

## Case Studies

### Q-Cells: Technology made in Germany

This is a textbook example of a German success story - and a success for private equity: Ten years ago, in an industrial estate close to the East-German town of Bitterfeld, three young scientists and one management consultant had the idea to produce solar cells. Today, their vision has turned into the world's biggest manufacturer for solar cells and into one of Germany's fastest growing enterprises. This development was made possible through lasting support from venture capital companies, who put their trust into the entrepreneurs' business plan, right from the beginning.

Q-Cells was founded at the end of 1999, by Reiner Lemoine, Holger Feist, Paul Grunow and one further individual. Shortly afterwards, Anton Millner joined the group. One and a half years later, the first solar cells came from the production line – at this point, Q-Cells employed a staff of merely 19. But this technology company would grow fast – not least because of its many business partners. These not only provided the new enterprise with capital, but also placed their know-how and business networks at its disposal.

Right from the start, business angel Immo Ströher and the IBG Beteiligungsgesellschaft were involved through a silent partnership. A little later, they were joined by Good Energies and MVC Capital (formerly DKB Wagniskapital Unternehmensbeteiligungsgesellschaft), who both specialise in early stage financing. All of these companies believed in Q-Cells' potential. And they were right: Through the injection of risk capital, Q-Cells had developed strongly and successfully, by the springtime of 2004. As a result, the internationally renown private-equity-company Apax joined the enterprise with an investment of 11.5 million Euros. Alongside this business partner, the manufacturer for solar cells would finally establish itself on the markets - and it would be able to grow even faster. Eventually, Apax took Q-Cells public – and the initial public offering was over-subscribed forty-fold. This gave the company an even bigger financial leeway, enabling additional investments into a diversification of technology.

Today, Q-Cells is in splendid shape: Last year's turn-over totalled roughly 859 million Euros – in 2006, turn-over had been 539 Million Euros. Currently, the company offers employment to a staff of about 1700, and remarkably, over 700 of these jobs were established in the economically underdeveloped regions of Eastern Germany.

In order to strengthen its position as the world market leader, Q-Cells will further increase production capacities at the site in Bitterfeld-Wolfen, and it will be building an entirely new production plant in Malaysia.

Q-Cells is a medium sized business set for expansion. It serves as a prime example for the strength of the German economy and in particular, it illustrates the strength of Germany as a location for technological innovation. Private equity has accompanied Q-Cells right along its course of expansion, starting out with venture capital, moving on to a majority holding and successfully concluding its involvement by taking the company public.