

29 February 2012

ASX ANNOUNCEMENT

SOLCO CONFIRMS HALF YEAR RESULTS

- Half year revenue 2011/12 of \$11.2 million
- Half year loss before tax of \$3.8 million
- Retains debt free status and strong balance sheet
- Full year revenue 2011/12 forecast of \$27 million
- Increased market share of commercial projects
- Looking for potential merger and acquisition opportunities in second half

Solco Limited (ASX: SOO) ("Solco" or "the Company") today released its half-year results ending 31 December 2011, which confirmed earlier forecasts of a loss of \$3.8 million before tax.

As previously advised, the loss in revenue was a result of the downturn in the first quarter in the Australian residential solar market following the reduction or withdrawal of residential solar rebates by several State Governments.

A nationwide sales program and new inventory management system are two initiatives the Company implemented to improve its revenue forecast by reducing inventory levels and monthly overheads.

Executive Chairman David Richardson said he believed that the Company had aggressively worked to improve the Company's bottom line and see the Company prosper in the second half.

"While we are obviously disappointed with this result, we believe that we have addressed the issues to ensure that the Company is able to function more efficiently in this new environment," he said.

The Company is continuing to focus on the commercial projects space and announced yesterday that it had secured two more commercial projects worth more than \$1 million.

"We are continuing to focus on refining our wholesale business and increasing our market share of commercial projects which will assist us to win back our leadership position in the market."

ENDS

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