

Q2

CONSOLIDATED INTERIM REPORT Q2 2015



ABOUT THIS REPORT

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that are subject to risks and uncertainties, many of which relate to factors that are beyond SolarWorld AG's control or its ability to precisely estimate, such as future market and economic development, supply and demand, the behavior of other market participants, the ability to successfully achieve anticipated synergies and the actions of government regulators.

SolarWorld AG has based these forward-looking statements on its current views and assumptions with respect to future events and financial performance. Many factors could cause the actual results, performance or achievements of SolarWorld AG to be materially different from those that may be expressed or implied by such statements.

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements. We do not assume any obligation to update the forward-looking statements contained in this report.

FURTHER INFORMATION

Rounding differences may occur in this report.

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LETTER BY THE CHAIRMAN

DEAR CUSTOMERS, SHAREHOLDERS, NOTEHOLDERS, BUSINESS PARTNERS AND EMPLOYEES OF SOLARWORLD AG,

Recent weeks and months have once again brought me the opportunity to meet and talk with many people, for example at the international photovoltaic trade shows in Munich and San Francisco, at our Annual General Meeting in Bonn, and with employees at SolarWorld sites around the world. This exchange of ideas moves our company forward.

During the first half of 2015, we implemented a lot of ideas for new products and technologies, as well as ways to make our processes even more competitive. Today, we are the forerunners of PERC high-performance cells. Not only do we have the largest PERC capacity in the world, we also hold a new efficiency world record. We are not content to rest there. We are working passionately to roll out this technology at all three SolarWorld production sites. We shall defend our clear technological lead over the competition. But we are not relying solely on PERC here. In combination with other technology advances, we will offer our customers new modules that perform well above the industry average, with 300 or 350 watts depending on the format.

At Intersolar in Munich, moreover, we presented a bifacial solar module that also generates power from indirect light on the back of the module, promising customers up to 25 percent higher yield. This module is ideal for flat roofs and ground-mounted systems in specific environments. With innovations such as these, we are again making our mark on the quality segment of the international solar market.

We differentiate ourselves from competitors by having a clear focus on high-tech and high-power. The first half of 2015 clearly shows this. Demand for our high-performance modules was a strong driver, enabling us to increase group-wide shipments of modules and kits by 32 percent. Our revenue even grew by 40 percent. On the operating side, too, we improved compared with the previous year. EBITDA and EBIT showed a pleasing upward trend, due also to a series of measures to increase efficiency and cut costs throughout the group. We will not relax our efforts to achieve our turnaround – i.e. positive EBIT – this year. We are also on track to reach the targets we have set ourselves for shipments (> 1 GW) and revenue (> € 700 million).

The solar market remains dynamic and exciting. And even if the general conditions for our business still involve risks, they are outweighed for us by the opportunities for continued successful growth. We shall seize these opportunities with high-tech and high-power!

Bonn, August 13, 2015

Best regards,



Dr.-Ing. E. h. Frank Asbeck,
CEO of SolarWorld AG



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KEY FIGURES AND FACTS

SELECTED INDICATORS

Financial indicators in k€	Q2 2015	Q2 2014	Change
Revenue	170,888	128,675	42,213
EBITDA	6,958	-36,116	43,074
EBIT	-4,162	-46,484	42,322
Consolidated net result	-15,415	-52,258	36,843

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Financial indicators in k€	H1 2015	H1 2014	Change
Revenue	319,971	228,095	91,876
Foreign quota in % of revenue	88.2 %	76.2 %	12.0 %-points
EBITDA	9,870	101,072	-91,202
EBIT	-12,191	80,928	-93,119
EBIT in % of revenue	-3.8 %	35.5 %	-39.3 %-points
Capital employed (key date)*	544,159	474,292	69,867
Consolidated net result	-25,457	497,873	-523,330
Consolidated net result in % of revenue	-8.0 %	218.3 %	-226.3 %-points
Total assets	936,183	953,810	-17,627
Equity	218,018	269,150	-51,132
Equity ratio	23.3 %	28.2 %	-4.9 %-points
Cashflow from operating activities	-12,916	-28,751	15,835
Net indebtedness **	298,641	292,701	5,940
Investments in intangible assets and property, plant and equipment	26,167	52,147	-25,980

Employee indicators	H1 2015	H1 2014	Change
Employees (key date)	2,840	2,730	110
of which trainees (key date)	31	39	-8
Personnel costs ratio	20.9 %	26.4 %	-5.5 %-points
Revenue per employee in k€	113	84	29
EBIT per employee in k€	-4	30	-34

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* Intangible assets and property, plant and equipment less accrued investment grants plus net current assets except for current net liquidity

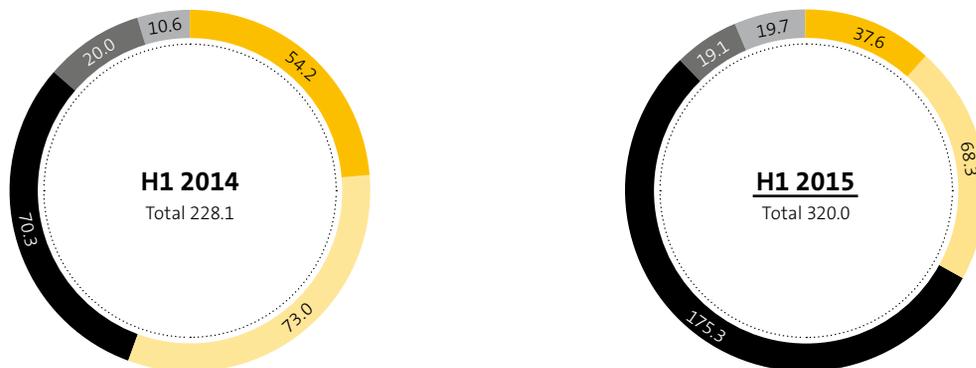
** Financial liabilities less liquid funds

QUARTERLY COMPARISON OF THE CONSOLIDATED INCOME STATEMENTS

in k€	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q2 2014	Change
Revenue	180,823	164,464	149,083	170,888	128,675	42,213
Inventory change in products	-7,664	17,263	37,625	25,698	12,342	13,356
Own work capitalized	141	629	419	1,029	494	535
Other operating income	20,899	30,687	25,111	16,519	27,889	-11,370
Cost of materials	-120,113	-126,846	-129,691	-123,606	-98,871	-24,735
Personnel expenses	-34,695	-36,192	-41,082	-39,471	-37,107	-2,364
Amortization and depreciation	-10,410	-14,887	-10,941	-11,120	-10,367	-753
Other operating charges	-33,164	-49,488	-38,553	-44,099	-69,539	25,440
Result of operation	-4,183	-14,370	-8,029	-4,162	-46,484	42,322
Financial result	-7,718	-9,210	-10,179	-10,413	-8,169	-2,244
Pre-income tax result	-11,901	-23,580	-18,208	-14,575	-54,653	40,078
Taxes on income	3,247	-1,475	8,166	-840	2,394	-3,234
Consolidated net result	-8,654	-25,054	-10,042	-15,415	-52,258	36,843

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REVENUE BY REGION IN M €



■ Germany
 ■ Rest of Europe
 ■ U.S.
 ■ Asia
 ■ Rest of the World

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INTERIM GROUP MANAGEMENT REPORT

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BUSINESS REPORT

THE STOCK

VOLATILE DEVELOPMENT ON THE CAPITAL MARKETS. Conditions on the international stock markets were less favorable during the second quarter of 2015 than in the previous quarter. After a good start, the generally modest pace of growth in the global economy weighed on stock markets. The ongoing Greek debt crisis and associated uncertainty over Greece's continued membership of the European currency union particularly impacted the European capital market.

The German stock index – the DAX – started the second quarter of 2015 at 12,001 points, and initially enjoyed a brief rally, reaching a new all-time high of 12,375 points on April 10. Then, however, a short correction set in, resulting in a decline of around 9 percent. On the cut-off date, the DAX closed at 10,945 points – its lowest level in the second quarter of 2015.

Against this trend, the DAX International Mid 100 (Performance) index, in which the SolarWorld stock is listed, posted a slight increase over the second quarter of 2015. It closed at 1,562 points on the cut-off date June 30, 2015 – a gain of 2 percent.

Following a strong performance in the previous quarter, many solar stocks came under pressure in the second quarter of 2015, giving up some of their gains. They were affected by negative sentiment on the stock markets. In this context, the Photovoltaik Global 30 Index lost almost 8 percent by the cut-off date, closing at 28.16 points.

SOLARWORLD STOCK SLIPS BACK SLIGHTLY IN SECOND QUARTER. The SolarWorld stock (ISIN DE000A1YCMM2) also followed the negative market trend, although its price fell less than most other solar stocks'. The stock rose at the beginning of the quarter, reaching its highest level of € 17.10 on April 24. Subsequently, its price went down, reaching a low of € 12.20 on June 16. On the cut-off date June 30, 2015, the SolarWorld stock closed at € 12.83, having decreased by almost 4 percent over the course of the second quarter of 2015. Owing to its good performance during the first quarter of 2015, the SolarWorld stock gained 2 percent over the first six months of the year.

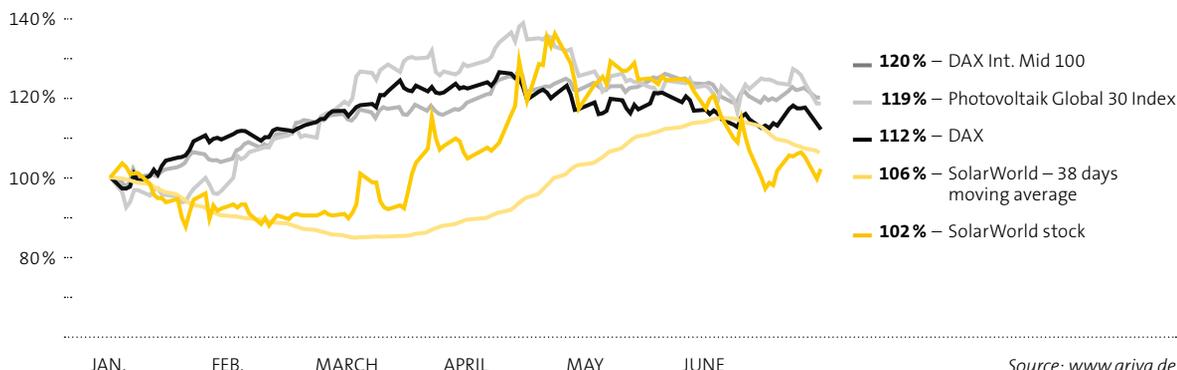
INDICATORS FOR THE SOLARWORLD STOCK (ISIN DE000A1YCMM2)

Capital stock as at June 30, 2015	€ 14,896,000
Total number of shares as at June 30, 2015	14,896,000
Proportion of shares in free float as at June 30, 2015	50.15 %
Xetra closing price as at January 2, 2015	€ 12.56
Xetra closing price as at June 30, 2015	€ 12.83
Market capitalization as at June 30, 2015*	€ 191,115,680
Earnings per share in the first half of 2015	€ -1.71
Average Xetra trading volume during first half of 2015	65,062 shares per trading day

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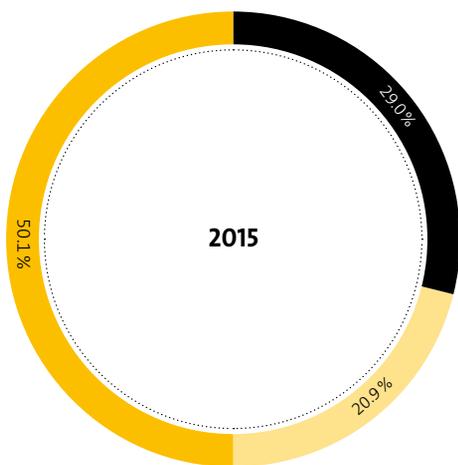
* Product of shares in circulation and closing rate

SOLARWORLD STOCK PERFORMANCE COMPARISON



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SHAREHOLDER STRUCTURE AS AT JUNE 30, 2015



- Free float
- Qatar Solar S.P.C., Doha/Qatar
- Dr.-Ing. E. h. Frank Asbeck, Bonn/Germany (held directly or indirectly by controlled companies)

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CAPITAL STOCK AND SHAREHOLDER STRUCTURE

The capital stock of SolarWorld AG remained unchanged during the second quarter of 2015. Thus, on the cut-off date June 30, 2015, it stood at € 14,896,000.00 and was divided into 14,896,000 no-par value bearer shares with an imputed nominal value of € 1.00.

During the second quarter of 2015, the company did not receive any notification of voting rights announcements pursuant to sections 21, 25 or 25a of the German Securities Trading Act (WpHG). Thus, there was no change in the shareholder structure compared with the previous quarter.

ANNUAL GENERAL MEETING 2015

ACTIONS OF MANAGEMENT BOARD AND SUPERVISORY BOARD APPROVED WITH LARGE MAJORITY. The fifteenth Annual General Meeting of SolarWorld AG was held on June 2, 2015. Around 230 shareholders attended the event in Bonn, and some 52 percent of the company's capital stock took part in voting. The actions of the Management Board and members of the Supervisory Board were approved for fiscal year 2014 with majorities of 99.9 percent in each case. Shareholders also approved all other proposed resolutions of the Management Board and Supervisory Board with majorities of more than 98 percent of the capital represented. All resolutions and voting results are published on our website at ► www.solarworld.de/agm2015.

CODETERMINATION ESTABLISHED IN THE SUPERVISORY BOARD. Shareholders approved an amendment to our Articles of Association to bring them into line with the requirements of the German Codetermination Act (Mitbestimmungsgesetz). For the first time, SolarWorld AG has formed a Supervisory Board that is subject to codetermination on a basis of parity, since the company permanently employs more than 2,000 people in Germany. As a result, the Supervisory Board comprises six shareholder-appointed members who are elected at the Annual General Meeting, and six employee-appointed members. In view of these changes, the six shareholder-appointed members were newly elected at the Annual General Meeting on June 2, 2015. The composition of the shareholder representatives remained unchanged:

- Dr. Khalid K. Al Hajri, Doha, Qatar
- Faisal M. Alsuwaidi, Doha, Qatar
- Heiner Eichermüller, Scottsdale/Arizona, United States
- Dr. Georg Gansen, Bonn, Germany
- Dr. Andreas Pleßke, Herrsching am Ammersee, Germany
- Jürgen Wild, Vaucresson, France

After the Annual General Meeting, Dr. Georg Gansen assumed chairmanship of the Supervisory Board as before. To read more about the employee representatives on the Supervisory Board, see ► [*Codetermined Supervisory Board formed – p. 021.*](#)

THE MARKET

MACROECONOMIC ENVIRONMENT

MODERATE GROWTH. Global economic activity slowed down somewhat over the first half of 2015, according to the Institute for the World Economy (IfW). In the United States, output did not grow as much as expected, partly due to weaker exports. However, tax cuts, low energy prices, low inflation and a return to stability in the real-estate market offset this trend during the first half-year.

The United Kingdom also experienced significantly weaker output growth, although starting from a comparatively high level. Meanwhile, in the eurozone, the European Central Bank's monetary policy measures have had a positive impact on the economy. In addition, the falling euro helped exports.

At the end of the second quarter of 2015, the intensification of the Greek crisis dampened economic sentiment. All in all, however, analysts predict that the eurozone economy will see significantly stronger growth over 2015 than in the previous year. Japan's economy gained momentum, too. The main drivers here were industrial investment and private consumption. ► [*Expected macroeconomic environment – p. 024*](#)

THE SOLAR POWER MARKET

GLOBAL SOLAR GROWTH EXPECTED TO EXCEED 20 PERCENT. The international solar market continues to grow in fiscal year 2015, as predicted. Analysts expect that newly installed capacity will increase by more than 20 percent to between 54 and 57 (2014: 44) GW. As in the previous year, the United States, Japan and China will remain the world's biggest solar markets.

STRONG UPWARD TREND IN THE UNITED STATES. The U.S. solar market continued its positive trend in the first half of 2015. The pace of growth was particularly high in the residential and commercial segments. Strongest growth was seen in the residential segment, with installations up more than 50 percent compared with the same period of the previous year. Once again, California was the largest solar state, followed by Nevada and New York. Over 2015, newly installed capacity in the U.S. is set to rise to 8.1 (2014: 6.2) GW.

MIXED PICTURE IN EUROPE. The solar market in Europe was a mixed picture in the first half of 2015. The United Kingdom saw strong growth over the previous year. In this market, new solar power systems with a total capacity of around 2.5 (H1 2014: 1.5) GW were installed during the first half

of 2015, an increase by two thirds. In France, the market volume was similar to the previous year, whereas in Germany, installed solar capacity fell again by around 40 percent. The German solar market as a whole shrank to 0.6 (H1 2014: 1.0) GW – a figure that fell well short of analysts' and market participants' expectations.

NEW INSTALLATIONS REMAIN HIGH IN JAPAN. After China, Japan was still the world's largest solar market. Announced adjustments to generous solar subsidies in Japan have not significantly slowed the Japanese market. The government has set a target of generating around 22 to 24 percent of the country's electricity from renewable energy sources by 2030. They currently account for a share of around 12 percent.

TRADE

SHIPMENTS UP 32 PERCENT INTERNATIONALLY. In the first half of 2015, SolarWorld once again achieved a strong increase in its shipments compared with the same period of the previous year. On a groupwide basis, we recorded a 32 percent increase in shipments of solar modules and kits to 440 (H1 2014: 333) MW. Shipments were 18 percent higher in the second quarter of 2015, at 238 MW, than in the first quarter of 2015 (202 MW). Our focus was on market segments in which customers value high quality, performance and aesthetics.

SHIPMENTS DOUBLED IN THE UNITED STATES. SolarWorld group's volume growth in the first six months of the year was mainly attributable to the highly dynamic U.S. market. In the United States, we more than doubled our shipments in the first half of 2015 compared with the same period of the previous year, to 229 (H1 2014: 113) MW. As SolarWorld's largest market, in the first half of 2015 the U.S. accounted for 52 (H1 2014: 34) percent of the group's total shipments of modules and kits. Demand for high-performance modules with passivated emitter and rear cell (PERC) technology remained the strongest driver of our U.S. business
► Upgrade to PERC technology – p. 016.

REPERCUSSIONS OF THE GENERAL CONDITIONS ON BUSINESS DEVELOPMENT

The global solar market continued on its growth trajectory during the first six months of 2015. The United States showed a particularly positive trend and made a substantial contribution to shipment growth at SolarWorld. Furthermore, consolidated revenue benefited from exchange-rate effects outside of the eurozone. Overall, during the first half-year, SolarWorld grew its revenues by 40 percent and is therefore on track to reach its revenue plan of more than € 700 million groupwide in fiscal year 2015.

GERMANY IMPROVES IN THE SECOND QUARTER. SolarWorld's shipments in Germany fell during the first half of 2015 by 15 percent to 57 (H1 2014: 67) MW. However, we performed significantly better than the German market as a whole, which contracted by 40 percent. During the second quarter, we grew our sales figures month by month in Germany, against the market trend. Shipments doubled compared with the first quarter of 2015. Despite this, Germany's share of the group's total shipments fell in the first half of 2015 to 13 (H1 2014: 20) percent.

A survey published in June 2015 by *pv magazine* on the subject of quality for roof-mounted systems revealed that SolarWorld brand modules are among those that German customers most often recommend. According to the survey, a major reason for recommendation was that the modules are manufactured in Germany, which benefits us since we are by far the largest domestic manufacturer.

STABLE DEVELOPMENT IN THE REST OF EUROPE AND JAPAN. In the other European markets, we recorded a stable trend overall in the first half of 2015 compared with the first half of 2014, with an upturn in the second quarter of 2015. The largest

markets here were France, the United Kingdom and Italy, where business picked up noticeably for us between April and June. In the Asia/Pacific region, we sold the largest volumes in the first six months of the year in Japan. Having opened our sales location in Tokyo at the beginning of the year, we are targeting stronger future growth in this market.

NEW PRODUCTS PRESENTED AT INTERSOLAR EUROPE. In June 2015, SolarWorld used Intersolar Europe – the solar industry’s leading trade fair – as an occasion to present new products to its customers, business partners and a broad range of trade visitors. SolarWorld’s first bifacial module, an improved storage system and an inverter for small roof-mounted systems generated strong interest at the Munich show and beyond.

NEW DEVELOPMENTS IN MODULES

	Sunmodule Protect 360° duo module with bifacial cells
<p>+ Customer value proposition</p>	Builds on the established Sunmodule Protect glass-glass module. Features bifacial cells, which generate power from indirect light on the back of the module as well, providing customers up to 25 percent more yield. Ideal for flat roofs and ground-mounted systems in specific environments.
<p>↻ Future potential</p>	Strengthen our positioning as a provider of high-performance modules, particularly for large-scale plants in new solar markets such as the MENA region.

NEW DEVELOPMENTS, EXPANSIONS AND IMPROVEMENTS IN SYSTEMS AND FRAME TECHNOLOGY

	SunPac LiOn solar power storage system from 2 kWh	Suntrol eManager energy management	Sunplug eco inverter for small-scale solar power systems
<p>+ Customer value proposition</p>	System expansion and improvement with lithium iron phosphate battery. In future also with capacities from 2 kWh and modular expansion to 4, 6, 8 and 10 kWh; automatic increase of charge and discharge performance depending on the battery capacity used; expansion from 5,000 to 10,000 charge and discharge cycles	Expansion and improvement thanks to new apps with generation forecast and appliance control. Suntrol eManager facilitates maximum use of self-generated power. Up to 90 % self-sufficiency can be achieved in private homes.	Inverter in power classes 1.2 to 5.5 kW for smaller residential solar power systems up to 6 kWp. The Sunplug eco inverter is easily installed, highly efficient and reliable.
<p>↻ Future potential</p>	Strengthen positioning as a provider of complete solutions under the SolarWorld brand, especially with the ability to increase self-consumption of solar power.		

PRODUCTION

HIGHER VOLUMES. During the first half of 2015, we utilized most of our production facilities at full capacity. Owing to strong demand, particularly for high-performance modules, we worked continuously to increase volumes at our three production sites Freiberg, Arnstadt and Hillsboro. At Hillsboro, our U.S. site, we pressed ahead with an expansion of module capacities from 380 to 550 MW. A portion of these newly added capacities is expected to be available to us from the fourth quarter of 2015 onwards.

CUTTING COSTS. Apart from optimal production capacity utilization, in the first half-year we also aimed to introduce more efficient processes to achieve our cost targets. As one such example, in the second quarter at Freiberg we began to use diamond wire saws and other new saw technologies that will yield future cost savings.

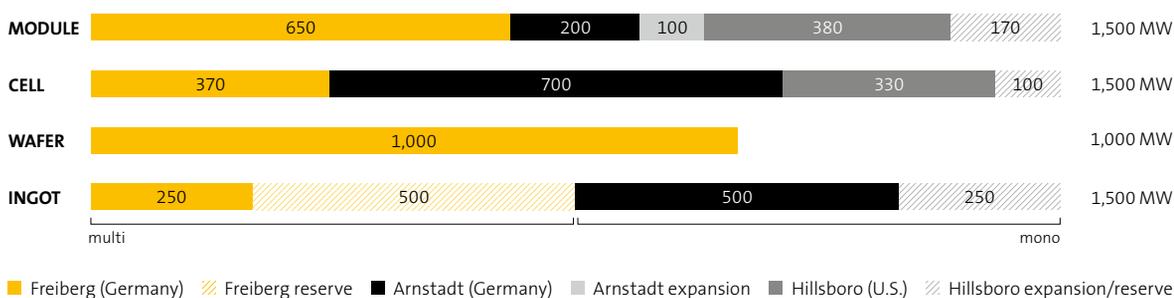
UPGRADE TO PERC TECHNOLOGY. SolarWorld is the world's leading and largest PERC manufacturer. In June, we set an efficiency world record for industrially produced PERC solar cells based on monocrystalline p-type silicon wafers, and improved our own best performance to 21.7 percent. The pioneer in the group was our production site in the United States, where we have successfully applied the PERC concept since 2012. During the first half of 2015, we completed the planned upgrade of further 100 MW of the monocrystalline cell production at Hillsboro to PERC, with the result that a capacity of 430 MW has been available to us there as of mid-year.

In March 2015, SolarWorld announced its decision to gradually change over to PERC technology in its factories at Freiberg and Arnstadt, too. Since the end of the first quarter, we have implemented the first upgrades of parts of the cell production at the two German sites. Due to the upgrade of a portion of our cell capacities in Freiberg to monocrystalline PERC technology our cell production capacities there have increased from 330 to 370 MW.

MONOCRYSTAL GROWING RESUMED AT ARNSTADT. In the first half of 2015, at the Arnstadt site, SolarWorld Industries Thüringen restarted crystal pulling facilities, which it had acquired from Bosch Solar Energy AG. This did not require any major new investments. At Freiberg, we then produce solar wafers from the single crystals using a proprietary new sawing technique. This way, we have managed to create a mono wafering process that combines both production sites. In Freiberg, we also produce multicrystalline ingots and wafers as before.

FURTHER INTEGRATION OF THE SITES. During the first half of 2015, we took further steps to make our structures and processes more efficient as a global company. Close integration of our production sites is vitally important in this respect. In Germany, we were able to exploit further synergies, e.g. by forming teams spanning multiple locations.

PRODUCTION CAPACITIES AND PLANNED CAPACITY EXPANSION 2015+



ECONOMIC POSITION

EARNINGS POSITION

DEVELOPMENT OF REVENUE AND PROFIT OR LOSS

In the first half of 2015, groupwide shipments of solar wafers, cells, modules and kits increased by 28 percent to 456 (H1 2014: 357) MW. Our groupwide foreign shipments quota increased 4 percentage points to 86 (H1 2014: 82) percent on the back of growth in our export markets. During the second quarter of 2015, the group's total shipments rose by 21 percent to 246 (Q2 2014: 203) MW.

Shipments of solar modules and kits in the "Trade" segment increased by 32 percent to 440 (H1 2014: 333) MW. We achieved particularly strong growth in the United States, where our shipments doubled compared with the first half of the previous year. This market accounted for 52 percent of our total worldwide shipments of modules and kits. In Germany, shipments were down 15 percent in the first six months of the year compared with the same period of the previous year, while the other European markets followed a stable trend. In Europe, we recorded a significant upturn in the second quarter of 2015 compared with the first quarter of 2015.

Furthermore, we sold solar wafers and cells with a total output capacity of 16 (H1 2014: 24) MW to external customers in the first half of 2015.

In the first half of 2015, the SolarWorld group was able to increase its consolidated revenue by 40.3 percent or € 91.9

million to € 320.0 (H1 2014: 228.1) million. Due to higher shipments outside Germany, the proportion of foreign revenue rose by 12.0 percentage points to 88.2 (H1 2014: 76.2) percent. In the second quarter, consolidated revenue rose 32.8 percent or € 42.2 million to € 170.9 (Q2 2014: 128.7) million.

In the "Trade" segment, revenue rose by 45.3 percent in the first half of 2015 to € 316.3 (H1 2014: 217.7) million. Thanks to a greater proportion of high-performance modules sold, in conjunction with exchange rate effects in our favor, SolarWorld was able to increase the average selling prices of its products on a euro basis, resulting in a disproportionately large increase in revenues as compared to the increase in shipments. Due to the lower wafer shipments, external revenue in the "Production Germany" segment, which in the past was primarily influenced by our external wafer business, fell by € 6.8 million to € 3.2 (H1 2014: 10.0) million.

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) improved in the first half of 2015 by € 8.8 million to € 9.9 (H1 2014 adjusted for one-off effects: 1.1) million. One-off effects in the previous year included € 136.1 million resulting from the acquisition of solar activities from Bosch, as well as impairment losses on repayment claims and prepayments of € 36.1 million resulting from a commercial agreement with a raw material supplier. Including these one-off effects, all of which relate to the "Production Germany" segment, EBITDA in the first

DEVELOPMENT OF SHIPMENTS

in MW	H1 2014	Q1 2015	Q2 2015	H1 2015
Modules and kits	333	202	238	440
Wafer and cells	24	8	8	16
Total	357	210	246	456
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half of the previous year amounted to € 101.1 million. In the second quarter of 2015, EBITDA rose to € 7.0 (Q2 2014 adjusted for one-off effects: -0.5) million.

In the "Trade" segment, EBITDA increased in the first half of 2015 by € 24.3 million to € 9.8 (H1 2014: -14.5) million. EBITDA in the "Production U.S." segment improved to € 0.6 (H1 2014: -3.7) million. During the same period, EBITDA in the "Production Germany" segment amounted to € -3.9 (H1 2014: 117.6) million.

The basic valuation assumptions and premises on which the impairment tests at the end of 2014 were based remained almost unchanged on the cut-off date, June 30, 2015. Consequently, no impairment losses or reversals of impairment losses on property, plant and equipment were necessary.

Consolidated earnings before interest and taxes (EBIT) in the first half of 2015 came to € -12.2 (H1 2014 adjusted for one-off effects: -19.1) million. Including the one-off effects mentioned above, EBIT in the first half of 2014 totaled € 80.9 million. In the second quarter of 2015, EBIT improved to € -4.2 (Q2 2014 adjusted for one-off effects: -10.9) million.

In the "Trade" segment, EBIT significantly improved compared with the same period of the previous year; it rose to € 9.0 (H1 2014: -15.6) million. EBIT in the "Production U.S." segment rose by € 3.3 million in the first half of 2015 to € -4.7 (H1 2014: -8.0) million. In the "Production Germany" segment, EBIT in the first half of 2015 stood at € -16.8 (H1 2014: 105.9) million.

The groupwide financial result for the first half of 2015 came to € -20.6 (H1 2014: 527.2) million. In the previous year, one-off effects in the amount of € 555.7 million arising from the restructuring profit produced by our financial restructuring program had a positive impact on the financial result.

In the first half of 2015, the group's net result after taxes amounted to € -25.5 (H1 2014: 497.9) million. In the same period of the previous year, one-off effects resulting from the acquisition of solar activities from Bosch and from the restructuring profit produced by our financial restructuring program likewise had a positive impact on the group's net result.

DEVELOPMENT OF MATERIAL INCOME STATEMENT LINE ITEMS

In the first half of 2015, the cost of materials rose € 77.3 million to € 253.3 (H1 2014: 176.0) million. This was mainly due to significant year-on-year manufacturing output growth compared with the same period of the previous year, as the production site in Arnstadt, Germany, was not added until the end of the first quarter of 2014. Despite the higher cost of materials, we were able to lower the cost of materials ratio to 65.8 (H1 2014: 68.9) percent, in particular due to better purchasing terms.

Personnel expenses in the first half-year rose € 13.2 million to € 80.6 (H1 2014: 67.4) million. This increase results from the integration of our production site at Arnstadt, Germany. Due to higher overall output, however, we were able to reduce the personnel cost ratio to 20.9 (H1 2014: 26.4) percent.

Depreciation and amortization increased in the first half of 2015 compared with the previous year by 10.0 percent or € 2.0 million to € 22.1 (H1 2014: 20.1) million. This increase is due to the integration of our production site at Arnstadt, Germany.

Other operating expenses fell by € 9.5 million to € 82.7 (H1 2014: 92.2) million. During the first half of 2015, expenses for the use of external personnel as well as distribution expenses both increased as a result of our substantially higher production and sales volume. In addition, maintenance expenses rose, while costs for legal fees, consultancy and audit expenses fell. Other operating expenses fell overall in comparison with the same period of the previous year, since the previous year's figure contains the impairment loss on repayment claims and prepayments resulting from a commercial agreement with a raw material supplier, which were mentioned in the one-off effects above. In the first half of 2015, the expense ratio amounted to 21.5 (H1 2014: 36.1) percent.

Other operating income fell in the first half of 2015 by € 139.6 million to € 41.6 (H1 2014: 181.2) million. This decrease is due mainly to a profit that was recognized in the same period of the previous year, in connection with the initial accounting for assets acquired from Bosch (€ 136.1 million).

FINANCIAL POSITION

FINANCING ANALYSIS

As compared to Dec. 31, 2014, equity decreased by € 20.7 million to € 218.0 (Dec. 31, 2014: 238.7) million. The equity ratio stood at 23.3 (Dec. 31, 2014: 26.1) percent as at the cut-off date.

By the end of the first half year, we had further reduced our financial liabilities by € 9.8 million to € 440.1 (Dec. 31, 2014: 449.9) million. As at June 30, 2015, as a result of completing the restructuring of our financial liabilities in the previous year, most of our financial liabilities (81.0 percent) were classified as non-current (Dec. 31, 2014: 87.0 percent).

Investment grants and subsidies recognized in non-current liabilities decreased to € 26.5 (Dec. 31, 2014: 29.1) million as at the cut-off date. These public funds accrued on the liabilities side of the balance sheet are reversed over the period of utilization of subsidized investments through profit or loss.

Non-current provisions increased in the first half of 2015 by € 1.5 million to € 35.3 (Dec. 31, 2014: 33.8) million. This is mainly due to the significantly higher sales figures and associated increase in provisions for guarantees. Other current liabilities increased in the first half of 2015 to € 67.3 (Dec. 31, 2014: 48.5) million.

INVESTMENT ANALYSIS

In the first half of 2015, we invested a total of € 26.2 (H1 2014: 5.4) million in intangible assets and property, plant and equipment. An amount of € 6.9 million went to our wafer, cell and module production facilities in the “Production Germany” segment. In the “Production U.S.” segment, a total of € 11.7 million was invested in expanding cell and module production capacities during the first half of 2015. In addition, € 5.6 million was invested in the “Trade” segment and € 1.9 million in the “Other” segment.

LIQUIDITY ANALYSIS

Cash flow from operating results increased by € 27.9 million to € 8.5 (H1 2014: -19.4) million. Cash flow from operating activities also improved, coming in at € -12.9 (H1 2014: -28.8) million, despite a significant increase in receivables and inventories owing to the higher production and shipment volume.

Cash flow from investing activities amounted to € -3.4 (H1 2014: 48.8) million. This includes cash receipts in the amount of € 15.0 (H1 2014: 45.0) million arising from the negative purchase price agreed for taking over a large proportion of the manufacturing facilities of Bosch Solar Energy AG. Furthermore, € 1.2 (H1 2014: 8.3) million was obtained in investment grants during the first half of 2015, while investments in fixed assets totaled € 19.6 (H1 2014: 5.7) million.

Cash flow from financing activities in the first half of 2015 totaled € -24.1 (H1 2014: -25.1) million. During the period under review, SolarWorld AG made loan repayments amounting to € 10.7 million and interest payments totaling € 13.7 million.

On the cut-off date, June 30, 2015, the group had liquid assets of € 141.4 (Dec. 31, 2014: 177.1) million.

ASSETS POSITION

ASSET STRUCTURE ANALYSIS

As compared to December 31, 2014, SolarWorld group's total assets were up € 20.9 million to € 936.2 (Dec. 31, 2014: 915.3) million.

Non-current assets increased € 9.3 million to € 421.3 (Dec. 31, 2014: 412.0) million. Property, plant and equipment totaled € 344.1 (Dec. 31, 2014: 344.7) million in the first half-year. Financial assets increased in the first half of 2015 by € 5.2 million to € 15.8 (Dec. 31, 2014: 10.6) million. The increase results entirely from an equity contribution that was called in by our joint venture Qatar Solar Technologies Q.S.C. Inventories (excluding short-term advance payments made) increased as at the cut-off date, June 30, 2015, by € 72.8 million to € 208.9 (Dec. 31, 2014: 136.1) million. At the same time, trade receivables rose by € 7.7 million to € 83.6 (Dec. 31, 2014: 75.9) million. All in all, working capital rose by € 38.9 million to € 208.6 (Dec. 31, 2014: 169.7) million. On the cut-off date, assets held for sale totaled € 2.5 (Dec. 31, 2014: 9.0) million. This reduction mainly resulted from the sale of a piece of land in the U.S. in the first quarter of 2015.

OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Off balance sheet financial instruments have no impact on the group's asset position.

ASSETS NOT SHOWN IN THE BALANCE SHEET

The group had no assets not shown in the balance sheet as at June 30, 2015.

EMPLOYEES

NUMBER OF EMPLOYEES INCREASED. As at June 30, 2015, the number of employees of the SolarWorld group was up 4 percent at 2,840 (June 30, 2014: 2,730). The groupwide number of temporary workers also increased, to 693 (June 30, 2014: 509). Therefore, including temporary workers, 3,533 (June 30, 2014: 3,236) people worked for us as at June 30, 2015. The rise is mainly attributable to the significant increase in production capacity utilization at all sites.

Concerning personnel development and HR strategy at SolarWorld, please see the ► [2014 Annual Group Report/ Employees – p. 052](#).

CODETERMINED SUPERVISORY BOARD FORMED. In addition to the six shareholder representatives, as of June 2015 there are now six employee-appointed members of the Supervisory Board to represent employees on a parity basis. ► [Codetermination established in the Supervisory Board – p. 013](#) In June 2015, the following six employee representatives were appointed by court to the Supervisory Board on a temporary basis:

- Gerald Voigt, trade union Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE) district manager for Dresden/ Chemnitz district, Deputy Chairman of the Supervisory Board of SolarWorld AG
- Peter Finger, Chairman of the Works Council of SolarWorld AG
- Joachim Götz, Chairman of the Works Council of SolarWorld Industries Thüringen GmbH
- Wolfgang Lemb, member of the management of trade union Industriegewerkschaft Metall (IG Metall)
- Dr. Ute Mareck, manager of technology and quality assurance cell production at SolarWorld Industries Sachsen GmbH
- Anke Martin-Heede, Chairwoman of the Group Works Council and of the Works Council of SolarWorld Industries Sachsen GmbH

These members of the Supervisory Board are serving on an interim basis, until employees at SolarWorld's German sites in Arnstadt, Bonn and Freiberg elect their employee representatives by direct vote. The election process is likely to be completed at the beginning of the fourth quarter of 2015.

GROUP EMPLOYEES AS AT JUNE 30

Number of people	2015	2014	+/- absolute
Germany	2,131	2,167	-36
thereof trainees	31	39	-8
United States	684	538	+146
Rest of the world	25	25	0
Total	2,840	2,730	+110

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MATERIAL RELATED PARTY TRANSACTIONS

In the first half of 2015, SolarWorld made an unscheduled partial repayment to its creditors. A share of € 0.6 million accounted for the loan from Qatar Solar Technologies Q.S.C. Furthermore, interest amounting to € 1.7 million were paid on this loan. In January 2015, Qatar Solar Technologies Q.S.C. called for an additional equity funding of \$ 11.6 million. The claimed obligation to contribute equity is based on a shareholder agreement to this effect. In the first half of 2015, SolarWorld concluded agreements with Qatar Solar Technologies Q.S.C. for construction of solar power systems in the amount of € 3.8 million. Due to the risen demand on the U.S. solar market, SolarWorld moreover repurchased a module line for € 1.3 million which it had sold to Qatar Solar Technologies Q.S.C. before.

Supplies amounting to € 0.4 million were delivered to entities controlled by Dr.-Ing. E. h. Frank Asbeck.

Apart from these transactions and the transactions based on existing long-term agreements (property leasing and management of solar parks), there were no related party transactions with a material effect on the net assets, financial position and result of operations of the SolarWorld group in the first half of 2015.

SUPPLEMENTARY REPORT

DISCLOSURE OF EVENTS OF PARTICULAR IMPORTANCE AND THEIR REPERCUSSIONS

On July 8, 2015, after a regular revision U.S. authorities announced a slight adaptation of the anti-dumping and anti-subsidy duties on solar cell imports from China that

have been in place since December 2012. This decision will contribute to the re-establishment of fair competition on the U.S. solar market.

OVERALL STATEMENT BY THE MANAGEMENT BOARD ON THE ECONOMIC POSITION AT THE TIME OF THE REPORT

The management of SolarWorld AG rates the economic position of the group as challenging. This assessment is based on the earnings, financial and asset position resulting from the consolidated financial statements for the first half of 2015 as outlined above, and ongoing business trends in the third quarter of 2015 at the time of drawing up this

interim management report. Although the first half of 2015 was successful, there is a possibility, which cannot be ruled out, that difficulties and delays might occur in the implementation of capacity expansions and measures to enhance efficiency and optimize costs.

OPPORTUNITIES AND RISKS

Since the 2014 Annual Group Report was drawn up on March 17, 2015, the risk situation for SolarWorld has not substantially changed. Regarding the individual risks, we therefore refer to the ► [2014 Annual Group Report/Risk report – p. 070.](#)

The Management Board considers the group's risk position to be high, especially because competitive pressure as well as price pressure and pressure to reduce costs are still strong and the regulatory environment in the solar market might change for the worse.

The going concern of the company, however, is not endangered at the time of setting up the financial reporting at hand.

FORECAST REPORT

EXPECTED MACROECONOMIC ENVIRONMENT

SOLID ECONOMIC PROSPECTS IN SOLARWORLD'S SALES MARKETS. The Institute for the World Economy (IfW) expects the global economy to continue gathering momentum over the second half of 2015. The global economy is set to grow 3.4 (2014: 3.5) percent over the year. Industrialized countries in particular will contribute to this trend with a faster pace of expansion. Yet the global economic forecast, more than ever, is subject to a string of uncertainties associated with geopolitical factors and, for example, doubts over the outcome of the Greek debt crisis.

Nevertheless, the economic outlook in SolarWorld's main sales regions is solid. IfW expects the United States to achieve GDP growth of 2.2 percent in 2015. GDP growth is expected to reach 1.5 percent in the eurozone, 2.5 percent in the United Kingdom and 1.2 percent in Japan. Expansionary monetary policy and the low oil price are likely to continue to support the rise in industrial investment and private consumption, which in turn should impact positively on overall economic output.

EXPECTED DEVELOPMENT OF THE SOLAR POWER MARKET

SOLAR ENERGY SET FOR CONTINUED GROWTH. The international solar market remains a dynamic market. Continuous improvements in the economic viability of solar power – even without subsidies – are generating a rise in global demand, as ever more regions increase the share of solar power in the electricity mix. Analysts expect demand to rise by more than 20 percent over 2015 to between 54 and 57 (2014: 44) GW.

U.S. MARKET TO GROW 30 PERCENT. The United States in particular is likely to see strong growth in the last six months of the year, due to seasonal factors. In early July 2015, following a routine review, the U.S. Department of Commerce confirmed anti-dumping and anti-subsidy duties on solar cells imported from China which have been in force since December 2012. Tariffs were adjusted as part of the review and amount to around 30 percent in total. On average, this

is at a similar level to the original duties in 2012. With this decision, the U.S. government is supporting the restoration of fair competition in the American solar market. This market is set to grow by a further 30 percent in 2015 as a whole, with newly installed solar capacity reaching around 8.1 (2014: 6.2) GW.

VARIED TRENDS IN EUROPE. By contrast, mixed trends are expected to continue in the European markets. Newly installed capacity in the United Kingdom is expected to grow strongly and reach up to 3.1 (2014: 2.2) GW. The German market, however, is forecast to see a further decline in 2015, of around 30 percent, to 1.3 (2014: 1.9) GW. France, on the other hand, is set to remain at the previous year's level (1 GW). A further rise in demand for solar power products is anticipated in smaller markets such as Italy, Spain and Poland.

JAPAN HAS HIGH POTENTIAL FOR SOLARWORLD. China, with anticipated newly installed capacity of 17 GW, will continue to be the world's largest solar market. However, this market is only accessible to domestic providers. Japan is therefore the most promising sales market for SolarWorld in Asia. Because of high quality awareness among Japanese customers and the

limited land area in this island country, this market has a keen interest in high-performance modules and solar rooftop solutions – a segment in which SolarWorld is especially well positioned. Japan is set to install a further 10 (2014: 10) GW of new capacity in 2015.

FUTURE DEVELOPMENT OF BUSINESS

CONTINUE ON GROWTH PATH. In the second half of 2015, we will continue to grow, increasing our shipments internationally compared with the same period of the previous year. The U.S. has a key role to play here, and we expect further substantial growth in this market. In the second half of the year, we will also supply modules for a greater number of large-scale projects. Furthermore, in the fourth quarter of 2015, we will launch a range of attractive new products onto the market, for which we see good sales opportunities particularly in Germany, but also in the United States, United Kingdom and other markets. ► *New products presented at Intersolar Europe – p. 015*

IMPROVE PROCESSES AND CUT COSTS. It remains a priority, at all levels, to improve our processes as a global company. The roll-out of a new, global ERP system should contribute significantly to this goal. In addition, we will implement further production-related measures to reduce costs, such as using new sawing processes in wafer production.

MANUFACTURE HIGH-PERFORMANCE PRODUCTS. In production, we are responding to strong demand for high-performance modules by gradually upgrading more of our production facilities to PERC technology and by increasing our module production capacity over the remainder of the year. Over the course of the second half of 2015, we will have a PERC capacity of more than 800 MW. We are also working to swiftly bring other new performance-boosting developments – such as 5-busbar technology – into mass production. These innovations will enable us to offer customers a 300-watt module in standard format with 60 cells and a 350-watt module with 72 cells. We showcased these products for the first time in July 2015 at Intersolar North America in San Francisco.

EXPECTED DEVELOPMENT OF REVENUE AND PROFIT OR LOSS

The ongoing crisis in the solar industry has reached a turning point. Market analysts expect the global solar market to grow by more than 20 percent in 2015, compared with 2014. Competition in the solar markets remains fierce, however, which means that average sales prices in individual markets could remain under pressure.

In this market environment, SolarWorld intends to continue to position itself as a quality provider, while increasing shipments in all relevant core markets through a targeted sales approach. With almost full production capacity utilization, the group aims to boost its total worldwide shipments by at least 25 percent to more than one gigawatt.

Following the trend of shipments, consolidated revenue in 2015 should climb at least 25 percent compared with 2014, to more than € 700 million.

The Management Board anticipates that the successful implementation of operational measures to increase efficiency and cut costs will continue and confirms the target of achieving an operating turnaround in 2015. Accordingly, the group expects to achieve positive operating EBIT (excluding potential one-off effects) in the 2015 fiscal year. EBITDA (excluding potential one-off effects) in fiscal year 2015 should also exceed previous year's level significantly.

The Management Board expressly points out that the assumptions and framework conditions on which the business planning is based could change over the course of fiscal year 2015. The Management Board's assessments are based on available information which it currently considers to be realistic but which is dependent on various factors that are beyond the control and influence of the Management Board of SolarWorld AG and therefore of limited predictability.

EXPECTED FINANCIAL POSITION

SCHEDULED FINANCING MEASURES

No major financing measures are planned for 2015. The Management Board, however, is continuously reviewing refinancing options. This process has not resulted in specific measures yet.

PLANNED INVESTMENTS

In the 2015 financial year, we are planning to make investments totaling a low to medium two-digit million euro amount. Investments will be focused on expanding production capacities within the existing lines and on further technological improvements and efficiency upgrades.

EXPECTED LIQUIDITY DEVELOPMENT

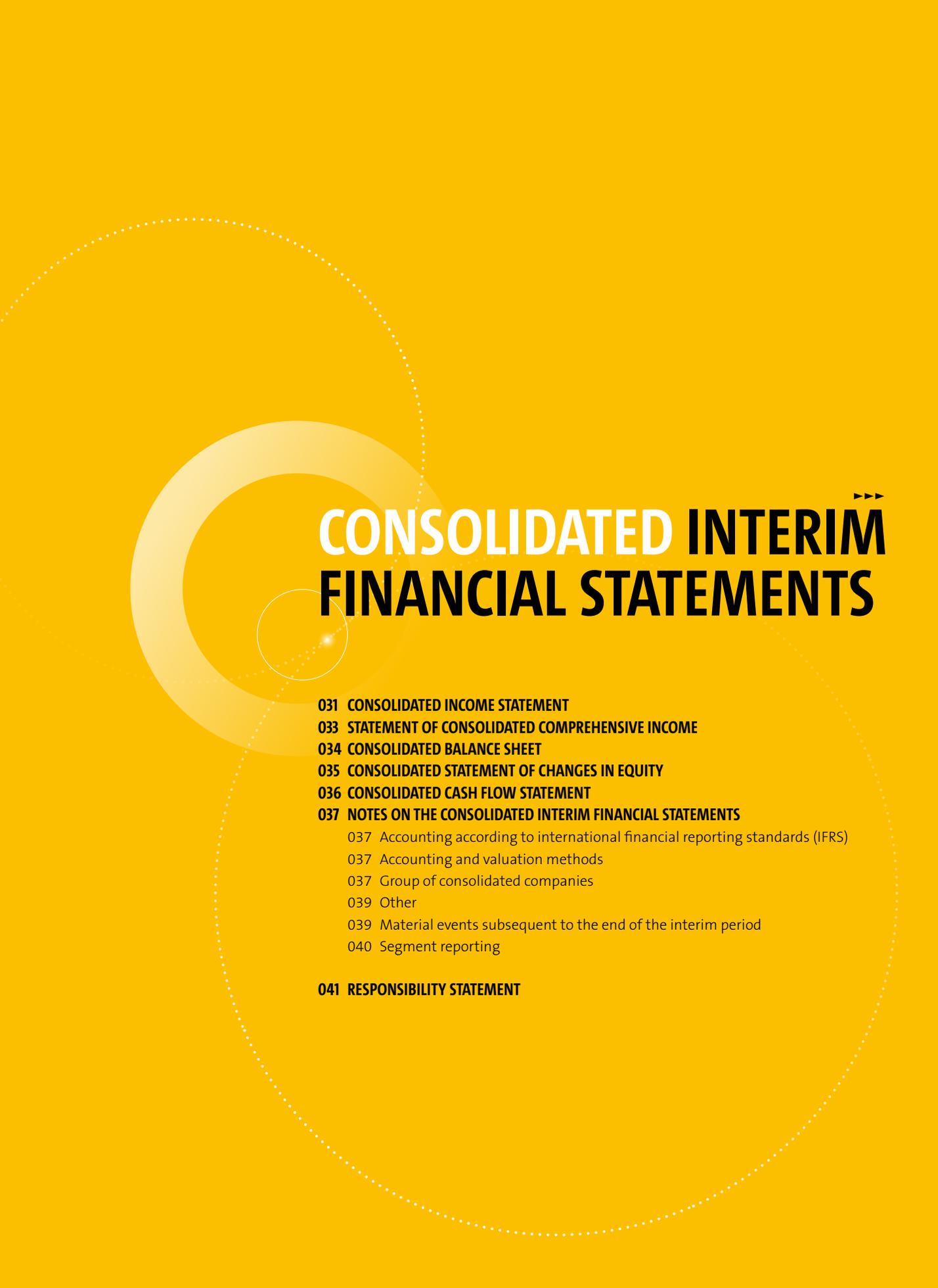
On June 30, 2015, our liquid funds totaled € 141.4 (March 31, 2015: 148.4) million. For fiscal year 2015, the Management Board expects an increase in liquid funds. Cash flow is influenced to a large degree by the operating result, investments, planned capital repayments, interest payments and potential short-term fluctuations in our working capital.

OVERALL STATEMENT BY THE MANAGEMENT BOARD ON THE EXPECTED DEVELOPMENT OF THE GROUP

During the first half of 2015, SolarWorld AG continued on its growth trajectory of the previous year. In the current fiscal year, the group is exploiting rising global demand for solar power products to increase its shipments significantly compared with 2014. SolarWorld will see strongest growth in the United States.

With its “SolarWorld – REAL VALUE” message, the group is especially targeting success in the quality segment of the international solar markets. SolarWorld products that offer customers particularly high performance are a key volume driver. The group will therefore successively upgrade its production facilities to PERC high-performance technology. Another focus is our range of complete solar energy solutions, which enable customers to increase their own consumption of self-generated solar power and cut their energy bills.

In addition, SolarWorld is implementing groupwide measures to continuously improve processes. Reducing costs and increasing competitiveness remain an ongoing priority. In this way, SolarWorld will create stronger foundations for profitable long-term growth.



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CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FIRST HALF 2015

in K€	H1 2015	H1 2014
1. Revenue	319,971	228,095
2. Change in inventories of finished goods and work in progress	63,323	26,729
3. Own work capitalized	1,448	668
4. Other operating income	41,630	181,198
5. Cost of materials	-253,297	-175,979
6. Personnel expenses	-80,553	-67,394
7. Amortization and depreciation	-22,061	-20,143
8. Other operating expenses	-82,652	-92,246
9. Operating result	-12,191	80,928
10. Financial result	-20,592	527,201
11. Result before taxes on income	-32,783	608,129
12. Taxes on income	7,326	-110,257
13. Consolidated net result	-25,457	497,873
Of which attributable to shareholders of SolarWorld AG	-25,457	497,873
14. Earnings per share		
a) Weighted average number of shares outstanding (in 1,000)	14,896	10,646
b) Consolidated net result (in €)	-1.71	46.76

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CONSOLIDATED INCOME STATEMENT SECOND QUARTER 2015

in K€	Q2 2015	Q2 2014
1. Revenue	170,888	128,675
2. Change in inventories of finished goods and work in progress	25,698	12,342
3. Own work capitalized	1,029	494
4. Other operating income	16,519	27,889
5. Cost of materials	-123,606	-98,871
6. Personnel expenses	-39,471	-37,107
7. Amortization and depreciation	-11,120	-10,367
8. Other operating expenses	-44,099	-69,539
9. Operating result	-4,162	-46,484
10. Financial result	-10,413	-8,169
11. Result before taxes on income	-14,575	-54,653
12. Taxes on income	-840	2,394
13. Consolidated net result	-15,415	-52,258
Of which attributable to shareholders of SolarWorld AG	-15,415	-52,258
14. Earnings per share		
a) Weighted average number of shares outstanding (in 1,000)	14,896	14,893
b) Consolidated net result (in €)	-1.03	-3.51

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STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FIRST HALF 2015

in K€	H1 2015	H1 2014
Consolidated net result	-25,457	497,873
Items not to be reclassified to profit or loss	0	0
Exchange differences from currency translations		
Exchange differences from currency translations	10,003	2,867
Deferred taxes relating to exchange differences on translating foreign operations	-5,196	-2,228
Exchange differences from currency translations, net of tax	4,807	639
Items that may be reclassified subsequently to loss/profit	4,807	639
Other comprehensive net result	4,807	639
Of which:		
Other comprehensive result before tax	10,003	2,867
Deferred taxes relating to other comprehensive result	-5,196	-2,228
Total comprehensive result	-20,650	498,511
Of which attributable to shareholders of SolarWorld AG	-20,650	498,511

T 09**STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME SECOND QUARTER 2015**

in K€	Q2 2015	Q2 2014
Consolidated net result	-15,415	-52,258
Items not to be reclassified to profit or loss	0	0
Exchange differences from currency translations		
Exchange differences from currency translations	-4,419	949
Deferred taxes relating to exchange differences on translating foreign operations	2,647	-512
Exchange differences from currency translations, net of tax	-1,772	437
Items that may be reclassified subsequently to loss/profit	-1,772	437
Other comprehensive net result	-1,772	437
Of which:		
Other comprehensive result before tax	-4,419	949
Deferred taxes relating to other comprehensive result	2,647	-512
Total comprehensive result	-17,187	-51,821
Of which attributable to shareholders of SolarWorld AG	-17,187	-51,821

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CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2015

Assets in K€	June 30, 2015	Dec. 31, 2014
A. Non-current assets	421,264	412,044
I. Intangible assets	18,430	13,800
II. Property, plant and equipment	344,088	344,735
III. Investment property	20,990	14,795
IV. Investments measured at equity	15,760	10,583
V. Other financial assets	5,279	5,254
VI. Other non-current assets	15,146	21,310
VII. Deferred tax assets	1,571	1,567
B. Current assets	512,462	494,270
I. Inventories	229,028	158,063
II. Trade receivables	83,612	75,851
III. Current income tax assets	811	809
IV. Other receivables and assets	22,425	32,030
V. Other financial assets	35,151	50,420
VI. Liquid funds	141,435	177,097
C. Assets held for sale	2,457	9,027
	936,183	915,341

Equity and liabilities in K€	June 30, 2015	Dec. 31, 2014
A. Equity	218,018	238,668
I. Equity attributable to shareholders of SolarWorld AG	218,018	238,668
1. Subscribed capital	14,896	14,896
2. Capital reserve	158	158
3. Other reserves	16,041	11,234
4. Accumulated results	186,923	212,380
B. Non-current liabilities	470,095	508,974
I. Non-current financial liabilities	355,849	391,582
II. Accrued investment grants	26,527	29,101
III. Non-current provisions	35,301	33,772
IV. Other non-current liabilities	43	111
V. Deferred tax liabilities	52,375	54,408
C. Current liabilities	248,070	167,699
I. Current financial liabilities	84,227	58,297
II. Trade payables	83,961	42,291
III. Income tax liabilities	839	2,987
IV. Current provisions	11,769	15,674
V. Other current liabilities	67,274	48,450
	936,183	915,341

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FIRST HALF 2015

in K€	Subscribed capital	Capital reserve	Other reserves		Accumulated results	Total
			Currency translation reserve	IAS 19 reserve		
As at Jan. 01, 2014	110,795	68	7,997	-628	-361,317	-243,084
Capital reduction	-110,056				110,056	0
Capital increase by contribution in kind	14,151				-604	13,547
Disposal of treasury shares	6	90			81	177
Total comprehensive result H1 2014			639		497,873	498,511
As at June 30, 2014	14,896	158	8,636	-628	246,089	269,150
Total comprehensive result H2 2014			4,501	-1,275	-33,709	-30,483
As at Dec. 31, 2014	14,896	158	13,137	-1,903	212,380	238,668
Total comprehensive result H1 2015			4,807		-25,457	-20,650
As at June 30, 2015	14,896	158	17,944	-1,903	186,923	218,018

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CONSOLIDATED CASH FLOW STATEMENT FIRST HALF 2015

in K€	H1 2015	H1 2014
Result before tax	-32,783	608,129
+ Amortization and depreciation	22,061	20,143
+ Financial result (excluding profits and losses from currency translation)	21,732	28,774
+/- Loss/Profit from disposal of assets	1	-865
- Reversal of accrued investment grants	-2,523	-2,456
- Gain from initial purchase accounting	0	-136,124
- Other material non-cash items	0	-537,038
= Cash flow from operating result	8,488	-19,437
+ Changes in prepayments and customer advances	8,436	13,267
- Increase in inventories	-72,776	-38,978
- Increase in trade receivables	-7,740	-19,271
+ Increase in trade liabilities	35,132	33,920
+ Development other net assets	17,536	1,058
= Cash flow from operating result and changes in net assets	-10,924	-29,440
+ Interest received	50	281
-/+ Taxes on income paid/received	-2,042	408
= Cash flow from operating activities	-12,916	-28,751
- Cash payments for investments in fixed assets	-19,630	-5,686
+ Cash receipt investment grants	1,247	8,288
+ Cash receipts from the disposal of fixed assets	29	1,244
+ Cash receipts from negative purchase price	15,000	45,000
= Cash flow from investing activities	-3,354	48,846
+ Cash receipts from borrowings	300	51,692
- Cash payments from the repayment of loans	-10,732	-60,704
- Interest and restructuring expenses paid	-13,670	-15,414
- Cash payments for equity measures	0	-862
+ Cash receipt from the disposal of treasury shares	0	177
= Cash flow from financing activities	-24,102	-25,111
- Net changes in cash and cash equivalents	-40,372	-5,016
+ Currency and consolidation-related change of cash and cash equivalents	4,710	458
+ Cash and cash equivalents at the beginning of the period	177,097	163,662
= Cash and cash equivalents at the end of the period	141,435	159,104

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NOTES ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Pursuant to article 4 of the 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 June 30, 2015 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 2014 consolidated financial statements have been applied. A detailed description of these methods has been published in the notes to the 2014 Annual Group Report, which can be reviewed and downloaded from the internet at ► www.solarworld.de/financial-reports.

Accounting pronouncements that became applicable in the 2015 period do not have noteworthy influence on the presentation of the financial position and financial performance of the SolarWorld group. A detailed presentation of these accounting pronouncements is provided in the notes to the consolidated financial statements 2014 as well.

ESTIMATIONS AND ASSUMPTIONS

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

The substantial discretionary decisions, estimations and assumptions made when preparing the consolidated interim financial statements remain, in principle, unchanged from those used when preparing the consolidated financial statements 2014. Estimations regarding the determination of the initial purchase accounting are no longer necessary.

INCOME TAXES

The income tax expense of the 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 expenses and income. No deferred taxes on loss carryforwards were capitalized as at June 30, 2015.

3. GROUP OF CONSOLIDATED COMPANIES

The group of consolidated companies consists of the subsidiaries, which can be found in the graphic on the following page.

SOLARWORLD GROUP STRUCTURE AS AT JUNE 30, 2015



* Consolidated at equity

In January 2015, SolarWorld AG founded a sales company named SolarWorld Japan K.K., located in Tokyo/Japan.

In June 2015, SolarWorld AG founded a further sales company named SolarWorld UK [Salisbury] Ltd., located in Salisbury/UK.

In the second quarter of 2015, both Solarparc Projekt VII GmbH & Co. KG and Solarparc Projekt VIII GmbH & Co. KG were founded. The entry in the entities' commercial register took place on April 1, 2015, each.

SolarWorld Czech s.r.o., Templice/Czech Republic, a 100 percent subsidiary of SolarWorld AG, Bonn, is currently in liquidation. The liquidation was entered in the entity's commercial register per May 1, 2015.

Liquidation of SolarWorld Schalke GmbH has been completed in the reporting period and the company was deleted from the commercial register on May 29, 2015.

4. OTHER

CONTINGENT LIABILITIES

Our subsidiary SolarWorld Industries Sachsen GmbH (formerly Deutsche Solar GmbH) is currently the defendant in a court proceeding with a silicon supplier. The subject of the court proceeding is the non-acceptance of silicon from long-term silicon contracts concluded with this silicon supplier. Due to the non-acceptance, the silicon supplier claims a total of USD 676 million on the basis of the "take or pay" obligation and in damages. On the basis of external legal opinions, the company believes that the silicon contracts in question violate European antitrust law, which could mean that the purchase obligation as well as the contracts per se might be null and void. At this point in time the outcome of the proceedings cannot be estimated. Depending on the outcome, however, it is possible that SolarWorld Industries Sachsen GmbH might be liable for damages up to the claimed amount.

Some former bondholders cancelled their bonds during the financial structuring process. SolarWorld AG believes that the notices given are not effective, as – in accordance with external expert reports – no grounds for cancellation existed, neither from the conditions of the bonds nor for good cause. The Frankfurt am Main regional court dismissed several legal actions in this matter. The Frankfurt higher regional court, however, is of the opinion that the cancellations given in the period between convocation of the creditors' meetings on August 5/6, 2013 and the respective creditors' meeting are effective. SolarWorld AG launched an appeal with the Federal Civil Court in this matter, the outcome of which is still pending. Other proceedings are pending with the Bonn regional court and the Cologne higher regional court. Should, contrary to our expectations,

these proceedings be decided in favor of the plaintiffs, SolarWorld will have to pay off the cancelled bonds at full nominal value plus accrued interest. This concerns bonds in a nominal value of € 1.4 million. In this case, however, the bondholders will have to return all benefits received in the scope of the restructuring process.

IMPAIRMENT TESTS

The basic valuation assumptions and premises on which the impairment tests at the end of 2014 were based remained almost unchanged by the cut-off date June 30, 2015. Consequently, no recognition or reversal of impairments on property, plant and equipment was necessary.

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

On July 8, 2015, after a regular revision U.S. authorities announced a slight adaptation of the anti-dumping and anti-subsidy duties on solar cell imports from China that have been in place since December 2012. This decision will contribute to the re-establishment of fair competition on the U.S. solar market.

6. SEGMENT REPORTING

INFORMATION ON OPERATING SEGMENTS FIRST HALF 2015

in M€	Production Germany	Production U.S.	Trade	All other segments	Reconciliation	Consolidated
Revenue						
External revenue	3	0	317	0	0	320
Inter-segment revenue	185	113	10	7	-315	
Total revenue	188	113	327	7	-315	320
EBITDA	-4	0	10	4	0	10
Scheduled depreciation	-13	-5	-1	-3	0	-22
Operating result (EBIT)	-17	-5	9	1	0	-12
Financial result						-20
Result before income taxes						-32
Income taxes						7
Consolidated net result						-25
T 14						

INFORMATION ON OPERATING SEGMENTS FIRST HALF 2014

in M€	Production Germany	Production U.S.	Trade	All other segments	Reconciliation	Consolidated
Revenue						
External revenue	10	0	218	0	0	228
Inter-segment revenue	176	76	0	5	-258	
Total revenue	186	76	218	5	-258	228
EBITDA	118	-4	-14	2	-1	101
Scheduled depreciation	-12	-4	-1	-3		-20
Operating result (EBIT)	106	-8	-15	-1	-1	81
Financial result						527
Result before income taxes						608
Income taxes						-110
Consolidated net result						498
T 15						

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of

the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Bonn, August 13, 2015

SolarWorld AG
Board of Management



Dr.-Ing. E. h. Frank Asbeck
Chief Executive Officer (CEO)



Dipl.-Wirtschaftsing. Frank Henn
Chief Sales Officer (CSO)



Dipl.-Kfm. tech. Philipp Koecke
Chief Financial Officer (CFO)



RAIN Colette Rückert-Hennen
Chief Information,
Brand & Personnel Officer (CIBPO)



Dipl.-Ing. Jürgen Stein
Chief Product Officer (CPO)

FINANCIAL AND EVENT CALENDAR 2015

AUGUST 14, 2015

▶▶▶ **Publication of Consolidated Interim Report 1st half 2015**
www.solarworld.de/financial-reports

SEPTEMBER 2–4, 2015

▶▶▶ **PVExpo Osaka 2015, Osaka, (Japan)**
www.pvexpo-kansai.jp/en

SEPTEMBER 15–17, 2015

▶▶▶ **Solar Power International, Anaheim (U.S.)**
www.solarpowerinternational.com

OCTOBER 6–8, 2015

▶▶▶ **Energie 2015, Den Bosch (Netherlands)**
www.energievakbeurs.nl/en/home

OCTOBER 7–8, 2015

▶▶▶ **All Energy Australia, Melbourne (Australia)**
www.all-energy.com.au

OCTOBER 13–15, 2015

▶▶▶ **Solar Energy UK, Birmingham (UK)**
uk.solarenergyevents.com

NOVEMBER 13, 2015

▶▶▶ **Publication of Consolidated Interim Report 3rd quarter 2015**
www.solarworld.de/financial-reports

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