

SUPPLEMENTARY REPORT

EVENTS OF PARTICULAR IMPORTANCE AND THEIR REPERCUSSIONS

The German parliament passed a final resolution on Renewable Energy Sources Act (EEG) in early May 2010. This means that as of 1 July 2010 the compensation for roof systems will decline by 16 per cent as a one-off, that for free-field systems by 15 per cent and that for conversion surfaces by eleven per cent. Solar plants built on arable land will not receive any funding from 1 July onward. For those plants for which planning permission under building law has been submitted by 25 March 2010 a transitional ruling will apply until 31 December 2010. As of 1 January 2011 the feed-in compensation will drop by nine per cent. If certain growth corridors should be exceeded (3,500 MW, 4,500 MW, 5,500 MW and 6,500 MW) the compensation will additionally be reduced by another percentage point.

The investors' self-consumption of solar power is to be strengthened on the other hand. Own power compensation will come in two stages. If the share of self-consumed power remains below 30 per cent the sum of compensation and domestic electricity price saved will produce an advantage of 3.6 Cent/kWh versus the feed-in compensation. Any additional self-consumed kilowatt hour upwards of the 30 per cent limit can generate an advantage of up to 8.0 Cent/kWh. This regulation will also come into force on 1 July 2010. It will apply to all plants smaller than 500 kW.

OVERALL MANAGEMENT STATEMENT ON THE ECONOMIC SITUATION AT THE TIME OF REPORTING

The management of SOLARWORLD AG judges the economic situation of the company to be positive against the background of the earnings, finance and asset situation as portrayed in the 2009 annual financial statements and the figures of the first quarter of 2010 as outlined above as well as taking into consideration the ongoing business at the time when the group interim report was drawn up.

