welcoming Patrick Berdoz to chair its Board of Directors.

## Current news

### Swiss Medical Solution receives CE approval for U-Lab® Diapers

After successful completion of clinical testing, Swiss Medical Solution received CE approval in late December 2010 for its U-Lab® Diapers, a urine test that is easy to integrate into diaper products. The test card is located in a fleece pad and is intended for use with small children and the care-dependent elderly. The new test will facilitate the diagnosis of urinary tract infections in these populations and is much easier for caregivers to use than conventional test strips.



# In Brief New Value

Ticker	Listing
NEWN (CH)	SIX Swiss Exchange
N7V (DE)	Xetra, Frankfurt (Open Market)

**New Value AG is a pioneer in sustainable direct investment in young Swiss growth companies. Listed on the SIX Swiss Exchange, New Value invests directly in up-and-coming private companies with above-average market and growth potential in Switzerland and neighboring countries. New Value promotes innovative business models using venture capital and supports them until they achieve market success. With impact investing New Value creates ethical added value – an entrepreneurial approach based on a unique combination of economical and ethical performance.**

The portfolio includes companies at different levels of maturity, ranging from startups to established small or medium-sized businesses with stable profits, active in the Cleantech and Health sectors.

New Value is committed to sustainability and places great value on ethical business concepts and excellent corporate governance in selecting businesses for its portfolio. Criteria such as meaningfulness, social responsibility and ecological sustainability are regarded by New Value as decisive competitive advantages that promote the quality of the products and services offered and enable above-average performance. With impact investing New Value creates ethical added value – an entrepreneurial approach based on a unique combination of economical and ethical performance. Since the formation of New Value, EPS Value Plus AG, Zurich, has served as investment manager.

## Publications & Events

### April 7, 2011

Special event for shareholders

### June 14, 2011

Publication of financial results and annual report 2010/11

### July 13, 2011

Annual Shareholders Meeting

### September 13/14, 2011

Swiss Equity conference Zurich

**new  
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