



Q-CELLS SE

REPORT AS OF 30 JUNE 2010

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- 1. OVERVIEW**
 - 2. FINANCIAL RESULTS Q2 2010**
 - 3. TRANSFORMATION: STATUS QUO AND NEXT STEPS**
 - 4. RESTRUCTURING ON TRACK**
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■ Financials:

- Significant increase of sales to 334 EURm (Q1: 232 EURm)
- EBITDA improved to 50 EURm (Q1: 19 EURm)
- Positive EBIT of 27 EURm (Q1: -9 EURm)
- EAT of 35 EURm (Q1: -46 EURm)

■ Repositioning:

- Robust sales of solar cells
- Successful market launch of crystalline modules and commercial / industrial systems
- Ramp-up of Malaysian solar cell factory and CIGS thin-film module production as scheduled

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SUMMARY

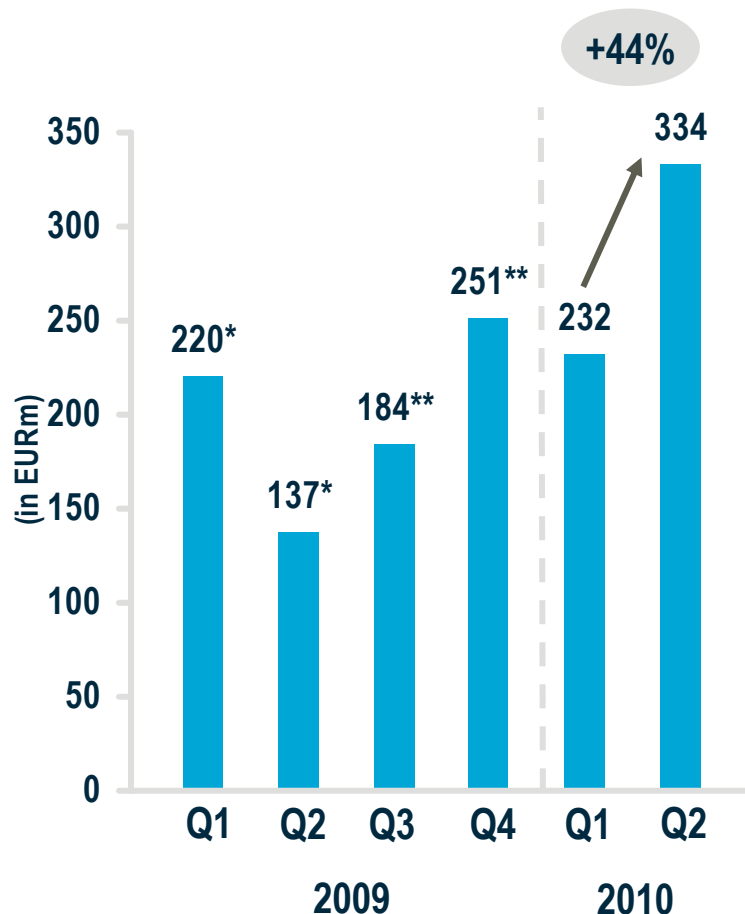
	Q2 2009	Q1 2010	Q2 2010
Production volume*	116 MWp	174 MWp	238 MWp
Sales	136.9 EURm	232.3 EURm	333.5 EURm
EBITDA	-47.9 EURm	18.8 EURm	50.2 EURm
EBIT	-65.5 EURm	-9.3 EURm	27.1 EURm
EAT	-320.9 EURm	-46.4 EURm	35.2 EURm
Working capital**	483.8 EURm	429.5 EURm	486.7 EURm
Capex	69.7 EURm	36.8 EURm	37.4 EURm

* Solar cells and CIGS thin-film modules

** Adjusted definition incl. additional working capital relevant balance sheet items (see appendix on page 28)

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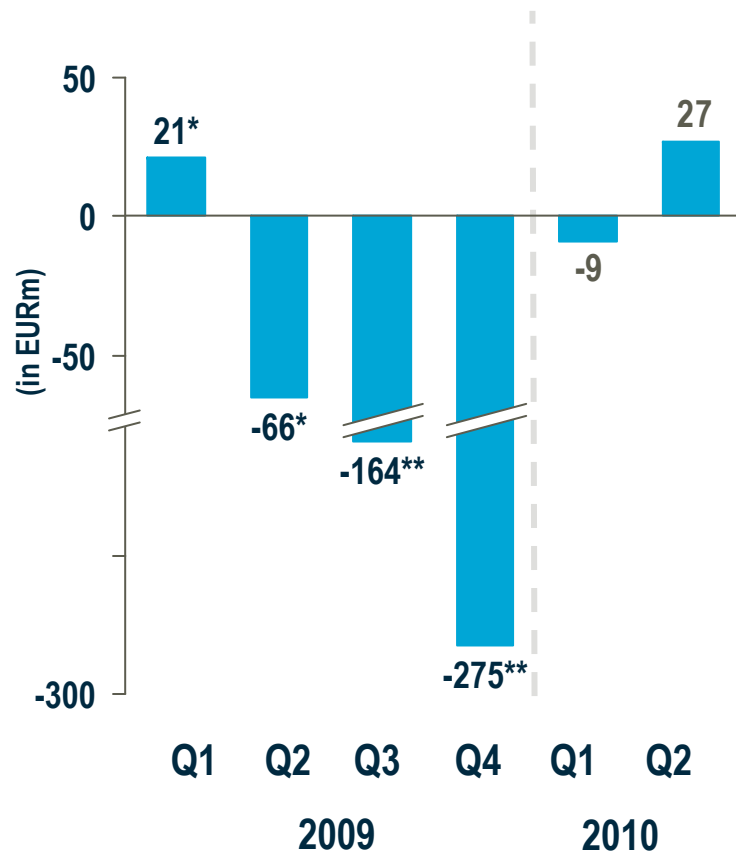
SALES



* Q1 and Q2 2009 number after review of FREP

** Q3 and Q4 2009 numbers as reported in 2009

- Sales Q2 2010: Increase of 44% compared to Q1 2010
- Strong growth of cell shipments from 105 MWp in Q1 to 160 MWp in Q2
- 44 MWp of crystalline modules shipped in Q2
- CIGS module shipment of 7 MWp in Q2
- Firm price development for cells and modules in Q2
- Project Fiwa II + III not in sales in Q2: otherwise additional ~55 EURm



- EBIT Q2 2010: 27.1 EURm (Q1 2010: -9.3 EURm)
- Improvement driven by:
 - Higher sales volume
 - Launch of crystalline module business
 - Stable price development
- Extraordinary effects:
 - Ramp-up Malaysia and Solibro: -4 EURm
 - Write-up Timminco shares: 3 EURm

* Q1 and Q2 2009 number after reclassification of F/X effects, discontinued operations (Calyxo, VHF) and review of FREP

** Q3 and Q4 2009 numbers as reported in 2009 (no reclassification of F/X effects and discontinued operations)



In EURm	Products	Systems	Others	Group
Sales	358.0	139.1	68.6	565.7
EBIT	10.2	4.1	3.6	17.9

- **Product business driven by strong sales of cells and launch of module shipments**
- **Start of C/I business in the project segment**
- **Delay of utility scale project business**



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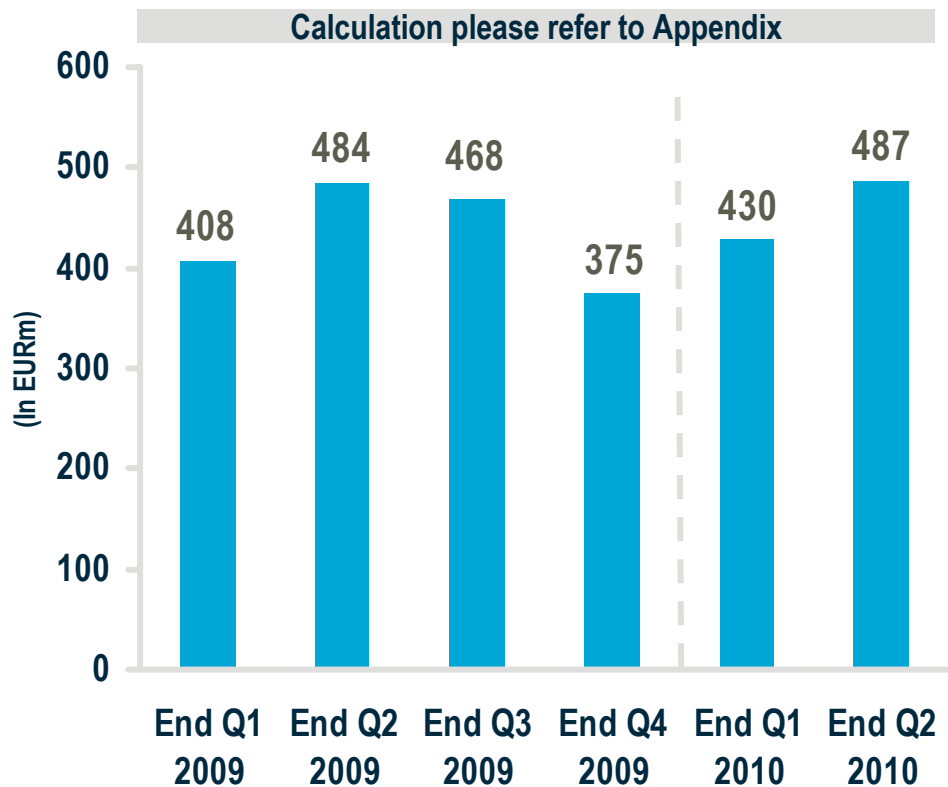
CASH, CAPEX AND WORKING CAPITAL

EURm	Q1 2010	Q2 2010	Comments
Liquidity	280	254	<ul style="list-style-type: none"> - Further capex for Malaysia and Solibro - Higher Net Working Capital
Net debt	639	692	<ul style="list-style-type: none"> - Higher non-current financial liabilities due to strong MYR
Working Capital*	430	487	<ul style="list-style-type: none"> - Increase of working capital mainly due to project business
Capex	37	37	<ul style="list-style-type: none"> - FY 2010: 150-200 EURm

* Adjusted definition incl. additional working capital relevant balance sheet items (see Appendix)

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TOTAL NET WORKING CAPITAL



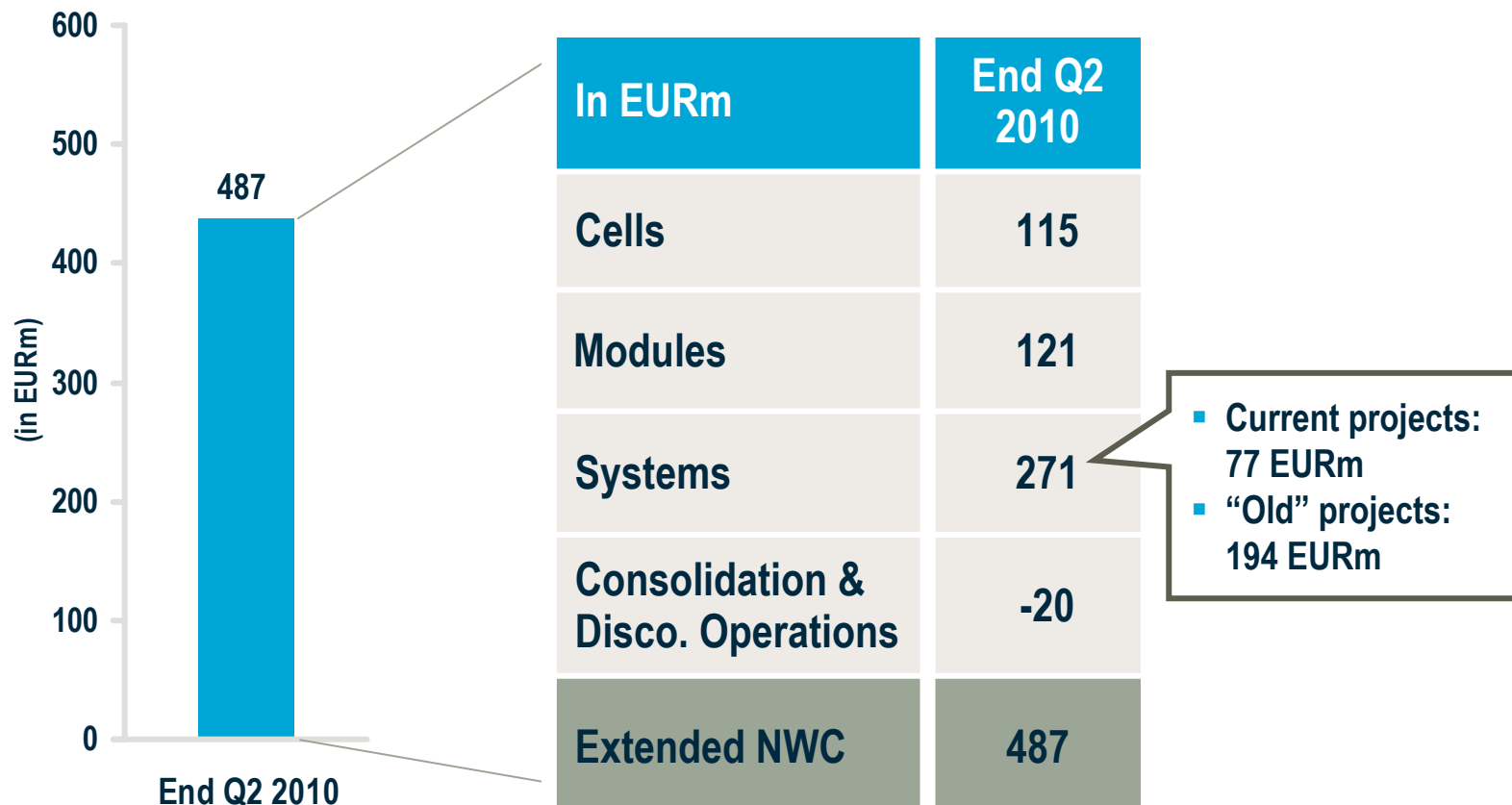
- Increase in H1 2010 driven by:
 - Start of crystalline module business
 - High sales in June (high receivables by June 30, 2010)
 - Inventory build-up of new projects started (Fiwa II and III)
 - Delayed sales of 2009 projects (Fiwa I)

Sales in EURm	225	141	184	251	232	334
Cash Conversion Cycle in Days*	166	312	232	136	169	133

* Based on sales per quarter

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SPLIT OF NET WORKING CAPITAL





- **C/I Business: very low Working Capital (Ahorn & Spremberg)**
- **Measures in cell and module business**
 - **Optimization of supply chain**
- **Update „old“ projects:**
 - **Finsterwalde I: contract with buyer LHI signed; remaining sales contribution in Q3 and cash contribution at the end of Q3/Q4 expected**
 - **Basilicata: term sheet in advanced negotiations; sales contribution in Q3/Q4 and cash contribution at the end of Q4 expected**
- **Update current projects:**
 - **Finsterwalde II + III: advanced negotiations; term sheet available; sales contribution in Q3 and cash contribution in Q4 expected**

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Q-CELLS EXECUTIVE BOARD COMPLETE

- **The Supervisory Board has appointed Dr Nedim Cen as Chief Executive Officer for 5 years, with effect from 1 September 2010; completion of current interim mandate**
- **Executive Board is complete and could focus on restructuring and transformation**
- **Restructuring should be completed to a large extent until the end of 2010; major tasks will be: Working Capital, cash management and cost reduction**



Q-CELLS EXECUTIVE BOARD COMPLETE

DR NEDIM CEN



CEO

Responsible for:

Corporate Strategy
Corporate Communications
Business Excellence
Venture Management
Executive Development

DR MARION HELMES



CFO

Responsible for:

Finance
Tax
Legal & Compliance
Internal Audit
Investor Relations

GERHARD RAUTER

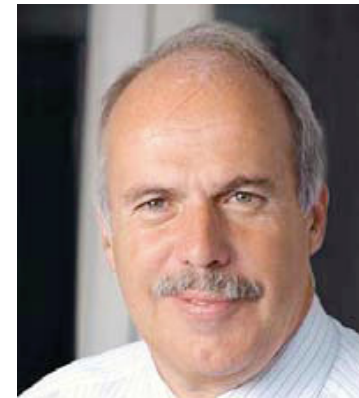


COO

Responsible for:

Production of Solar Cells,
Crystalline & Thin-film
Modules
Silicon Sourcing
Technology
Quality Management,
Environment, Health & Safety
Business Management,
Human Resources
IT

HANS-GERD FÜCHTENKORT



CSO

Responsible for:

Sales Products & Systems
Product Management
Marketing
Central Customer Service
Project & Service
Management



■ PRODUCT, MARKETING AND SALES – STATUS QUO

- Further stable contribution of solar cells to sales
- Successful launch of modules business in June (Intersolar/Munich); shipments in Q2: 44 MWp of crystalline modules and 7 MWp CIGS modules
- Sales target of crystalline modules in 2010: 100-150 MWp
- C/I systems business also successfully launched with two projects realized in Q2 (Ahorn & Spremberg)
- Repositioning of product portfolio and sales to better serve various international customer segments

TRANSFORMATION – NEXT STEPS

- **Further increase of productivity of cell production**
- **Beside cell research, R&D will be focused on solar modules, systems and PV solutions in future**
- **Q-Cells considers to bring its strength in a cooperation with strategic partners to develop new PV solutions**











CIGS THIN-FILM MODULE PRODUCTION

- Ramp-up of Solibro's second production line of thin-film modules in Thalheim as scheduled; already 6 MWp produced in June; 9 MWp per month planned for end of 2010
- Ramp-up to total production capacity of 135 MWp CIGS solar modules until the end of 2010
- Highest module efficiency of 13 % in June; average efficiency of around 11 %
- With regard to the CIGS production, Solibro is one of the three leading suppliers worldwide (source: Photon, July 2010)
- Q-Cells considers the further development of the company

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RESTRUCTURING ON TRACK I

Capacities	▪ 'Old' capacity retirement: lines I to IV Thalheim	
	▪ Ramp-up Malaysia and Solibro on track	
	▪ Total capacity of 1.2 GWp until end 2010	
Cost position	▪ COGS reduction of 25% (ex-wafer) from Q2 2009 to Q2 2010	
	▪ Elimination of legacy costs (wafer contracts)	
Working Capital	▪ Cells	
	▪ Modules	
	▪ Systems	



RESTRUCTURING ON TRACK II

Investment Portfolio	▪ Sovello sold	
	▪ Calyxo: deconsolidated after sale to Solar Fields; remaining shareholding of 43%; ongoing talks with potential investor	
	▪ VHF/Flexcell deconsolidated; ongoing talks regarding financing	
Cash	▪ Cash at year end 2010 > Cash at end Q2 2010	
	▪ Solid basis for 2011 business	
Capex	▪ Target 150-200 EURm in 2010	

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- **Capacities and production volume:**
 - Cell production capacity 1.1 GWp until end of Q3 2010
 - Cell production: 850 - 900 MWp
 - CIGS thin-film module capacity 135 MWp until end of 2010
 - CIGS thin-film module production: ~80 MWp
- **Shipments/installations:**
 - Shipments crystalline modules: 100 - 150 MW
 - Project business: 150 - 200 MWp (thereof C/I business: ~50 MWp)
- **Financials:**
 - Sales: 1.1 - 1.3 EURb
 - EBIT positive
 - Cash at year end: > 250 EURm



OBJECTIVES 2011

- **Continuous increase in productivity and cost optimization**
- **Further realization of module launch via improvement of supply chain – as first step towards to become a PV solutions provider**
- **Potential expansion of CIGS technology for thin-film modules (Solibro)**
- **Internationalization and development of new markets**
- **Profitable growth based on secured financing structure**



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NET WORKING CAPITAL

- **Previous net working capital did not fully reflect the product and system business**
(the following items were not included: cash investments in and cash receipts from joint ventures related to the project business, advance payments received, loans made to customers and suppliers, accrued liabilities)

- **Net working capital does also include the following items:**
 - **At-equity value of joint ventures related to the project business**
 - **Other current financial assets (loans made to customers and suppliers)**
 - **Other current liabilities (project business, advance payments received, accrued liabilities)**



NET WORKING CAPITAL DEVELOPMENT

In EURm	End Q1 2009	End Q2 2009	End Q3 2009	End Q4 2009	End Q1 2010	End Q2 2010
+ Inventories	300,1	369,2	362,7	302,1	361,4	387,9
+ Trade Accounts Receivable	274,2	217,1	182,3	198,2	195,3	267,0
- Trade Accounts Payable	- 127,8	- 97,0	- 123,4	- 99,8	- 128,6	- 109,2
Previous NWC	446,5	489,3	421,6	400,5	428,1	545,7
+ Financial Assets accounted for using the Equity Method ¹	-	40,3	91,8	92,9	99,1	35,6
+ Other Current Financial Assets	0,7	0,9	-	40,0	36,6	50,1
- Other Current Liabilities ²	- 38,8	- 46,7	- 45,6	- 158,9	- 134,3	- 144,7
NWC	408,4	483,8	467,8	374,5	429,5	486,7

¹ Project business only ² Including project business, accrued liabilities and advance payments received



RESULTS OF THE REVIEW BY GERMAN FREP*

in EURm

Revenue and earnings recognition of a PV project

	2008	H1 2009	H2 2009	2009	Total
Sales	-56.2	-8.8	-0.5	-9.3	-65.5
EBIT	-13.3	-1.2	+14.5	+13.3	0.0
Net result	-13.3	-1.2	+14.5	+13.3	0.0

Impairment inventories

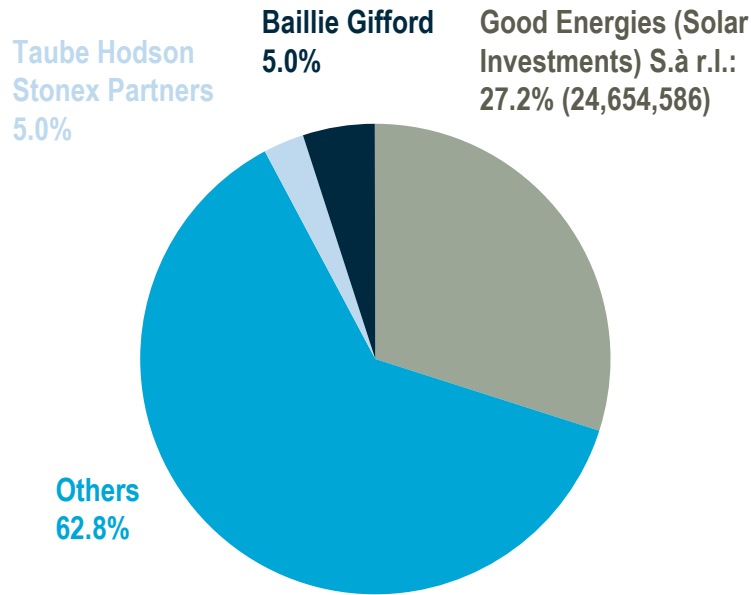
	2008	H1 2009	H2 2009	2009	Total
Sales	-	-	-	-	-
EBIT	-	-15.4	+15.4	0.0	0.0
Net result	-	-15.4	+15.4	0.0	0.0

* FREP = Financial Reporting and Enforcement Panel

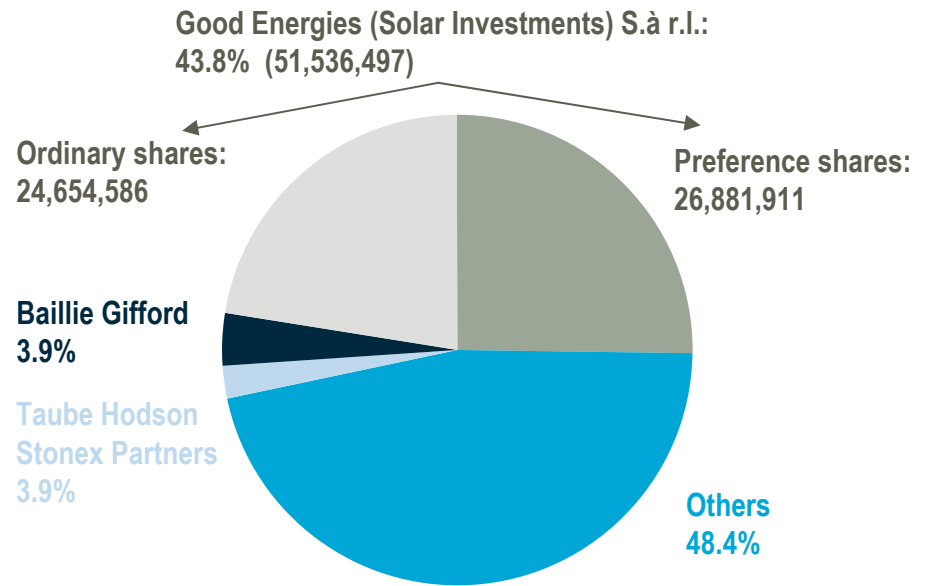


SHAREHOLDER STRUCTURE (AUGUST 2010)

Ordinary shares: 90,695,264



Total shares: 117,577,175



Preference shares:

- No voting rights
- No stock listing
- Small dividend premium: 3 Cent (Euro)
- Right for conversion into ordinary shares

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BALANCE SHEET: ASSETS

In EURm	30 June 2010	31 December 2009
Non-current assets	1,128.7	1,216.3
Intangible assets	14.9	14.6
Property, plant and equipment	835.2	843.6
Financial assets accounted for using the equity method	35.6	92.9
Financial assets	113.4	113.4
Other non-current assets	55.9	64.8
Deferred taxes	73.7	87.0
Current assets	1,068.2	1,011.4
Inventories	387.9	302.1
Trade account receivable	267.0	198.2
Financial assets at fair value through profit or loss	5.2	2.0
Other financial assets	50.1	40.0
Other receivables and assets	60.0	57.2
Cash and cash equivalents	254.0	411.9
Assets held for sale	44.0	0.0
Total assets	2,196.9	2,227.7



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BALANCE SHEET: EQUITY AND LIABILITIES

In EURm	30 June 2010	31 December 2009
Shareholders' equity	727.9	737.0
Subscribed capital	117.5	117.5
Capital reserve	293.1	294.3
Revenue reserve	308.1	319.3
Other reserves	10.4	1.2
Non-controlling interests	-1.2	4.7
Non-current liabilities	1,010.7	974.9
Convertible bonds	682.3	669.1
Profit participation capital	14.9	14.8
Non-current financial liabilities	207.3	168.2
Deferred income from government grants	56.4	64.5
Provisions	25.8	20.9
Other non-current liabilities	21.9	31.7
Deferred taxes	2.1	5.7
Current liabilities	458.3	515.8
Current financial liabilities	56.0	63.5
Trade accounts payable	109.2	99.8
Tax liabilities	13.7	11.7
Deferred income from government grants	8.9	9.2
Financial liabilities at fair value through profit and loss	5.8	0.4
Provisions	78.6	102.6
Other current liabilities	166.5	228.6
Liabilities directly associated with assets classified as held for sale	19.6	0.0
Total shareholder's equity and liabilities	2,196.9	2,227.7

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INCOME STATEMENT

In EURm	01 January - 30 June 2010	01 January - 30 June 2009
Revenues	565.7	356.7
Change in stocks of finished and unfinished products	45.3	107.9
Other own work capitalised	0.1	0.6
Other operating income	30.3	18.2
Cost of materials	450.8	405.9
Personnel expenses	50.0	44,5
Depreciation and amortisation	51.2	32.1
Other operating expenses	71.5	45.8
Result from operating activities (EBIT)	17.9	-44.9
Result from financial assets accounted for using the equity method	-4.2	-9.0
Interest and similar income	7.1	3.3
Interest and similar expense	25.9	27.2
Net currency gains/losses	51.9	-6.9
Result from financial instruments	-5.4	-2.9
Result before taxes (EBT)	41.4	-87.6
Income taxes	14.0	-8.1
Net result from continuing operations	27.4	-79.5
Result of discontinued operations after tax	-43.8	-637.9
Net result for the period	-16.4	-717.4
Result attributable to other shareholders	-5.2	-3.9
Net result for the period attributable to Q-Cells shareholders	-11.2	-713.5



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