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ASX & MEDIA RELEASE

SHAREHOLDER UPDATE

Attached with this announcement is an update to shareholders provided by diversified renewable energy company, CBD Energy Limited.

This note to shareholders coincides with CBD releasing its Annual Report for FY 2012 which will lead to the lifting of the current suspension of trading of CBD shares on the ASX.

CBD also lodges with the ASX today an announcement headed "CBD Energy Retires from AusChina Joint Venture" as well as an announcement from RES group headed "RES Sells Taralga Wind Farm in NSW to Santander and CBD Energy Ltd" attached to the shareholder update.

Highlights from CBD's Shareholder Update are:

Wind

- In joint venture with Banco Santander, CBD has now completed the purchase of Taralga Wind Farm
- This delivers a development fee to CBD valued at A\$15 million including retention of 10% equity in the project. Cost reimbursement and cash portion of development fee received totalling over \$7 million.
- Taralga is an approximate A\$250 million development with 107MW capacity and CBD will project manage construction and operate the project on behalf of the JV

Solar

- CBD is negotiating the sale of its first Italian solar project to a UK institution for approximately €12.5 million
- In addition, CBD has signed a binding framework agreement, for the construction and subsequent sale of an additional 25MW of solar projects in Italy, valued at approximately €50 million
- CBD has received an order to build a \$7.5M extension to the Thailand solar farm it built in 2011
- First US solar project, valued at US\$3.8 million, expected to be delivered in late December 2012, with a second stage to follow
- Australian solar business has been restructured with much reduced operating cost and a firm plan to return to profitability this financial year

Pipeline, NASDAQ, AusChina

- CBD has a pipeline of 400MW of renewable energy projects immediately available to it
- This has the ability to underpin CBD's business by contributing strong revenues, cash flow and profits
- CBD expects to have NASDAQ F4 filings finalised in December with listing likely in early 2013
- CBD has retired from its AusChina joint venture

Board, Annual Report, Outlook

- Board changes to follow merger with Westinghouse Solar and to coincide with NASDAQ listing include the Hon Mark Vaile AO retiring as chairman and leaving the board, Mr Gerry McGowan becoming Executive Chairman, Robert F Kennedy Jnr joining the board, with other appointments to be announced
- In lodging its 2012 Annual Report, CBD advises it has taken up further asset impairment and implemented prudent accounting policies to ensure a smooth transition to NASDAQ
- CBD reiterates that it expects to return to profitability in FY 2013

In December, CBD will hold its Annual General Meeting to consider, among other matters, the merger with Westinghouse Solar, Inc.

FOR FURTHER INFORMATION:

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ABOUT CBD ENERGY (ASX: CBD) <http://www.cbdenergy.com.au>

CBD is Australia's emerging leader in renewable energy, enabling the efficient use of renewable energy for utilities, businesses and households through operations in wind, solar, energy storage and engineering. It has become one of the largest non-utility suppliers and installers of solar energy generation equipment for both large- and domestic-scale operation in Australia. Utilizing its globally-competitive supply chain, CBD is also currently developing and profitably installing solar projects in Europe and Southeast Asia, both directly and through joint ventures.

