



# SUPPLEMENTARY REPORT

## DISCLOSURE OF TRANSACTIONS OF PARTICULAR IMPORTANCE

**BOND SUCCESSFULLY PLACED.** In mid-January 2010, SOLARWORLD AG successfully emitted a bond worth € 400 million. Most of the bonds were placed with financial institutes and investors in Germany and other European countries.

**SPECIAL REDUCTION OF FEED-IN TARIFFS ANNOUNCED IN GERMAN EEG.** At the end of January the Federal Ministry of the Environment presented a draft for an amendment of the EEG. Since then this has been widely discussed. The amendment is designed to come into force on 1 July 2010. It has not yet been finally passed and still needs the approval of the Bundestag. → [EEG amended](#) • p. 136//

**SOLARWORLD AGAIN WINS IN THE PHOTON MODULE YIELD TEST.** According to an annual evaluation by the Photon trade journal published in February 2010, our SW 210 POLY MODULE again came out as the best module in a field test. → [Facts: Quality “Made by SolarWorld”](#) • p. 088// Our module generated the highest standardized annual yield per installed capacity. The group thus again achieved top position with respect to a crucial quality criterion and purchasing argument.

**NEW FEED-IN TARIFFS ADOPTED IN EUROPEAN SOLAR MARKETS.** A new feed-in tariff<sup>9</sup> system entered into force in France in January 2010. Tariffs for integrated roof systems were reduced slightly but remained attractive by international standards at 0.58 €/kWh. The market is expected to gain additional momentum from an increase in the feed-in tariff for free-field systems, granted as a function of the radiation intensity at the respective site. In February a new feed-in tariff program was adopted in the UK; it is to enter into force as of 1 April. It will apply to plants with a maximum size of 5 MW.

**SOLARWORLD IS ONE OF GERMANY’S BEST EMPLOYERS.** For the second time, SOLARWORLD successfully participated in the survey “Germany’s Best Employers” of the Great Place to Work<sup>®</sup> Institute. [www.greatplacetowork.de](http://www.greatplacetowork.de)// We achieved 55th position, having ranked 57th in 2008. The survey mainly assesses the corporate culture<sup>9</sup> in the companies taking part. Employees participate in an anonymous online survey, assessing the five dimensions of credibility, respect, fairness, pride and team orientation.



**GROUP STRUCTURE MODIFIED.** Effective 11 February 2010 our Korean joint venture<sup>9</sup> partner made use of his right to acquire 26.5 per cent of the shares in SOLARWORLD KOREA LTD. On 1 March 2010 SOLARWORLD AG agreed a joint venture with the Qatar Foundation. We will acquire a stake of 29 per cent in Qatar Solar Technologies (QST) located in the Emirate of Qatar. In addition to the Qatar Foundation (70 per cent) the Qatar Development Bank (1 per cent) will also be part of the Joint Venture. The QST will invest more than 500 million US\$ in the construction of a silicon production facility. → [Legal group structure modified](#) • p. 048//

## IMPACT OF TRANSACTIONS OF PARTICULAR IMPORTANCE

**BOND ENHANCES FLEXIBILITY.** The successful placement of our bond, which will mature in seven years, strengthens our financial flexibility for our planned growth. → [Future liquidity](#) • p. 146//

**EEG AMENDMENT INCREASES COST PRESSURE.** The announced amendment to the German Renewable Energy Sources Act (EEG) has created additional consolidation pressure within the solar sector. It will not be possible to directly offset the additional decline (on top of the reduction of 9 per cent already effected in January), in full through cost reductions. Nevertheless, SOLARWORLD will push ahead with its cost cutting program. → [Strategy and action](#) • p. 033//

**QUALITY LEADERSHIP CONFIRMED.** The renewed good rating of our solar modules in an independent test confirms our quality strategy. This gives us a key edge in international competition and strengthens our positioning as quality leader.

**SOLARWORLD BENEFITS FROM PRESENCE IN EUROPEAN MARKETS.** Europe will remain a major sales market for SOLARWORLD. The amendment to the feed-in tariff<sup>9</sup> in France and the new act in the UK will open up new potential in these young European markets for solar power technology. Demand in these two countries is expected to continue to grow over the next few years; this will benefit SOLARWORLD with its strong presence in Europe and its regional flexibility.

**STRONG EMPLOYER BRAND SECURES GROWTH.** We will only be able to continue to grow successfully if we win and retain highly qualified employees. A strong public employer brand will give us a competitive edge over our competition.

**JOINT VENTURE PARTNER BUYS STAKE IN SOLARWORLD KOREA LTD.** Thus, both SOLARWORLD AG and our partner again hold 50 per cent each in the Joint Venture.



**RAW MATERIAL SUPPLY SUPPLEMENTED.** Through the newly formed joint venture Qatar Solar Technologies SOLARWORLD AG will have access, probably from the end of 2012 onwards, to a supplementary, inexpensive source of raw material for further expansion.

## **OVERALL STATEMENT BY THE MANAGEMENT BOARD ON THE ECONOMIC SITUATION AT THE TIME OF THE REPORT**

The economic situation of the group is rated as positive by the management of SOLARWORLD AG, taking into account our net assets, financial position and results of operations resulting from the consolidated annual financial statements for 2009 and outlined above, as well as considering the ongoing business in 2010 at the time of drawing up the group management report.

