

Date: 30<sup>th</sup> October 2009

## **QUARTERLY PROFIT RESULT**

The company earned a profit of \$7,210,308 before tax for the three month period 1 July to 30 September 2009 principally as a result of heat pump operations.

The heat pump business results are influenced by the regulatory environment in which it operates. This includes government cash support to renewable technologies and the issuing and sale of renewable certificates required to be purchased by energy retailers to assist in meeting prescribed government renewable targets.

During the quarter both the cash subsidy and renewable certificate prices have changed adversely affecting the results and this is expected to continue into the next quarter which may result in a further deterioration of profitability. The Solar water heater industry as well as other renewable energy technology companies such as wind and hydro will also be curtailed in their ability to create projects and sales whilst the certificate prices remain at depressed levels. The Clean Energy Council (CEC) of which Quantum is a member and individual companies are lobbying the government to obtain a more satisfactory outcome for certificate prices. Quantum is also lodging a submission to a COAG review in relation to the eligibility of new small scale technologies and heat pumps in the RET. This review which will have supporting submissions by the CEC and other solar companies will be important in determining the level of support from renewable certificates.



Phillip Sidney

Managing Director