

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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1 JANUARY 2010 TO 31 MARCH 2010

⊗ CONSOLIDATED INCOME STATEMENT // IN k€

	1st quarter 2010	1st quarter 2009
1. Revenue	225,579	176,266
2. Change in inventories of finished goods and work in progress	28,778	71,736
3. Own work capitalized	294	441
4. Other operating income	18,273	5,084
5. Cost of materials	-173,374	-150,728
6. Personnel expenses	-27,438	-26,179
7. Amortization and depreciation	-19,163	-14,710
8. Other operating expenses	-28,156	-24,137
9. Operating result	24,793	37,773
10. Financial result	-13,000	-2,807
11. Income before taxes on income	11,793	34,966
12. Taxes on income	-6,515	-11,183
13. Consolidated net income	5,278	23,783
14. Earnings per share		
Weighted average number of shares outstanding (in 1,000)	111,720	111,720
Consolidated net income (in €)	0.05	0.21

⑨ CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME // IN k€

	1st quarter 2010	1st quarter 2009
Consolidated net income	5,278	23,783
Other comprehensive income		
Net result from cash flow hedges	-980	-9,214
Currency translation of foreign operations	20,239	11,988
Net result from financial assets available for sale	0	-6
Income tax relating to components of other comprehensive income	292	2,916
Other comprehensive income for the period, net of tax	19,551	5,684
Total comprehensive income for the period	24,829	29,467

⑩ CONSOLIDATED BALANCE SHEET // IN k€

Assets	31.03.2010	31.12.2009
A • Noncurrent Assets	921,193	881,824
I. Intangible assets	37,103	37,297
II. Property, plant and equipment	839,788	787,536
III. Investments measured at equity	38,133	50,243
IV. Other financial assets	849	849
V. Deferred tax assets	5,320	5,899
B • Current Assets	1,832,681	1,334,390
I. Inventories	636,526	598,154
II. Trade receivables	160,678	211,401
III. Current income tax assets	4,557	2,157
IV. Other receivables and assets	26,775	12,987
V. Other financial assets	93,131	81,602
VI. Liquid funds	911,014	428,089
C • Assets Held for Sale	869	836
	2,754,743	2,217,050

Equity and Liabilities	31.03.2010	31.12.2009
A • Equity	890,291	865,462
I. Subscribed capital	111,720	111,720
II. Capital reserve	296,489	296,489
III. Other reserves	8,034	-11,517
IV. Accumulated profits	474,048	468,770
B • Noncurrent Liabilities	1,619,960	1,119,411
I. Noncurrent financial liabilities	1,253,619	750,584
II. Accrued investment grants	66,083	68,279
III. Noncurrent provisions	25,440	24,023
IV. Other noncurrent liabilities	244,860	250,662
V. Deferred tax liabilities	29,958	25,863
C • Current Liabilities	244,492	232,177
I. Current financial liabilities	46,021	38,915
II. Trade payables	95,662	83,943
III. Income tax liabilities	24,953	25,218
IV. Current provisions	5,881	5,426
V. Other current liabilities	71,975	78,675
	2,754,743	2,217,050

⑪ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY // IN k€

	Subscribed capital	Capital reserve	Other reserves			Accumulated profits	Total
			Exchange reserve	Reserve from hedging of cash flows	Reserve for assets available for sale		
As per Dec. 31, 2008	111,720	296,489	-3,123	9,148	286	426,555	841,075
Total comprehensive income 1st quarter 2009			11,988	-6,302	-2	23,783	29,467
As per Mar. 31, 2009	111,720	296,489	8,865	2,846	284	450,338	870,542
Dividend distribution						-16,758	-16,758
Total comprehensive income 2nd - 4th quarter 2009			-21,231	-1,997	-284	35,190	11,678
As per Dec. 31, 2009	111,720	296,489	-12,366	849	0	468,770	865,462
Total comprehensive income 1st quarter 2010			20,239	-688	0	5,278	24,829
As per Mar. 31, 2010	111,720	296,489	7,873	161	0	474,048	890,291

⑫ CONSOLIDATED CASH FLOW STATEMENT // IN k€

	1st quarter 2010	1st quarter 2009
Income before tax	11,793	34,966
+ Amortization and depreciation	19,163	14,710
+ Financial result (without gains/losses from currency translation)	14,081	4,241
+ Loss from disposal of assets	79	6
- Reversal of accrued investment grants	-2,808	-2,704
- Other material non-cash income	-7,802	0
= Cash flow from operating result	34,506	51,219
-/+ Changes in prepayments and customer advances (balance)	2,529	-1,203
- Increase of inventories (devoid of prepayments)	-32,948	-69,027
-/+ Increase/decrease of trade receivables	50,706	-31,702
+ Increase of trade liabilities	9,971	7,612
- Changes in other net assets	-28,378	-26,632
= Cash flow from operating result and changes in net assets	36,386	-69,733
+ Interest received	512	4,008
- Taxes on income paid	-8,382	-18,017
= Cash flow from operating activities	28,516	-83,742
- Cash outflow for asset investments	-48,046	-67,852
+ Cash inflow from the disposal of assets	7,469	4
+ Cash inflow from financial investments	2,700	41,988
+ Cash inflow from the disposal of consolidated entities	0	5,775
= Cash flow from investment activities	-37,877	-20,085
+ Cash inflow from borrowings	498,044	0
- Cash outflow for redemption of borrowings	-1,839	-1,866
- Interest paid	-7,500	-8,027
= Cash flow from financing activities	488,705	-9,893
+/- Net changes in cash and cash equivalents	479,344	-113,720
+ Exchange rate effects on cash and cash equivalents	3,581	972
+ Cash and cash equivalents at the beginning of the period	428,089	431,689
= Cash and cash equivalents at the end of the period	911,014	318,941

NOTES ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Pursuant to Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards SOLARWORLD AG is obliged to apply the international accounting standards adopted in accordance with Articles 2, 3 and 6 of said Regulation. These interim financial statements as per March 31, 2010 have accordingly also been prepared in accordance with IAS 34. These condensed consolidated interim financial statements have not been subject to a review or audit by an auditor.

2. ACCOUNTING AND VALUATION METHODS

In preparing the interim financial statements and establishing the comparative figures for the previous year basically the same consolidation principles and accounting and valuation methods as in the 2009 consolidated financial statements have been applied. A detailed description of these methods has been published in the Notes to the 2009 Annual Report which can be reviewed and downloaded from the Internet under www.solarworld.de//.

ESTIMATIONS AND ASSUMPTIONS

In connection with the preparation of the group interim financial statements management has to apply estimations and make assumptions. These affect the amounts recognized for assets, liabilities and contingent liabilities as of balance sheet date as well as the amounts recognized for revenues and expenses for the period then ended. Actual amounts may deviate from these estimations.

INCOME TAXES

The income tax expense of the group interim financial statements is mainly calculated on the basis of the actual tax rates of the respective group companies considering the effects of material tax neutral revenues and expenses. As of March 31, 2010, for the US subsidiaries, deferred taxes on tax loss carry forwards have not been capitalized.



3. GROUP OF CONSOLIDATED COMPANIES

The group of consolidated companies essentially consists of the following subsidiaries:

- DEUTSCHE CELL GMBH, Freiberg, Germany
- DEUTSCHE SOLAR AG, Freiberg, Germany
- GO!SUN GMBH & CO. KG, Bonn, Germany
- SOLAR FACTORY GMBH, Freiberg, Germany
- SOLARWORLD AFRICA (PTY.) LTD., Cape Town, South Africa
- SOLARWORLD ASIA PACIFIC PTE LTD., Singapore, Singapore
- SOLARWORLD CALIFORNIA LLC, Camarillo, USA
- SOLARWORLD IBÉRICA SL, Madrid, Spain
- SOLARWORLD INDUSTRIES AMERICA LLC, Camarillo, USA
- SOLARWORLD INDUSTRIES AMERICA LP, Camarillo, USA
- SOLARWORLD INDUSTRIES SERVICES LLC, Camarillo, USA
- SOLARWORLD INDUSTRIES DEUTSCHLAND GMBH, Bonn, Germany
- SOLARWORLD INDUSTRIES SCHALKE GMBH I.L., Bonn, Germany
- SOLARWORLD INNOVATIONS GMBH, Freiberg, Germany
- SOLARWORLD INDUSTRIES AMERICA INC., Hillsboro, USA
- SOLARWORLD SOLICIUM GMBH, Freiberg, Germany
- SOLARWORLD POWER PROJECTS INC., Camarillo, USA
- SUNICON AG, Freiberg, Germany

Directly or indirectly SOLARWORLD AG holds a 100 per cent stake in all these companies.

In the scope of a capital increase, SOLARWORLD AG acquired new shares in the joint venture SOLARWORLD KOREA LTD. on July 29, 2009, and then held 76.5 per cent in the company as of December 31, 2009. In February 2010, the joint venture partner of SOLARWORLD KOREA LTD. has exercised his right to reacquire 26.5 per cent of the shares in SOLARWORLD KOREA LTD. for a fixed price within the period of one year and thus re-established an equal share quota.



4. OTHERS

CONTINGENT LIABILITIES

As of March 31, 2010 there are no changes of contingent liabilities compared to December 31, 2009.

5. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

In April 2010, SOLARWORLD AG has taken an interest of 29 per cent in the newly founded joint venture Qatar Solar Technologies Q.S.C. domiciled in the emirate Katar. On the Arabian peninsula, the joint venture will build production facilities for polysilicon with a planned capacity of 3,600 tons p.a.

In the beginning of May 2010, the German Bundestag has made a final decision regarding the Renewable Energy Sources Act. Consequently, as of July 1, 2010, the remuneration for roof-top installations will decrease once by 16 per cent, the one for free-field installations by 15 per cent and the one for conversion-area installations by 11 per cent. From July 1, 2010 on, solar energy systems to be built on agricultural crop land will not receive any remuneration any more. For installations, for which an ordinance resolution according to building law has been made until March 25, 2010, a transition period applies until December 31, 2010. As of January 1, 2011 the respective remuneration will further decrease by 9 per cent. In case that certain growth corridors (3,500 MW, 4,500 MW, 5,500 MW and 6,500 MW) will be overstepped, the remuneration is supposed to decrease further by one percentage point in each case.

Apart from that, after March 31, 2010 there were no events of particular importance.



⑬ SEGMENT REPORTING 1ST QUARTER 2010 // IN M€

	Production Germany	Production USA	Trade	Other	Elimination	Consolidated
Revenue						
External revenue	66	5	183	0	-28	
Intersegment revenue	75	53	0	2	-130	
Total revenue	141	58	183	2	-158	226
Result						
Operating result (EBIT)	22	-5	4	-1	5	25
Financial result						-13
Income before taxes on income						12
Taxes on income						-7
Consolidated net income						5

⑭ SEGMENT REPORTING 1ST QUARTER 2009 // IN M€

	Production Germany	Production USA	Trade	Other	Elimination	Consolidated
Revenue						
External revenue	110	16	84	1	-35	
Intersegment revenue	90	43	0	1	-134	
Total revenue	200	59	84	2	-169	176
Result						
Operating result (EBIT)	47	-6	3	1	-7	38
Financial result						-3
Income before taxes on income						35
Taxes on income						-11
Consolidated net income						24