

PRESS RELEASE

Solar Energy Startup SolFocus nets \$25 million in Series A financing led by NEA
Funding enables expansion of team, accelerated reliability test series, pilot production, and guaranteed cell supply

PALO ALTO, Calif., July 25, 2006 – SolFocus, Inc., breakthrough innovator of solar concentrator photovoltaic (CPV) systems, today announced it closed \$25 million of a \$32 million Series A equity financing led by New Enterprise Associates (NEA). The round also included seed investors NGEN Partners and Yellowstone Capital. The \$3.5 million seed round was completed in March 2006. The new funds will accelerate a large-scale reliability test series, the production ramp of CPV modules at domestic and off-shore factories, and securing the long term supply of photovoltaic cells.

As part of the financing, NEA's Scott Sandell joins the company's board of directors and Nobel Laureate and former director of Bell Laboratories Arno Penzias joins the SolFocus technical advisory board.

“Rapid growth in the \$10 billion global market for solar power is constrained by the availability and cost of silicon. SolFocus' unique CPV technology eliminates the silicon bottleneck and significantly reduces the cost of solar power,” said Sandell, a general partner at NEA. “The product design combines leading-edge performance of high-efficiency cells with low-cost optics in a fully enclosed, highly reliable package. It is an innovative yet practical design that's ready for large-scale field testing and subsequent deployment.”

“The strong financial support and world-class team at NEA will allow us to rapidly build out our 10 megawatt pilot production line,” said Gary D. Conley, chief executive officer of SolFocus. “The funds will also be used to significantly expand the SolFocus team. We are hiring scientists and engineers from the semiconductor, automotive, lighting and projection display industries.”

SolFocus has signed a volume supply agreement with a leading supplier of high efficiency triple-junction PV cells. The agreement is the largest to date in the CPV industry and will support SolFocus' field test series and first phase of active deployments through 2007.

About SolFocus, Inc.

SolFocus develops and markets products that generate electricity using solar concentrator photovoltaics (CPV). The low cost of SolFocus solar panel products will enable a dramatic reduction in the cost of delivering renewable solar energy, and for the first time enable solar to compete with conventional fuels in several large multi-billion dollar energy markets. In November 2005, the National Renewable Energy Lab Growth Forum recognized SolFocus chief executive officer Gary D. Conley as the 2005 Clean Energy Entrepreneur of the Year. In February 2006 SolFocus announced a strategic partnership with Palo Alto Research Center (PARC) for core patents and technology development in CPV.

About Palo Alto Research Center Inc.

The Palo Alto Research Center Inc. (PARC) has an established track record for collaborative research that transforms industries and creates commercial value. A subsidiary of Xerox Corporation, PARC conducts sponsored interdisciplinary research to solve fundamental business challenges for strategic partners in a variety of industries as well as research for government agencies. It also licenses intellectual property and technology and develops entrepreneurial new ventures by applying breakthrough research to areas such as energy, biomedicine, and networks. Home to the world's top scientists in the physical, computing and social sciences, it is the birthplace of technologies such as laser printing, Ethernet, the graphical user interface, and ubiquitous computing.

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