

PHOTOVOLTAIC INVEST

SUSTAINABLE
PROFITABLE
INVESTMENT

APULIA 2

PHOTOVOLTAICS – SUSTAINABLE PROFITABLE INVESTMENT

Increasing demand for power worldwide is leading to rising costs and an urgent need to make better use of alternative energy sources. An attractive solution to the problem is photovoltaics. Lucrative green electricity tariffs for photovoltaic (PV) power plants are being introduced all over the world and many major utilities are also now investing in this mature technology.

GOOD REASONS FOR INVESTMENT

- High yields from investment in a mature technology
- Interest paid from the first year
- Excellent environment with high green electricity tariffs guaranteed by the state
- Specialised Austrian company responsible for planning, installing and running the PV power plant
- Long-term supply agreement with the national electricity regulator (GSE)
- Extensive manufacturer's and operator's warranties
- Security with entry in the land register

GOOD REASONS FOR PHOTOVOLTAICS

THE PROJECT	<ul style="list-style-type: none">- Purchase of three photovoltaic (PV) power plants with a total capacity of 3 MWp in Apulia (Italy)- Investment volume € 13 million- Project funding: € 3 million own capital, € 10 million outside capital- Installation by KPV Solar GmbH, St. Veit an der Glan, Austria
SECURITY	<ul style="list-style-type: none">- Purchase of the electricity generated guaranteed by the state at a rate guaranteed by the state (high green electricity tariff) for the next 20 years- No project risk, as the PV power plants will not be taken over until after they are connected to the grid and their capacity is proved- Comprehensive performance guarantees for 25 years- Electricity output confirmed by independent German expert- Calculations reliable, as the financing costs are fixed and running costs depend on output
YIELD	<ul style="list-style-type: none">- Options for subscribers to the bond:<ul style="list-style-type: none">• 10% p.a. fixed rate throughout the life or• three-month Euribor plus 7% with annual adjustment- Annual interest payment, starting on 15 November 2011- Yields are subject to Austrian tax law (e.g. 25% final taxation on capital gains for private individuals)
INVESTMENT MODEL	<ul style="list-style-type: none">- Bond: € 3,000,000 nominal amount- Denomination: € 50,000- Investment term: 10 years- Issue fees: 3%
MATURITY	100% on 15 November 2020

„As we recover from this recession, the transition to clean energy has the potential to grow our economy and create millions of good, middle-class jobs – but only if we accelerate that transition. Only if we seize the moment.”

(Barack Obama, Reuters 15 June 2010)



YIELD AND ECONOMIC STABILITY

Our aim is to develop projects for investors in the area of sustainable energy supply with opportunities for above-average yields. How can we offer you such attractive yields?

Careful selection of the projects

Italy is not only one of the countries with the most sunshine in Europe, but also has extremely attractive green electricity rates guaranteeing high feed-in tariffs until 2031.

Careful selection of the companies

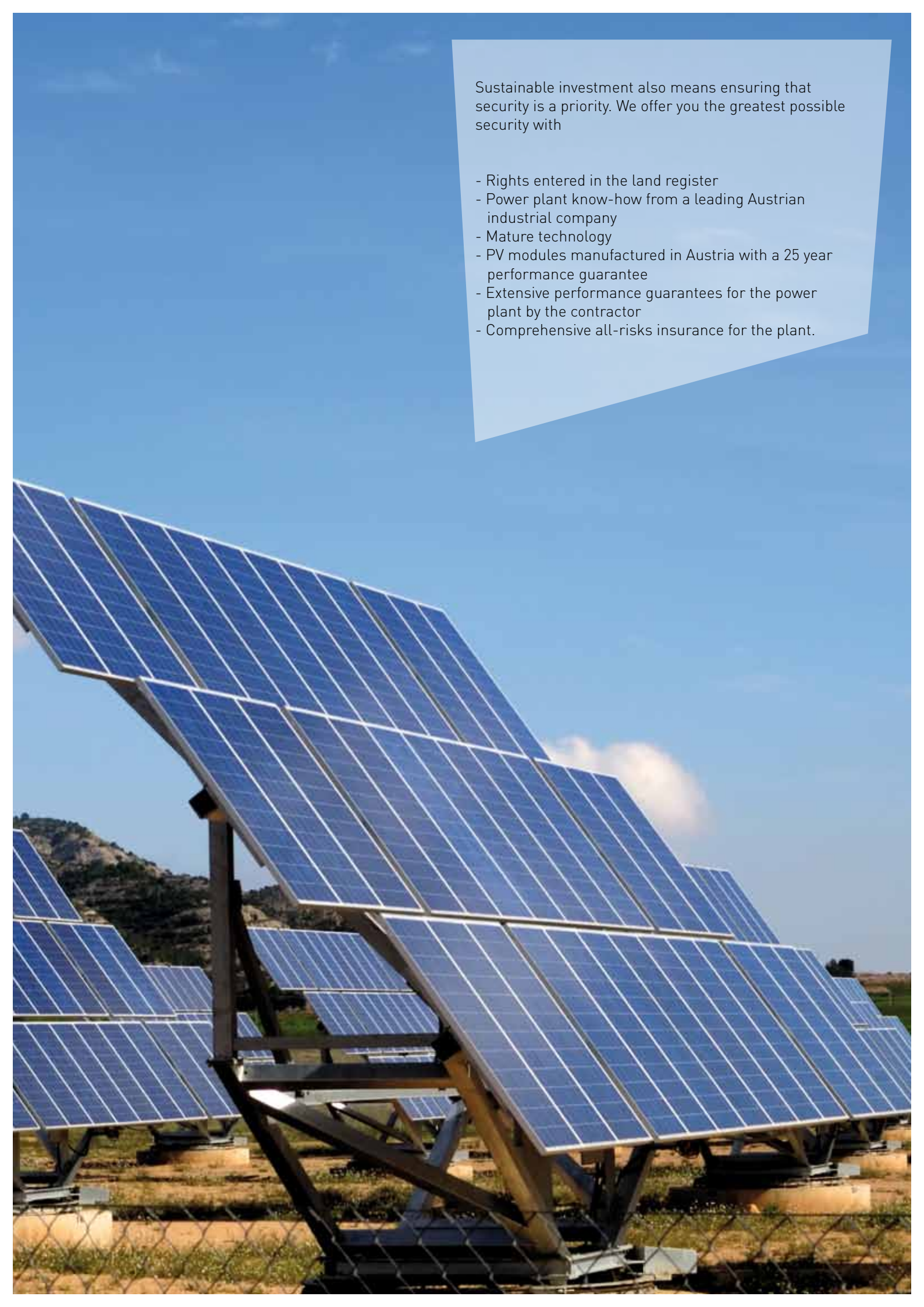
As a matter of principle we work exclusively with renowned European specialists in the field of solar energy. We therefore only accept companies that have a long-standing, successful track record in building and operating PV power plants.

Professional project management

Success is the result of professionalism. Before we embark on a project for example we work together with specialised lawyers and accountants to eliminate all the legal and tax risks.

Lean administrative structure

Experienced specialists in the field of solar energy are responsible for technical operation of the plants. Extensive all-inclusive service level agreements and all-risks insurance guarantee smooth operation – the costs are already included. For administration and management performance-related charges amounting to only 2 per cent of turnover are payable.



Sustainable investment also means ensuring that security is a priority. We offer you the greatest possible security with

- Rights entered in the land register
- Power plant know-how from a leading Austrian industrial company
- Mature technology
- PV modules manufactured in Austria with a 25 year performance guarantee
- Extensive performance guarantees for the power plant by the contractor
- Comprehensive all-risks insurance for the plant.

SECURITY

To protect your investment, extensive and pro-active risk management is standard for all our projects.

Legal security

We have obtained all the necessary approvals and permission to build and operate the power plant, e.g. property rights or any easements required for laying cables, which have been entered in the land register in the name of the power plant operating company. All the legal processes involved undergo a strict due diligence review by reputable international law firms.

Technical safety

The PV power plant will be built by the Austrian company KPV Solar GmbH or its subsidiary. KPV Solar, originally part of the KIOTO Clear Energy group, is a leading company in the solar energy sector and can draw on many years of experience in building and operating turnkey PV plants. The German company meteocontrol GmbH will deliver an independent expert opinion to verify the capacity and electricity output anticipated from the plant

The power station contractor provides a 12 year product warranty for the PV modules and a rolling performance guarantee for 25 years (from 97% to 80%). The manufacturer's warranty for inverters is five years.

The warranties provided in the course of building the PV power plant also include a performance guarantee for the plant, which passes the risk that it generates less electricity than predicted onto the power plant contractor.

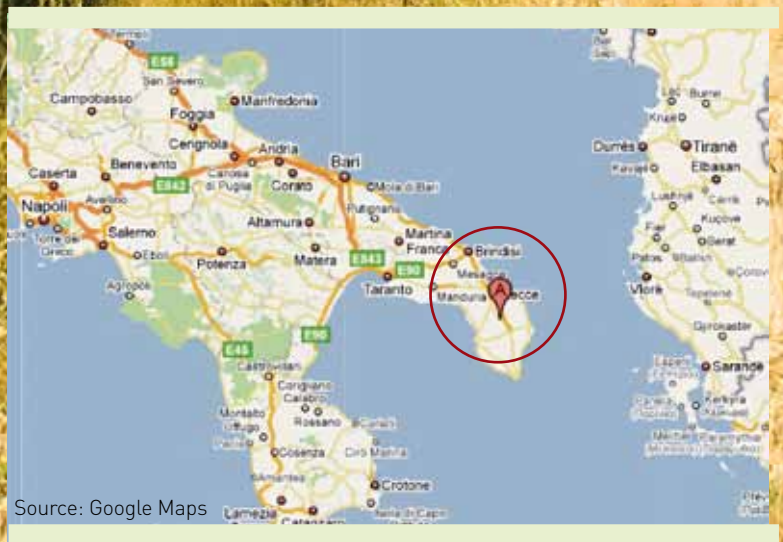
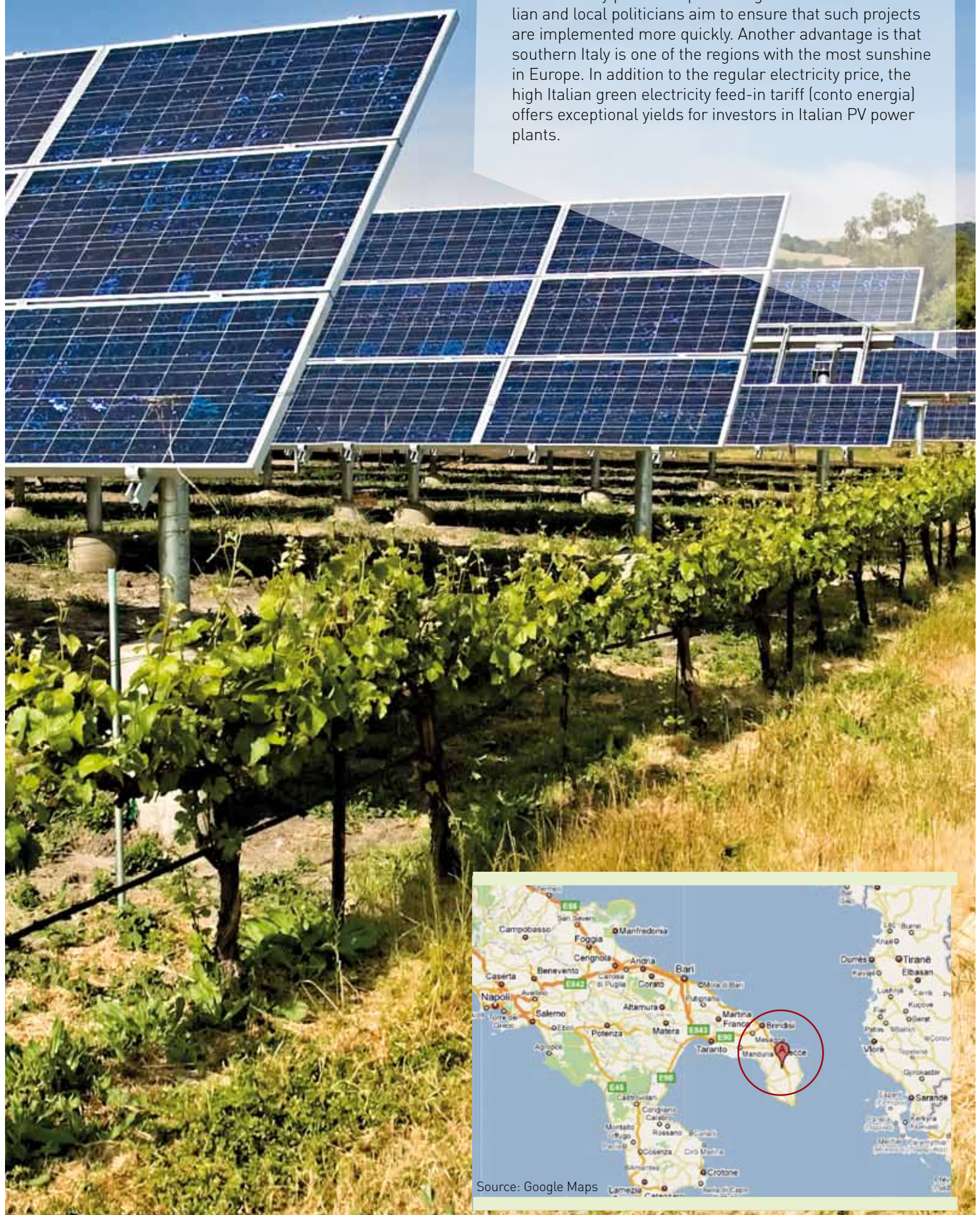
Our PV power plants are built on the basis of a mature technology. PV modules have been on the market for more than 30 years and have passed many long-term tests in that time. The expected service life of the modules produced today at the latest manufacturing facilities is over 40 years.

Risk protection

We take extensive precautions to protect the facilities. Security includes webcams, online monitoring, electric fences that detect intruders and theft-proof screw heads for mounting the modules.

And if anything unforeseeable does occur: the PV power plants are well insured. We have comprehensive all-risks policies with a renowned European company covering all kinds of damage up to an appropriate sum. Insurance cover includes fire, storm and water as well as damage from theft, vandalism, earthquakes and force majeure.

The PV power plants will be built in the southern Italian province of Apulia near the historic town of Lecce. Our group has already installed a PV plant immediately beside the new ones to be constructed and can therefore build on the extremely positive experience gained to date. Both Italian and local politicians aim to ensure that such projects are implemented more quickly. Another advantage is that southern Italy is one of the regions with the most sunshine in Europe. In addition to the regular electricity price, the high Italian green electricity feed-in tariff (conto energia) offers exceptional yields for investors in Italian PV power plants.



Source: Google Maps

TECHNICAL PROJECT INFORMATION

Plant construction

Each of the three PV plants has a capacity of approx. 1 megawatt peak (MWp), which is divided up into two equally large arrays of approx. 500 kWp each. They are connected to the Italian electric utility ENEL's local 20 kV medium-voltage power grid with two central inverters. The PV power plants will be built on what was previously unused land. Easements ensure that the cables required for connection can be laid over third-party property. We have also secured all other rights and authorisation required to build the power plant, such as planning permission, feed-in permit and a lease for the land.

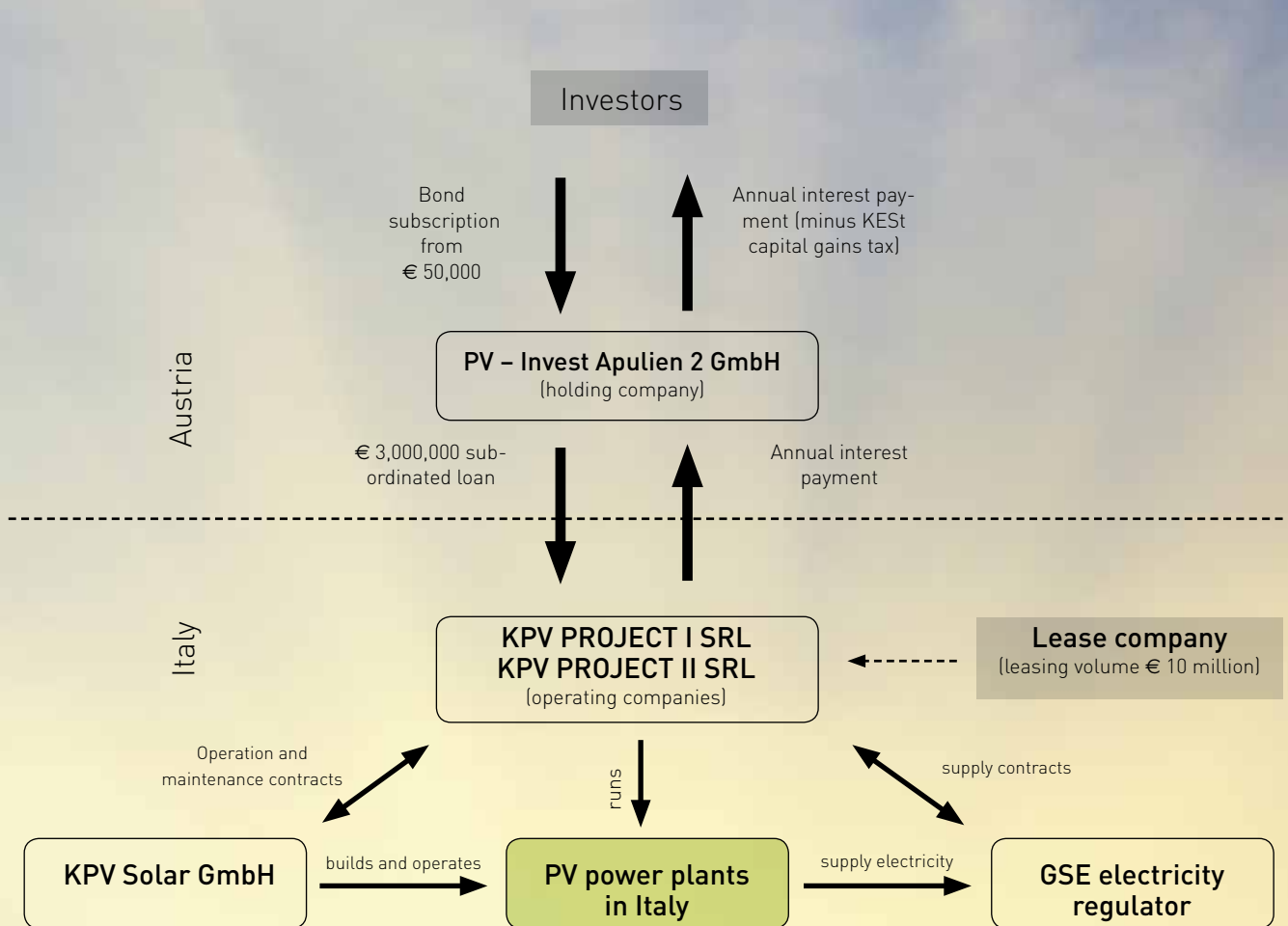
Installed modules

The PV modules used in the power plants are produced by the Austrian company KIOTO Photovoltaics GmbH in St. Veit an der Glan. Manufactured to the highest quality standards, they have a rated power of between 200 Wp (watts peak) and 220 Wp per module. This means that a total of just under 5,000 modules per plant or a module area of approx. 7,500 sq m will be installed per PV plant. KIOTO's PV modules are tested to IEC 61215:2005 IP 65 by TÜV Rheinland (German product testing agency) and are subject to the world's most stringent test standards for PV products.

Power plant operation

PV specialists KPV Solar are also responsible for organising and running the power plants after commissioning. To keep track of PV power plant operation, we are installing a 24/7 monitoring system (meteocontrol) which will send all the plants' performance parameters online to the control station in St. Veit. This will enable the operator to detect even the slightest deviations and take the necessary corrective action immediately.

INVESTMENT STRUCTURE



Contact us today for the detailed terms and conditions of the bond.

If you have any questions, please do not hesitate to call Günter Grabner on +43 4274 38290 10.

The bond terms and conditions are also available at www.pv-invest.at.

INVESTMENT MODEL

Corporate structure

The Austrian company (PV – Invest Apulien 2 GmbH) owns 100 per cent of the Italian operating companies (KPV PROJECT I SRL and KPV PROJECT II SRL). They operate the PV power plants and hold the applicable contracts for building and operating the plants with KPV Solar GmbH and the electricity supply contracts with GSE, the Italian electricity regulator.

The Austrian company grants the Italian operating companies a € 3 million subordinated loan. The interest income generated as a result will be paid to the holders of the Austrian company's bond.

Given the corporate structure chosen, the investors are subject to Austrian tax law. As a result, only Austrian capital gains tax of 25% (private individuals) or 12.5% (trusts) is payable on interest income.

Bond terms

Investors who are interested in the bond issued by the Austrian company, PV – Invest Apulien 2 GmbH, can transfer the amount during the subscription period to a trust account held by an Austrian notary public. Depending on the chosen option, they receive 10% p.a. fixed interest on their investment for the term or a variable rate relating to the current interest level plus 7% over and above the three-month Euribor at that time. Interest will be paid annually on 15 November – starting on 15 November 2011 – (minus 25% capital gains tax for private individuals or 12.5% for trusts). If you are interested, please contact us for the detailed terms and conditions.

AT A GLANCE

Brief description:	Bearer bond with fixed repayment rate, type of interest to be chosen by bond subscriber
Project:	Purchase of three photovoltaic power plants in Apulia, Italy
Issuer:	PV – Invest Apulien 2 GmbH
Type of security:	Bearer bond
Subscription period:	From now on
Term:	10 years
Issue price:	103%
Interest:	10% fixed rate throughout the life or three-month Euribor plus 7% with annual adjustment
Type of interest:	Fixed or variable, depending on the subscriber's choice at the start of subscription
Interest date:	15 November, first payment on 15 November 2011
Repayment:	100%
Repayment date:	15 November 2020
Currency:	Euro
Issue volume:	€ 3 million
Minimum subscription:	€ 50,000
Denomination:	€ 50,000
Securities identification no.:	at0000a0lfe8 (fixed interest) at0000a0lff5 (variable interest)

The details and forecasts given in this document are for general information purposes only and are based on the state of our knowledge and market assessment at the time of going to press (October 2010).

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PV-INVEST APULIEN 2 GMBH

Villacher Straße 1
9220 Velden am Wörther See
Austria
www.pv-invest.at

For further detailed information, please contact:
Günter Grabner (Tel: +43 4274 38290-10)
g.grabner@mkg.at