

SDN Company 2010

The World Networked By **SUNDA**[®]
INVESTOR RELATIONS 2010

Safe Harbor Statement

The data includes the, "forward-looking statements" for the future.

This is not for the past but future events to be related to the company's future financial performance, anticipated management status and means, and apparently represent 'expected', 'prospects', 'plans', 'expects', (E) includes words such as must. On "forward-looking statements", the future management of the environment is influenced by changes by their nature, involving uncertainties, and significant differences could be implied on the actual future results due to these uncertainties, "forecasts" to fill in the information.

In addition, the current market situation and future prospects of the company management, implied or otherwise, considering the direction of future changes in market conditions may vary depending on a change of strategy.

In any case the data on the investor's investment results as a proof of legal responsibility can not be allowed.



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CHAPTER 01
About US

- 01. Corporate Identity**
- 02. Corporate Overview**
- 03. Milestones**
- 04. Business Scope**
- 05. Business Performance**

“Solar Revolution Creating a New World Made of Light”



R&D Oriented Company

World-Class System Integrator

Sunday Series Manufactured from Gwangju Advanced Factory

SDN
The World Networked by Sunday

A Total Solution Provider For PV Power System

Korean Renewable Energy Lab



SI (Solar Power Plant)



PV Module Factory



Energy Farm (Maintenance)



PV Module Factory owned by SDN



Korea Renewable Energy Laboratory owned by SDN



Company	SDN Company Ltd.
CEO	Kee Hyok Choi
Establishment	March 18, 1994
Business	Solar System & The Engine / Power Systems
Capital	US\$ 9 Million
Employees	130 People
Address	<ul style="list-style-type: none"> ▪ Headquarters : 3110 Technomart 546-4 Guui-dong Gwangjin-Gu Seoul 143-721 Korea ▪ Research Industrial Park : 301-2 Dugori Byeolryang-myeon Sunchon Jeollanam-do ▪ Solar products, Korea Institute of Renewable Energy & Engine / Power Systems Division : Daechon-dong, Gwangju Buk-tech science and industrial parks

"Sustainable Growth thru Power & Energy"

Business Remodeling

2003

Oct Photovoltaic Division Task Force Team established for Site Selection Task Initiation

2004

Apr Korea Renewable Energy Research Institute

Jul **Exclusive distributor of module contract with Japan, Sanyo Electric**

Nov **Chosen 1MW PV field Test R&D [MKE, KEMCO]**

Construction & Operation of 1MW PV R&D complex (Supported 10Bil Won in Gov Budget for 3years)

2005

Feb **150KW solar power plant complete(1st in KOREA)**

Nov 100KW Private Plant Completed (1st use of Dual Axis Tracker in KOREA)

Dec 700KW Korea's Largest Solar Energy Plant Completed (Energy Farm Unit 2)

2006

Jun Largest solar power plant completion of 1.65MW (Energy farm # 1,2,3 '05~'06)

Dec Construction of Solar Energy Plants and Provision of Systems (Total 5MW)
34% MS of Engine/Power Systems, NO.1 in MS

Secure Market Position

2007

Apr Success with 1MW PV field Test R&D Center

Dec Increase Engine power system market share to 39% (2 consecutive years No. 1 MS)

2008

May Grade 1.5MW solar power plant construction

Sep **Starting to construct PV Module Factory in Gwangju**

2009

Apr Solar panel plant (FIPVGS)

May KOSDAQ Listed

Oct **Solar Module (Sdm230-SA-A1) certification. PV module production starts**

2010

Feb **Launching Bulgaria solar plant project project-related acquisition agreement**

Apr Renamed - SDN Company Ltd.

May TUV certification

Jul Solar power plant construction and system supply (total 50MW, 250 Sites)

Basis Formation of Business

1994

March SDN Company Ltd
HONDA Outboard Motor Engine exclusive sale ,Korea

1995

May Development of Industrial Technology Research Institute Propeller

1998

Jan Solar Propeller Exclusive Sales Agreement

A Total Solution Provider of Solar Power Plant

PV Manufacture

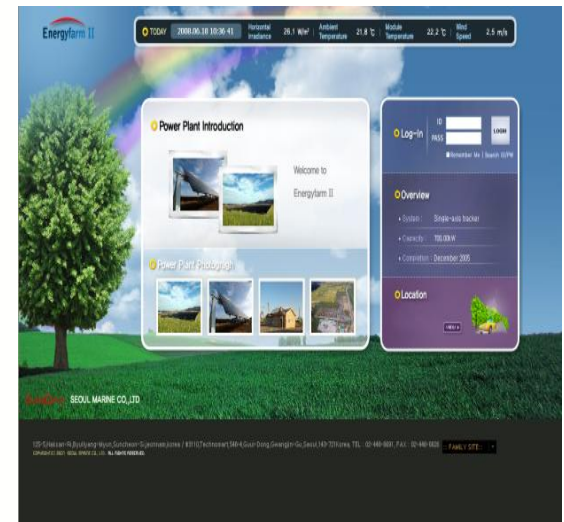
- ① Solar panels - sdm230-SA-A1
- ② Inverter – sdi100
- ③ Junction Box - sdj
- ④ Tracker – sdat(1~6)a
- ⑤ Monitoring - Sunday Soft

Construction

- ① Project planning, administration, design
- ② PV system supply
- ③ Solar power plant construction
- ④ Overseas expansion by EPC

Maintenance & Consulting

- ① Project Feasibility study
- ② Long-term maintenance contract
- ③ Measuring and monitoring development
- ④ Research and development of service

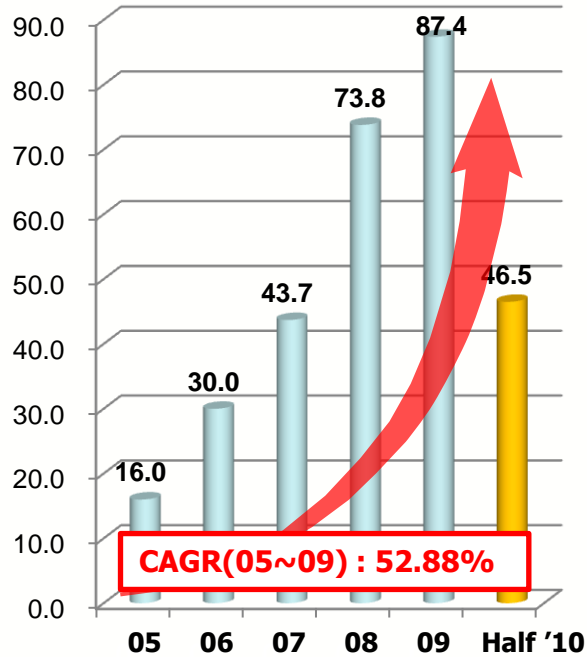


05 Business Performance

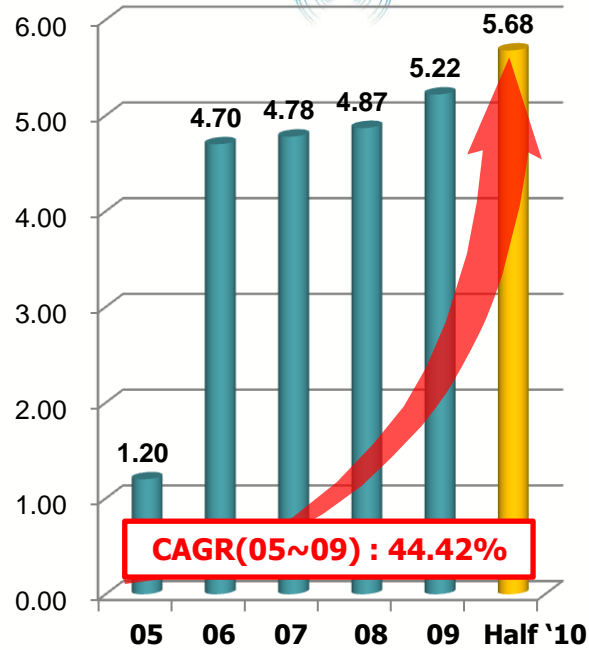
Investor Relations 2010

(Unit : US\$ 1Mil)

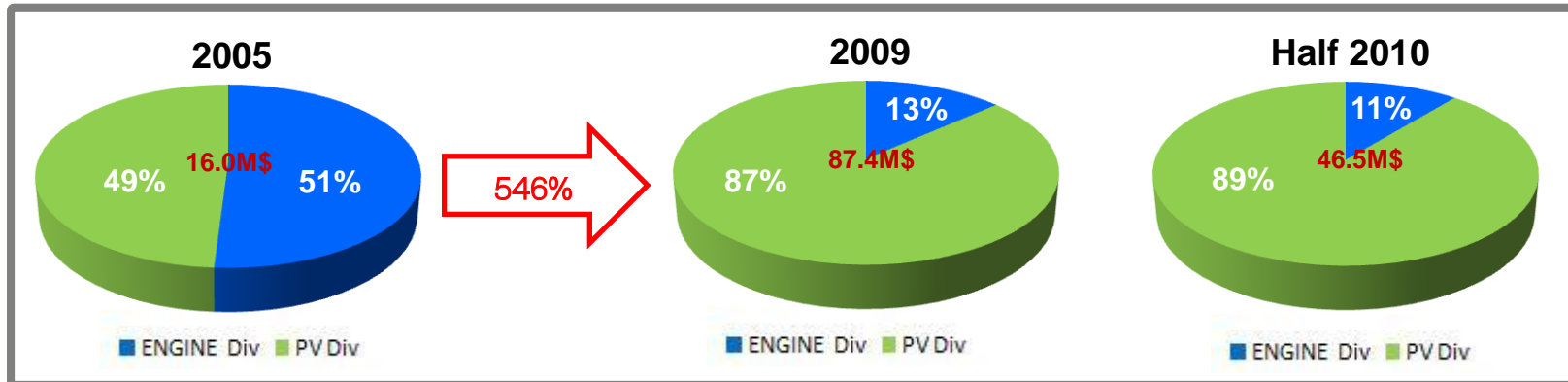
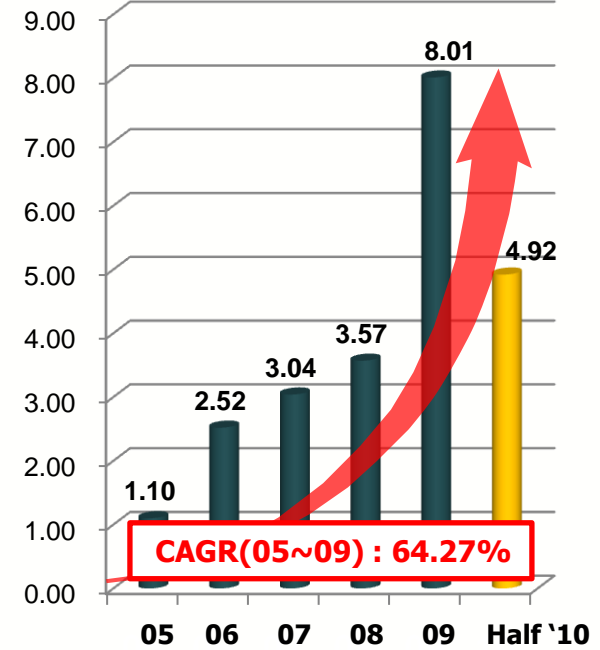
Sales



Operating Profit



Net Profit



CHAPTER 02

Current PV Market

01. Current PV Market
02. PV Market Trend
03. **SDN** Positioning
04. **SDN** Position

“ Maintenance of Continuous Growth ”

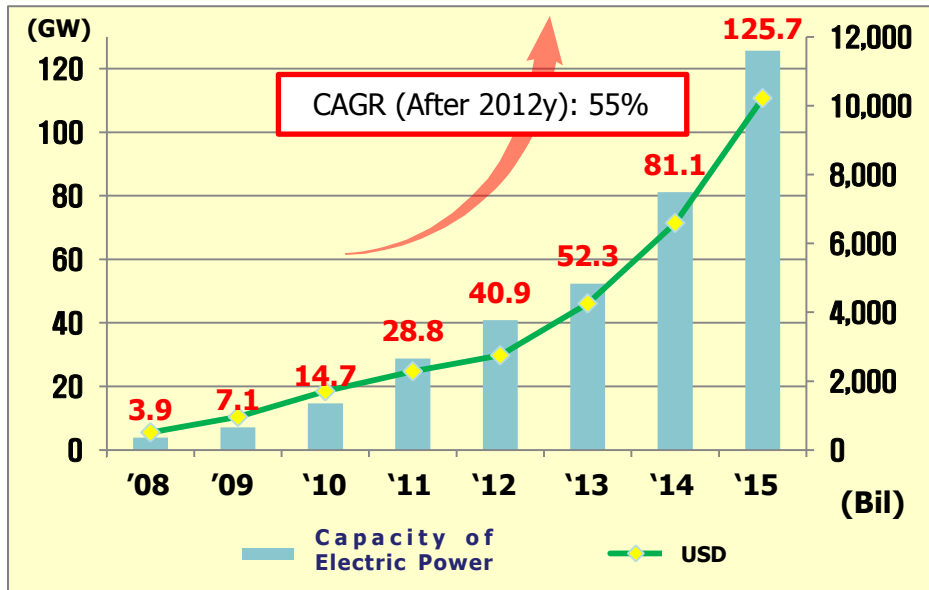
■ Expectation of PV Market after 2012 : **Continuous and High-Growth (55% a year)**

- Aggressive implementation of greenhouse gas reduction policy of preparing for post Kyoto Protocol in 2013
- Adoption of Green Industry Policy – For recovery of Financial Crisis and new growth power

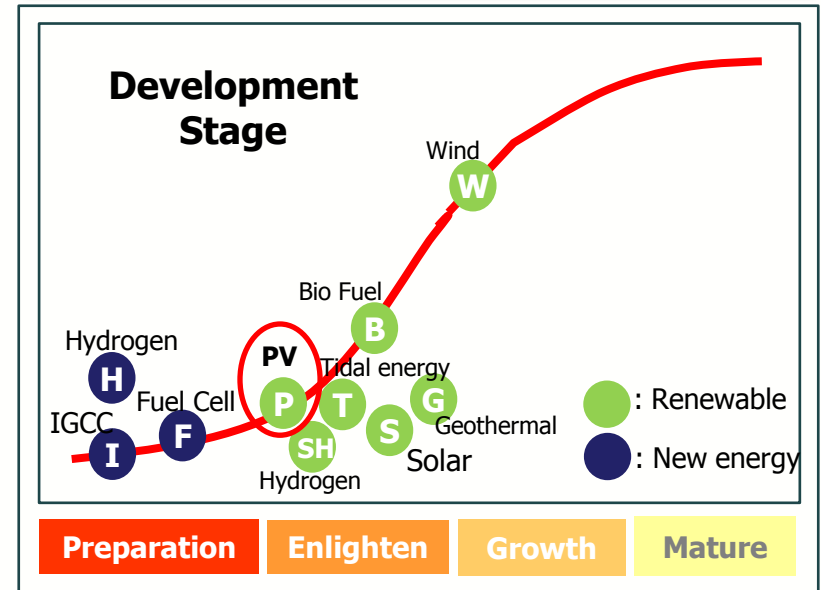
■ Major Countries

- USA : Enforcement of RPS and investment amount of \$1,500B in advance
- Germany & Spain : Slowing down explosive growth due to downsize of FIT but steady growth continuously
- Eastern Europe(Bulgaria/Czech/Hungary) : Becoming New SI Market (FIT)
- China, Taiwan, Japan - Expansion of Manufacturing Facilities

Growth Expectation of World PV Market



Current Global PV Market



“Reinforcement of System Integration”

■ Producer-Oriented Market → Customer-Oriented Market

- Chinese companies' large scale of production : Price of solar power plant component declined (40% compared with 2008)

■ Major producers' Rush to SI Business : First Solar (Module) / Suntech (Module) / MEMC (Cell) / SunPower

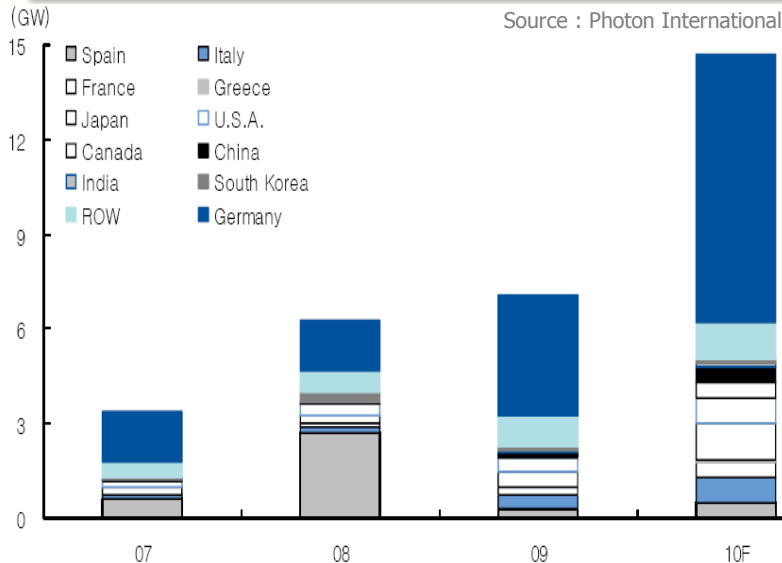
- Expanding Downstream capability for acquisition of Si company

■ Germany led Global market → Rapid Growth of Solar energy market in Eastern Europe, China, America and Canada

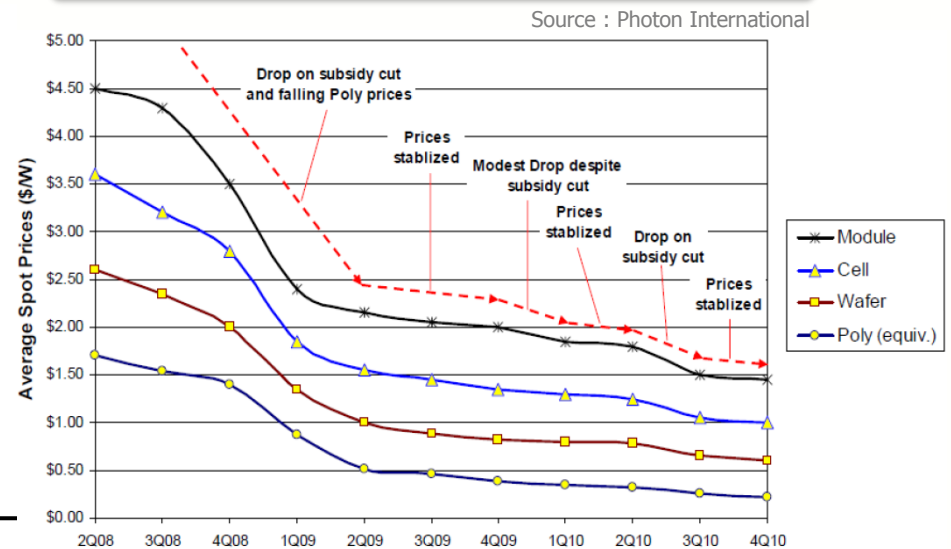
- Equilibrium of Europe, America and China market in 2015

■ Oligopoly of solar power plant components – China

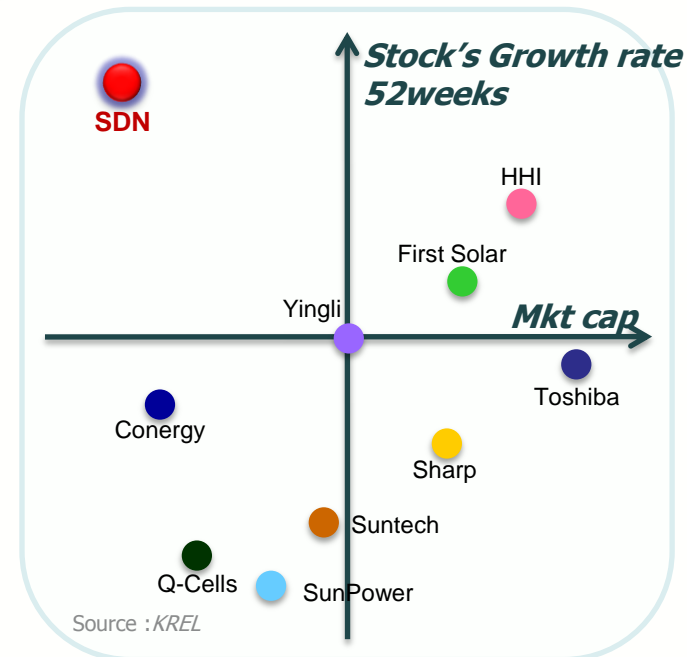
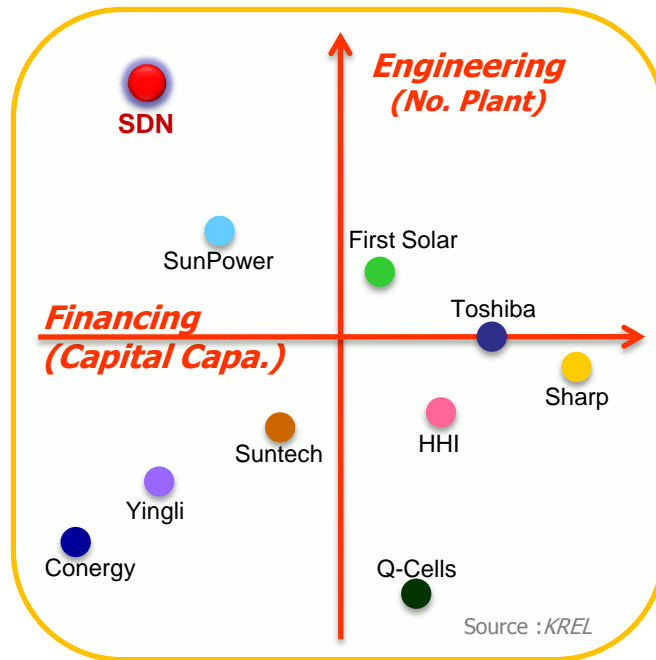
Volume of PV Generation Install



Forecast of Polysilicon & PV Module Price



“ SDN Positioning in World Market ”



✓ **Exclusive System Engineering**

✓ **Weak Financing Ability**

→ Recovering Financing
with Project Consortium & Private Fund

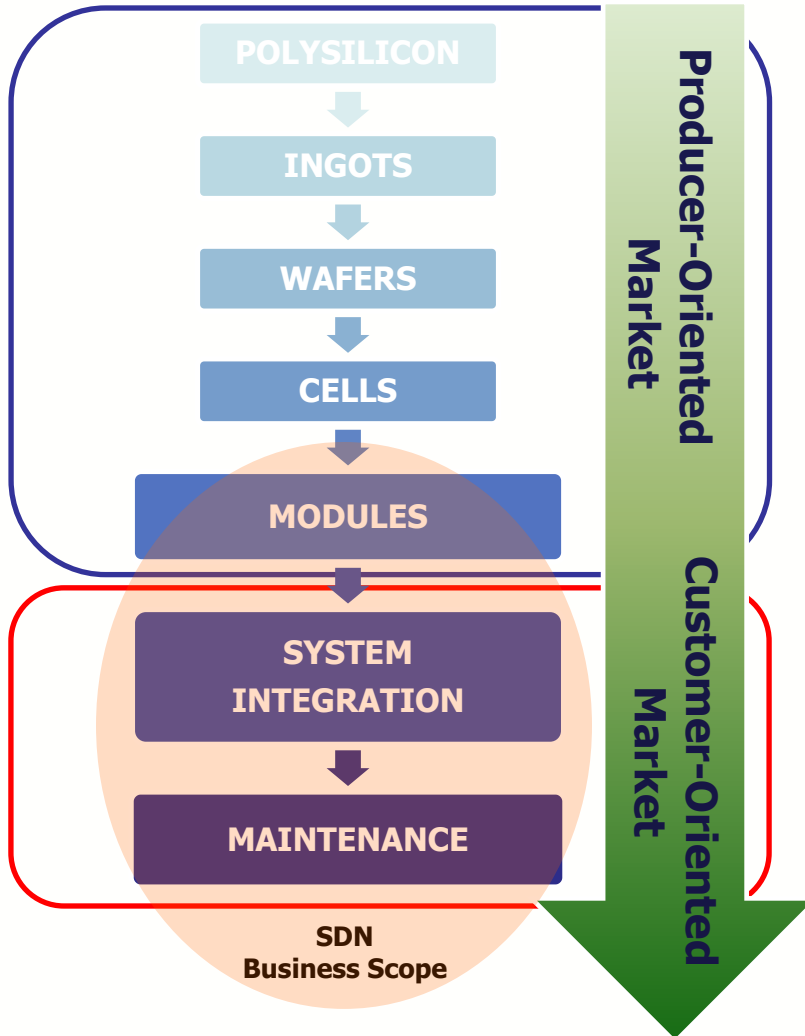
✓ **Expected High Growth of Capitalization Price**

✓ **Module Producers' Obvious Decline in Stock Market**

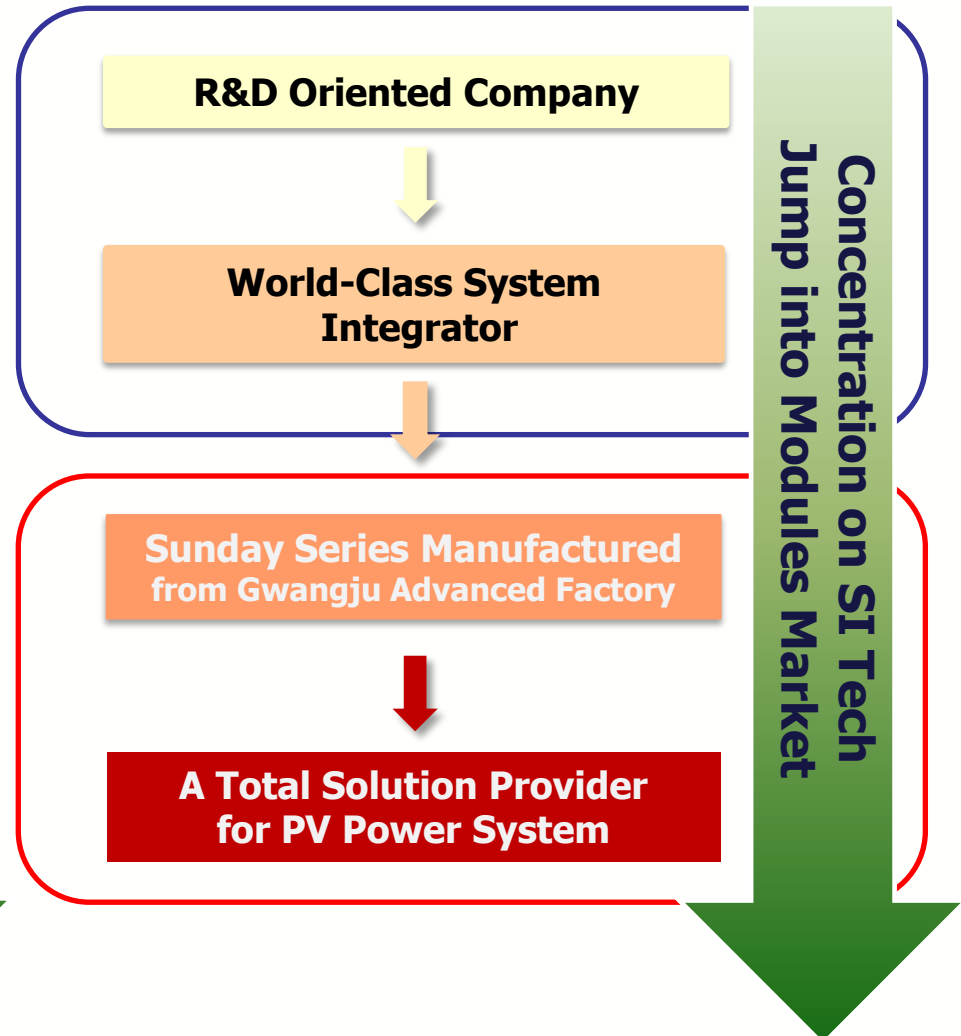
→ Reposition Centered System Industry

"SDN The World Networked By Sunday"

Value chain



SDN Evolution





CHAPTER 03
Core Competitiveness

- 01. R&D Oriented Company**
- 02. World-Class System Integrator**
- 03. Advanced PV Module Factory**
- 04. Sunday Series**
- 05. Global Sunday Networks**

" Korea Renewable Energy Laboratory owned by SDN "

R&D Centralized System Engineering

- PV Field Test R&D : Database accumulated – 8 yrs
- Highly qualified experts – 10% (Ph.D/ MA)
- National Task Co-participation & research related to solar energy



- The world largest scale of PVGS comparison & analysis → Field Test R&D Center
- PVGS output performance evaluation →

- Development of Web Monitoring System and Bluetooth Control Tracker , etc
- Patent ownership



Filing Date	Patent
2007.7.18	Solar Power Efficiency Measurement System (Korea Patent No. 10-0861499)
2007.6.08	Solar Automatic Tracking System (Korea Patent No. 10-0912661)
2008.3.11	Controlled solar tracking system (Patent No. 10-0842773 Issue)
2008.4.21	Photovoltaic devices, a remote self-diagnostic monitoring and remote control system (Patent No. 10-0912892)
2010.1.04	Single Axis solar tracker (Korea Patent No. 10-0886971)

- Project of R&D center - PV Fusion Technology



New R& D Projects	Duration	Enforcement Agencies
Development of floating green Power System	2008~2011(3yrs)	KIMFT
Solar LED Lighting Systems development projects	2009~2013(5yrs)	KAPID
Development of a stand-alone mixed energy and Desalination system	2009~2010	SDN
Development of module manufacturing equipment	2009~2010	SDN

Quantitative

BASE : SOLAR POWER PLANTS Installed 250 Sites ! , 50MW !

ranged from 30kW ~2.5MW



**Small → Large Scale
Domestic → Overseas**

Synthesis of SI Technology !!! Construction & Operation Experience !!!

OVERSEAS : SOLAR POWER PLANTS Ongoing 4 Sites ! , 53MW !

ranged from 5MW ~45MW

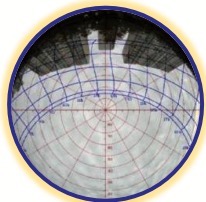
Qualitative

System Integration Technology

- Know-how of high efficient SI Technology
– 100% self-Produced
- Analog → digitization: efficiency 15% up
- Strict Feasibility – Shadow of Sun & Analysis of geographical features, etc.
- Sun Tracking (Bluetooth Integrated Control)

Cooperation of Value chain players

- Quality Chain by EL test
- Cell, Wafer Standards Improvement
- Evaluating and Controlling Upstream Value Chain by SI Provider(Point of contact in Value chain)
- Focusing on efficiency (customer's need)



Digital Junction Box & Monitoring



**Sun Tracking
(Bluetooth Integrated Control)**

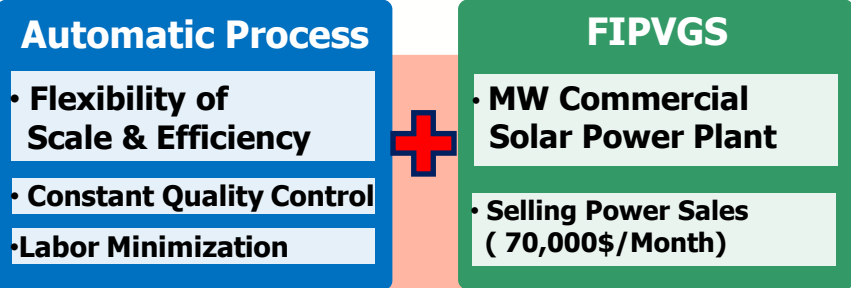
" Automatic Process!!! + FIPVGS!!! "

- **Line Capacity** : 30MW ('09) → **100MW('10)** → 250MW('12)
- **Products** : Sunday Series (SunDay Modules, Inverters etc.)
- **1MW FIPVGS** (Factory Integrated PV Generation System) → **Zero Manufacturing Overhead Cost Base Factory**



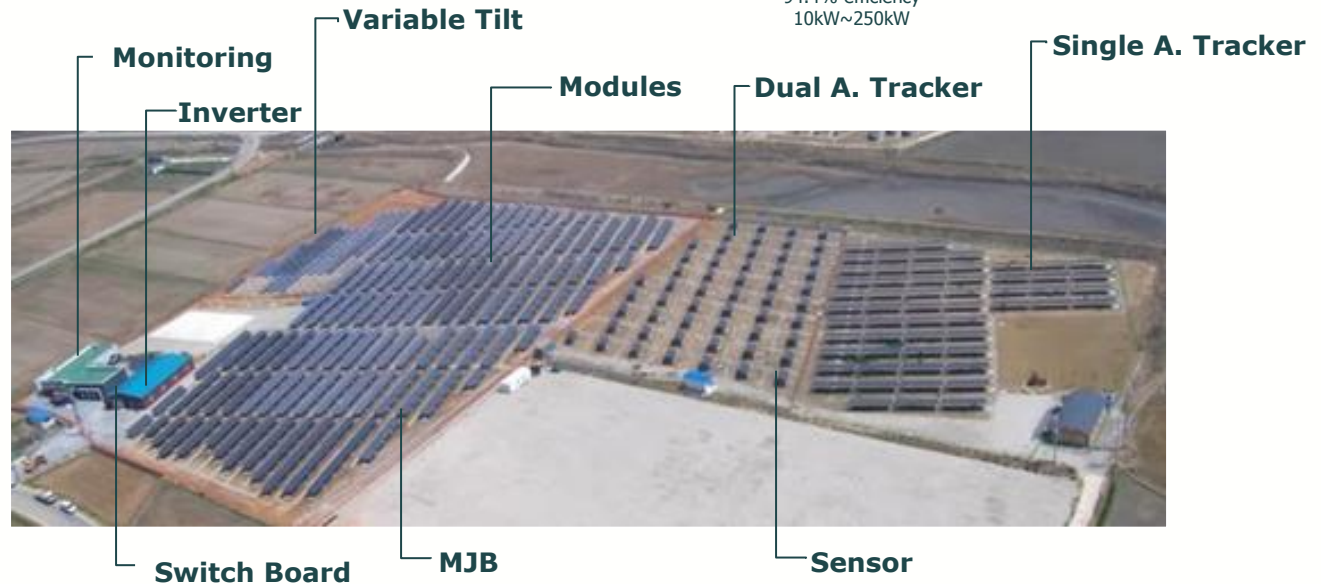
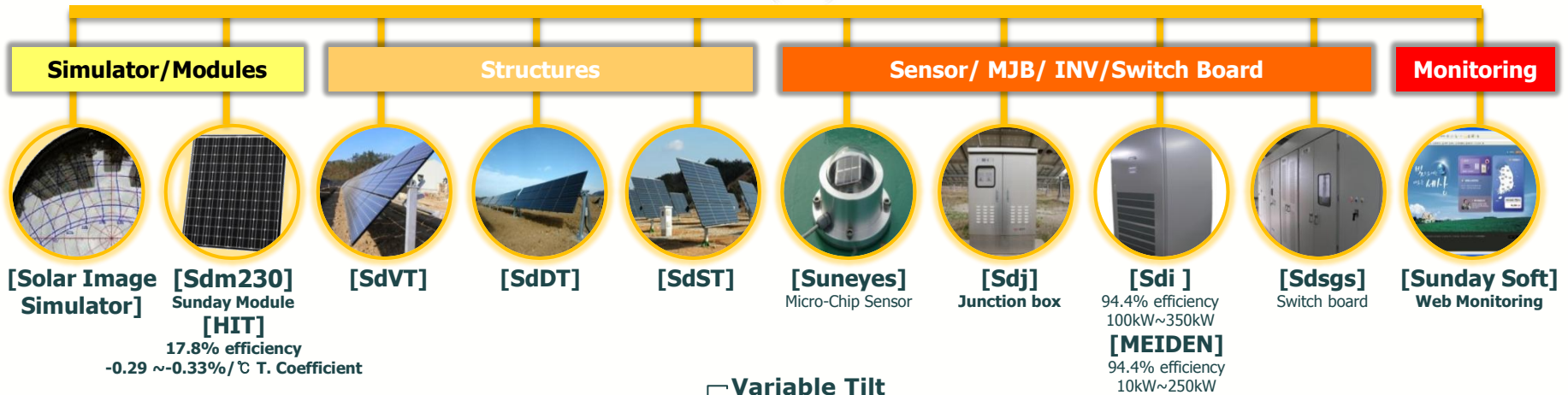
Automatic Solar Module Production

- **Location** : Gwangju Advanced Science Industrial Complex
- **Space** : Total Land Area : 26,654 m²
The Building Area : 13,819 m²



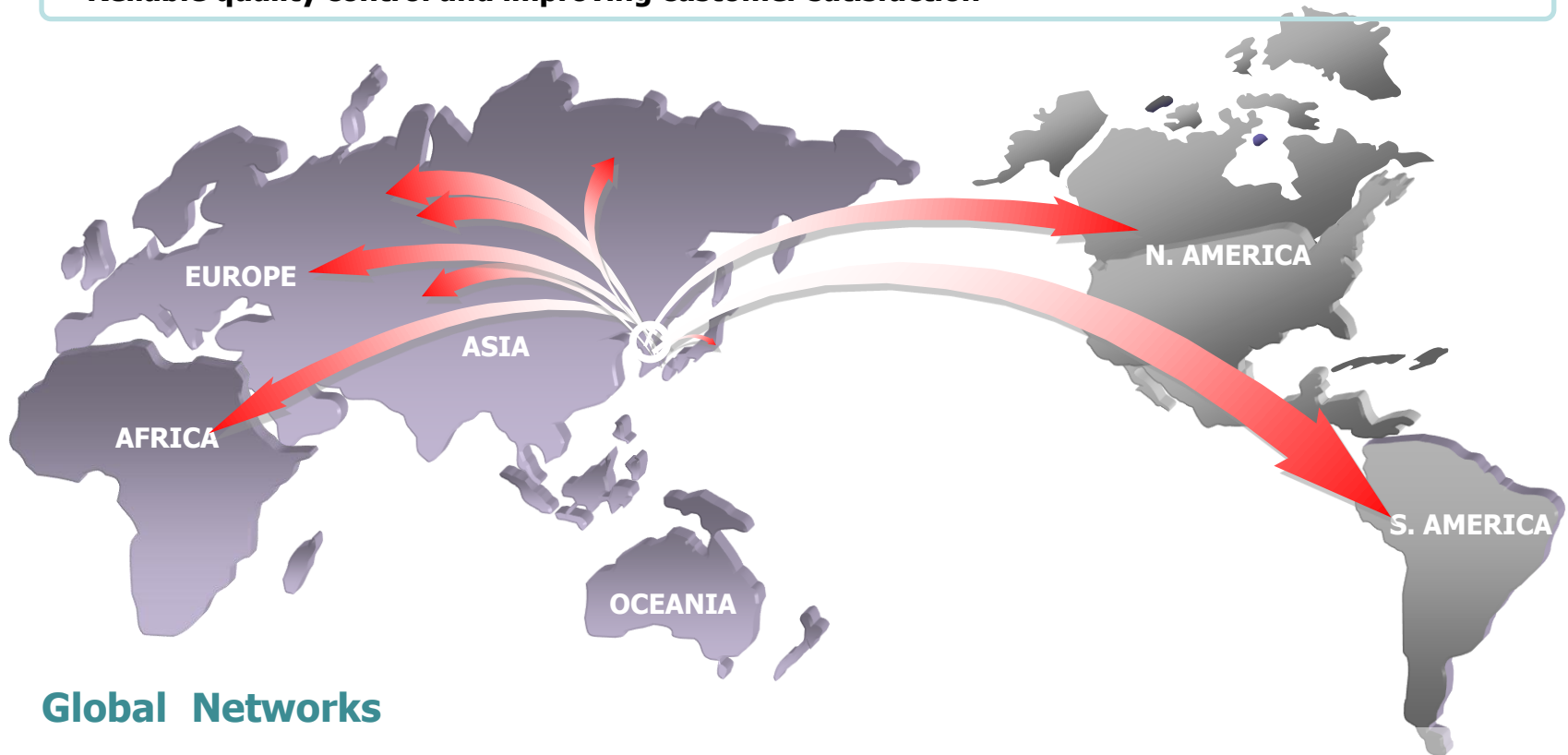
Competitiveness
Reduced Production Costs
→ **20% Down**

"A to Z Total Solution for PVGS"



"Excellent International Partnership"

- A number of internationally recognized technology global partners
→ **Technical cooperation and stable supply of raw materials**
- Reliable quality control and improving customer satisfaction



Global Networks

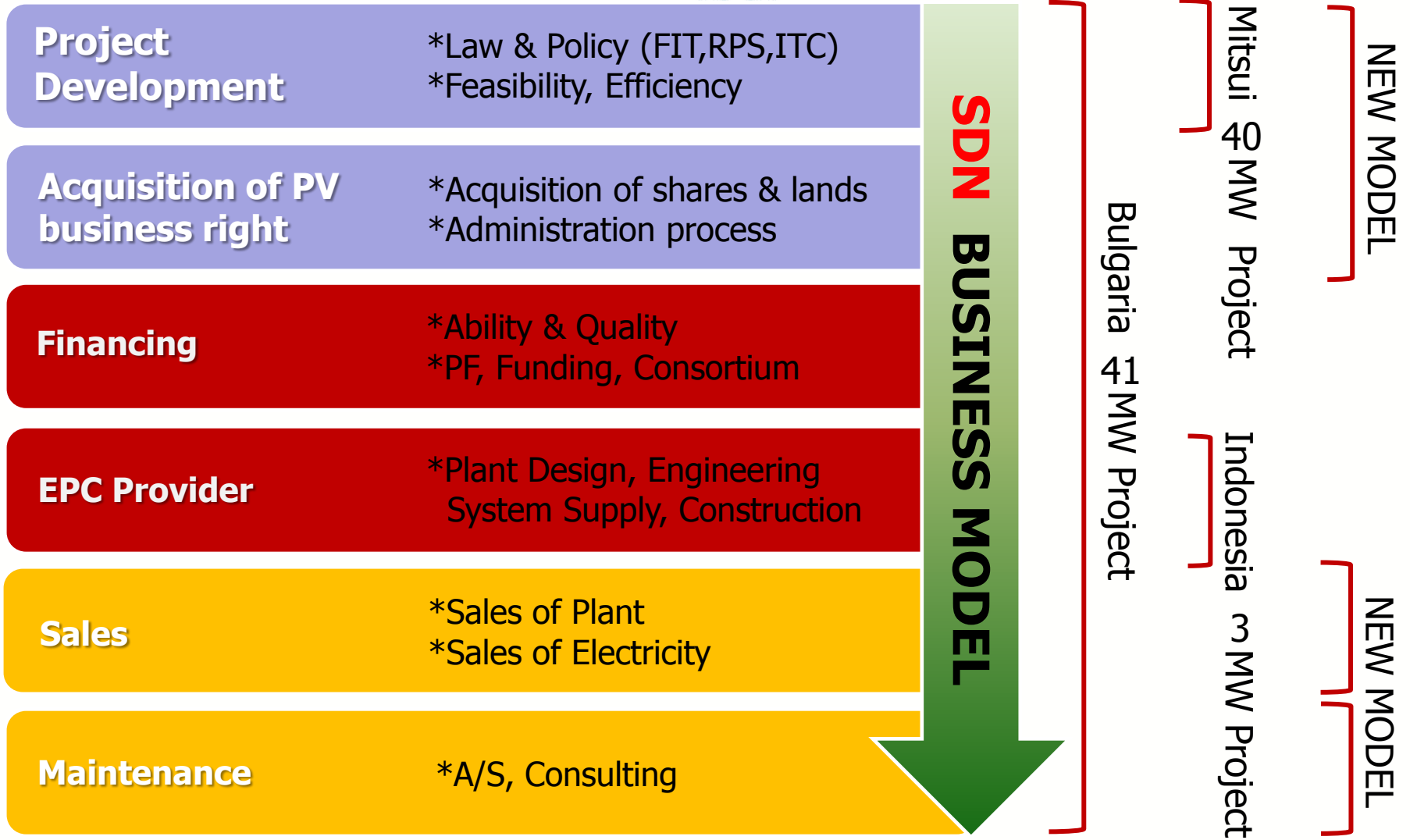
- Tech & Import : SANYO(Japan), SUNTECH (China), MEIDENSHA(Japan), UNITEC (Taiwan), KACO(German), HONDA(Japan/Engine)
- EPC Consortium : HITACHI, MITSUBISHI (Japan), ASM/RES(Bulgaria), EU Sunday(Bulgaria)
- Export - Island Energy Co., Ltd.(Japan), ATG Solar Energy(CA, USA), Asia Paragon PT (Indonesia), EU Sunday(Bulgaria)



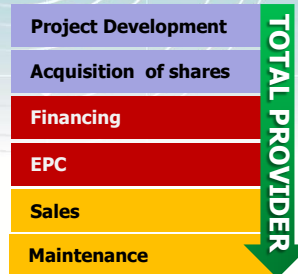
CHAPTER 04
Strategy & Vision

1. **SDN** Business Model
2. Ongoing Project
3. Prospect
4. **SDN** Long Term Strategy

“ Responding to New Paradigm ”



“ Total Provider Projects ”



SDN 41MW Bulgaria PV Projects



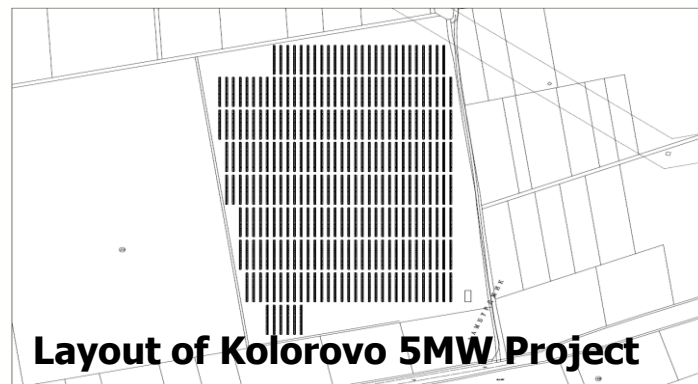
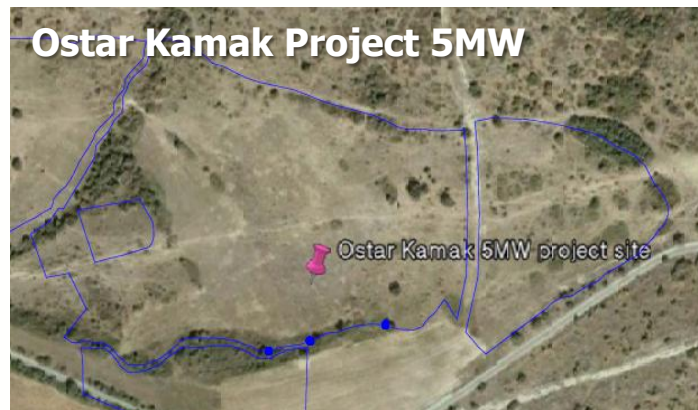
Project Name	Zlataritsa & Samvodne Project
Location	Zlataritsa Samvodne
	Veliko Tarnovo, Bulgaria
Area	1,218,429 m²
Installation	41.14 MW
Scale of Business	143.8 Mil EUR
Period of Construction	6~8 Month
PPA	with NEK
Current Status	Completion of Design Launch of Civil Work
Plan	Completion 6.25MW by 2010

“EPC Model Projects”

EPC Provider 

2 Small Size 5MW Projects in Bulgaria

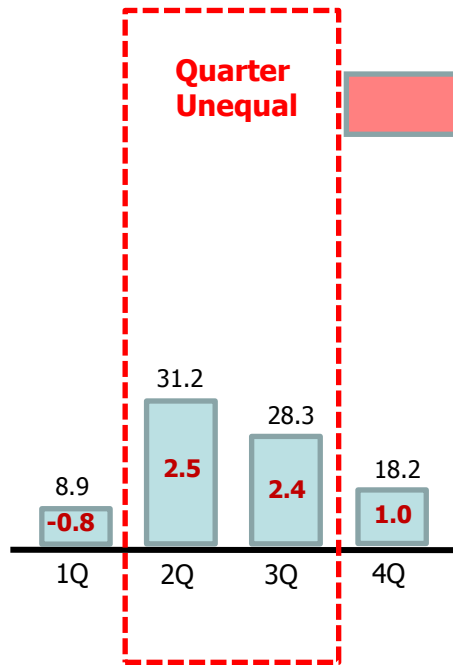
Project Name	Ostar Kamak / Kolorovo Project
Installation	5MW Per Project → Total 10MW
Scale of Business	25.1 Mil EUR
Period of Construction	3~6 Month
PPA	with NEK
Current Status	Designing
Plan	Completion of 5MW by 2010



“ Rapid Growth thru Launch of Overseas Projects”

Sales Analysis('09)

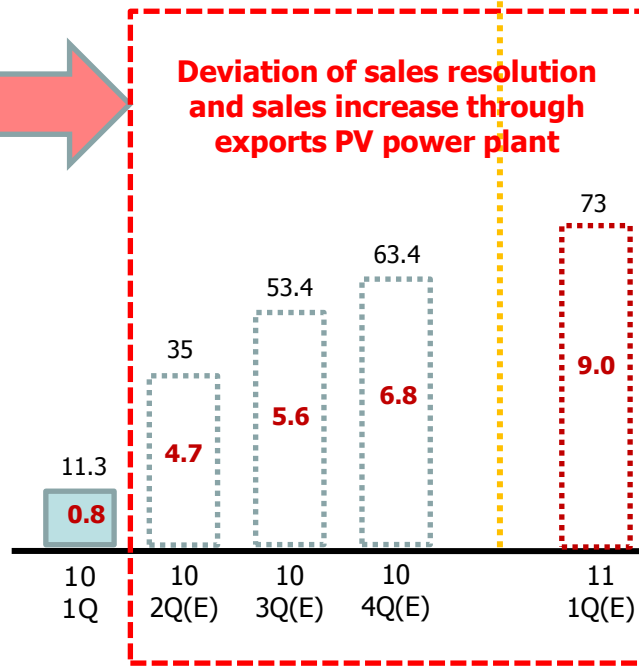
(Unit: US\$ 1 Mil)



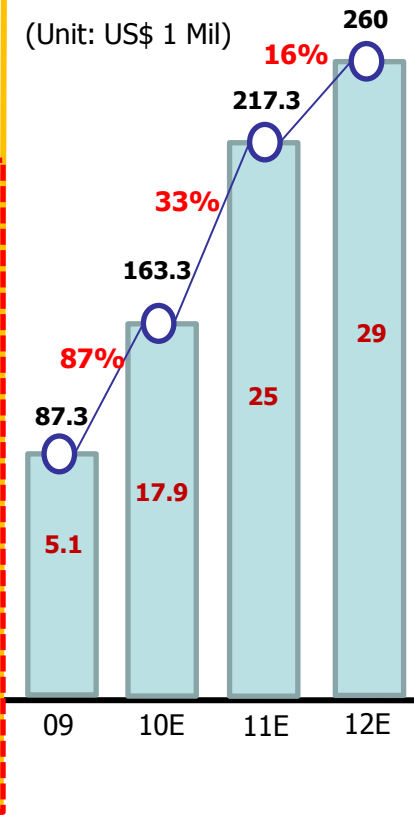
Forecast of Sales

(Unit: US\$ 1 Mil)

Quarter Sales Forecast for 2010



(Unit: US\$ 1 Mil)



* Sales Period Changeable due to Process of Plant Construction

“ Mkt cap USD 1Bil in 2013 ”

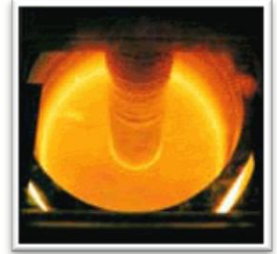
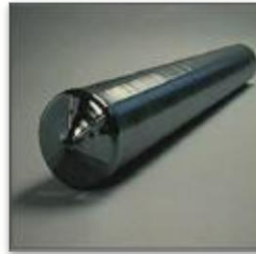
2013 **Obtaining Stability of Grid through the Development of Storage for Electric Power**

Mkt cap – US\$1,000Mil



2011~2012 **Ingots, Wafers Manufacture Expansion**

Mkt cap – US\$750Mil



2011 **PV Module Manufacture Automatic Equipment Export**

Mkt cap – US\$500Mil



H2 2011 **Aggressive Expansion of SDN PVGS Business Model in World Market**

Mkt cap – US\$300Mil

H1 2011 **Successful Completion of Ongoing Projects & Settlement of EPC Model**

Mkt cap – US\$170Mil



Present **The First Year of Expanding Overseas – Performance as a Total Provider on SI**



APPENDIX

1. Key Executives

"Future Paradigm Shift to Challenge **SDN** for Progressive Management"



CEO, Kee Hyok Choi

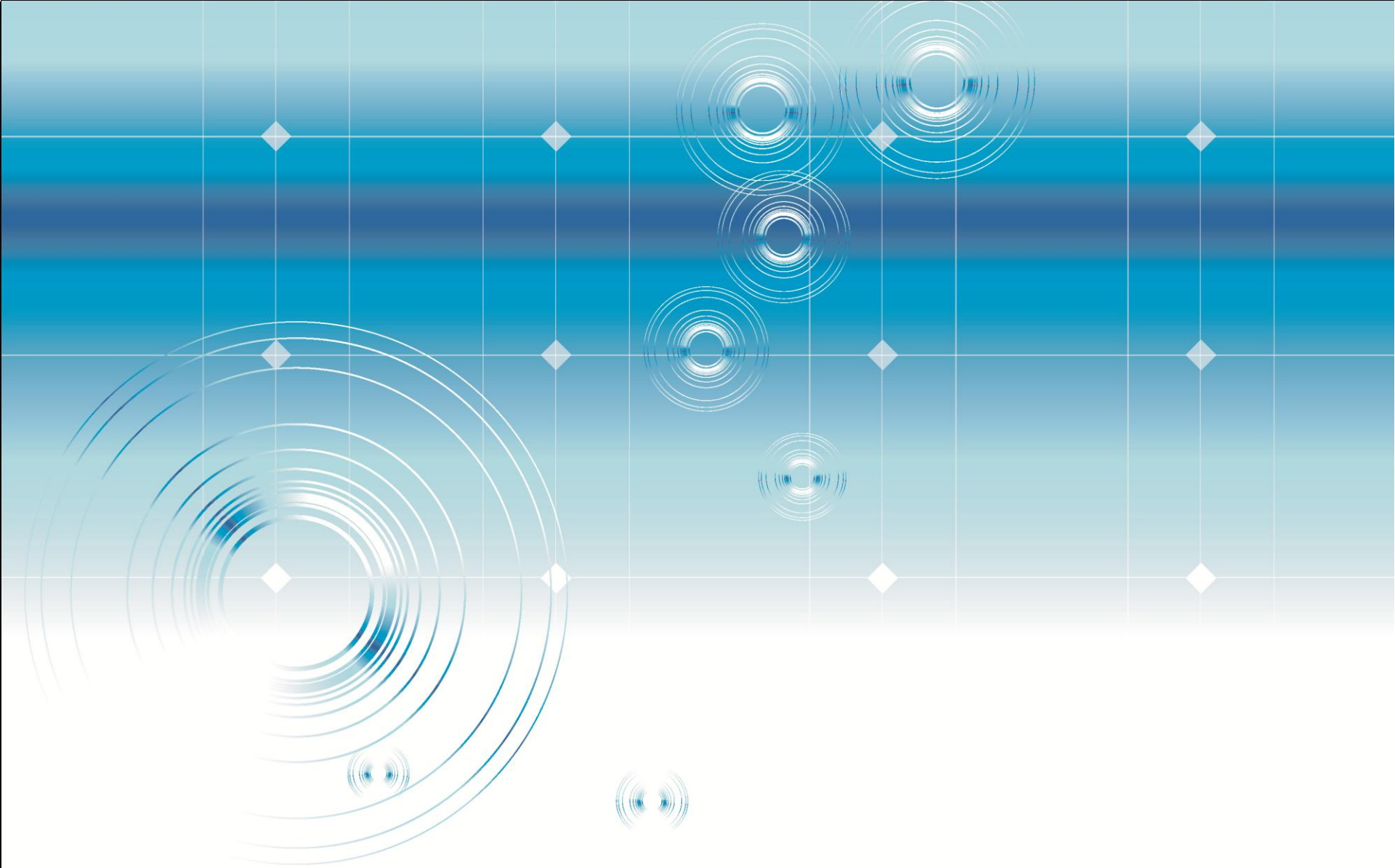
Education

- Graduated from Korea University of Foreign Trade
- State of Wisconsin Graduate School Financial Studies Major (MBA)

Career

- Credit Guarantee Fund Working
- YMCA Citizen Environmental Chairman
- National Energy Commission New Industrial Policy Secretary
- Energy-sharing peace CEO

<p><i>In Chol Lim</i> Director (R&D)</p>	<ul style="list-style-type: none"> • Aviation Engineering, Seoul National University • Georgia Institute of Technology Ph.D. in United States • Korea Energy Management Corporation Diagnostics Team Leader, Business Development Director • CDM Assessment Committee
<p><i>Dong Won Kim</i> (Auditor)</p>	<ul style="list-style-type: none"> • Graduated from Colorado School of Economics • Industry and Energy Energy Resources Policy Director • Nigerian ambassador, Ambassador Ministry of Foreign Affairs Headquarters
<p><i>Sung Pyo Kim</i> Director (Financial Officer)</p>	<ul style="list-style-type: none"> • Political Science, Chonnam National University • Credit Guarantee Fund (82-99) • SDN (04 ~ present)
<p><i>Hyun Woo Kim</i> (Plant Director)</p>	<ul style="list-style-type: none"> • Aerospace Engineering at Seoul National University Ph.D. • Kia Motors, Central Research Institute (1991-2000) • Suncheon National University, Mechanical / Automotive Engineering Professor BK21
<p><i>Il Sung Seo</i> (Sales Director)</p>	<ul style="list-style-type: none"> • Korea University of Foreign Language and graduated from the Western Hemisphere • Hyundai Motor Asia Pacific Division
<p><i>Min Young Lee</i> (Exterior Director)</p>	<ul style="list-style-type: none"> • Sungkyunkwan University, graduated from law • Seoul Central District Court Chief Judge • Attorney law firm representing Roaen



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