

Renewable Energy Index Switzerland

Economic Activity in the Renewable Energy and Energy Efficiency Sectors

2nd Quarter 2011

Index at end of Q2 2011: 63.8 index points

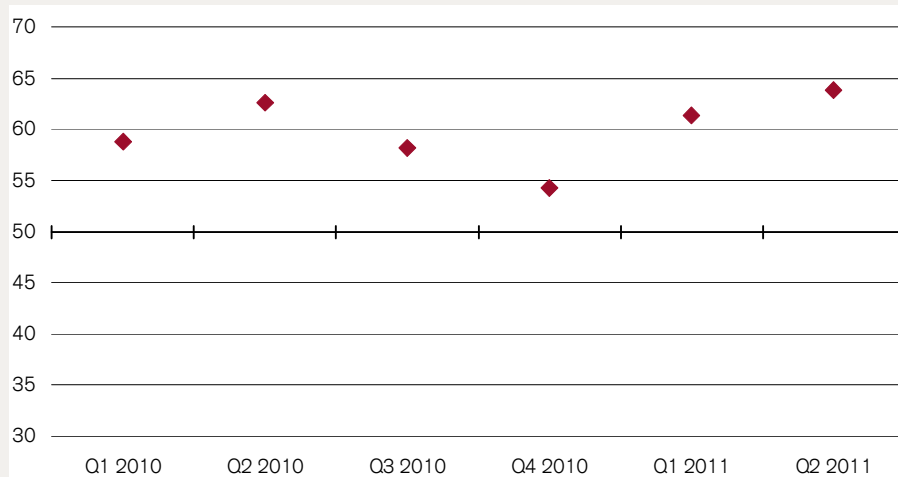
Change on previous quarter: + 2.4 index points



Change on same quarter in previous year: + 1.3 index points



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Performance of the Index

Renewable Energy Index		
2010	Q1	57.2
2010	Q2	62.6
2010	Q3	58.2
2010	Q4	54.3
2011	Q1	61.4
2011	Q2	63.8

The Renewable Energy Index Switzerland is published each quarter by Credit Suisse in cooperation with the Swiss Agency for Renewable Energy and Energy Efficiency (A EE). This indicator is based on a survey of companies in the sustainable energy solutions sector (renewable energies and energy efficiency). The data is collected and analyzed in accordance with the standards of the International Federation of Purchasing and Materials Management. The A EE's remit is to conduct the survey, and Credit Suisse is responsible for analysis and publication. The Renewable Energy Index directly reflects the course of business and performance in the sustainable energy solutions sector. Five sub-indices and additional information provide a more detailed view of this picture. Launched in the first quarter of 2010, the Renewable Energy Index survey is thus a valuable addition to the basic data sources for this sector.

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Continuing High Level of Order Backlogs

In the second quarter of 2011, the Renewable Energy Index Switzerland registered an increase of 2.4 points as compared to the preceding quarter, bringing it to a new level of 63.8 points. The index stood at 61.4 points in the previous quarter. This increase on the prior quarter's figure indicates accelerating economic momentum in the renewable energy and energy efficiency sector. Of the five components (or subindices) making up the index (Sales, Order Backlog, Supplier Deliveries, Inventories, and Employment), none was below the growth threshold in the second quarter. The Sales subindex rose by 3.8 points to 65.4. This indicates that sales grew at a faster pace than in the previous quarter. Order Backlog fell slightly from a very high level, losing 1.9 points to reach the new figure of 69.2 points. The continuing high level of order backlogs suggests that sales can be expected to remain high in the coming quarters. Significant growth was posted for Supplier Deliveries, which rose by 7.1 points to the new level of 58.9. This indicates a marked increase in capacity utilization by companies. Although Inventories fell slightly, this subindex again closed the quarter above the growth threshold of 50 points. Companies evidently stepped up their purchasing, albeit to a lesser extent than in the prior quarter. The Exports subindex (which is not included in the index) posted another small increase and is now just above the 50-point growth threshold, indicating a slight acceleration of export activity.

Subindices

	higher (%)	same (%)	lower (%)	net	Index	+/-
Sales	48	35	17	31	65.4	3.8
Order Backlog	48	43	9	38	69.2	-1.9
Supplier Deliveries	24	69	6	18	58.9	7.1
Inventories	12	79	9	3	51.7	-0.7
Employment	29	70	2	27	63.5	5.4
Exports	15	72	13	2	50.9	2.9

This table summarizes the results of the latest survey. For each subindex, it shows the percentage of responses that were higher, the same, or lower in relation to the previous month. The level attained by each subindex is also shown. The level for a subindex is obtained by adding the percentage of "higher" responses to half the percentage of "same" responses. The Renewable Energy Index corresponds to the weighted average of the subindices (weightings are shown in parentheses): Sales (0.25), Order Backlog (0.30), Supplier Deliveries (0.15), Purchasing Inventories (0.10) and Employment (0.20). If the level of the Renewable Energy Index or of one of its subindices is above the 50.0 point mark, this should be interpreted as an increase; a figure below 50.0 points indicates a decrease.

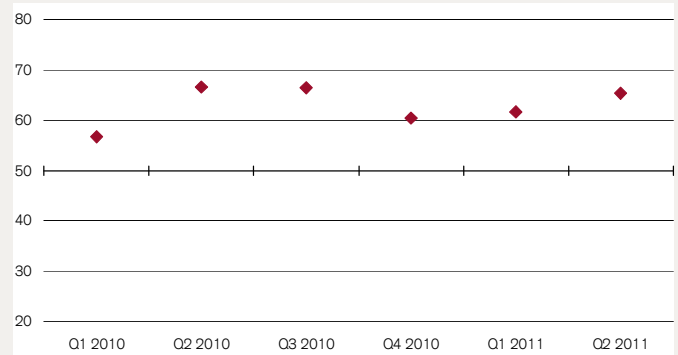
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Sales

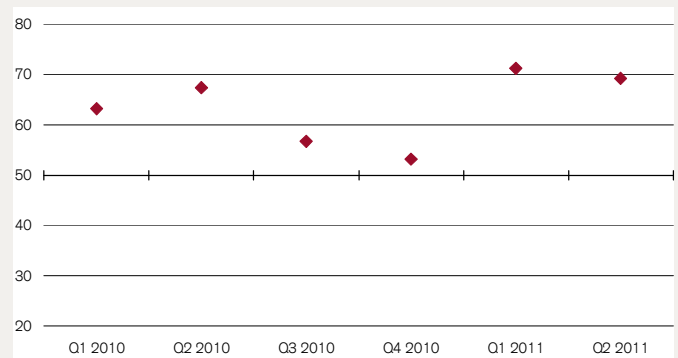
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	34	46	20	13	56.6
	Q2	48	37	15	33	66.5
	Q3	45	42	12	33	66.5
	Q4	41	38	21	21	60.4
2011	Q1	43	37	20	23	61.6
	Q2	48	35	17	31	65.4



The Sales component posted strong growth of 3.8 points in the second quarter of 2011. Sales had already risen by 1.3 points in the preceding quarter. This development indicates a further acceleration in the already positive pace of sales growth.

Order Backlog

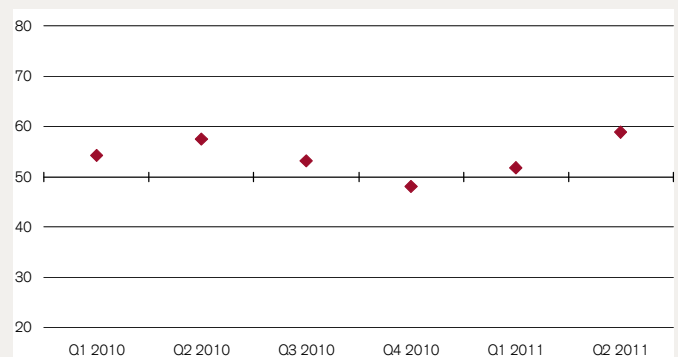
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	42	42	16	26	63.2
	Q2	47	40	13	35	67.4
	Q3	38	39	24	14	56.8
	Q4	32	42	26	6	53.1
2011	Q1	54	34	12	42	71.2
	Q2	48	43	9	38	69.2



Following strong growth in the previous quarter (with an increase of 18 points), the Order Backlog subindex fell slightly in the second quarter, with a loss of 1.9 points. This minor decrease from a very high level suggests that strong sales growth can be expected to continue in the coming quarters.

Supplier Deliveries

		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	19	71	10	8	54.2
	Q2	21	74	6	15	57.5
	Q3	15	77	8	6	53.2
	Q4	11	75	14	-4	48.0
2011	Q1	12	80	8	4	51.8
	Q2	24	69	6	18	58.9



The Supplier Deliveries (i.e. suppliers' delivery periods) subindex registered an impressive increase in the second quarter, to reach a new level of 58.9 points. There was evidently a substantial increase in capacity utilization during the second quarter, and delivery periods became longer as a result.

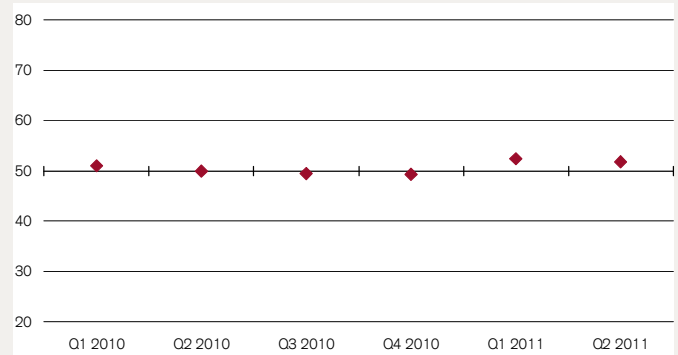
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Inventories

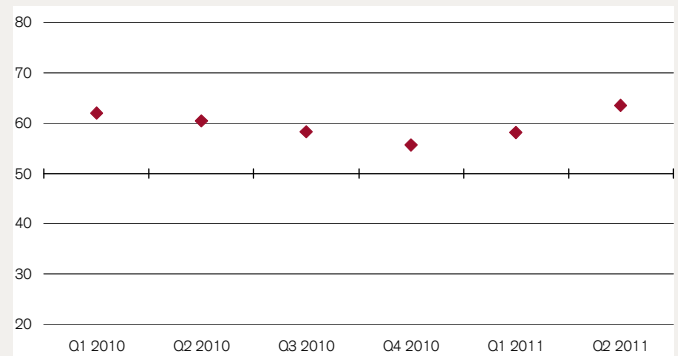
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	16	71	14	2	51.0
	Q2	11	78	11	0	50.0
	Q3	19	62	20	-1	49.4
	Q4	15	69	16	-1	49.3
2011	Q1	20	66	15	5	52.4
	Q2	12	79	9	3	51.7



In the second quarter of 2011, Inventories (of purchased raw materials, semifinished products and components for production) fell slightly, but this subindex is again above the growth threshold of 50 points. This development indicates that companies again stepped up their purchasing of primary products, albeit to a lesser extent than in the prior quarter.

Employment

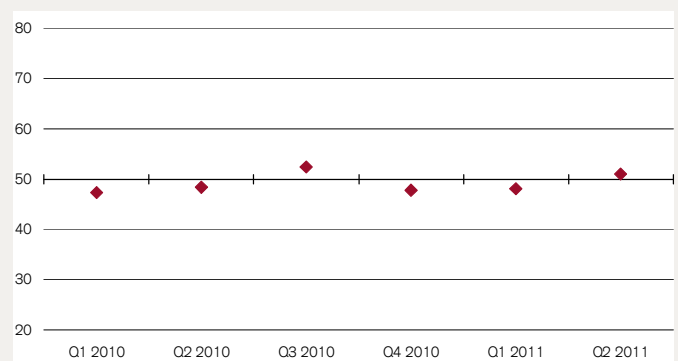
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	30	64	6	24	61.9
	Q2	27	67	6	21	60.4
	Q3	26	65	9	16	58.2
	Q4	20	72	9	11	55.6
2011	Q1	27	63	10	16	58.1
	Q2	29	70	2	27	63.5



The Employment subindex soared by 5.4 points in the second quarter to reach a new level of 63.5 points. Companies clearly continued to increase their employment levels at an even faster pace.

Exports

		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	11	72	17	-5	47.3
	Q2	12	74	15	-3	48.4
	Q3	17	71	12	5	52.4
	Q4	4	87	9	-4	47.8
2011	Q1	8	80	12	-4	48.0
	Q2	15	72	13	2	50.9



The Exports subindex rose by 2.9 points in the second quarter of 2011, and is now above the 50-point growth threshold again. This increase indicates the positive economic momentum of export activity in the second quarter.

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A EE

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