colexon

SOLAR POWER PLANTS

ANNUAL REPORT 2009

KEY FIGURES OF COLEXON ENERGY AG

THE GROUP AS OF 31 DECEMBER 2009

INCOME STATEMENT IN EUR MILLION	2009 (PRO-FORMA)[1]	2008 (IFRS)[2]
Revenue	188.1	142.7
Gross profit	47.3	28.0
EBIT	18.5	12.1
Net profit/loss	5.9	7.2

STATEMENT OF FINANCIAL POSITION IN EUR MILLION	31.12.2009	31.12.2008
Total assets	323.1	78.5
Equity	118.3	39.2
Equity ratio in %	36.6	49.9
Subscribed Capital	17.7	5.1
Goodwill	71.4	15.1

CASH FLOW IN EUR MILLION	2009 (PRO-FORMA)[1]	2008 (IFRS)[2]
Cash flows from operating activities	30.2	1.5
Cash flows from investing activities	–8.9	–0.3
Cash flows from financing activities	–5.3	–3.3
Cash and cash equivalents as of 31 December	32.3	2.6

THE SHARE IN EUR		
Earnings per share (basic)	0.36	1.42
Number of employees (as of 31 December)	125	77

[1] *Pro forma figures, "new" COLEXON: The pro forma figures of the "new" COLEXON comprise the results of both Renewagy and the "old" COLEXON for the entire reporting period. This representation was selected in order to provide a more transparent picture of the "new" COLEXON's actual performance. A detailed representation of the pro forma figures has been added to the Notes in a separate chapter (page 134).*

[2] *IFRS disclosures about the "old" COLEXON: The IFRS figures include the results of the "old" COLEXON in the 2008 financial year. The new "Plant Operation" segment, which was added following the takeover of Renewagy, is not incorporated. Because the takeover was implemented as a reverse acquisition, Renewagy's prior-year figures must be used as comparatives in the management report and notes (page 24 et seq.).*

COLEXON 2009

KEY FIGURES

2012

is the year in which solar power may become a viable alternative to conventional sources of energy in many European countries.

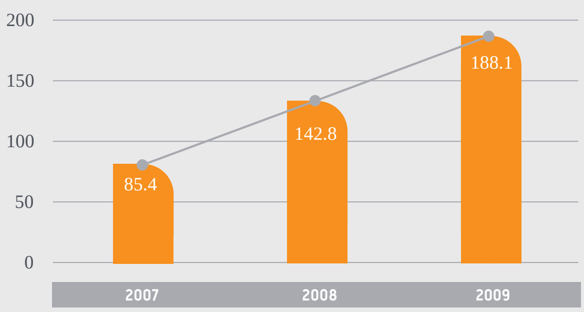
1,700 SOLAR POWER PLANTS

have already been installed worldwide by COLEXON as a professional partner to private and institutional investors.

91 MWP

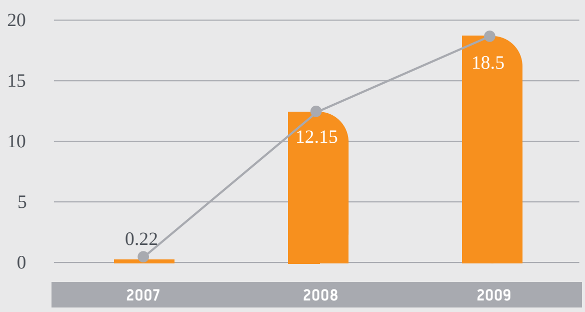
of solar modules were placed with customers last year by COLEXON in its capacity as a project developer and wholesaler.

REVENUE* *in EUR million*

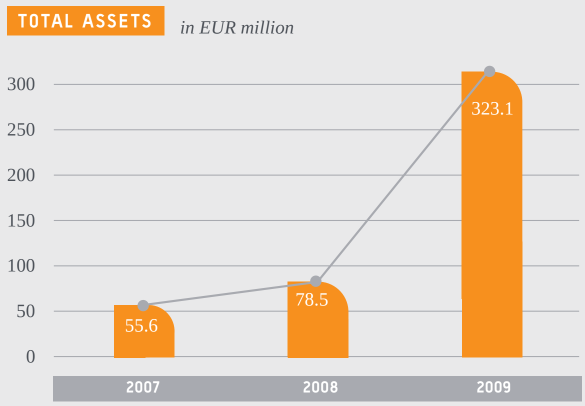


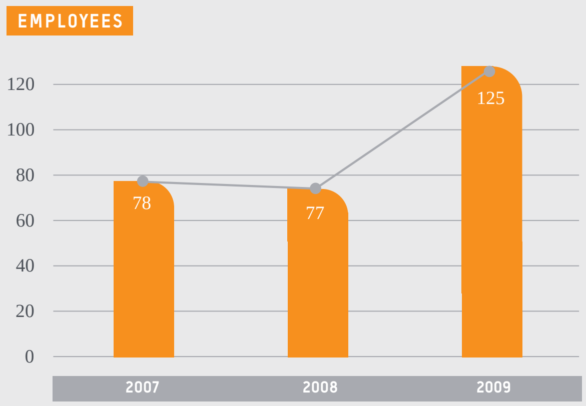
* *Pro forma results*

EBIT* *in EUR million*



* *Pro forma results*





CC 2012

"Change COLEXON 2012" is the strategy concept designed to bring the Group's structures into line with the general conditions in the solar industry.

45 MILLION KWH

of environmentally friendly solar power was produced by COLEXON's own solar plants in 2009.

“Only companies that grow profitably and are flexible will have sustained success in the solar market. Our business model gives us the opportunity to continue on our successful growth trajectory.”

Thorsten Preugschas, CEO

COLEXON IN BRIEF

COLEXON is an internationally positioned project developer and operator of high-yield solar power plants. The Company also acts as a specialized wholesaler for modules and system components. COLEXON thereby combines three businesses that ideally complement one another: Wholesale, Projects and Plant Operation.

OUR CORE PRINCIPLES

SUSTAINABLE GROWTH • It is not just the success of the moment that counts in our industry but most of all the ability to bring corporate development into line with the dynamics of the solar market.

DIVERSIFIED STRATEGY • Our dependency on government development programs demands a risk-optimized, diversified corporate strategy.

EFFICIENT OPERATIONS • Our goal is to make solar energy efficient. For this we rely on efficient structures and focus on our core competencies.

SHARED SUCCESS • The key to our success lies in the skills and dedication of our staff. Together we bring COLEXON one step forward every single day.

TABLE OF CONTENTS

BASIC INFORMATION

GROUP MANAGEMENT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

FURTHER INFORMATION

FOREWORD
OF THE MANAGEMENT BOARD

Ladies and Gentlemen, Dear Shareholders,

A review of business developments at COLEXON and in the solar market in 2009 shows a mixed picture. While the previous year had seen record profits and double-digit growth rates for the solar industry, in 2009 solar power companies had to contend with large-scale reductions of excess capacity among module manufacturers and stiffer competition.

In spite of this difficult economic environment, 2009 was a very successful year for COLEXON. We surpassed our forecast of EBIT of EUR 18.5 million and revenue of EUR 188.1 million (pro forma results) and thus systematically continued our growth course in what was a rocky period for the solar industry.

The key to our success lies in our strategic positioning and our flexible business model, which we reinforced with our takeover of Renewagy. The Plant Operation division that COLEXON acquired with this transaction proved that it ideally complements our existing core areas of Projects and Wholesale by making a large contribution to profits. The very good results in the Wholesale and Plant Operation segments gave a substantial boost to our earnings under trying conditions, enabling us to reduce strategic risks at the same time.

As a vertically integrated group of companies in the downstream segment of the value chain in the solar market, we benefited from the intense pressure on module manufacturers to consolidate. The sharp drop in module prices allowed us lower our system costs to a significant extent and drive up efficiency.

The announced reduction in feed-in tariffs in Germany will have a profound impact on the solar industry. Politicians' demands that the solar industry stand on its own two feet in the future present a major challenge that we are confident of mastering. To do this, we will rely on a forward-looking growth strategy. Thanks to our three mainstays and by strengthening our international project business, we will be able to respond more quickly and efficiently to changes in the market.

In order to successfully continue our sustainable company growth, we need a stable financing concept consisting of internal and external sources of funding. The recently issued commitment to provide working capital finance of EUR 21 million shows that confidence in our Company with its consistently healthy figures is growing.

These generally optimistic developments notwithstanding, we consider COLEXON's share price performance in both 2008 and 2009 to be unsatisfactory. This can be attributed to the weakness of solar stocks across the board and also to the changes in our group of shareholders required for the acquisition of Renewagy. We expect to attract new institutional investors this year whose investment strategy is in line with the "new" COLEXON and that back our substance-oriented business focus. Our very positive results in the 2009 financial year enabled us to make another important step in this process.
Reference must be made to our presentation of earnings because a pro forma presentation is necessary on account of the Renewagy transaction.The background to this is that following the takeover the share-

THORSTEN PREUGSCHAS (CEO)

HENRIK CHRISTIANSEN (CFO)

VOLKER HARS (COO)

holders of the former Renewagy hold over 50 percent of the voting shares of the “new” COLEXON. As a result, it was not possible to include the contributions of the Projects and Wholesale segments to the revenue and EBIT of the “old” COLEXON for the period from 1 January to 13 August 2009 in the IFRS financial statements. To give our shareholders a comprehensive picture all the same, we have included a section with a detailed presentation of the pro forma results of the two companies in the notes.

Extending our business to include plant operation made it necessary to expand COLEXON’s Management Board. The new member of our team is Volker Hars, who has managed the “Change COLEXON 2012” (CC 2012) project since December 2009. Mr. Hars is an expert with plenty of international experience and brings additional capacity to the areas of strategy development and operational management. CC 2012 is a concept for integrating our staff at all levels so that we can align the Company to the constantly changing conditions with the best possible results. The flexibility in business this creates has already proved to be a major competitive advantage.

Together with our Supervisory Board and our employees, whose expertise and willingness to excel have made our growth possible in the first place, we believe that COLEXON is on track for further success. We would be pleased if you would accompany us on this journey in this year as well.

Sincerely yours,

Thorsten Preugschas
Chief executive officer (CEO)

Henrik Christiansen
Chief Financial Officer (CFO)

Volker Hars
Chief Operating Officer (COO)

SOLAR ENERGY–

THE SUN IS CHANGING OUR FUTURE

THE SUN

The sun is changing our future

Solar energy
Uranium
Coal
Annual global energy demand
Oil
Gas

The amount of energy that the sun sends to the earth within one hour is enough to cover the amount of electricity that the world's population consumes in one year. It is completely free and clean and does not produce harmful emissions. If we were to succeed in utilizing just a fraction of this energy in meaningful ways, some of mankind's most urgent problems would be solved.

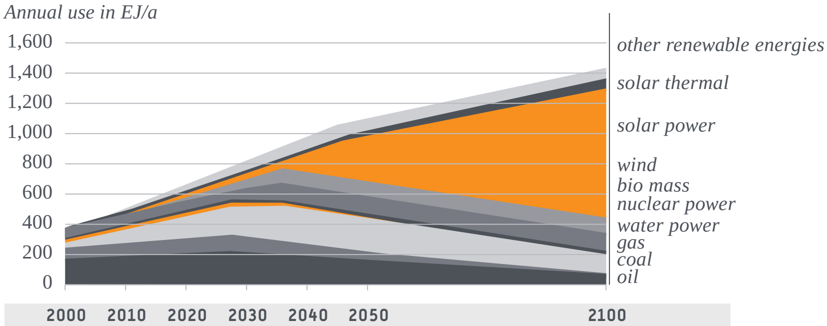
“Solar energy is on the verge of becoming a serious, cost-effective alternative to conventional energy sources. This means we are operating in an emerging market that will be both economically and environmentally viable.”

Benjamin Schulz, Director Research & Development

INEXHAUSTIBLE SOURCE OF ENERGY • While oil, gas and coal reserves continue to decline, solar power is evolving from a niche application into an important alternative to conventional modes of generating energy and accounts for a growing share of electricity production. By banking on solar energy, COLEXON is helping to solve the worldwide problems of global warming, air pollution and limited resources.

ENERGY OF THE FUTURE • In 2009, solar power exceeded one percent of German electricity production for the first time. Experts believe that given the advances in solar technology and rising energy prices solar power has huge potential and assume that by 2020 solar energy will account for 12 percent of all power produced in Europe. This would make the sun a very important supplier of energy in Europe.

THE SOLAR INDUSTRY HOLDS ENORMOUS POTENTIAL



BALANCED ENERGY MIX • Today, global energy consumption is almost twice as high as in the early 1970s and is expected to rise sharply in the long term. This calls for new solutions in energy and climate policy so that an energy mix is found that can guarantee a supply of energy which is secure, profitable and environmentally friendly in equal measure. Solar energy will become increasingly important in this context because it optimally meets the requirements for an energy of the future. It is the reason a total of 25 countries have already implemented development models that provide state funding for investments in solar energy and accelerate technological development. Several other countries are planning similar laws.

GRID PARITY IN SIGHT • Grid parity is the point at which solar power costs as much as power generated using conventional sources of energy. COLEXON expects that if energy prices continue to rise, grid parity will be able to be reached in a number of European countries as early as 2012. Advances in solar technology will be instrumental in achieving this because they bring about a continuous rise in output and reduce costs. Grid parity would enable solar energy to compete with conventional energy sources and constitute a serious, cost-effective alternative to coal and nuclear power. COLEXON is participating in this process and has positioned itself strategically in the markets in which achieving grid parity is possible in the near future.

COLEXON–

STABLE GROWTH IN A FUTURE MARKET

GRID PARITY

our goal

COLEXON's long-term objective is to evolve solar power into a viable alternative to conventional sources of energy. One of the main factors in the price of solar power is system costs. As an integrated group of companies, we can directly influence the cost structure and consequently the profitability of our installations.

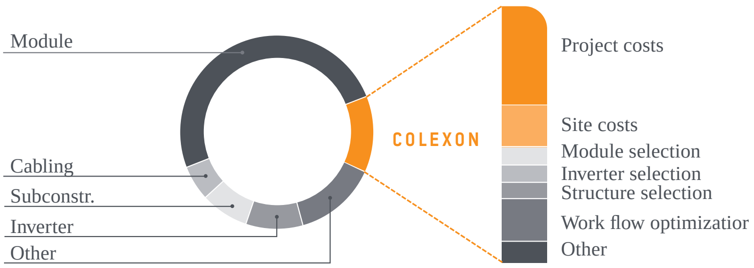
“ The name COLEXON stands for many years of experience and innovative technologies. The result: It creates satisfied customers and generates high yields.**”**

Thorsten Preugschas, Chief Executive Officer (CEO)

CLEAR FOCUS • To maximize our efficiency in developing solar projects, we focus on our core competencies and systematically outsource services that could impede our growth. In our selective outsourcing model in the project business, for example, we draw on the expertise of subcontractors for installation work. This enables us to leverage synergy effects from the different divisions to optimize the quality of the solar installation and the process efficiency.

EFFICIENT STRUCTURES • The success of an installation depends as much on choosing the right technologies and reducing system costs as on generally designing the installation to be efficient and profitable. As an integrated project developer, COLEXON can directly influence the system price in several ways, most importantly through its procurement strategy, its handling of the legal aspects and the technical implementation of the projects.

OPPORTUNITY TO CONTROL COSTS



OPTIMIZED TECHNOLOGIES • Our responsibility is to optimize the cost/income ratio of a solar power plant so as to maximize the return for our customers. In this context, choosing the right technology is just as crucial as systematically designing the installations to be efficient and profitable. The costs for solar modules and system components make up a large share of the system costs of a solar installation. An efficient procurement strategy is therefore vital for successful budgeting. By concentrating on First Solar thin-film technology from an early stage, we secured access to the solar modules that currently offer the best value for money. This has enabled us to reduce our system costs in the long term.

FORWARD-LOOKING DECISIONS • Technological development in the solar industry is both dynamic and exciting. New types of modules and system components that help improve many processes and solutions and lower the system costs of solar installations are constantly appearing on the market. Our goal is always to remain one step forward in the future, which is why we want to use tomorrow’s technologies today. Our Research & Development team permanently scours the procurement market for new, innovative module types and system components. Our aim in doing this is to offer all our customers the best solutions with the most efficient technology for their individual locations.

THE BUSINESS MODEL–
OUR KEY TO SUCCESS

SUCCESS
through market-oriented growth

As a vertically integrated group of companies, COLEXON occupies a strong position in the solar market. Our three mainstays – Wholesale, Projects and Plant Operation – facilitate market-oriented, flexible growth. The success of this concept is manifested in a continuous growth trajectory in a promising, dynamic market environment.

VALUE CHAIN

MANUFACTURER → SPECIALIST WHOLESALER → PROJECT DEVELOPER → SOLAR POWER PLANT OPERATOR

> “Our aim is not only to be successful, but to generate healthy, farsighted growth. This philosophy is reflected in our business model, which is based on forward-looking development.”
>
> *Henrik Christiansen, Chief Financial Officer (CFO)*

OUR GOAL • Experts forecast that in a few years solar energy will be able to compete with conventional energy sources. We are driving this development forward. Achieving grid parity is COLEXON’s main goal. We want to do our bit to make solar power competitive and to establish COLEXON as one of the leaders in the solar energy market. We have already set the scene for this with our innovative business model.

WHOLESALE • The wholesale business with solar modules and system components is an important pillar of our business model. In this business, we focus on selling modules developed by leading manufacturers. COLEXON’s Wholesale division is less subject to seasonal fluctuations than the traditional project business and is considered a successful instrument for entering new growth markets such as the United States or Australia, where grid parity could become a reality in the near future.

BUSINESS MODEL

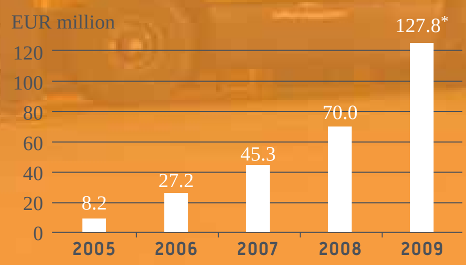
WHOLESALE	PROJECTS		PLANT OPERATION
Service, logistics and distribution	Turnkey solar power plants		Solar power generation
Modules, components and turnkey systems	Investor portfolios 1MWp to multi-MWp	Roof/area leasing/ own investment 100 kWp to 1MWp	Own investment 1MWp to multi-MWp
Installers Project developers Solar companies	Agriculture Industry Public Institutions Institutional investors	investors Funds Industry	COLEXON
	Service and operation of own and third-party plants		

PROJECTS • COLEXON is a professional partner to private and institutional investors for solar power plants with optimized output in and outside Germany. In the process, we turn an endless source of energy into a constant source of revenue for our customers, drawing on a vast wealth of experience gained from implementing over 1,700 systems worldwide. Our particular strength lies in project development and large-scale photovoltaic installations using thin-film technology. Thanks to this module technology we achieve an output of 5.8 megawatts-peak in Hassleben (Brandenburg), for example, with one of the world’s largest rooftop solar power plants.

PLANT OPERATION • Over one percent of Germany’s electricity requirements are already met with environmentally friendly solar power. In 2009, we generated over 45 million kilowatt hours of power with our own solar power plants. By comparison, a conventional coal-fired power plant would emit nearly 30,000 tons of CO_2 to produce this quantity of energy. Our solar power plants also accounted for EUR 7.3 million of EBIT in the reporting period. Our business model therefore speaks for itself, not only in terms of environmental sustainability but also in terms of economic success.

WHOLESALE–
SUSTAINABLE SUCCESS THROUGH DIFFERENTIATION

DEVELOPMENT OF REVENUE in the Wholesale segment



** Pro forma figures*

Since 2005, COLEXON has continuously lifted its wholesale revenue each year, increasing it a good fifteen times over. By making a large contribution to revenue and EBIT, the wholesale business formed the backbone of COLEXON’s successful performance in the reporting period.

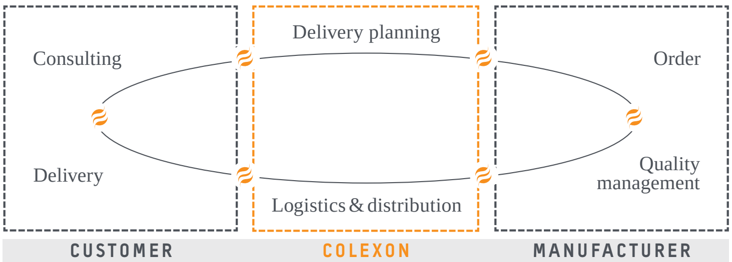
“ Our customers expect a track record in photovoltaic installations, professional advice and high-quality products – the very things COLEXON offers! ”

Andrea Kiehl, Director of Wholesale

DISTRIBUTION CHANNELS • We have efficient distribution channels. in which the delivery service is the main variable. Supported by an efficient partner network, we have brought our logistics services into line with the dynamics of the solar energy market. We use an efficient inventory control system to optimize the throughput times of the orders customers place with us.

SALES TEAM • Our sales team is an example of the continuous growth in our wholesale business. We have not made any personnel changes to key positions since commencing our wholesale activities. By maintaining sales representatives in the same positions for years, we offer our customers an exceptional degree of reliability.

WHOLESALE VALUE CHAIN



PRODUCT RANGE • Depending on our customers’ requirements, we offer all components needed for the construction of a solar installation, from solar modules to substructures to wiring. Solar modules generate over 90 percent of our wholesale revenue. Thanks to our partnerships with a number of well-known national and international producers of modules and components, we have access to some of the currently most innovative technologies on the solar market. As one of just 14 sales partners worldwide of First Solar, the market leader for thin-film modules, we have a decisive competitive edge.

CUSTOMER PHILOSOPHY • Customers are at the core of our success. Individualized service and detailed advice are therefore pivotal for our wholesale business and are precisely how we intend to differentiate ourselves from traditional wholesalers. Based on our longstanding expertise as one of the leading project developers of high-yield solar power plants, we are able to give particularly proficient and explicit advice. Together with our knowledge transfer from the project business, customers also benefit from the wealth of experience that we have gained from successfully installing over 1,700 power plants to date.

PROJECTS–
SUCCESS THROUGH YEARS OF EXPERIENCE

GLOBAL PRESENCE
Success through years of experience

1.HAMBURG | 2.VIRUM | 3.WESEL | 4.LEIPZIG | 5.MAINZ | 6.PRAG | 7.NIZZA | 8.MALAGA | 9.IMOLA | 10.TEMPE, ARIZONA | 11.BRIGHTON, VICTORIA |

Targeted international expansion into new markets is a key component of our corporate strategy. COLEXON has already completed more than 1,700 projects worldwide and maintains branch offices in important growth markets.

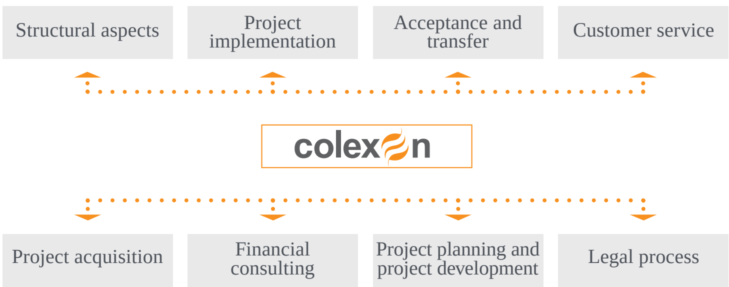
“In our growth trajectory, lean, flexible structures have helped us respond quickly to changing market conditions. We will continue undeterred along the same path.”

Volker Hars, Chief Operating Officer (COO)

SERVICES • We look after our customers throughout all phases of the project. We take care of planning and preparation and manage the solar installation project right through to commissioning and monitoring the turnkey system. One of the purposes of a solar power system is to generate a return over the long term, and thorough and precise planning are essential if the project is to be a commercial success. What may just be a minor drop in yield can still amount to a tidy sum over 20 years.

LEGAL PROCESS • The key to the successful construction of a solar power installation lies both in its technical implementation and in how the legal side of the projects is handled. COLEXON provides its customers with end-to-end service, from compliance with the requirements for official approval to meeting lending requirements. In this way, we make the best use of the financing and ensure timely handover of the installation to the investor.

VALUE CHAIN



SCOPE OF SERVICES • First we visit the site on which a plant is to be constructed and record the local conditions. On this basis, we draw up a quotation for the possible size of the plant and the corresponding project price. For this, we carry out an extensive profitability analysis based on irradiation and yield forecasts. Then we begin the technical planning of the solar installation. This includes choosing the right technology for the site in question. The construction and turnkey assembly are performed locally by our expert partner companies under our construction supervision.

PLANT MONITORING • Once a solar power plant is in operation, COLEXON offers to perform monitoring and maintenance at the plant. This involves supervising the plant’s power output around the clock so as to be able to react quickly in the event of deviations in output and immediately resolve any problems that arise. The supervision of the plant is carried out completely online and can also be inspected by the customer at any time. We provide reliable, rapid, straightforward maintenance with our local service organization and our extensive partner network.

PLANT OPERATION–

SUBSTANCE CREATES SUSTAINABILITY

FEED-IN REVENUE

"Waldeck" solar power plant

COLEXON currently operates 11 solar power plants with a peak output of around 45,000 kilowatts-peak. The state-guaranteed feed-in tariff for the solar power generated assures the Company continuous cash flows.

“Our solar power plants are economically and environmentally viable. Environmentally friendly solar power has become an important source of revenue for the Group.”

Tom Glæsner Larsen, Head of Plant Operation

ATTRACTIVE INVESTMENT • COLEXON invests in modern solar farms in countries within the European Union. Here, investments in solar energy are becoming increasingly interesting. The governments of many countries have implemented their own energy funding programs that ensure fixed prices for power from renewable energy sources for a period of 20 years. Investments of this nature therefore generate assured, long-term cash flows.

HIGH LEVEL OF LIQUIDITY • Our portfolio of solar power plants strengthens our liquidity. Under the German Renewable Energy Sources Act (EEG), the electricity generated is paid for by the respective network operator. Because the calendar year of the system’s operational launch is taken as the basis for measuring the amount of the feed-in tariff, existing plants will not be affected by reductions in feed-in tariffs.

SOLAR POWER PLANTS *(own portfolio)*

YEAR	PROJECT	TYPE OF PLANT	SIZE	ANNUAL CO_2 SAVINGS
2009	Zernsdorf	Rooftop	1.70 MWp	989 tonnes
2009	Etzbach/Dierig	Rooftop	1.57 MWp	913 tonnes
2008	Eckolstädt	Rooftop	8.82 MWp	5,362 tonnes
2008	Moorenweis	Ground-mounted	5.94 MWp	3,744 tonnes
2008	Waldeck portfolio	Rooftop	5.92 MWp	3,353 tonnes
2008	Tierhaupten	Ground-mounted	4.99 MWp	3,098 tonnes
2008	Immler	Rooftop	4.56 MWp	2,501 tonnes
2008	Hurlach	Ground-mounted	4.30 MWp	2,842 tonnes
2008	Froschham	Ground-mounted	4.20 MWp	2,686 tonnes
2008	Kettershausen	Ground-mounted	2.38 MWp	1,489 tonnes
2007	Hiendorf	Ground-mounted	1.06 MWp	774 tonnes
Total			**45.44 MWp**	**27,751 tonnes**

OUR PROJECT PORTFOLIO • Our strategic focus in the Plant Operation segment is on ground-mounted projects with peak outputs in excess of 5 MWp that offer an attractive return on equity. When a special opportunity arises, however, we also invest in smaller rooftop and ground-mounted projects. Today, our plant portfolio has a total peak output of 45.4 MWp. This portfolio generates around 44,900 kWh of power annually, reducing CO_2 emissions by nearly 27,751 tons per year.

OPTIMIZED FINANCING MIX • We develop high-yield and risk-optimized financing structures for our solar power plants. Our solar power plants are generally financed in a ratio of 15-20 percent equity to 80-85 percent debt. Legally independent project companies acquire and operate their own solar power plants, which spreads the business risk of individual installations and minimizes the risk for the COLEXON Group in the best possible way.

EMPLOYEES
OF COLEXON ENERGY AG

We can look back on a new record year. The key to our success is not hard to find: our staff. With their exceptional level of commitment, solid expertise and team spirit, our employees are the pillars of COLEXON's success.

Being a year of growth, 2009 was a year in which our personnel policy faced particular challenges. Three factors deserve particular mention in this context:

• the successful search for qualified staff in a highly competitive labor market;
• the needs-driven advancement and training of our existing employees; and
• the integration of employees as a result of the takeover of Renewagy.

"The solar market is exciting and full of energy. Far more is required of us than just coming up with the right product. The name COLEXON is synonymous with proximity to customers, passion and reliability."


Marketing

STABLE WORKFORCE EXPANSION

Despite the global financial and economic crisis, the intense competition for highly qualified, motivated staff continued unabated in the solar industry. We nevertheless succeeded in recruiting skilled employees in this hard-fought market and purposefully strengthened our team with new colleagues. In 2009, our workforce grew by 55 percent year-on-year to 125 employees, most of whom were hired for the expansion of COLEXON's international business and the newly acquired Plant Operation division.


Controlling

"The solar industry never stands still. A strong intuition is particularly important in the area of controlling. The dynamic growth of the solar market and the Company demand innovative solutions and forward-looking strategies."

At the same time, staff turnover at COLEXON was reduced considerably. We succeeded in strengthening our employees' loyalty to the Company in spite of the fierce competition and the high demands placed on employees as regards their capacity for change. This success can be attributed in particular to a personnel policy that attaches considerable importance to the satisfaction of our employees and promotes the specific development of each individual.

INDIVIDUALIZED TRAINING OPPORTUNITIES

Our goal is to upgrade our employees' skills as the Company grows and foster their strengths with a systematic, goal-oriented approach. The focus is on individual development so that a percentage of key positions in the Company can continue to be filled internally in the future. For this we rely on a combination of our corporate values such as responsibility, passion and fairness with a proven track record. We use specialized and interdisciplinary training courses as well as coaching to achieve this.

In addition to drawing on external training measures, COLEXON set up an internal training program in 2009 in which all of the Company's employees can participate. Depending on employees' prior knowledge, needs-driven knowledge utilization is ensured and continuously tailored to changing conditions. The program will be intensified this year, partly aimed at strengthening employee loyalty with attractive training opportunities. Since 2009, COLEXON has also encouraged its employees who choose to pursue specific vocational qualifications.


Rooftop acquisition

"COLEXON is the market leader for rooftop systems. In Hassleben we have installed over 80,000 First Solar modules on roofs spanning 224,000 square meters in total. This is a world record and makes us unique in our industry."

INTEGRATION THROUGH TEAM SPIRIT

Taking over Renewagy and adding the new Plant Operation segment brought about major changes for us. We can look back on strong growth figures; we have reinforced our business model for long-term growth and strengthened our team with new employees. This step represents a major opportunity for the Group and its workforce. Together we can achieve great things and distance ourselves further from our competitors. To be able to tap this huge potential, the new employees need to be integrated carefully.

"At COLEXON, we combine efficient budgeting with environmental responsibility. Our solar power plants reduce CO_2 emissions by more than 40,000 tonnes per year. At the same time, we continued our successful growth in 2009."

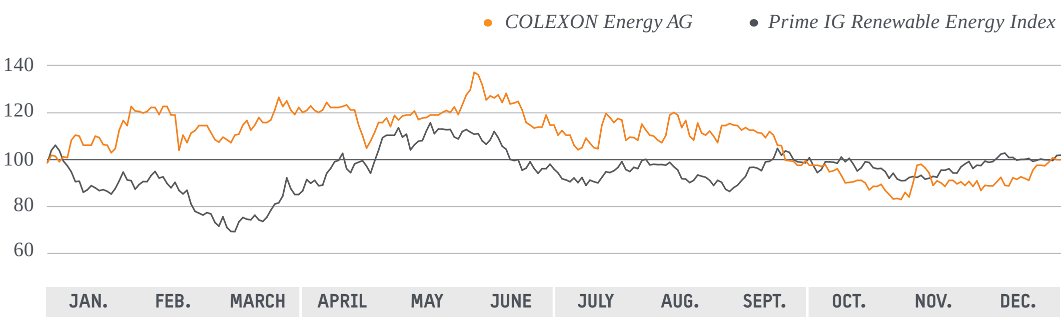

Plant Operation

COLEXON and Renewagy developed the employee integration activities in equal measure. The new Renewagy staff moved into COLEXON's administrative building in Hamburg in July 2009. The integration process is now well underway, as is the integration of the new Plant Operation division. A decisive factor in the success of this integration, just as in our entire personnel policy, was open, trust-based communication. This is very important to us and enables us to successfully master as a team the challenges presented to us on a daily basis. COLEXON would like to warmly thank all of its employees for their hard work.

THE SHARE
OF COLEXON ENERGY AG

From our perspective, COLEXON shares failed to reach their full potential. It was heavily impacted by the takeover of Renewagy in summer 2009 and the related changes in the group of shareholders. COLEXON's current share price does not adequately reflect the Company's operating performance and strategic opportunities. This year, we will approach new investors who support the successful development of the COLEXON Group.

PERFORMANCE OF THE COLEXON SHARE IN 2009



KEY SHARE FIGURES FOR COLEXON ENERGY AG

WKN / ISIN	525070/DE0005250708
Ticker symbol	HRP
Common code	22356658
Trading segment	Prime Standard, Regulated Markt, Frankfurt am Main
Stock exchanges	XETRA, Berlin, Düsseldorf, Frankfurt, München, Stuttgart,
Type of share	No-par value shares
Designated sponsor	ICF Kursmakler AG, Frankfurt am Main
Initial listing	December 2000

	2009	2008*
Number of shares	17,744,557	5,115,000
Market capitalization* in EUR million (Xetra **)	72.9	20.7
Earnings per share in EUR (Xetra)	0.60	1.42
Share price on 1 January in EUR (Xetra)	4.20	12,88
Share price on 30 December in EUR (Xetra)	4.11	4,05

* *The previous year's figures are the 2008 figures for COLEXON Energy AG.*
** *Base: Closing price on 30 December 2009*

ENCOURAGING DEVELOPMENT IN THE EQUITY MARKETS DURING THE YEAR

As the year progressed, the international equity markets were able to more than recoup the high losses a number of them had suffered in the first quarter. The prospect of a short-lived recession generated increased optimism from April 2009 onwards. Virtually all of the main stock indices for Europe, Germany and the United States closed the year with double-digit percentage gains. The share prices of German companies in the renewable energy sector were unable to keep pace with this trend. The Prime IG Renewable Energy Index ended the year up just 3.75 percent owing to the anticipated cuts in state subsidies and the financing situation in the solar energy market, which remained difficult for many companies.

The anticipated reduction in state subsidies impacted our share price performance

RENEWAGY TAKEOVER IMPACTS COLEXON'S SHARE PRICE PERFORMANCE

COLEXON's shares were able to buck the general downtrend only in the first quarter of 2009, recording price gains of 27.2 percent since the start of the year in contrast to other renewable energy stocks (XETRA closing price on 31 March 2009: EUR 5.15).

Throughout the rest of the year, however, the Company's share price performance was heavily impacted by the takeover of Danish-based Renewagy. From April onwards, COLEXON shares were extremely volatile, plummeting to EUR 4.34 on 27 April 2009 and rising to their annual high of EUR 5.85 on 4 June 2009. After this, the share price fell progressively in step with the trend on the Prime IG Renewable Energy Index. After fluctuating widely following the announcement of the results of the takeover offer to Renewagy shareholders on 11 August 2009, the price of COLEXON shares increased against the 2008 year-end price up until 24 September 2009. From the end of September 2009 until 23 December 2009, COLEXON's share price fell once more as a consequence of persistent selling pressure and continued high volatility. It was not until the end of the year that purchases by new shareholders boosted the share price once more, lifting the XETRA year-end share price 1.5 percent to EUR 4.11.

The takeover of Renewagy changed the group of shareholders

The marked increase in trading volume following the takeover of Renewagy shows that there is a growing demand for the shares of the repositioned and larger Company. Prior to the issue of the new COLEXON shares - i.e. from 1 January to 17 August 2009 - the average XETRA trading volume was around 9,000 shares.

Following the issue of new shares (on 18 August 2009), XETRA volume from the first day of trading through the end of the year more than doubled to around 21,500 shares.

Based on the XETRA closing price on 31 December 2009, COLEXON's market capitalization rose to EUR 72.9 million as a result of the issuance of new shares for the takeover of Renewagy and thus more than tripled compared with the previous year (EUR 20.52 million).

A more than threefold increase in market capitalization

EXPANSION OF INVESTOR RELATIONS ACTIVITIES

Building up new contacts to investors and analysts

We regard COLEXON's share price performance as inadequate. For this reason, our intensive investor relations work concentrates on attracting new institutional investors whose investment strategy is in line with the realigned COLEXON and that back our substance-oriented business focus. During 2009, we established important contacts to institutional investors and analysts at several events for shareholders and analysts. Key areas of focus here were the German Equity Forum in Frankfurt, the Forum Solarpraxis in Berlin and roadshows in London, Oslo, Frankfurt and Brussels.

COLEXON plans to step up its investor relations activities in Europe in 2010 with the goal of obtaining a broad base of institutional shareholders whose investment strategy matches that of the "new" COLEXON and that back our substance-oriented business focus.

GROUP MANAGEMENT REPORT
OF COLEXON ENERGY AG

1. MARKET ENVIRONMENT

MARKET ENVIRONMENT

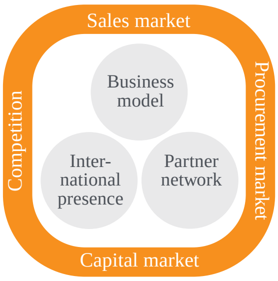
Deepest recession of the German economy since reunification

The growth prospects for the global economy deteriorated substantially in the first half of 2009, impacted by the global financial crisis. German industry, which relies heavily on exports, was hit particularly hard by the downturn and in 2009 was confronted with the worst recession since reunification. The overall economic situation nevertheless brightened somewhat in the second half of the year on the back of national economic stimulus packages, among other measures.

The macroeconomic conditions also affected the markets serviced by the solar industry, leading for example to increasing differentiation in the value chain, stiffer competition, excess capacity and fierce price battles. In Germany, this was accompanied by uncertainty created by a political debate about scaling back state subsidies through reductions in feed-in tariffs for solar power.

External conditions in the solar market

The solar industry is continuing its extremely dynamic growth course. The global solar market has grown by almost 50 percent per year in the last ten years. EPIA, the European Photovoltaic Industry Association, expects market volumes to triple again by 2012. This rapid growth is presenting solar energy companies with particular challenges.



SALES MARKET

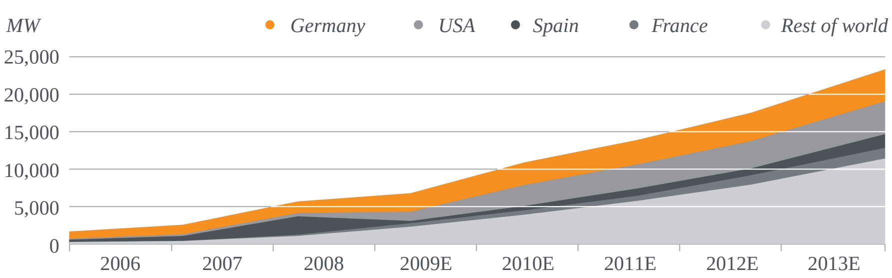
In spite of the challenging market environment, demand in the international solar industry remained stable on the whole during 2009. According to a study by Deutsche Bank, the global sales market for solar power plants contracted only slightly by 2.5 percent. Developments in the first and second halves of the year were markedly different.

Limited availability of funds for project financing

Sales in the first six months of 2009 were generally sluggish, impacted by a long winter. The project business in particular had to contend with increased competitive pressure and a scarcity of funds for project financing during this period. This situation was particularly acute in Germany.

The market then began to recover slowly towards the end of the second quarter. The slight upswing subsequently continued, with a surge in demand around the middle of August. This turnaround can be accredited to two main factors. First, the situation on the capital markets eased and the credit crunch for project financing waned perceptibly.

“ In 2009, the prices for modules fell by roughly 35 % lowering project developers’ procurement costs.”



Source: EPIA: Global Market Outlook for Photovoltaics until 2013, 2009

Anticipated reduction in feed-in tariff boosted demand for solar power plants

Second, demand among institutional investors for high-yield solar power plants rose towards the end of the year ahead of the further reduction in feed-in tariffs from 1 January 2010 because investors were eager to benefit from the old rates. Companies that had the flexibility to cope with this trend reversal lifted their sales in the latter months of the year.

Overall, the solar industry developed at a relatively stable pace in defiance of the global financial crisis and has excellent prospects for the future as well. Deutsche Bank believes the market as a whole is likely to grow by around 30 percent per year up to 2012, with Italy, France and the United States being the main growth drivers. However, the cuts in feed-in tariffs would probably put a damper on the expansion of the German solar energy market, the bank stated.

PROCUREMENT MARKET

The procurement market for the solar industry underwent sweeping changes in 2009. Module prices slumped during the year, intensifying competition and prompting consolidation among module manufacturers.

While European manufacturers had to contend with strong pressure from Asian module producers’ aggressive pricing, project development companies profited from advantageous purchase prices and were able to pass on the lower system costs to their customers.

Thin-film technology gaining ground

Future growth in the procurement market will depend on how fast the makers of solar modules will be able to reduce their production costs going forward. Major module manufacturers in Asia and leading producers of thin-film technology have a decisive competitive advantage in this respect. The European Photovoltaic Industry Association (EPIA) expects thin-film technology to account for about 25 percent of global module supplies by 2013, up from around 18 percent in 2009. Deutsche Bank analysts believe that next to US producers of thin-film modules, Asia’s leading module manufacturers will benefit most from the consolidation in the industry.

CAPITAL MARKET

Difficulty in obtaining financial commitments slows investments in solar power plants

The solar industry also suffered from the effects of the global financial crisis in 2009. Capital expenditure on solar power plants fell sharply in the first six months in particular owing to the difficulty in securing financing commitments for project developers and also for investors. This was due to the fact that the requirements for obtaining loans became more stringent and banks were much more hesitant to extend new long-term loans. The mood on the capital markets brightened slowly in the third quarter and banks once again began to cater for the considerable demand for credit.

The financial crisis also affected the performance of German solar shares. The Photon Photovoltaik Index, which lists the 30 companies in the solar industry with the highest revenue, fell almost 70 percent to 2,200 points in 2009. The huge loss in value made it difficult for many listed solar energy companies to procure capital and for the industry as a whole to obtain expansion financing.

COMPETITION

Manufacturers stuck with excess supplies of solar modules

Many companies in the solar industry experienced intense competitive pressure in 2009. Manufacturers bore the brunt of this situation, which led to a considerable oversupply of solar modules at the start of the year. EPIA puts production capacity in 2009 at about 27 gigawatts, while demand hovered around just six gigawatts. Due to this serious imbalance, many manufacturers' expansion plans were initially shelved or abandoned completely.

Landesbank Baden-Württemberg predicts that competition along the entire value chain is likely to intensify because the solar industry needs to reduce system costs in the near future to achieve grid parity and be able to compete with other energy producers. The reduction in regional development subsidies is expected to further accelerate this trend. Solar power companies are already countering country-specific regulatory risks by increasingly diversifying their business internationally.

2. STRATEGY, ORGANIZATION AND MANAGEMENT

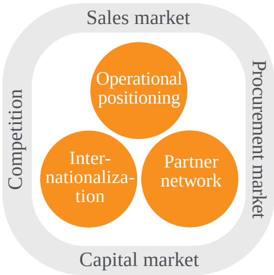
STRATEGIC POSITIONING

The year 2009 showed the solar industry that only companies that are able to respond flexibly and swiftly to changes in the market will reap the benefits of the solar energy market's dynamic growth in the long term. COLEXON has tailored its own Group structure to these requirements by extending its business model, internationally diversifying its project pipeline and implementing a flexible, market-oriented procurement strategy. Its risk-minimizing growth policy with a long-term focus means that COLEXON is ideally positioned to achieve sustainable success in a volatile future market.

Internal structures were aligned with prevailing market conditions

Strategic positioning in the solar energy market

As a vertically integrated Group, COLEXON covers the entire downstream segment of the value chain in the solar market. This model allows the Company to pursue sustained and risk-optimized growth policies. Thanks to its three operating segments, COLEXON can align its growth with the market and thus react flexibly to ever-changing parameters.



OPERATIONAL POSITIONING

COLEXON has three divisions: Wholesale, Project Development and Plant Operation. THE Group thus positions itself as a player in those segments of the solar industry that offer the most attractive margins. Combining different businesses also reduces one-sided dependence on external market influences. In a difficult market like in 2009, this positioning gives COLEXON a decisive competitive edge and therefore holds the key to the Group's successful operating performance.

Player in those segments of the solar market that offer the most attractive margins

The global financial and liquidity crisis curbed growth in traditional project development companies in the solar industry during 2009. This crisis also presented the Group with a considerable challenge, because projects are the Company's core business. However, thanks to its other mainstays, COLEXON succeeded in offsetting the decline in revenue from the project business by generating higher revenue in its wholesale business. Income from COLEXON's own solar power plants also secured additional contributions to EBIT.

PARTNER NETWORK

A flexible, market-oriented corporate policy is also essential on the procurement market. Here, too, COLEXON positioned itself anticyclically to other solar energy companies and, in contrast to the majority of its competitors, did not enter into any long-term supply contracts for crystalline modules. Instead, COLEXON focused on innovative thin-film technology from an early stage and is one of just 14 trade partners worldwide of the global market leader First Solar. This has given the Group access to one of the leading module technologies on the procurement market.

COLEXON reacted flexibly to crumbling prices in the procurement markets

Because COLEXON did not have any fixed purchase commitments to crystalline module producers in the reporting period, the Group was able to respond flexibly to crumbling prices on the procurement market. For COLEXON, purchase prices therefore developed in line with the market, whereas many other German solar power companies were forced to write down their inventories of crystalline modules. While the Group used primarily First Solar modules for its project and wholesale business in the 2009 financial year, it also employed Yingli, Moser Baer and Voltralux modules.

But COLEXON also expanded its alliances with additional system providers in the reporting period and aims to extend its supplier network further to ensure extensive availability of high-quality components.

INTERNATIONALIZATION

Expanding our international business

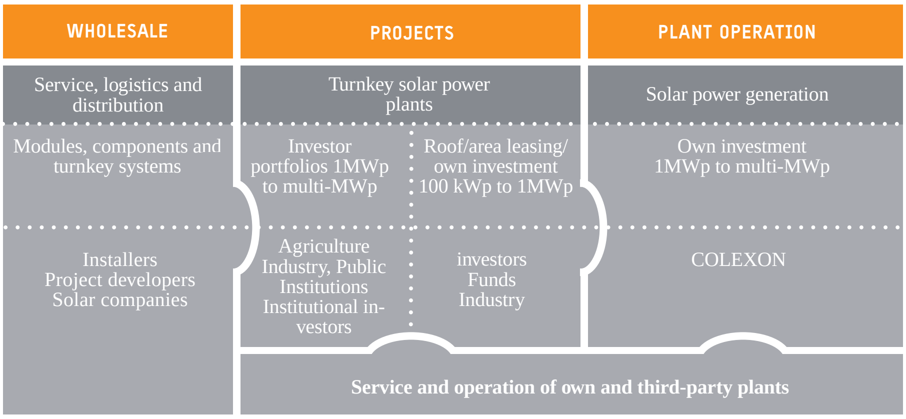
Both the collapse of the Spanish solar market as well as the debate on the greater reduction in the German feed-in tariff that was sparked at year's end demonstrated yet again the extent to which the solar market, which is largely dependent on statutory subsidies, is impacted by country-specific risks. COLEXON has therefore expanded its international business by entering new markets and diversifying its growth internationally. Outside Germany, in the reporting period COLEXON had operating subsidiaries in Spain, France, the Czech Republic, the United States and Australia. The Company's international expansion is focused on European growth markets. COLEXON has established a strong position particularly in France and expects its French market share to continue growing.

> "COLEXON occupies a strong position in the procurement market because its is one of First Solar's **14 PARTNERS** worldwide."

BUSINESS MODEL

COLEXON has three divisions: Wholesale, Project Development and Plant Operation. The business model is follows:

Business model



WHOLESALE SEGMENT

Business activities

COLEXON's specialized wholesale operations include the provision of modules and components for photovoltaic systems as well as made-to-measure one-stop solutions. COLEXON gives its customers detailed advice when purchasing these PV components as well as professional help with their individual questions. Customers of the Wholesale division include resellers, installers and specialized solar power businesses.

Competitive advantages

Synergy effects through know-how transfers from project development

As one of only 14 partners of First Solar worldwide, COLEXON has secured access for itself to those modules in the procurement market for which demand is greatest at the present time. Thanks to this strong position, COLEXON possesses an attractive product that only a few marketing partners worldwide can offer. The Projects segment also generates synergy effects. Comprehensive know-how transfers from the Project segment help COLEXON to put in place a range of services that are tailored to customers' needs. The high quality of the Company's consulting services, among other factors, has helped to create a long-term customer base in the Wholesale business that places this segment's planning on a more reliable footing.

Objective

Wholesale business increases COLEXON's independence

The Wholesale business enhances the Company's financial stability and offsets seasonal revenue fluctuations in the Project business. Flexible structures and powerful partner networks enable the Wholesale division to react swiftly and flexibly to changes in the market, in turn enhancing COLEXON's independence from the highly volatile solar market. The division also acts as a trailblazer in pushing the Group's further sales diversification. This is because foreign contractors, who initially came to us as wholesale customers, then become long-term partners in their capacity as subcontractors for the construction of projects abroad.

PROJECTS SEGMENT

Business activities

COLEXON plans and constructs solar power plants for own and third-party operation. Most of these are large-scale installations with outputs exceeding 100 kilowatts-peak. Many plants, especially those for institutional investors, have an output of several megawatts-peak. For institutional investors, COLEXON takes charge of the entire project implementation including the acquisition of suitable surfaces. For owners of roof or land areas, it installs solar power systems as turnkey facilities. The services offered by COLEXON are tailored to the specific needs of each customer and range from individual planning services to the turnkey construction of solar power plants including subsequent operation and maintenance.

Competitive advantages

Long-standing expertise and proven track record

COLEXON possesses many years of expertise and a proven track record in the development of high-yield solar power plant projects. The Group's Projects division braced itself for the upcoming unscheduled reduction in state subsidies for solar power in Germany early on by focusing on large rooftop installations. As these cuts in feed-in tariffs in Germany will affect conventional ground-mounted systems in particular, experts are forecasting that rooftop installations will become increasingly important. COLEXON is one of the market leaders in this field and has been very successful in reducing its system costs for rooftop projects in recent years.

Objective

International diversification of the Company's activities

COLEXON has positioned itself in the solar energy market as a leading provider of turnkey solar power plants. While this segment's primary operational focus has been on the German market to date, our current project activities are aimed at the ongoing diversification of our business internationally in order to offset global fluctuations in demand.

"At a peak output of 45 MWp COLEXON's own solar power plants give it access to cash flows that are guaranteed by statute."

PLANT OPERATION SEGMENT

Business activities

The division was established in the third quarter of 2009 as a result of the acquisition of Renewagy (today: COLEXON Solar Invest A/S), the Danish company that invests in solar installations. As of the end of the reporting period, COLEXON operated 11 solar power plants with an aggregate output of about 45.4 MWp in Germany. COLEXON's services in this context include reviewing and assessing the projects, financing and structuring the project portfolio as well as servicing and managing the solar power plants.

Acquisition of Renewagy, a plant investor

Competitive advantages

As the first fully integrated player in the downstream segment, COLEXON covers both the upstream and the downstream processes of the solar market's value chain. This generates strategic synergy effects, especially for the operation of solar power plants. Moreover, Renewagy's (today: COLEXON Solar Invest A/S) former employees now provide the Group with a team that possesses much experience in the valuation and financing of solar farms.

Objective

Solar power plant operation serves to enhance both the planning security and the financial stability of COLEXON in the long term. Under the German Renewable Energy Sources Act (EEG), the respective network operator pays for the electricity generated by the power plants. Twenty years of predictable and constant cash flows generated through the feed-in compensation strengthen the Group's earnings before interest and taxes and enable COLEXON to pursue a risk-diversified development strategy.

German EEG enhances planning reliability

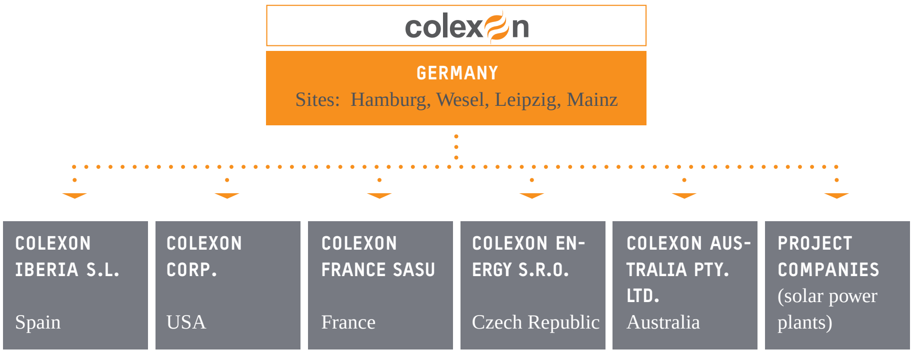
GROUP STRUCTURE AND MANAGEMENT

Group structure

Internationally positioned Group

COLEXON Energy AG is an internationally positioned group of companies with headquarters in Hamburg. The functions of Group management, administration and the coordination of the national and international business are performed at this location. In Germany, the Company was represented at its Hamburg, Meppen, Wesel, Leipzig and Mainz sites until 31 December 2009. Foreign subsidiaries exist in France, Spain, the USA, the Czech Republic, Australia and Denmark.

Operational units of the COLEXON Group as of 31 December 2009



Changes in Group structure as of 31 December 2009

A consequence of the solar energy market’s dynamic growth is the continuous refinement of the structures of the COLEXON Group. Only by doing this can the Company effectively take on the challenges posed by the market and keep the Group on its strategic course. This led to the following changes in the Company's structure during the reporting period:

Acquisition of COLEXON Solar Invest A/S:

Renewagy was contributed as a subsidiary

- On 11 August 2009, COLEXON announced the results of the acceptance of its offer for the takeover of Renewagy A/S, the Danish solar power plant operator. Accordingly, 98.18 percent of Renewagy shareholders accepted the exchange offer. Renewagy A/S was integrated into the Company as a subsidiary as of 14 August 2009 The company was subsequently renamed COLEXON Solar Invest A/S. COLEXON is currently engaged in a squeeze-out process at serves to collect all remaining shares outstanding.

The Group in Germany:

- On 14 September 2009, COLEXON IPP GmbH was established as the umbrella company for all project companies formed for the purpose of solar power plant operation. In 2009, for example, companies were formed under the umbrella of COLEXON IPP GmbH for Italy, the Czech Republic, France and Bulgaria.

“The Company's market capitalization more than tripled to EUR MILLION 72 year's end thanks to the acquisition.”

- The corporate location in Meppen was closed on 31 January 2009 and integrated into the structures of the headquarters in Hamburg and the Wesel site so as to centralize important divisions and merge geographically close business locations.
- On 01 December 2009, the project office for ground-mounted systems was set up in Mainz. This office will be mainly concerned with project development and the implementation of ground-mounted systems both in Germany and abroad.

The Company in abroad

- COLEXON Energy s.r.o. in the Czech Republic was entered in the commercial register on 20 April 2009. This puts the Group in a strong, strategic position early on to benefit from the positive trend on the growth markets of Eastern Europe.
- COLEXON Energy s.r.o. in the Czech Republic was entered in the commercial register on 01 May 2009. COLEXON considers the Australian market to be an important market for the solar industry's future growth due to its positive long-term prospects.
- At the Supervisory Board meeting on 18 November 2009, COLEXON's Management Board and Supervisory Board decided to close the representative office in Shanghai, which focused primarily on module procurement. As a result, all purchasing activities were consolidated at corporate headquarters in Hamburg.
- On 22 December 2009, COLEXON acquired the project company SSG Cleantech S.r.l. (later COLEXON Imola S.r.l.) in Italy with the aim of promoting the project business in the Italian growth market.

All purchasing has been centralized

Group management

The Management Board has introduced an internal management system that includes Group-wide planning, control and reporting processes designed to safeguard the corporate strategy. Actual and target forecasts for the Wholesale, Projects and Plant Operation divisions are a material part of this system. The forecasts cover a period of three years and are continuously updated in keeping with the general conditions on the market.

In addition to the corporate strategy communicated, the safeguarding of liquidity (operating cash flow and free cash flow) is the main parameter for measuring operating performance. Earnings before interest and taxes (EBIT) and earnings before taxes (EBT) are other important evaluation parameters.

Liquidity is key to the Company's development

In addition to its financial performance indicators, COLEXON relies on “soft factors” to ensure sustainable, future-oriented growth in the Company. These include, in particular, target-oriented personnel development, the expansion of customer networks and increasing entrepreneurial flexibility.

Employee figures

Employees' dedication, expertise and experience provide a vital platform for COLEXON's success. COLEXON therefore attaches considerable importance to a strong team spirit in the Company and a pleasant working atmosphere. Executives discuss professional and personal development with their employees within the framework of performance reviews at which the employees' strengths and areas needing development are defined and measures agreed. Employees are consciously offered individualized career prospects in the growing company. In the reporting period, for instance, the Company purposefully encouraged staff to attend external seminars and courses. Individualized personnel development is also a likely reason for the drop in employee fluctuation in the period under review.

Customer focus

All of COLEXON's activities are focused on its customers. COLEXON's customer-focused policy and customer service are monitored on the basis of ongoing dialog with clients and adapted to their individual needs. The main emphasis is placed on the quality of advice, with top priority being given to personal guidance of customers. The Company gives its sales team essential, extensive assistance in this area. The customer focus is also reflected in the after sales and service area with its wide variety of additional services offered. COLEXON has a large number of regular customers, particularly in its wholesale business, with whom the Company maintains long-term business relationships.

Flexibility

COLEXON utilizes the selective outsourcing model

Only companies that are able to respond flexibly and swiftly to rapidly changing conditions will be successful in the solar energy market. This is the reason COLEXON systematically expands its own core competencies and outsources services that only inhibit the Group's growth. For example, COLEXON has implemented a selective outsourcing model for the construction of solar power plants, drawing on the expertise of subcontractors for installation work. However, COLEXON takes charge of project and construction management during assembly so as to consistently guarantee the high quality standards to which the Company has committed itself. This selective approach has enabled the Group to drive up the efficiency and profitability of its operations.

Climate protection

The Group has steered its activities in the direction of economic success with environmental sustainability. With its work, COLEXON is instrumental in climate protection and the reduction of CO_2 emissions. Our own solar power plants generated approximately 44,900 kWh in 2009. A coal-powered plant would have emitted just under 30,000 tonnes of CO2 to produce this amount of energy. In addition, the Group's internal processes were structured with the goal of achieving the most efficient energy balance possible.

3. BUSINESS PERFORMANCE IN 2009

GENERAL NOTE

The acquisition of COLEXON Solar Invest A/S (formerly Renewagy A/S), which was recognized as a reverse acquisition, has a large impact on the representation of the Group's results. Pursuant to IFRSs, the figures for the “old” COLEXON from 01 January to 13 August 2009 were recognized in equity rather than in profit or loss. In accordance with IFRS 3, the previous year's figures of the acquired company, COLEXON Solar Invest A/S (formerly Renewagy A/S) must be used for comparison, substantially undermining comparability with prior-year figures as a result.

DEVELOPMENT OF KEY FIGURES

The “new” COLEXON’s expanded business model entails high earnings before interest and taxes (EBIT) and strong cash flow after the takeover. As a result of the accounting integration, revenue for 2009 was low because in accordance with IFRSs Wholesale and Projects — the Company’s two segments that generate the most revenue — were only taken into account for the period from 14 August to 31 December 2009. Accordingly, COLEXON generated revenue of EUR 117.2 million and EBIT of EUR 17.8 million in the reporting year.

Large contributions to EBIT and solid operating cash flow

PERFORMANCE OF THE WHOLESALE SEGMENT

In 2009, the Wholesale segment became much more significant for COLEXON than in previous years. With revenue of EUR 68.2 million, the wholesale business generated over 58.2 percent of the Company’s total revenue.This segment made the highest contribution to profits, accounting for 68 percent of EBIT. The Wholesale segment sold modules with a output of 44 megawatts from 14 August to 31 December 2009.

Wholesale makes the largest contribution to profits

PERFORMANCE OF THE PROJECTS SEGMENT

Following the general trend in the industry, the Projects segment, which generated revenue of EUR 35.6 million in the reporting period, had a relatively small share in consolidated revenue. In the reporting period, the effects of the financial crisis were especially apparent in this segment, where customers suffered liquidity bottlenecks. During the first half of the year in particular, banks’ more restrictive lending policies proved to be a major impediment to growth in the Projects segment. In the third quarter, demand for high-yield solar power plants increased perceptibly again, though project development was slow on account of the difficulties in procuring financing for projects experienced by the entire sector.

Banks' restrictive credit policies were an impediment to growth

PERFORMANCE OF THE PLANT OPERATION SEGMENT

Segment accounts for 41% of consolidated EBIT

The Plant Operation segment was integrated into the Group following the successful takeover of Danish solar park operator COLEXON Solar Invest A/S (formerly Renewagy A/S). This division generated revenue of EUR 17.8 million in the reporting period. Although this share of total revenue was low in comparison with other segments, it was in line with expectations for the feed-in revenues generated. The segment contributed 41,0 percent to the Group's EBIT of EUR 7.3 million. The income generated was achieved with the state-guaranteed feed-in tariffs for feeding solar power into the public grid. Most of this revenue was generated in the second and third quarters, which are the sunniest periods of the year.

4. ASSETS, LIABILITIES, CASH FLOWS AND PROFIT OR LOSS

PROFIT OR LOSS

Renewagy's previous year's figures are included for purposes of comparison

COLEXON's revenue increased to EUR 117.2 million in 2009, up from EUR 109.6 million the year before. The sales volume in this period came to around 52 MWp. The sharp rise in these two key indicators can be attributed to the fact that Renewagy's results for the previous year were used as comparatives in accordance with IFRS 3. As Renewagy did not have the high-revenue Projects and Wholesale segments, focusing instead on the EBIT-intensive Plant Operation, there are considerable differences compared with 2008.

International revenue amounted to EUR 5.5 million, accounting for just under 4.7 percent of the Company's total revenue. In the previous year, however, all of Renewagy's solar power installations were in Germany, which is why there is no suitable comparative for 2008.

Gross profit surged from EUR 7.2 million to EUR 36.0 million in the 2009 financial year. This encouraging improvement was driven by the new Wholesale and Projects segments. In contrast, at 30.8 percent in 2009 (previous year Renewagy A/S: 94.2 percent), the gross profit margin as a percentage of revenue decreased as a result of the expansion of the Wholesale and Projects segments.

The other operating expenses include negative goodwill of EUR 2.1 million resulting from acquisition accounting.

BUSINESS PERFORMANCE *(results taking into account pursuant to IFRS 3)*

COMPANY	PERIOD	PROJECTS	WHOLESALE	PLANT OPERATION
new COLEXON	14.08.– 31.12.09	yes	yes	yes
old COLEXON	01.01.– 13.08.09	no	no	—
Renewagy	01.01.– 13.08.09	—	—	yes

The Company had a total of 125 employees (previous year Renewagy A/S: 8 employees) at the balance sheet date. Staff costs consequently rose by EUR 3.0 million year-on-year to EUR 4.9 million. At 4.2 percent, the staff costs ratio in 2009 is nevertheless much lower than in the previous year (previous year Renewagy A/S: 25.0 percent). This improvement is attributable to the extension of the business model to include the Wholesale and Projects segments.

Decline in employee expense ratio

Depreciation and amortization amounting to EUR 6.1 million relates to amortization of intangible assets and depreciation of solar power plants (previous year Renewagy A/S: EUR 2.7 million). This increase of EUR 3.4 million is attributable to Renewagy's solar power plants acquired up to the end of 2008, depreciation of which began in 2009.

Other operating expenses in the financial year were up EUR 5.2 million to EUR 7.2 million (previous year Renewagy: EUR 2.0 million). This sharp increase can be attributed to investments in the Company's international expansion as well as to the addition of the new “Wholesale”, “Projects”, and “Holding” segments. The ratio of other operating expenses to revenue decreased from 25.9 percent to 6.1 percent. This change is also mainly due to the expansion of COLEXON's business model.

EBIT rose in the financial year by EUR 17.3 million to EUR 17.8 million (previous year Renewagy A/S: EUR 0.5 million). The EBIT margin was therefore 15.2 percent (previous year Renewagy A/S: EUR 7.1 percent). This strong increase can be partly ascribed to the high EBIT generated by the Wholesale segment. Furthermore, in 2008 Renewagy was in a capital-intensive start-up phase, which substantially reduced its earnings for that year.

EBIT margin increases to 15.2%

The negative financial result and loss from investments came to EUR 9.8 million, up EUR 7.3 million against Renewagy's result in the previous year. This is principally due to the interest payments on long-term bank loans taken out to finance the solar power plants in the Company's own portfolio.

A consolidated net profit of EUR 5.6 million was generated in the 2009 financial year. Renewagy had posted a loss of EUR 1.5 million a year earlier. This positive development was mainly driven by the new Wholesale and Projects segments added from 14 August 2009 as a consequence of the takeover of COLEXON Solar Invest A/S (formerly Renewagy A/S). Comparability with prior-year figures is substantially undermined as a result.

Consolidated net profit of EUR 5.6 million for the year

ASSETS, LIABILITIES AND CASH FLOWS

Non-current assets

Non-current assets rose by EUR 12.4 million to EUR 250.5 million compared with Renewagy's prior-year figures, due for the most part to the EUR 12.4 million increase in other non-current assets, the EUR 8.0 million rise in goodwill and the EUR 2.2 million growth in deferred tax assets.

Current assets

Current assets rose by EUR 41.0 million to EUR 72.7 million (previous year Renewagy A/S: EUR 31.7 million).. This change was mainly attributable to the increase in inventories, future receivables from construction contracts and cash. Inventories rose by EUR 21.1 million compared with the previous year and principally comprised solar modules (EUR 16.9 million) and services performed in connection with project development (EUR 4.0 million).

Trade receivables also rose by a substantial EUR 5.3 million to EUR 6.1 million (previous year Renewagy A/S: EUR 0.8 million). Future receivables from construction contracts increased to EUR 4.0 million (previous year Renewagy A/S: EUR 0 million). This was primarily due to the fact that Renewagy had only purchased, but not independently constructed or sold, solar power plants in the previous year. As a result, there is no point of comparison with the previous year for the future receivables from construction contracts of EUR 4.0 million.

Substantial increase in liquid funds

Cash and cash equivalents climbed to EUR 32.3 million as of 31 December 2009 (previous year Renewagy A/S: EUR 10.0 million). By year-end, the bulk of the project portfolio had been finally settled and payments had been assured.

Non-current liabilities

Non-current liabilities, of which EUR 130.7 million is attributable solely to non-recourse financing of solar power plants in the Company's own portfolio, rose considerably by EUR 40.8 million year-on-year to EUR 146.8 million. This increase is mainly due to the increase of EUR 38.4 million in non-current financial liabilities to EUR 143.6 million. Deferred tax liabilities also rose by EUR 0.5 million year-on-year to EUR 2.8 million.

Current liabilities

Current liabilities fell from EUR 67.7 million to EUR 57.9 million compared to Renewagy's prior-year figure.

Although tax provisions rose to EUR 3.6 million (previous year Renewagy A/S: EUR 0 million) and other provisions increased to EUR 3.3 million (previous year Renewagy A/S: EUR 0 million), this effect was almost fully compensated by the EUR 18.5 million reduction in trade payables to EUR 16.4 million.

At EUR 18.7 million, there was no change in financial liabilities compared to Renewagy's prior-year figure. They include non-recourse financing in the amount of EUR 6.5 million from solar power plants in the Company's own portfolio, which has to be repaid within the next 12 months. The liabilities from COLEXON's convertible bond of EUR 10.4 million were repaid in full on 08 May 2009.

“At EUR 32,3 MILLION liquid funds almost tripled year on year.”

Advances received in the amount of EUR 3.4 million (previous year Renewagy A/S: EUR 0.1 million) included the advances received on account of orders up to the balance sheet date. Other liabilities rose sharply by EUR 7.4 million to EUR 12.6 million on account of VAT liabilities for solar power plants that were completed on time at year end and were finally settled.

Convertible bond repaid in full

Working capital (inventories incl. advances paid plus receivables less advances received less liabilities) totaled EUR 14.3 million as of 31 December 2009. A comparison with Renewagy’s figures for the previous year is not possible.

Statement of cash flows

The principles and goals of financial management at COLEXON Energy AG are aimed at securing funding for the Company's operating activities and safeguarding its solvency at all times.

Project financing, lines of guarantee and current account credit lines amounting to EUR 44.5 million are available to finance the Group's growth. Of this figure, EUR 21.3 million had been drawn down at the balance sheet date exclusively for guarantees.

In the 2009 financial year, cash flows from operating activities amounted to EUR 28.8 million (previous year Renewagy A/S: EUR 2.9 million). The positive cash flow is due to the decrease in trade receivables and the decrease in liabilities.

Investing activities resulted in negative cash flow of EUR 7.0 million (previous year Renewagy A/S: EUR 151.3 million). The high figure for the previous year results from the intensive expansion of Renewagy’s own portfolio of solar power plants. The cash flows from financing activities declined to EUR -3.2 million (previous year Renewagy A/S: EUR 145.7 million). The high figure for 2008 for cash flows from financing activities results from the inflow of cash from loans extended to Renewagy for the purpose of expanding its solar power plant portfolio.

The positive cash flows from operating activities in the reporting period fully offset the negative cash flows from investing and financing activities, resulting in an increase in cash and cash equivalents to EUR 32.3 million at the end of the period.

5. REPORT ON EVENTS AFTER THE REPORTING PERIOD

The Supervisory Board appointed Mr. Tom Glæsner Larsen to the Company's Management Board to head the Plant Operation division effective 01 January 2010. In agreement with the Supervisory Board, Mr. Larsen, who remains on the Management Board of COLEXON Solar Invest A/S (Renewagy A/S), resigned from the Management Board of COLEXON on 15 February 2010 in order to focus exclusively on his responsibilities as a member of the Management Board of COLEXON Solar Invest A/S (formerly Renewagy A/S).

New Management Board member

Also on 15 February 2010, the Supervisory Board appointed Volker Hars as a further member of the Company’s Management Board effective that same day. Mr. Hars is mainly responsible for strategy and plant operation (IPP). Furthermore, in February 2010 COLEXON sold the Sainte Maxime Solaire SASU project company to tnp Mitteldeutsche Fonds Beteiligungs GmbH effective 30 June 2010. The solar power plant located in Sainte Maxime in the South of France, which has a total output of approx. 1.0 MWp, is expected to commence operation in April 2010.

No further events occurred after the reporting period that had a material impact on COLEXON’s business performance.

6. REPORT ON ANTICIPATED DEVELOPMENTS

Macroeconomic environment

Experts expect positive economic developments

Many experts provide positive forecasts for the development of both the German economy and the global economy as a whole. Germany's leading economic research institutes anticipate a growth rate of 1.2 percent for 2010 in their so-called fall opinion. Internationally, the fact that key countries are recovering is reason to be optimistic. For instance, the gross domestic product (GDP) of the United States rose at an annualized rate of 3.5 percent in the third quarter of 2009 — the first increase after four successive quarters of negative growth. Absent any new shocks to the international financial and banking system, we may expect the macroeconomic environment to continue developing along a positive trajectory.

"Experts predict 30% growth for the solar energy market in 2010."

Development of the solar market

Despite the negative macroeconomic environment in 2009, the solar industry developed at a relatively stable rate and still has excellent growth prospects. Deutsche Bank believes the global solar market will grow by more than 30 percent per year up to 2012 – an outlook that is supported by the improved conditions for PV project companies. In the first two quarters of 2009, banks' restrictive credit policies constituted a massive impediment to growth for the PV industry. However, greater access to funding and the strong increase in demand during the third quarter of 2009 have considerably improved the situation for the solar power industry.

Excellent development prospects for the solar industry

Developments in the German solar energy market in 2010 cannot be predicted satisfactorily on account of the upcoming reductions in feed-in tariffs in Germany. EPIA currently expects growth to tail off and is forecasting plants with newly installed output of 2.0 to 2.8 megawatts for 2010. In view of the new subsidy levels, it can be expected that the newly installed output will focus on rooftops and converted sites. COLEXON expects that heavier promotion of the private use of solar power will open up new market segments and attract new customer groups, which could stimulate growth in the market.

Promoting private consumption opens up new market segments

EXPECTED DEVELOPMENT OF THE COMPANY

Due to the dynamic and volatile development of the solar energy market and the upcoming unscheduled cuts in feed-in tariffs in Germany, it is very difficult to forecast key financial indicators with any degree of precision. The Management Board expects COLEXON to continue to grow in line with the industry in 2010 and 2011. The Company has aligned its business model to the special conditions in the solar industry, which means that COLEXON is able to respond flexibly to changes in the solar industry and also develop just as dynamically as the overall market.

Company's performance tracks that of the industry

7. CORPORATE GOVERNANCE REPORT

STATEMENT ON CORPORATE GOVERNANCE

The statement on corporate governance pursuant to Section 289a of the German Commercial Code (Handelsgesetzbuch – HGB) contains the declaration of compliance, disclosures about corporate governance practices and the description of Management Board and Supervisory Board procedures. Our goal is a consistently transparent and concise portrayal of corporate governance.

Declaration of Compliance on corporate governance

Declaration of Compliance permanently accessible online

The Management Board and the Supervisory Board of COLEXON issue the following joint Declaration of Compliance regarding the recommendations of the Government Commission of the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz - AktG). This declaration is kept permanently available on the Company's website.The Management Board and the Supervisory Board of COLEXON generally welcome the intention of the Government Commission of the German Corporate Governance Code to prescribe transparent guidelines in that they constitute valuable guiding principles and points of reference for proper corporate management. We will disclose and explain any deviations from the Code's recommendations in future Declarations of Compliance.

Now, therefore, the Management Board and the Supervisory Board of COLEXON declare that the Company has complied with the recommendations of the Government Commission of the German Corporate Governance Code, as amended 6 June 2008 and published by the Federal Ministry of Justice, since its most recent Declaration of Compliance and has also complied with the recommendations as amended 18 June 2009 from their effective date and will comply with them in the future. However, the following exceptions have applied or still apply:

- The German Corporate Governance Code recommends sending notification of the convening of the Annual General Meeting including the convention documents by electronic means if the approval requirements are fulfilled. The Company believes that publishing the convention documents for the Annual General Meeting on its website constitutes sending them by electronic means.
- The German Corporate Governance Code recommends designing director's contracts such that payments to a Management Board member in the event that his or her contract is terminated early do not exceed the value of two years' remuneration including fringe benefits (severance pay cap) and not compensate more than the relevant employment contract's remaining term. The director's contracts with the members of the Management Board of COLEXON did and do not provide for severance pay caps. However, the Company will comply with this recommendation in the future.
- The German Corporate Governance Code recommends that Supervisory Board members do not exercise directorships or advisory functions for important competitors of the enterprise. For corporate governance reasons, one member of COLEXON's Supervisory Board who had assumed a directorship at a competitor of the Company resigned from COLEXON's Supervisory Board soon after assuming this other function.
- The German Corporate Governance Code recommends that the D&O insurance policies purchased for Supervisory Board members stipulate a deductible of at least 10% per loss but no more than one-and-a-half times the fixed annual compensation of the respective Supervisory Board member for all events of loss in a given year.The Company's existing D&O insurance for its Supervisory Board members does not provide for any deductible. COLEXON Energy AG does not believe that a deductible can influence the commitment and responsibility each member of our Supervisory Board brings to the pursuit of their tasks. But the Company will comply with the statutory requirement to stipulate a deductible for Management Board members within the statutory implementation deadline. However, no deductible will be stipulated for the members of the Company's Supervisory Board in the future on the aforementioned grounds.

DISCLOSURES ABOUT CORPORATE GOVERNANCE PRACTICES AND MANAGEMENT BOARD AND SUPERVISORY BOARD PROCEDURES

The structures underlying corporate management and supervision at COLEXON are explained below:

Shareholders and Annual General Meeting

Shareholders exercise their rights at the Annual General Meeting. COLEXON's Annual General Meeting is held in the first five months of each financial year. Annual General Meetings are presided over by the Chairman of the Supervisory Board and resolve on all tasks assigned to this body by law (including the election of Supervisory Board members, amendments to the Articles of Association, the appropriation of profits and capitalization measures).

Annual General Meeting within the first five months of the financial year

Supervisory Board

The main tasks of the Supervisory Board are to advise and supervise the Management Board. COLEXON's Supervisory Board currently comprises four members, who were elected by the shareholders at the Annual General Meeting.

The Supervisory Board closely works with the Management Board for the Company's good and is included in all fundamental decisions that affect it. Extensive experience and competence make the Supervisory Board an important adviser to the Management Board whose activities it guides within specified parameters. As independent members of the Supervisory Board, Mr. Henrik Lasse Lindblad and Dr. Peter Dill have particular expertise in the field of accounting and financial reporting as required by Section 100(5) of the German Stock Corporation Act (Aktiengesetz – AktG).

Audit, Nomination and Strategy Committees

In 2009, COLEXON's Supervisory Board formed an Audit Committee in accordance with Section 107 (3) of the German Stock Corporation Act, as well as a Nomination Committee and a Strategy Committee.

- Members of the Audit Committee: Dr. Peter Dill (from March 2009), Tom Glæsner Larsen (March 2009 until August 2009, Dr. Carl Graf Hardenberg (from November 2009), Henrik Lasse Lindblad (from February 2010)
- Members of the Nomination Committee: Dr. Carl Graf Hardenberg (from March 2009), Henrik Lasse Lindblad (from March 2009)
- Members of the Strategy Committee: Dr. Eric Veuillet (from March 2009), Henrik Lasse Lindblad (from March 2009)

Management Board

In its capacity as an executive body of the stock corporation, the Management Board manages the Company's business and is bound by the provisions of the German Stock Corporation Act to act in the interests of the Company and in compliance with the principles of the Company's business policy. The Management Board reports to the Supervisory Board on a regular, timely and comprehensive basis about all significant aspects of the development of business, the corporate strategy and potential risks. The remuneration of the Management Board comprises the fixed salary and performance-related components itemized in the remuneration report.

Transparency

Uniform, comprehensive and timely information is a high priority for COLEXON. The Group reports on its business position and results in the annual report, at press conferences and in conference calls, as well as in its interim reports.

Information is also published in press releases and ad hoc disclosures. All reports, presentations and disclosures are available on the Company's Web site under Investor Relations/News Center.

COLEXON regularly updates its insider register as required by Section 15b of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The individuals affected have been notified of their statutory obligations and any possible sanctions.

Accounting and auditing

Consolidated financial statements published within 90 days

The consolidated financial statements have been prepared in accordance with IFRSs since the 2005 financial year. After being drawn up by the Management Board, the consolidated financial statements are audited by the auditors and adopted by the Supervisory Board. Consolidated financial statements are published within 90 days of the end of the financial year.

The Company has agreed with the auditor that the Chairman of the Supervisory Board or the Chairman of the Audit Committee shall be notified immediately of any reasons for exclusion or exemption or of any misstatements in the Declaration of Compliance identified during the audit. The auditors shall report on all questions and events that arise during the audit and materially affect the tasks of the Supervisory Board without delay to the Chairman of the Supervisory Board.

Key performance indicators and control system

Ensuring liquidity is key

In addition to the corporate strategy communicated, the safeguarding of liquidity (operating cash flow and free cash flow) is the main parameter for measuring operating performance. Earnings before interest and taxes (EBIT) and earnings before taxes (EBT) are other important evaluation parameters.

The Controlling department and a risk manager exercise controlling functions for the corporation's internal audits and the individual units. The risk management process will be explained in detail in the risk report that follows.

DISCLOSURES ON SHARE-BASED TRANSACTIONS

The following disclosures pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (Handelsgesetzbuch – HGB) reflect the situation at the balance sheet date. The explanation of these disclosures provided in this section also corresponds to the explanatory report required by Section 120 (3) sentence 2 of the German Stock Corporation Act (Aktiengesetz – AktG).

Composition of the subscribed capital

The Company's subscribed capital amounts to EUR 17,744,557.00. It is divided into 17,744,557 no-par value ordinary bearer shares (no-par value shares). The rights and obligations associated with these ordinary shares are derived in particular from Sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act. As the Company has issued only one class of shares, no particular voting disadvantages or limitations arise for individual shareholders.

Direct or indirect interest in the share capital

Two companies hold a direct or indirect interest in the share capital exceeding 10 percent of voting rights: DKA Consult A/S holds 19.36% and Getconnected A/S (formerly Synerco A/S) holds 10.09% of voting rights. As far as the Company is aware, there are no other direct or indirect interests in the share capital exceeding 10 percent of the voting rights. The shareholders known to the Company on the basis of notifications pursuant to Sections 21 et seq. of the German Securities Trading Act each have voting shares of less than 10 percent of the total voting rights.

Appointment and dismissal of Management Board members

No "golden parachute" agreements

The appointment and dismissal of Management Board members is governed by the German Stock Corporation Act (Section 84) and the Company's Articles of Association. The Management Board comprises at least two members. Beyond this provision, the Supervisory Board determines the number of members of the Management Board. The Supervisory Board may appoint a chairman of the Management Board and a deputy chairman of the Management Board. Deputy members of the Management Board may be appointed. The Supervisory Board can issue internal rules of procedure for the Management Board. The distribution of responsibilities among the members of the Management Board requires the approval of the Supervisory Board. There are no "golden parachute" regulations in place which would make the dismissal or appointment of Management Board members more difficult.

Capital increase

In accordance with the resolutions passed by the Annual General Meeting on 19 May 2006, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital in accordance with Article 4 (6) of the Articles of Association by up to a total of EUR 2,325,000.00 by 18 May 2011 through the issue of new bearer shares against cash or non-cash contributions on one or several occasions (authorized capital).

For information on the possibility of excluding subscription rights, see GAS 15a, note 26 "specific authorizations."

Authorized capital gives Company the flexibility it needs

Creating authorized capital will enable the Company to react quickly and flexibly to growth opportunities and opportunities on the capital market. In 2007, two capital increases totaling EUR 465,000.00 were implemented against cash contributions with partial use of authorized capital. The remaining authorized capital amounts to EUR 1,860,000.00.

Disclosures on the authorization in accordance with Section 221 of the German Stock Corporation Act on the issue of convertible bonds and bonds with warrants

In accordance with Article 4 (7) of the Articles of Association, the Company's share capital is contingently increased by up to EUR 1,550,000.00 through the issue of up to 1,550,000 new no-par value bearer shares (contingent capital). A total of 757 convertible bonds were converted into shares in 2009. The remaining contingent capital amounts to EUR 1,549,243.

Amendments to the Articles of Association

Pursuant to Sections 133 and 179 of the German Stock Corporation Act, the Articles of Association of COLEXON Energy AG may only be amended by way of a resolution passed by the Annual General Meeting. In accordance with Article 19 (1) of the Articles of Association, resolutions of the General

Solely the Annual General Meeting may adopt amendments of the Company's Articles of Association

Meeting shall be passed with a simple majority of the votes cast, provided that no contradictory provisions are prescribed in the Articles of Association or by any other mandatory provision of the law. In the event that the law stipulates a capital majority in addition to the majority vote, resolutions shall be passed with a simple majority of the share capital represented at the time the resolution was passed. The authorization to amend the Articles of Association, which pertains only to the wording, has been assigned to the Supervisory Board in accordance with Article 4 (7) and Article 14 of the Articles of Association in compliance with Section 179 (1) sentence 2 of the German Stock Corporation Act.

REMUNERATION REPORT

At COLEXON, transparent reporting on the remuneration of the Management Board and Supervisory Board are key elements of good corporate governance. This section provides information about the principles of the remuneration system and about the structure and amounts of benefits.

Management Board

The Company's outlook is taken into account

Remuneration structure. The remuneration of Management Board members is determined by the Human Resources Committee, whereas the remuneration structure is fixed and regularly reviewed by the Supervisory Board. The existing remuneration system guarantees that the members of the Management Board receive remuneration that is commensurate with their work and responsibilities. In addition to personal performance, the economic situation as well as the Group's performance and future prospects are taken into account.

Short-term remuneration components. The compensation package comprises a fixed salary as well as variable, performance-based remuneration. A member's individual bonus depends on the achievement of the targets agreed by the Chairman of the Supervisory Board and the individual Management Board member at the start of the financial year.

The remuneration of Management Board members also includes benefits in kind, mostly consisting of the amounts recognized for the use of a company car in accordance with tax laws, rental expenses and premiums for accident insurance. In 2009, the Supervisory Board granted additional royalties of EUR 40 thousand for 2008 to the Management Board member Henrik Christiansen.

The following members of the Management Board received remuneration from the Company in the 2009 financial year:

NAME	RESIDENCE	OCCUPATION	APPOINTED ON
Thorsten Preugschas, graduate engineer	Kamp-Lintfort	CEO	11.11.2006
Henrik Christiansen, holder of a degree in business administration	Ahrensburg	CFO	17.10.2008

The members of the Management Board received the following remuneration in the reporting period:

	HENRIK CHRISTIANSEN TEUR	THORSTEN PREUGSCHAS TEUR	TOTAL TEUR
Fixed remuneration	181	256	438
Benefits in kind	17	40	57
Additional royalties for 2008	40	0	40
Royalties for 2009	85	200	285
Total	**324**	**496**	**820**

Supervisory Board

The remuneration of the Supervisory Board is regulated by the Articles of Association and determined by the Annual General Meeting. In accordance with the Company's Articles of Association, the members of the Supervisory Board received remuneration totaling EUR 152 thousand (previous year: EUR 109 thousand). Supervisory Board members receive fixed and variable remuneration for each financial year.

Fixed and variable components of Supervisory Board members' remuneration

The Chairman receives EUR 30 thousand, the Deputy Chairman EUR 22.5 thousand, and regular members receive EUR 15 thousand in fixed remuneration. These amounts are payable after the end of the financial year. The variable component of the annual remuneration amounts to EUR 0.5 thousand for each EUR 1 million of positive earnings before interest and taxes (EBIT) reported in the consolidated financial statements for the current financial year.

NAME	CHAIRMAN TEUR	DEPUTY CHAIRMAN TEUR	MEMBER TEUR	TRAVEL EXPENSES TEUR	VARIABLE REMUNERATION TEUR	TOTAL TEUR
Dr. Carl Graf Hardenberg	23.9	—	0.5	7.4	1.7	33.5
Tom Glæsner Larsen	6.5	—	6.2	5.6	3.9	22.2
Dr. Peter Dill	—	—	12.5	7.4	—	19.9
Dr. Alexandra von Bernstorff	—	—	14.6	8.6	—	23.2
Henrik Lasse Lindblad	—	17.9	3.3	9.0	0.1	30.3
Dr. Eric Veulliet	—	—	12.5	7.4	3.3	23.2
Total	**30.4**	**17.9**	**49.6**	**45.4**	**9.0**	**152.3**

In 2009, the Company's Supervisory Board had the following members:

DR. CARL GRAF HARDENBERG

(Chairman since 20 March 2009), member since 6 March 2009, managing director of the law firm Sozietät Hardenberg Rechtsanwälte

LASSE LINDBLAD

(Deputy Chairman since 20 March 2009), member since 19 June 2008, CEO of several companies

Supervisory Board positions and memberships in comparable control committees in accordance with Section 285 no. 10 German Commercial Code (HGB):

- Danske AMP A/S
- Capinordic Property Management A/S
- Colexon Solar Invest A/S (formerly Renewagy A/S) Steffen Rønn Fondsmæglerselskab A/S
- DKA Consult A/S
- FMT A/S
- Capinordic Bank A/S
- Dansk O.T.C.Fondsmæglerselskab A/S
- Capinordic Capital Fondsmæglerselskab A/S
- Nordisk Fondservice AB
- Monetar Pensionsförvaltning AB

TOM GLÆSNER LARSEN

(Chairman from 17 October 2008 to 20 March 2009), member from 18 December 2007 to 14 August 2009, CFO of several companies

Supervisory Board positions and memberships in comparable control committees in accordance with Section 285 no. 10 German Commercial Code (HGB):

- Tellusborgvägen Holding A/S (Chairman)
- Timotejen Holding A/S (Chairman)
- XSIS ApS (Chairman)
- DKA Consult A/S
- Daintel ApS
- Nanocover A/S

DR. ALEXANDRA VON BERNSTORFF

member from 19 June 2008 to 17 December 2009, Managing Director of LUXCARA Asset Management GmbH, CEO of several companies

DR. ERIC VEULLIET

member since 6 March 2009, Managing Director of alpS Zentrum für Naturgefahren- und Risikomanagement GmbH

DR. PETER DILL

member since 6 March 2009, Managing Director of Deutsche See GmbH

- Supervisory Board member EPA Foods, Copenhagen, Denmark

8. RISKS

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Every business venture entails opportunities and risks due to uncertainties existing within and outside the Group. The aim of COLEXON's risk management system (RMS) and internal control system is to ensure that all relevant risks are identified, recorded, analyzed and assessed as well as communicated in the correct form to the relevant decision-makers. The RMS satisfies the external requirements pursuant to the Act on Control and Transparency in Business, the German Corporate Governance Code (GCGC), German Accounting Standards and the auditing standards of the Institute of Public Auditors in Germany (IDW) in addition to further statutory requirements.

All relevant risks are communicated to decision makers

The economic benefit of the RMS lies not only in the fact that it provides transparency and ensures an early-warning function, but also in that it increases planning reliability and reduces risk costs. The RMS and the internal control system generally also cover processes relating to accounting and financial reporting, as well as all accounting-related risks and controls. This relates to all parts of the RMS and the internal control system that could affect the Company's earnings.

COLEXON's RMS and internal control system for accounting and financial reporting processes are designed to ensure objective identification and assessment of individual risks that could impede the regulatory compliance of the consolidated financial statements. Identified risks are analyzed and assessed so that their potential impact on the consolidated financial statements can be ascertained. The objective of the internal control system is to implement appropriate control mechanisms to provide adequate assurance that the consolidated financial statements prepared by COLEXON comply with regulatory requirements in spite of the risks identified.

Risks that are detected are analyzed and assessed

COLEXON's management therefore will not take any unreasonable risks within the scope of its business activities. However, the management believes that many risks also entail opportunities. For this reason, as part of a sustainable and forward-looking company policy, COLEXON consciously exposes itself to a variety of risks that could have positive effects on its operating business.

Both the RMS and the internal control system include all subsidiaries with a material influence on the consolidated financial statements together with all processes of relevance for the preparation of the statements. The accounting-related controls are focused in particular on the risk of material misstatements in COLEXON's financial reporting. The assessment of materiality is based on the likelihood of occurrence as well as the financial impact on the key financial indicators.

Key elements for risk management and control in accounting and financial reporting are the clear allocation of responsibilities and controls in the preparation of financial statements, transparent requirements through directives for accounting and preparation of financial statements, appropriate access regulations in the IT systems used to record financial statement data and a clear regulation of responsibilities in the involvement of external specialists. Double-checking and segregation of functions are other important control principles.

Clearly defined allocation of accountability and control

The Company's risk management system and internal control system are based on a risk manual. Risk management guidelines, which among other things form the basis of communication at all levels of the Company, were derived from the corporate objectives. In the context of risk management, the Management Board is responsible for the following tasks:

RMS is rooted in risk handbook

- Defining the corporate objectives and strategies as well as the risk management objectives derived from these
- Promoting risk awareness within the Company (establishing a culture of risk awareness)
- Optimizing the risk management system
- Laying down standards and rules for analyzing, assessing and managing risks
- Keeping the Supervisory Board informed of the risk map at regular intervals

RISK MANAGEMENT PROCESS

Risk management at COLEXON is based on the concept of a control loop, which means it is continuously being improved. After being initially recorded and assessed, risks are managed in an ongoing process as part of corporate management and reporting. Risk management is periodically discussed with the Supervisory Board.

Corporate management defines parameters

This process complies with the specifications defined by corporate management and the provisions of risk management legislation. Risks that pose a threat to earnings and the Company's continued existence as a going concern are identified and assessed either by the internal risk management team in a top-down approach or by the risk officers designated to the specific area. Risks are assessed by dividing the risks into loss categories and evaluating the likelihood of their occurrence. Based on the risk assessment, countermeasures are defined whose implementation is then initiated and monitored.

In some cases, appropriate measures can be taken to avert or mitigate the risks. Part of the risk exposure can be transferred to third parties or the financial impact can be covered by taking out insurance policies. The Company itself must bear the residual risk. To illustrate the overall exposure, the risks identified and assessed are presented in a risk map and subsequently updated. The risk map is used for regular reporting to corporate management and the Supervisory Board.

Analytic tools for risk identification and assessment are available

To be able to identify the risks associated with COLEXON's business activities at an early stage, a variety of measures and analysis tools for early identification of risk are integrated into workflow management and therefore into both operating processes and reporting. These risk management tools for early detection of risk include ongoing liquidity planning and system-based procurement management as well as process-oriented controlling in the business units and Group-wide commercial reporting.

KEY INDIVIDUAL RISKS

Liquidity

The business models of the business units in the COLEXON Group are exposed to different forms of liquidity risk. This risk predominantly arises through the intensive use of materials with procurement lead times and the payment terms demanded by suppliers on the one hand plus the payment terms agreed with COLEXON's customers on the other. A continuous liquidity management process has been set up to monitor and optimize cash flows and temporary capital requirements.

Procurement market

Components are subject to large demand

Among the principal components that COLEXON needs to provide its services are solar modules and inverters, demand for which is high. The Group is therefore exposed to the risk that its efficiency could be compromised by inadequate advance planning and ensuring of supply quotas through corresponding master agreements. Conversely, there is also a risk that the purchase commitment could lead to overstocking and unwanted inventory build-up in addition to sizeable financial obligations. A procurement management system has been implemented for the timely provision of adequate quantities of these components, which includes a continuous requirements planning and allocation process for critical components.

Project financing

Need for debt and equity financing

Safeguarding the financing of working capital and the interim financing of projects will remain a critical success factor for the Company. Since acquiring Renewagy (now operating under the name COLEXON Solar Invest A/S), COLEXON has also operated solar power plants through project companies, most of which – around 80 to 85 percent – are financed externally. Existing and any future project companies formed for solar power plant operation therefore depend on the continued availability of sufficient funding at attractive terms and conditions, especially bank loans.

Working capital

Sufficient debt and equity funding to ensure a company's growth are essential to its ability to compete in a dynamic growth market. COLEXON used working capital to enhance the structure of its financing in the reporting period and reduced growth risks. The Company could face a liquidity bottleneck if the situation in the capital markets continues to deteriorate.

Internationalization

Internationalization entails risks

A key pillar in COLEXON's strategic development is the internationalization of its business activities. This applies especially to the impending reduction of feed-in tariffs for the German market as a result of amendments to the Renewable Energy Sources Act. Compared with the Company's business activities in Germany, international expansion harbors much higher risks from a legal and political perspective. These are often very difficult to assess and can lead to unplanned cost burdens.

Employees

The Company's growth requires it to augment its workforce with highly qualified, motivated employees. Because competition in the photovoltaic industry for specialized employees and managers is growing, procuring staff can prove difficult. In this context there is also a risk that competitors will

Dearth of both professionals and executives

poach employees who have longstanding experience in the photovoltaic industry and in the Company.

Sales market

Negative impact of the reduction in the feed-in tariff

The feed-in tariff under the German Renewable Energy Sources Act is the vital incentive for the development of Germany's PV industry, which up to now has been exceedingly positive and swift. Experts therefore assume that the lowering of the feed-in tariff from 2010 will have negative consequences for the German market, slowing down growth at the very least. Since the German market accounts for a large portion of the revenue generated by the COLEXON Group, this constitutes a latent risk.

Technological development

Dynamic technological progress

Technological development on the photovoltaic market is extremely dynamic. COLEXON reacted to the growing scarcity of silicon at an early stage. Unlike its competitors, the Company positioned itself anticyclically with supply contracts for innovative thin-film modules, thus creating an important base for taking on future challenges. It cannot be ruled out that new types of modules and module technologies will come on the market.

Product quality

Supply problems and suppliers' failure to provide the required product quality pose a risk to operating activities. As the Company itself does not produce solar modules or any other system parts for solar power plants, it is dependent on the service and product quality of its suppliers. Such defects may result in customers asserting warranty claims against the Company. COLEXON hedges against this risk by carefully selecting and regularly monitoring its partners.

Non-payment risks

COLEXON is exposed to a customary non-payment risk in connection with trade or financial receivables. Any failure of the Company's debtors to settle outstanding receivables in due time or at all would have a negative effect on COLEXON's cash flows. All customers wanting to do business with COLEXON are therefore subjected to detailed credit checks and all outstanding receivables are continuously monitored by the central Working Capital Management team.

Interest rate and currency risks

The targeted international expansion of COLEXON's business entails increased interest rate and currency risks. When taking out loans, the Company is also subject to market interest rate fluctuations. A continuous monitoring of the capital markets as part of the risk management system ensures that financial risks are recognized early on and appropriate hedging strategies and principles are determined. COLEXON also uses interest rate swaps (“swaps”) as derivatives to hedge against interest rate risk.

OVERALL RISK

Considering the Company’s overall risk situation, it can be observed that as things stand today risks are limited and manageable and no threats to the Company as a going concern can be identified.

9. OPPORTUNITIES

MACROECONOMIC OPPORTUNITIES

In spite of all the technical progress made, the professional use of solar energy in still in its infancy. Up to now, solar energy's market share of the overall energy supply has been expanded mainly with the aid of state development measures. Solar energy has become increasingly important in recent years, however, due for the most part to heightened discussion about safeguarding the energy supply in the long term, the discussion of climate protection in the media and soaring commodity prices.

No identifiable threats to the Company as a going concern

Experts believe that solar power companies in Germany will achieve grid parity in three to five years. This would allow solar energy to compete with traditional energy sources and ensure its long-term viability even without government subsidies. In other regions of the world such as California, Southern Arizona or some regions of Italy, grid parity has virtually been achieved already.

Grid parity achievable in three to five years

These attractive prospects have evolved into a market driver for the solar industry. EPIA is forecasting a market volume of around 22 megawatts in the industry by 2013, almost four times the market volume in 2009. This estimate shows that COLEXON operates in an extremely dynamic future market.

STRATEGIC OPPORTUNITIES

International focus

Industry experts predict growth in solar energy markets all around the world. COLEXON has systematically aligned its Group structures and processes to the growing importance of the international markets. Apart from Germany, the Company has its own operating branches in France, Spain, the Czech Republic, the United States, Australia and Denmark. COLEXON also enters into transactions with customers in other fast-growing markets such as Italy, where it works with lean, flexible foreign units and frequently hires local subcontractors so that it can respond easily to changes in the market locally. This international diversification provides a wealth of strategic opportunities for COLEXON to benefit from the growth of individual markets.

Streamlined and flexible foreign units

Efficient management

In providing project development services, COLEXON focuses on its own core competencies, i.e. planning and engineering services. Standardized services such as assembly work are outsourced to trusted partners. COLEXON coordinates and supervises the services outsourced in order to ensure high quality standards. The Company acts as a project manager and serves as the central contact for its customers in the interest of a full-service approach. This strategy allows COLEXON to be highly efficient and profitable. The emerging consolidation trend on the solar energy market is providing strategic opportunities for long-term growth.

Highest efficiency and profitability thanks to full-service approach

Forward-looking corporate development

Strategic opportunities due to flexible business model

The solar energy market is on a dynamic growth course. This is why the Management Board intends to keep COLEXON firmly on the strategic path it has chosen so as to ensure sustainable company growth. In order to safeguard continuous high-quality growth, business processes are constantly tailored to changes in the general framework. Combining the dynamic Projects and Wholesale divisions with the more sustained Plant Operation division creates a platform for COLEXON's growth policy. This flexible business model will provide strategic opportunities for long-term, profitable growth.

Technological progress

Research and development unit established

The rapid technological progress on the procurement market demands flexible solution strategies and farsightedness from COLEXON in its purchasing activities. COLEXON adopted an anticyclical position against this market trend early on, placing its bets on thin-film technology, now the market leader. COLEXON keeps a close eye on developments on the procurement markets so as to be able to respond as fast as possible to technological innovations. A special area – "Research and Development" – was set up in the Company for this during the reporting period. Technological innovations by module manufacturers in particular repeatedly present COLEXON with new opportunities, e.g. with respect to achieving the goal of grid parity in the future.

CONSOLIDATED FINANCIAL STATEMENTS –

OF COLEXON ENERGY AG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2009

ASSETS	NOTES	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000[1]
A. Non-current assets			
I. Goodwill	7.2	71,399	63,384
II. Other intangible assets	7.2	923	0
III. Investment property	7.3	1,296	1,336
IV. Plant and machinery	7.4	158,858	156,732
V. Advances paid for plant and machinery	7.6	0	990
VI. Fixtures, operating and office equipment	7.5	895	216
VII. Equity investments	7.7	0	12,872
VIII. Other non-current assets	7.8	14,491	2,100
IX. Deferred tax assets	7.9	2,598	385
Total non-current assets		**250,460**	**238,014**
B. Current assets			
I. Inventories			
1. Modules	7.11	16,910	0
2. Production supplies	7.11	187	0
3. Work in progress	7.11	4,023	0
II. Advances paid	7.11	2,966	737
III. Trade receivables	7.12	6,056	749
IV. Future receivables from construction contracts	7.13	3,967	0
V. Cash	7.16	32,255	10,048
VI. Other assets	7.14	6,211	7,779
VII. Tax refund claims	7.15	76	0
C. Assets held for sale	7.10	**0**	**12,397**
Total current assets		**72,650**	**31,709**
Totals assets		**323,110**	**269,723**

[1] *In accordance with IFRS, the comparative figures for the period from 01 January to 31 December 2008 are based on the previous year's consolidated financial statements of Renewagy A/S.*

EQUITY AND LIABILITIES	NOTES	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000[1]
A. Equity			
I. Subscribed capital	7.17	17,745	9,318
II. Capital reserves	7.17	77,345	57,616
III. Retained earnings	7.17	33,797	30,710
IV. Reserve for treasury shares	7.17	–10,826	–1,361
V. Currency translation reserve	7.17	235	–22
VI. Reserve for derivative financial instruments	7.17	–614	–286
VII. Revaluation surplus	7.17	1	0
VIII. Minority interest	7.17	657	0
Total equity		**118,340**	**95,975**
B. Liabilities			
I. Non-current liabilities			
1. Financial liabilities	7.18	143,607	105,182
2. Deferred tax liabilities	7.18	2,849	511
3. Other non-current provisions	7.18	394	373
Total non-current liabilities		**146,850**	**106,066**
II. Current liabilities			
1. Tax provision	7.19	3,559	0
2. Other provisions	7.20	3,324	0
3. Financial liabilities	7.22	18,664	18,665
4. Advances received	7.23	3,361	80
5. Trade payables	7.24	16,436	34,978
6. Other liabilities	7.25	12,575	5,177
C. Liabilities held for sale	7.10	**0**	**8,782**
Total current liabilities		**57,920**	**67,682**
Total liabilities		**204,770**	**173,748**
Total equity and liabilities		**323,110**	**269,723**

[1] *See footnote on page 56.*

CONSOLIDATED INCOME STATEMENT

FROM 1 JANUARY TO 31 DECEMBER 2009

	NOTES	1 JAN – 31 DEC 2009 EUR '000	1 JAN – 31 DEC 2008[1] EUR '000
1. Revenue	8.1	**117,178**	**7,612**
2. Other operating income	8.2	3,408	120
3. Increase in inventories of finished services and work in progress		–3,595	0
4. Cost of production supplies and purchased goods	8.3	–76,287	0
5. Cost of purchased services	8.3	–4,659	–561
6. Gross profit		**36,045**	**7,171**
7. Staff costs	8.4	–4,888	–1,906
8. Depreciation, amortization and impairment losses	8.5	–6,138	–2,748
9. Other operating expenses	8.6	–7,194	–1,973
10. Operating profit (EBIT)		**17,825**	**544**
11. Other interest and similar income	8.7	280	1,954
12. Interest and similar expenses	8.8	–10,075	–5,337
13. Result from investments		45	882
14. Result from investments and financial result		**–9,751**	**–2,501**
15. Taxes on income	8.9	–2,336	964
16. Net income from continuing operations		**5,737**	**–993**
17. Net income after taxes from discontinued operations	8.10	**–95**	**–554**
18. Net profit/loss		**5,643**	**–1,547**
of which shareholders of COLEXON Energy AG/Renewagy A/S		5,655	**–1,547**
of which minority interest		–12	**0**
Earnings per share (basic)	8.11		
Basis: 9.507 million (previous year: 68.172 million) shares acc. to IAS 33			
from continuing operations		0.60	–0.01
from discontinued operations		–0.01	–0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net profit/loss	**5,643**	**–1,547**
Changes in the fair value of hedging instruments	–474	–382
Changes in the fair value of financial instruments held for sale	0	–2,242
Currency translation	280	–12
Revaluation in connection with business combinations	178	0
Taxes on other comprehensive income	146	95
Other comprehensive income after taxes	**131**	**–2,541**
Consolidated comprehensive income	**5,774**	**–4,088**
of which shareholders of COLEXON Energy AG/Renewagy A/S	5,786	–4,088
of which minority interest	–12	0

[1] *Adjusted values*

STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY TO 31 DECEMBER 2009

BALANCE	SUB-SCRIBED CAPITAL EUR '000	CAPITAL RESERVE EUR '000	RETAINED EARNINGS EUR '000	RESERVE FOR TREASURY SHARES EUR '000	CURRENCY TRANS-LATION RESERVE EUR '000	RESERVE FOR DERIVATIVE FINANCIAL INSTRU-MENTS EUR '000	REVALU-ATION SURPLUS EUR '000	EQUITY OF SHARE-HOLDERS OF COLEXON ENERGY AG EUR '000	MINORITY INTEREST EUR '000	TOTAL EQUITY EUR '000
I. 1 Jan 2008	**9,318**	**57,616**	**32,257**	**–1,361**	**–10**	**0**	**2,242**	**100,063**	**0**	**100,063**
1. Consolidated statement of comprehensive income (corrected)			–1,547		–12	–286	–2,242	–4,088		–4,088
II. 31 Dec 2008	**9,318**	**57,616**	**30,710**	**–1,361**	**–22**	**–286**	**0**	**95,975**	**0**	**95,975**
I. 1 Jan 2009	**9,318**	**57,616**	**30,710**	**–1,361**	**–22**	**–286**	**0**	**95,975**	**0**	**95,975**
1. Net profit			5,655		280	–328	178	5,786	–12	5,774
2. Capital increase against contribution in kind	12,629							12,629		12,629
3. Change in capital structure from reverse acquisition of COLEXON Energy AG by COLEXON Solar Invest A/S	–4,202	22,444	–2,756		–24		–177	15,286		15,286
4. Addition of treasury shares from reverse acquisition			401	–12,442				–12,041		–12,041
5. Disposal of treasury shares from squeeze-out of COLEXON Solar Invest A/S shareholders		–301		827				526		526
6. Disposal of treasury shares from sale		–1,497		2,150				653		653
7. Reclassification of the costs of the capital increase		–473						–473		–473
8. Minority interest		–444	–213					–657	669	12
II. 31 Dec 2009	**17,745**	**77,345**	**33,797**	**–10,826**	**235**	**–614**	**1**	**117,683**	**657**	**118,340**

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM 1 JANUARY TO 31 DECEMBER 2009

		1 JAN – 31 DEC 2009 EUR '000	1 JAN – 31 DEC 2008* EUR '000
	Net profit / loss (including portion attributable to minority interests)	**5,643**	**–1,547**
+/–	Depreciation / amortization / impairment losses and write-ups on fixed assets	6,138	2,748
+/–	Increase / decrease in provisions	1,282	0
+/–	Other non-cash expenses / income	1,319	892
+/–	Change in currency translation reserve	284	0
–/+	Gain / loss from the disposal of fixed assets	99	0
–/+	Increase / decrease in inventories, trade receivables and other assets not part of investing or financing activities	22,745	–5,551
+/–	Increase / decrease in trade payables and other liabilities not part of investing or financing activities	8,674	6,400
+/–	Cash receipts / payments in connection with extraordinary items	0	0
	Cash flows from operating activities	**28,836**	**2,942**
+	Cash receipts from the disposal of property, plant and equipment / intangible assets	0	2,510
+	Cash receipts from the disposal of intangible assets	0	0
–	Cash payments for investments in property, plant and equipment	–8,220	–155,396
–	Cash payments for investments in intangible assets	–12	0
+	Cash receipts from the disposal of financial assets	0	1,537
–	Cash payments for investments in financial assets	0	0
+/–	Cash receipts and payments in connection with the purchase / sale of consolidated companies and other business units	1,237	
	Cash flows from investing activities	**–6,995**	**–151,349**
+/–	Cash receipts and payments in connection with capital increases	–473	0
–	Cash receipts / payments from / to owners and minority interests (dividends, purchase of own shares, equity repayments, other distribution)	653	0
+	Cash receipt from issuing bonds and from borrowings	43,012	146,035
–	Payments for the redemption of bonds and borrowings	–46,441	–296
	Cash flows from financing activities	**–3,249**	**145,739**
+/–	**Cash flows from discontinued operations**	**3,615**	**–1,129**
	Cash and cash equivalents at beginning of period	**10,048**	**13,844**
+	**Net change in cash and cash equivalents**	**22,208**	**–3,796**
=	**Cash and cash equivalents at end of period**	**32,255**	**10,048**

** Adjusted values*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL DISCLOSURES

COLEXON is a group of companies with an international focus. The parent company is COLEXON Energy AG, with subsidiaries in Spain, France, the Czech Republic, the United States, Australia, Italy and Denmark. COLEXON Energy AG is a listed stock corporation under German law that is entered in the Commercial Register of Hamburg Local Court under No. HRB 93828. The Company's registered office is in Grosse Elbstrasse 45, 22767 Hamburg, Germany. The Company has an Official Market listing on the Frankfurt Stock Exchange with German Securities Identification Number 525070 and is also listed on other stock markets in Germany.

In the area of renewable energy, the COLEXON Group has specialized both in the wholesale business with solar modules and in the project development and operation of large-scale solar power plants. The Group companies plan and build turnkey solar power plants for constructors and investors from agriculture, industry and the public sector in and outside Germany.

The Danish plant operator and previous major shareholder, COLEXON Solar Invest A/S (formerly Renewagy A/S) invests in and operates solar power plants. COLEXON Solar Invest A/S (formerly Renewagy A/S) performs analyses, conducts technical, legal and financial investment reviews and secures the financing of the solar power plants to that end.

COLEXON Energy AG submitted an official offer to take over COLEXON Solar Invest A/S (formerly Renewagy A/S) on 13 May 2009. COLEXON Energy AG announced the results of the acceptance of its offer on 11 August 2009. Accordingly, 98.18 percent of the shareholders of COLEXON Solar Invest A/S (formerly Renewagy A/S) – i. e. 68,195,520 of 69,461,940 shares – accepted the offer and offered their shares at the exchange ratio published in the offer dated 13 May 2009. The new shares of COLEXON Energy AG resulting from this transaction were traded in the Prime Standard of the Frankfurt stock exchange for the first time on 18 August 2009.

These consolidated financial statements were approved for publication by the Management Board on 18 March 2010.

The annual financial statements of COLEXON Energy AG were issued with an unqualified audit opinion by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and the consolidated financial statements are published in the Electronic Federal Gazette.

2. ACCOUNTING PRINCIPLES

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of COLEXON Energy AG, Hamburg, Germany (hereinafter also: COLEXON AG or, if used in connection with the Group: COLEXON Group) for the financial year ended 31 December 2009 were prepared in accordance with the accounting regulations of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS) as applicable in the European Union following the adoption by the European Commission, as well as the supplementary provisions that are applicable under Section 315a (1) German Commercial Code (HGB). The term IFRS also includes the applicable International Accounting Standards (IAS). All interpretations of the International Financial Reporting Interpretations Committee (IFRIC) – previously the Standing Interpretations Committee (SIC) – that were mandatory as of 31 December 2009 were also applied. Unless indicated otherwise, the policies described were applied consistently to the reporting periods covered by these notes.

These financial statements are consolidated financial statements for the period from 01 January 2009 to 31 December 2009 with comparative figures for the period from 01 January 2008 to 31 December 2008 and comparative figures in the statement of financial position for the closing date of 31 December 2008. In accordance with IFRS, the previous year's comparative figures are the previous year's figures of COLEXON Solar Invest A/S (formerly Renewagy A/S – see the note below).

The consolidated statement of financial position is divided into current and non-current items. Current assets are expected to be utilized and current liabilities repaid within twelve months of the balance sheet date. All other assets and liabilities are deemed non-current. The consolidated income statement has been prepared based on the nature of expense format. The Group's comprehensive income is presented in two statements: A separate income statement and a reconciliation of profit or loss with the statement of comprehensive income, including a presentation of the components of other income.

The consolidated financial statements have been prepared in euros (EUR), which is the functional currency of the entities in Germany, Spain, France and Italy. For purposes of simplification, most disclosures are made in EUR thousand. Individual figures have been rounded. In tables, such figures may not exactly add up to the totals in the table. The functional currencies of the subsidiaries are the US dollar in the United States, the Danish krone in Denmark, the Czech koruna in the Czech Republic and the Australian dollar in Australia (see note 4 for information on currency translation).

The consolidated financial statements are prepared on the basis of historical cost, limited by the fair value measurement of available-for-sale financial assets as well as by the measurement of financial assets and financial liabilities (including derivatives) at fair value through profit and loss.

Pursuant to IFRS 3, the acquisition of COLEXON Solar Invest A/S (formerly Renewagy A/S) must be recognized as a reverse acquisition such that COLEXON Solar Invest A/S (formerly Renewagy A/S) is treated as the buyer and COLEXON AG as the acquired company.

A transaction involving the acquisition of one company by another company — where the number of voting shares issued as part of the acquisition in order to pay the purchase price liability is so great that the former owners of the acquired company gain control over the group arising from the combination — must be treated as a reverse acquisition pursuant to IFRS 3. What is emblematic of such an acquisition is the fact that, in the end, the former owners of the acquired company become majority shareholders of the acquiring company and hence that the relationship between acquirer and acquiree and between controlling and controlled company is reversed.

It follows that the accounting is based on the consolidated financial statements of COLEXON Solar Invest A/S (formerly Renewagy A/S), i. e. all accounting is from the standpoint of COLEXON Solar Invest A/S (formerly Renewagy A/S). The carrying amounts of COLEXON Solar Invest A/S (formerly Renewagy A/S) were continued and the presentation of the financial statements was adjusted to the new Group structure. For significant adjustments, please see the section below entitled "Disclosures regarding material items in the consolidated statement of financial position, consolidated statement of comprehensive income and statement of cash flows."

Preparing consolidated financial statements in accordance with IFRSs as applicable in the EU requires the use of estimates. Furthermore, the application of Group-wide accounting policies requires assessments by management. Areas that permit greater leeway in terms of assessments or exhibit greater complexity, or where assumptions and estimates are of critical significance to the consolidated financial statements, are discussed in note 5.18.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS WHOSE ADOPTION WAS MANDATORY IN 2009

The following overview shows the new or amended IFRSs and IFRICs that must be applied in the European Union from 2009:

- Revised IAS 1 Presentation of Financial Statements
  The amendments to IAS 1 trigger changes in the presentation of certain items of the financial statements.
- Amendments to IAS 23 – Borrowing Costs
  IAS 23 requires recognizing the borrowing costs allocable to qualifying assets. An asset is considered qualified if a period of at least 12 months is required for its completion. The Company recognizes borrowing costs in the course of constructing solar power plants.
- Amendments to IAS 32 Financial Instruments: Presentation and subsequent amendment to IAS 1 Presentation of Financial Statements
  The amendments to IAS 32 and the subsequent amendment to IAS 1 address the classification of certain shareholder contributions as equity or debt. Initial application of these amendments does not have any effects on the consolidated financial statements of COLEXON AG.

- Amendments to IFRS 1 First-time Adoption of IFRS and IAS 27 Consolidated and Separate Financial Statements
  The amendments to IFRS 1 and IAS 27 solely concern separate financial statements. The do not have any effects on the consolidated financial statements of COLEXON AG.
- Amendment to IFRS 2 Share-based Payment
  The amendments to IFRS 2 do not have any effects on the consolidated financial statements of COLEXON AG.
- Amendment to IFRS 7: "Enhanced disclosures on financial instruments"
  The amendments relate to disclosures on fair value measurement and liquidity risk and are accounted for appropriately in the consolidated financial statements of COLEXON AG.
- IFRS 8 Operating Segments
  IFRS 8 replaces the previous IAS 14 and introduces the "management approach" to segment reporting. COLEXON AG has already applied the standard in its consolidated financial statements on a voluntary basis.
- IFRIC 13 Customer Loyalty Programmes
  IFRIC 13 provides guidance on determining the date of revenue recognition in customer loyalty programs. Initial application of this interpretation does not have any effects on the consolidated financial statements of COLEXON AG.
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
  Initial application does not have any effects on the consolidated financial statements of COLEXON AG.
- IFRIC 9 / IAS 39 Embedded Derivatives
  Initial application does not have any effects on the consolidated financial statements of COLEXON AG.
- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions
  Initial application does not have any effects on the consolidated financial statements of COLEXON AG.
- Amendments resulting from the Annual Improvements Project (2008)
  This concerns numerous minor amendments to existing standards. The amendments do not have significant effects on the consolidated financial statements of COLEXON AG.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS WHOSE ADOPTION WAS NOT YET MANDATORY IN 2009

The following overview shows the new or revised standards, whose application was not yet mandatory from 2009 and which were not adopted early by the Group:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (endorsed on 26 November 2009)
- IFRS 2 Share-based Payment (not yet endorsed)
- IFRS 3 Business Combinations (revised 2008) (endorsed on 3 June 2009)
- IFRS 9 Financial instruments (not yet endorsed)
- IAS 24 Related Party Disclosures (not yet endorsed)
- IFRS 27 Consolidated and Separate Financial Statements (revised 2008) (endorsed on 3 June 2009)
- Amendments resulting from the Annual Improvements Project in April 2009 (not yet endorsed)
- IFRIC 12 Service Concession Agreements (endorsed on 25 March 2009)
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (not yet endorsed)
- IFRIC 15 – Agreements for the Construction of Real Estate (endorsed on 22 July 2009)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (endorsed on 1 July 2009)
- IFRIC 17 Distribution of Non-cash Assets to Owners (endorsed on 26 November 2009)
- IFRIC 18 Transfers of Assets from Customers (endorsed on 27 November 2009)
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (not yet endorsed)

IFRS 3 (revised 2008) and IAS 27 (revised 2008) implement extensive improvements and specifications as regards accounting for business combinations, transactions with non-controlling interests and the loss of control over a subsidiary. The impact on the consolidated financial statements will depend to a large extent on future acquisitions and/or disposals.

The application of the other standards and interpretations mentioned above are not expected to have a significant effect on the consolidated financial statements of COLEXON AG. However, they are expected to have an effect on the disclosures to be made.

3. CONSOLIDATION

BASIS OF CONSOLIDATION

The consolidated financial statements as of 31 December 2009 include COLEXON Solar Invest A/S (formerly Renewagy A/S) and COLEXON AG as well as all companies whose financial and business policy can be directly or indirectly controlled by the COLEXON Group. Subsidiaries are fully consolidated in the consolidated financial statements from the date at which the Group assumes control over them. Conversely, they are deconsolidated at the date the Group's possibility to exercise control over the respective company ends. Insignificant subsidiaries from the Group's perspective are not consolidated.

In addition to the parent company, COLEXON AG, the following subsidiaries were fully consolidated in the consolidated financial statements as of 31 December 2009:

	COUNTRY	SHARE %
COLEXON Iberia S.L., Madrid	Spain	100
COLEXON Corp., Tempe/Az.	USA	100
SASU COLEXON FRANCE, Nice	France	100
SASU SAINTE MAXIME SOLAIRE, Sainte Maxime	France	100
COLEXON Energy S.R.O, Prague	Czech Republic	80
COLEXON Australia Pty. Ltd., Brighton	Australia	100
COLEXON Imola S.R.L., Imola	Italy	100
COLEXON IPP GmbH, Hamburg	Germany	100
COLEXON IPP Germany GmbH, Hamburg	Germany	100
COLEXON 1. Solar Verwaltungs GmbH, Hamburg	Germany	100
COLEXON 1. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 2. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 3. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 4. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 5. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 6. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 7. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 8. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 9. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
COLEXON 10. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100

	COUNTRY	SHARE %
COLEXON IPP Italy GmbH, Hamburg	Germany	100
COLEXON IPP Bulgaria GmbH, Hamburg	Germany	100
COLEXON IPP Czechia GmbH, Hamburg	Germany	100
COLEXON IPP France GmbH, Hamburg	Germany	100
COLEXON Langalerie I SASU, Saint-Quentin de Caplong	France	100
COLEXON Solar Invest A/S (formerly Renewagy A/S, Virum), Virum	Denmark	99
ITH Traeindustrie AS, Lyngby-Taarbaek	Denmark	100
Danish Building Agency Ltd., Glasgow	United Kingdom	100
O. Windows (UK) Ltd., Norfolk	United Kingdom	100
O. Vinduer Ireland Ltd., Kildare	United Kingdom	100
CHA Furniture A/S Lyngby-Taarbaek	Denmark	100
HTI Import & Handel A/S, Virum	Denmark	100
Renewagy GmbH, Hamburg	Germany	100
COLEXON Renewagy Energy A/S, Virum	Denmark	100
Renewable Greece Aps, Virum	Denmark	100
COLEXON Solar Energy Aps, Virum	Denmark	100
Renewagy 1. Solarpark Verwaltungs GmbH, Hamburg	Germany	100
Renewagy 1. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 2. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 3. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 4. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 5. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 7. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 9. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 10. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 11. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 21. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100
Renewagy 22. Solarprojektgesellschaft mbH & Co. KG, Hamburg	Germany	100

REVERSE ACQUISITION OF COLEXON SOLAR INVEST A/S (FORMERLY RENEWAGY A/S) PURSUANT TO IFRS 3 (2004)

According to IFRS 3, the date on which control over the acquired company is transferred to the buyer is the acquisition date. In terms of its economic content, the date on which the buyer gains control over the company and thus the ability to determine its financial and business policies is the acquisition date.

The recording in the Commercial Register of the execution of the capital increase of COLEXON AG on 14 August 2009 led to Renewagy's control over COLEXON AG because 12,628,800 new shares were issued and the controlling interest (i. e. 76.8 percent, including prior shareholdings of 993,645 shares) in the share capital (17,744,557 shares) was transferred to the shareholders of Renewagy A/S.

Accordingly, the acquisition constitutes a reverse acquisition pursuant to IFRS 3.21.

	SHAREHOLDER STRUCTURE AS OF 13 AUGUST 2009		SHAREHOLDER STRUCTURE AS OF 14 AUGUST 2009	
		IN %		IN %
Shareholders of Renewagy A/S	993,645	19.4	13,622,445	76.8
Other shareholders	4,122,112	80.6	4,122,112	23.2
Total	**5,115,757**	**100.0**	**17,744,557**	**100.0**

COST OF THE REVERSE ACQUISITION

The acquisition of 100 percent of the shares of COLEXON AG by COLEXON Solar Invest A/S (formerly Renewagy A/S) was executed in two steps. First, in December 2007 COLEXON Solar Invest A/S (formerly Renewagy A/S) purchased an interest of 19.43 percent (i. e. 993,645 shares) in the equity of COLEXON AG. The cost is determined by the purchase price of EUR 12.10 per share, for a total price of EUR 12,023,105 for the first tranche.

In a reverse acquisition, the cost of the second tranche — i. e. the remaining 80.57 percent of the shares of COLEXON AG — is determined by assuming a fictitious capital increase of COLEXON Solar Invest A/S (formerly Renewagy A/S) in order to bring about the actually resulting shareholder ratio pursuant to the new shareholder structure on 14 August 2009. The resulting cost is EUR 17,080,338.

	NO-PAR SHARES IN EUR	IN %
COLEXON share capital	5,115,757	
of which stake of Renewagy A/S (19.43 %)	*993,645*	
Capital increase	12,628,800	
Share capital after capital increase	**17,744,557**	
Stake of Renewagy (share capital after capital increase)	13,622,445	76.8
Stake of COLEXON (share capital after capital increase)	4,122,112	23.2
	17,744,557	**100.0**

TRANSLATION INTO A FICTICIOUS GRANTING OF SHARES (IFRS 3. B5)	NO-PAR SHARES IN EUR
Share capital of Renewagy	69,461,940
Fictitious capital increase from the point of view of Renewagy A/S	21,018,980
Share price of Renewagy A/S as of 14 August 2009 (DKK 6.05)	0.8126
Cost of the reverse acquisition	**17,080,338**

The capital of COLEXON Solar Invest A/S (formerly Renewagy A/S) would have had to been increased by 21.0 million no-par shares in order for the actual ratio of 76.8 percent to 23.2 percent between the shareholders of the two companies to be in place following the capital increase. The last bid price for the shares of COLEXON Solar Invest A/S (formerly Renewagy A/S) on 14 August 2009 was DKK 6.05 per share.

A total of EUR 602 thousand in ancillary costs were incurred for the second tranche.

Hence the overall cost (fair value of the assets surrendered) to COLEXON Solar Invest A/S (formerly Renewagy A/S) for acquiring 100 percent of the shares of COLEXON AG was EUR 29,706,900.

PRELIMINARY PURCHASE PRICE ALLOCATION

Given the complexity of the acquisition and the multitude of individual facts to be assessed, management decided to make use of the option in IFRS 3.61f. The purchase price allocation will finally be completed within the possible period of twelve months from the date of initial consolidation.

Under IFRS 3, once the initial consolidation date and the cost of the acquired business (COLEXON AG) have been determined, the acquired net assets must be determined on a pro rata basis and the purchase price must be allocated to the assets, liabilities and contingent liabilities acquired. Any remaining positive difference is recognized as goodwill and any negative goodwill is recognized in profit and loss.

The following constitute the criteria for measuring the assets and liabilities; they must be fulfilled cumulatively:

- Reliability of the fair value measurement
- Probable future benefit and/or probable outflow of resources
- Identifiability of the assets or liabilities

Recognized and unrecognized assets and liabilities as of the acquisition date (14 August 2009) pursuant to IFRS 3 are:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONDENSED)

AS OF 14 AUGUST 2009

ASSETS	CARRYING AMOUNTS EUR '000	UNDISCLOSED RESERVES EUR '000	TOTAL EUR '000
A. Non-current assets			
I. Goodwill	15,093	0	15,093
II. Other intangible assets	349	1,035	1,384
III. Other equipment, operating and office equipment	825	0	825
IV. Equity investments	0	0	0
V. Other non-current assets	8,622	0	8,622
VI. Deferred tax assets	141	0	141
Total non-current assets	**25,029**	**1,035**	**26,064**
B. Current assets			
I. Inventories			
1. Modules	28,433	472	28,905
2. Production supplies	634	0	634
3. Work in progress	7,499	406	7,906
4. Finished products and goods	210	0	210
II. Advances paid	2,789	0	2,789
III. Trade receivables	4,483	0	4,483
IV. Future receivables from construction contracts	9,143	0	9,143
V. Cash	1,472	0	1,472
VI. Other assets	2,262	0	2,262
VII. Tax refund claims	64	0	64
Total current assets	**56,989**	**879**	**57,868**
Total assets	**82,018**	**1,914**	**83,932**

EQUITY AND LIABILITIES	CARRYING AMOUNTS EUR '000	UNDISCLOSED RESERVES EUR '000	TOTAL EUR '000
A. Equity			
I. Subscribed capital	5,116	0	5,116
II. Capital reserves	23,003	1,454	24,457
III. Retained earnings	428	0	428
IV. Other changes in equity	9,725	0	9,725
V. Currency translation reserve	–24	0	–24
VI. Revaluation surplus	1	0	1
VII. Minority interest	0	0	0
Total equity	**38,250**	**1,454**	**39,704**
B. Liabilities			
I. Non-current liabilities			
1. Financial liabilities	27	0	27
2. Deferred tax liabilities	599	459	1,058
3. Other non-current liabilities	0	0	0
Total non-current liabilities	**626**	**459**	**1,085**
II. Current liabilities			
1. Tax provision	1,169	0	1,169
2. Other provisions	4,433	0	4,433
3. Convertible bond	0	0	0
4. Financial liabilities	10,000	0	10,000
5. Advances received	6,288	0	6,288
6. Trade payables	16,894	0	16,894
7. Other liabilities	4,359	0	4,359
Total current liabilities	**43,143**	**0**	**43,143**
Total liabilities	**43,769**	**459**	**44,228**
Total equity and liabilities	**82,018**	**1,914**	**83,932**

A procurement contract with First Solar GmbH, Mainz, Germany, as well as undisclosed reserves in the inventories of PV modules and work in progress were identified as significant unrecognized assets. No other unrecognized assets or liabilities were identified.

RESULT OF THE PRELIMINARY PURCHASE PRICE ALLOCATION AND DETERMINATION OF POSITIVE OR NEGATIVE GOODWILL

The measurement of the First Solar contract is based on a residual value model rooted in the earnings from the utilization of the contractually guaranteed quantities of First Solar PV modules, taking additional performance-based factors of the related business activities into account. The measurement of the undisclosed reserves in the inventories is based on the fair value of the planned attainable EBITDA margin, taking into account the Group's costs in connection with its inventory of work in progress and PV modules as of 14 August 2009. Disclosure of the undisclosed reserves has the following accounting effects:

Allocation of the purchase price to the identified assets yields the following residual values for the first and second tranche.

RESULT OF PURCHASE PRICE ALLOCATION AS OF 14 AUG 2009	TRANCHE 1 IN EUR '000		TRANCHE 2 IN EUR '000	
	100.0 %	19.4 %	100.0 %	80.6 %
Cost of Tranche 1 19.43 %		12,023		
Cost of Tranche 2 80.57 %				17,683
Net assets acquired excluding previous goodwill	17,082	3,319	23,157	18,657
Acquired undisclosed reserves	6,991	1,358	1,914	1,542
Less deferred tax liabilities	–2,083	–405	–570	–459
Positive (+) / negative (–) goodwill		**7,751**		**–2,057**

The acquisition of the first tranche generated positive goodwill of EUR 7,751 thousand that must be recognized. This is due to the fact that on the acquisition date of COLEXON's first tranche, COLEXON's market capitalization on the securities markets was significantly higher than the fair value of the Company's net assets. The acquisition of the second tranche generated negative goodwill of EUR 2,057 thousand that must be recognized in profit and loss under other operating income in the consolidated statement of comprehensive income. This results from the fact that only the market capitalization of COLEXON Solar Invest A/S (formerly Renewagy A/S) is relevant for measuring the acquisition costs of the second tranche. These costs are therefore calculated independently of the actual fair value of COLEXON's net assets. The market capitalization of COLEXON Solar Invest A/S (formerly Renewagy A/S), on which the calculation of the acquisition costs was based, fell sharply during the period from the determination of the exchange ratio for the reverse acquisition (26 May 2009) until the effective date of the initial consolidation (14 August 2009).

REVENUE, EBIT AND NET PROFIT FOR THE PERIOD OF THE ACQUIRED COMPANY (COLEXON AG) SINCE THE DATE OF INITIAL CONSOLIDATION (IFRS 3.67I)

The profit or loss of COLEXON Solar Invest A/S (formerly Renewagy A/S) for the period from 01 January through 31 December is recognized in the 2009 consolidated financial statements of the consolidated Group. In contrast, the profit or loss of COLEXON AG is only recognized in the consolidated statement of comprehensive income starting with the date of initial consolidation. Profits or losses prior to the initial consolidation are taken directly to the equity of COLEXON AG and considered in the purchase price allocation. Earnings for the period from 14 August to 31 December 2009 are included in the earnings for the whole reporting period.

The following earnings figures were posted for COLEXON AG during the aforementioned period:

	14 AUG – 31 DEC 2009 EUR '000
Revenue	103,738
Operating profit (EBIT)	9,518
Net profit	**6,195**

PRO-FORMA REVENUE, EBIT AND NET PROFIT FOR THE PERIOD OF THE COMBINED COMPANY FOR THE REPORTING PERIOD (IFRS 3.70)

The following earnings figures would have arisen for the consolidated statement of comprehensive income, had the transaction already been executed as of 01 January 2009:

	1 JAN – 31 DEC 2009 EUR '000
Revenue	188,122
Operating profit (EBIT)	18,483
Net profit	**5,871**

CONSOLIDATION PRINCIPLES

The annual financial statements of the companies included in the consolidated financial statements of COLEXON AG are consolidated in accordance with uniform accounting policies. All consolidated companies have the same balance sheet date as the parent company. The reporting currency is the euro – with the exception of the subsidiaries in the United States (US dollar), Denmark (Danish krone), the Czech Republic (Czech koruna) and Australia (Australian dollar). The modified closing rate method is used for currency translation of the foreign financial statements. Currency translation differences are recognized directly in equity as the currency translation reserve.

Acquisition accounting uses the purchase method in accordance with IFRS 3 by deducting the purchase cost of the investment from the fair value of the subsidiary's proportionate equity at the acquisition date. Goodwill is created if the cost of the acquisition is higher than the Group's share in the net assets carried at fair value.

Income and expenses as well as receivables and liabilities between the fully consolidated companies and intragroup provisions are eliminated. Profits from intercompany transactions that are not generated through a sale to a third party are eliminated where not insignificant.

4. CURRENCY TRANSLATION

All transactions denominated in foreign currencies are translated into the functional currency at the exchange rate on the transaction date. Gains and losses from the settlement of such transactions as well as from the translation of monetary assets and liabilities reported in a foreign currency at the balance sheet date rate are recognized in income. At the balance sheet date, monetary items are translated at the closing rate, while non-monetary items are translated at the rate prevailing on the date of the transaction. Currency translation differences are recognized directly in equity as the currency translation reserve.

5. SELECTED ACCOUNTING POLICIES

INTANGIBLE ASSETS

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share in the net assets of the acquired company at the acquisition date. Goodwill arising from the acquisition of a company is recognized as an intangible asset. It is subjected to an annual impairment test and measured at historical cost less accumulated impairments. Reversals of impairment losses are prohibited.

Goodwill is divided into cash generating units (CGUs) for the purpose of impairment testing.

OTHER INTANGIBLE ASSETS

Other purchased intangible assets are carried at cost and, where the useful life can be determined, reduced by amortization. The purchase cost of the assets includes all directly attributable costs. The assets are amortized using the straight-line method over a probable useful life of three to five years. Impairments are recognized in accordance with IAS 36.

PROPERTY, PLANT AND EQUIPMENT (FIXTURES, OPERATING AND OFFICE EQUIPMENT)

Items of property, plant and equipment are carried at cost and reduced by straight-line depreciation over their probable economic useful life. The Company recognizes borrowing costs if they concern qualifying assets. An asset is considered qualified if a period of at least 12 months is required for its completion (construction of solar power plants). Costs comprise the expenses directly attributable to the respective acquisition.

Depreciation on property, plant and equipment is essentially based on the following useful lives:

• Plant and machinery	30 years
• Motor vehicles	5 years
• Hardware	3 years
• Operating and office equipment	3 to 15 years

Both the carrying amounts and the useful lives are reviewed at the given balance sheet date and adjusted as necessary. Impairments are recognized in accordance with IAS 36.

INVESTMENT PROPERTY

Investment property is property held to earn rentals or for capital appreciation. Individual components that can be measured separately are depreciated separately.

They are measured at amortized cost. Depreciation using the straight-line method is essentially based on the following useful lives:

• Investment property	30–50 years

IMPAIRMENT OF NON-MONETARY ASSETS

Assets with an indefinite useful life are not subject to depreciation or amortization; they are subject to an annual impairment test instead. Assets subject to depreciation or amortization are tested for impairment if relevant events indicate that the carrying amount might no longer be recoverable. An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. For impairment testing, assets are combined into cash-generating units, the smallest identifiable groups of assets that generate cash inflows independent of the cash inflows from other assets or groups of assets. With the exception of goodwill, non-monetary assets that were impaired in the past are reviewed at each balance sheet date to determine whether the impairment losses can be reversed.

INVENTORIES

Inventories are carried at the lower of cost or net realizable value. Methods specifying the order of use are not applied. The production cost of the inventories comprises other direct costs and attributable overheads. The costs do not include borrowing costs. Net realizable value is the estimated selling price of the item in the course of ordinary business less necessary variable selling costs.

CONSTRUCTION CONTRACTS

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date, in each case as part of the contract costs incurred for the work performed in proportion to the estimated total contract costs unless this would not reflect the stage of completion. Changes in the contractual work, entitlements and bonuses are included to the extent that they were agreed with the customer. When the outcome of a construction contract cannot be estimated reliably, the contract revenue is recognized only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as an expense in the period in which they are incurred.

Expected losses on the construction contract are recognized as an expense immediately in their full amount.

If the work performed (contract revenue) exceeds the advances received in individual cases, the net disclosure of the construction contracts is capitalized under “Future receivables from construction contracts”. Any negative balance remaining after deduction of partial billings is recognized in other liabilities as a liability from construction contracts.

RECEIVABLES AND OTHER CURRENT ASSETS

Receivables and other current assets are initially carried at fair value and subsequently measured at amortized cost. Where the interest rate effects are material, receivables and other assets are carried at the present value of the future (expected) payments using the effective interest method. Impairment losses are recognized when there is objective evidence that not all amounts due will be fully recoverable. Indications of this include severe financial difficulties being experienced by the debtor, a greater probability that a borrower will become insolvent or undergo other financial reconstruction, as well as breach of contract or delayed payment of interest or debt. The amount of the impairment is measured as the difference between the carrying amount of the receivable and the present value of the estimated future cash flows from this receivable, discounted at the effective interest rate. The carrying amount of an asset is reduced through the recognition of an impairment account. The impairment is recognized in the income statement. In addition, portfolio-based valuation allowances are recognized.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents relate to cash and demand deposits.

CONVERTIBLE BOND

In accordance with IAS 32, the convertible bond (which was repaid in May 2009, see note 7.22) as a compound financial instrument is divided into an equity component and a liability component. The liability component corresponded to the present value of a bond of the same type without a conversion right, measured at a standard market effective interest rate at the date of issue, which was carried at 8 percent per year. The equity component was calculated as the residual amount after deducting from the fair value of the convertible bond at the time of issue (total cash inflow) the amount separately determined for the liability component.

The liability component was added to the carrying amount in accordance with the effective interest method. The costs of issuing the convertible bond were divided in the proportion of the equity and liability components to one another. Costs attributable to the equity component were reduced by associated income tax advantages and deducted from the cash transferred to the share premium. The costs attributable to the liability component were recognized as an expense. The interest payments for the convertible bond reduce the liability component.

PROVISIONS

Provisions are recognized in accordance with IAS 37 when past events exist that create a legal or constructive obligation to third parties, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits, and a reasonable estimate can be made. Provisions are carried in the amount that is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Non-current provisions are measured at the present value of the expected payments, if the effect is material, using a pre-tax interest rate reflecting the market's current expectation of the interest effect as well as specific risks of the obligation. An increase of the provision due to the unwinding of the discount is recognized as interest expense in the income statement.

Provisions are reported as gross amounts, i. e. no expected refund claims are deducted.

BORROWING COSTS

With the exception of borrowing costs allocable to qualifying assets, which are recognized in accordance with IAS 23, borrowing costs are recognized in profit or loss during the period in which they are incurred.

CURRENT AND DEFERRED TAXES

Current tax expense is calculated in line with tax provisions that are already in effect at the balance sheet date or will enter into force in the near term. Management regularly reviews tax declarations and, where necessary, recognizes provisions based on the amounts to be foreseeably paid to the tax authorities.

Deferred taxes are recognized for all temporary differences between the carrying amounts in the IFRS financial statements and the tax base of the assets and liabilities applying the tax rates and tax regulations in effect at the balance sheet date or essentially passed as law and which are expected to be in force at the time the deferred taxes are utilized. Deferred taxes on unused tax losses carried forward and temporary differences are recognized if it is likely that corresponding taxable profits will be generated in the future.

Deferred tax liabilities arising from temporary differences related to investments in subsidiaries are recognized unless the Group can determine the date at which the temporary difference is reversed and unless it is probable that there will be no reversal of temporary differences in the foreseeable future.

REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable from the sale of goods and services in the course of ordinary activities, not taking into account value-added tax, returns, volume rebates and trade discounts.

SALE OF GOODS

Revenue from the sale of goods is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

SERVICES

Revenue from construction contracts is recognized in accordance with the stage of completion. The Group's accounting policy is described in note 5.6.

INTEREST

Interest income is recognized pro rata temporis using the effective interest method.

LEASES

Leases are classified as operating leases if a material portion of the risks and rewards associated with the economic ownership of the leased asset remains with the lessor. Payments made in connection with an operating lease are recognized in equal amounts in the income statement over the lease period.

Leases of property, plant and equipment where substantially all the risks and rewards incidental to ownership of the leased asset lie with the Group are classified as finance leases. Assets from finance leases are recognized at the commencement of the lease term at the lower of the fair value of the leased property and the present value of the minimum lease payments. A lease liability in the same amount is reported under non-current liabilities. Each lease payment is divided into an interest component and a repayment component, which means that a constant rate of interest is charged on the lease liability. The interest component of the lease liability is recorded as an expense in the income statement. The items of property, plant and equipment held as finance leases are written down over the shorter of the economic useful life of the asset and the term of the lease.

FINANCIAL INSTRUMENTS

Financial instruments are contractual arrangements that give rise to a financial asset of one entity and a financial liability of another entity or to the issue of equity instruments. According to IAS 39, all financial instruments must be recognized and measured. The scope of the Standard does not include investments in subsidiaries, associated companies and joint ventures, which are recognized in accordance with IAS 27, 28 and 31.

FINANCIAL ASSETS

In accordance with IAS 39, financial assets are allocated to the categories "measured at fair value through profit or loss", "held to maturity", "loans and receivables" and "available for sale". They are classified according to the purpose for which the financial assets are acquired. The company's management determines how financial assets are to be classified on initial recognition and reviews such classification at each balance sheet date. The financial instruments are recognized as of the trading date. The Group currently has financial assets that are classified as "loans and receivables" as well as "available-for-sale financial assets".

a) Loans and receivables

Loans and receivables are non-derivative financial assets with contractually fixed or determinable payments that are not quoted in an active market. They are reported under current assets if due within twelve months of the balance sheet date. Otherwise they are reported as non-current assets. The Group's loans and receivables are reported in the statement of financial position under "Trade receivables", "Future receivables from construction contracts", "Other current and non-current assets" and "Cash and cash equivalents".

b) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that were designated as available for sale or not classified to any of the other categories. They are reported under non-current assets unless management intends to dispose of them within twelve months of the balance sheet date. Available-for-sale financial assets are reported in the statement of financial position under "Financial assets". Other investments and securities are reported as available-for-sale assets in accordance with IAS 39.

Regular way purchases and sales of financial assets are recognized using trade date accounting. They are initially carried at their fair value plus transaction costs. Investments are derecognized when the rights to payments from the investment expire or have been transferred and substantially all the risks and rewards incidental to ownership of the asset have been transferred to the Group.

Available-for-sale financial assets are measured at their fair values after initial recognition. Gains and losses from changes in the fair value are netted and recognized directly in equity. Impairments arising from a significant or prolonged decline in the fair value and a gain or loss on disposal are recorded immediately in net profit or loss for the period under “Other operating expenses”. Once impairment losses of equity instruments have been recognized in the income statement, they are not reversed in the income statement. If the fair value cannot be reliably determined through the listing on an active market or by other means, the assets are carried at cost.

Following initial recognition, loans and receivables are measured at amortized cost using the effective interest method less any impairments. Assets are impaired when there is objective evidence that a loan or receivable may not be fully recoverable on becoming due. The impairment is recognized in the amount of the expected loss and reported in the income statement under “Other operating expenses”.

FINANCIAL LIABILITIES

The Group’s financial liabilities are assigned to the “financial liabilities measured at amortized cost” category. They comprise non-derivative financial liabilities.

On initial recognition, financial liabilities are carried at fair value after deduction of transaction costs. They are subsequently measured at amortized cost. Any difference between the amount paid and the redemption amount is reported in the income statement over the term using the effective interest method.

Liabilities measured at cost are derecognized on repayment, i. e. when the liabilities stipulated in the contract have been settled or canceled or expire.

They are reported as current liabilities unless the Group has the unconditional right to repay the liability at some date at least twelve months after the balance sheet date.

The Group uses interest rate swaps (“swaps”) as derivatives to hedge against interest rate risk. These derivatives are recognized at fair value on the transaction date and subsequently remeasured at fair value. Derivatives are measured as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Gains and losses on changes in the fair value of derivatives are recognized immediately in profit or loss, with the exception of the effective portion of a cash flow hedge, which is included in other comprehensive income.

For hedge accounting purposes, hedging instruments are classified as cash flow hedges when the aim is to hedge the risk of fluctuations in cash flows that can be allocated to the risk associated with a recognized liability.

Both the hedging relationship and the Group's risk management objectives and strategies are formally designated and documented with respect to the hedge at its inception. The documentation contains the determination of the hedging instrument, the hedged item or the transaction being hedged as well as the type of risk hedged and a description of how the Company determines the effectiveness of the change in the fair value of the hedging instrument when compensating for risks from changes in the fair value of or the cash flows from the hedged item caused by the hedged risk. Such hedging relationships are considered highly effective in compensating for risks from fair value or cash flow changes. Continuous assessments are made to determine whether or not they actually were highly effective during the entire reporting period for which the hedging relationship was designated.

Hedging transactions that meet the strict criteria to qualify for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on a hedging instrument is recognized directly in equity, whereas the ineffective portion is immediately recognized in profit or loss. The amounts recognized in equity are transferred to the income statement in the period during which the hedged transaction has an impact on the profit or loss for the period, e. g. at the time hedged finance costs are recognized.

USE OF ASSUMPTIONS AND ESTIMATES

When the consolidated financial statements were being prepared, assumptions were made and estimates concerning the future were taken as a basis for the recognition, disclosure and measurement of the assets, liabilities, income and expenses reported. By nature, the assumptions and estimates will fully correspond to later actual events in only a very small number of cases. The underlying assumptions and estimates mainly relate to the definition of the standard useful life of non-current assets, the assumptions made in impairment testing, the determination of the stage of completion of construction contracts and the measurement of provisions.

USEFUL LIFE OF NON-CURRENT ASSETS

The probable economic useful lives of other intangible assets and property, plant and equipment set out in notes 5.1.2, 5.2 and 5.3 may change over time, e. g. as a result of technical progress or specific events. For this reason, the Group regularly examines whether it is necessary to adjust the probable economic useful life. In addition to depreciation and amortization, other intangible assets and property, plant and equipment are impaired at the balance sheet date if the recoverable amount of the asset has fallen below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the expected net cash flows generated by its continued use.

GOODWILL

As explained under the accounting policies, the Group tests goodwill for impairment once a year and also during the year if there is any indication that the assets may be impaired. In such cases, the recoverable amount of the cash-generating unit must be estimated. This is the higher of its fair value less costs to sell and its value in use. Calculating the value in use involves making assumptions and estimates of the projections of future cash flows and the discount rate. While the Management Board believes that the assumptions used to calculate the recoverable amount are appropriate, unforeseen changes to these assumptions could lead to the recognition of impairment losses, which could have an adverse effect on the Group's assets, liabilities, cash flows and profit or loss.

RECOGNITION OF REVENUE FROM CONSTRUCTION CONTRACTS

The Group conducts a large share of its business as construction contracts, which are reported using the percentage of completion method, where contract revenue is recognized according to the stage of completion. This method requires an exact estimate of the degree of contract progress, calculated using the cost-to-cost method. Depending on the method used to determine the stage of completion, the estimates include the total contract costs, the costs yet to be incurred prior to completion, total contract revenue, the contract risks and other assessments. Management continuously reviews all estimates required in the context of construction contracts and adjusts these as appropriate.

MEASUREMENT OF PROVISIONS

Provisions are measured according to management's best estimates. As soon as more recent findings or more reliable data become available about future utilization, these will be taken into account in the measurement. The carrying amount of the provisions is reviewed at each balance sheet date. Provisions in foreign currencies were translated using the closing rate on the balance sheet date.

6. RESTATEMENTS IN ACCORDANCE WITH IAS 8.41–49

Interest rate derivatives of Renewagy A/S that were used to hedge interest rate risk on financial liabilities were not accounted for in 2008. This error was corrected retrospectively in accordance with IAS 8. The effects of the correction on the items of the consolidated financial statements are shown below:

STATEMENT OF FINANCIAL POSITION	31 DEC 2008 EUR '000
Deferred tax assets	385
Other non-current assets	**385**
Total non-current assets	**385**
Total assets	**385**
Reserves for derivative financial instruments	–286
Retained earnings	–869
Total equity	**–1,155**
Financial liabilities	1,540
Total non-current liabilities	**1,540**
Total liabilities	**1,540**
Total equity and liabilities	**385**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2008 EUR '000
Interest and similar expenses	–1,158
Result from investments and financial result	**–1,158**
Taxes on income and earnings	290
Net loss	**–869**
Earnings per share (basic)	–0.01
Changes in the fair value of hedging instruments	–382
Taxes on other comprehensive income	95
Other comprehensive income	**–286**
Consolidated comprehensive income	**–1,155**

The changes in the statement of cash flows are not material, as they are non-cash changes.

The presentation of Renewagy A/S's interest rate derivatives was only corrected in the consolidated financial statements as of 31 December 2009, which is why the correction does not appear in the consolidated interim financial statements as of 30 September 2009. The disclosure requirement in accordance with IAS 1.10f was waived for materiality reasons in line with IAS 1.31 because the above-mentioned restatements do not change the figures in the opening statement of financial position as of 1 January 2008.

7. DISCLOSURES ON THE STATEMENT OF FINANCIAL POSITION

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The development of non-current assets can be derived from the following statement of changes in non-current assets.

	COST				
	AS OF BEGINNING OF FY EUR '000	ADDITIONS THROUGH BUSINESS ACQUISITION EUR '000	ADDITIONS EUR '000	DISPOSALS EUR '000	AS OF 31 DEC 2009 EUR '000
Goodwill	63,384	0	7,937	–79	71,399
Other intangible assets	0	590	1,095	22	1,662
Investment property	2,300	0	0	0	2,300
Plant and machinery	160,385	0	7,593	0	167,978
Advances paid on property, plant and equipment	990	0	–990	0	0
Fixtures, operating and office equipment	315	1,386	141	410	1,432
Investments in associates	12,872	0	0	12,872	0
Total	**240,246**	**1,976**	**15,775**	**13,226**	**244,772**

	Amortization / Depreciation / Impairment Losses							
	As of beginning of FY EUR '000	Additions through business acquisition EUR '000	Additions EUR '000	Disposals EUR '000	Currency differences EUR '000	As of 31 Dec 2009 EUR '000	Carrying amount 31 Dec 2009 EUR '000	Carrying amount previous year EUR '000
Goodwill	0	0	0	0	0	0	71,399	63,384
Other intangible assets	0	265	493	18	0	740	923	0
Investment property	965	0	41	0	2	1,006	1,296	1,336
Plant and machinery	3,654	0	5,466	0	0	9,120	158,858	156,732
Advances paid on property, plant and equipment	0	0	0	0	0	0	0	990
Fixtures, operating and office equipment	99	559	138	259	0	537	895	216
Investments in associates	0	0	0	0	0	0	0	12,872
Total	**4,717**	**824**	**6,138**	**277**	**1**	**11,402**	**233,370**	**235,529**

GOODWILL AND OTHER INTANGIBLE ASSETS

The goodwill of COLEXON AG comprises goodwill of EUR 63,462 thousand arising on the reverse acquisition of COLEXON Solar Invest A/S (formerly Renewagy A/S) by DKA Renewable Energy A/S (including currency differences of EUR 78 thousand compared to the previous year) and additional goodwill of EUR 7,751 thousand arising on the reverse acquisition of COLEXON AG by Renewagy A/S. This goodwill is recognized in lieu of the prior goodwill of COLEXON Energy AG in the amount of EUR 15,093 thousand in connection with the transaction. Goodwill also includes goodwill of EUR 186 thousand from the acquisition of COLEXON Imola S.r.l.

Goodwill is not amortized but rather tested for impairment at least once a year in accordance with IAS 36.

For this, cash-generating units were identified in the Group along the lines of internal management and reporting. The cash-generating units therefore correspond to the Projects, Wholesale and Plant Operation segments, which are described in more detail in the disclosures on segment reporting.

The carrying amount of the allocated goodwill was EUR 7,937 thousand for the Projects segment (previous year: EUR 0 thousand) and EUR 63,462 thousand for the Plant Operation segment (previous year: EUR 63,384 thousand).

The fair value less costs to sell – calculated using a discounted cash flow method – was carried as the recoverable amount of the two cash-generating units, Projects and Plant Operation. The fair value reflects the best estimate of the amount which an independent third party would pay for the cash-generating unit at the balance sheet date.

The calculation of the fair value less costs to sell of the Projects and Plant Operation CGUs was based on assumptions about market and price trends, module availability and corporate development as well as the development of feed-in tariffs resulting from the long-term corporate planning approved by the Management Board on the basis of experience and future expectations.

In addition to changes in the regulatory framework, expectations regarding price trends for photovoltaic systems and modules constitute key assumptions in the planning period. For this, three-year planning up to 2012 was prepared for the Projects CGU and 19-year planning was prepared for the Plant Operation CGU based on assessments of the market and the Company by the Management Board backed up by market studies. Revenue, the cost of purchased goods and services, as well as employee and other expenses were derived from this. The detailed planning phase was adjusted in the perpetual annuity.

The fair values less costs to sell of the Projects CGU were each calculated by discounting the payment flows using a discount rate that corresponds to the weighted average cost of capital (WACC), which is approx. 6.73 percent for the Plant Operation CGU and approx. 6.26 percent for the Projects CGU and has been derived from the special risk structure using market data. With respect to the capitalization rate, a discount of 1.0 percent was assumed for both cash-generating units in the perpetual annuity on the basis of growth assumptions. This discount is based on experience and future expectations and does not exceed the long-term average growth rate for the markets in which the Company is active.

Impairment testing in 2009 led to the conclusion that the allocated goodwill did not need to be impaired.

The Company's management holds the view that no change that could be reasonably believed possible in one of the basic assumptions made to determine the recoverable amount of the Plant Operation cash-generating unit could result in the carrying amount of the cash-generating unit exceeding its recoverable amount.

The other intangible assets primarily comprise the procurement contract with First Solar GmbH in the amount of EUR 591 thousand, which was accounted for as part of the initial purchase price allocation (previous year: EUR 0 thousand); it has a remaining useful life of 6 months.

The miscellaneous other intangible assets, mainly comprising software, were solely amortized.

INVESTMENT PROPERTY

The investment property concerns property rented in Denmark; the property's carrying amount is EUR 1,296 thousand (previous year: EUR 1,336 thousand).

The fair value of the investment property was calculated on the basis of an income capitalization model with an average rate of return of 8.0 percent (previous year: 8.0 percent) taking the type and location of the property into account and amounts to EUR 1,424 thousand (previous year: EUR 1,424 thousand). An external valuation by an independent expert did not take place in the reporting year.

PLANT AND MACHINERY

The fixed assets as of 31 December 2009 primarily comprise solar power plants valued at EUR 158,858 thousand (previous year: EUR 156,732 thousand). The plants in operation as of 31 December 2009 had an installed output of 45.4 MWp. The solar power plants are depreciated using the straight-line method in accordance with IFRS based on their expected useful life of 30 years (see note 5.2).

FIXTURES, OPERATING AND OFFICE EQUIPMENT

Property, plant and equipment also concerns motor vehicles, operating and office equipment and IT hardware in the amount of EUR 895 thousand (previous year: EUR 216 thousand). This item was solely depreciated in the 2009 financial year.

ADVANCES PAID FOR PLANT AND MACHINERY

No solar power plants for own operation were under construction as of 31 December 2009.

FINANCIAL ASSETS

There were no financial assets as of the balance sheet date (previous year: EUR 12,872 thousand). The previous year's figure concerned the 19.43 percent equity interest of Renewagy A/S in COLEXON AG that was initially consolidated in connection with the reverse acquisition.

OTHER NON-CURRENT ASSETS

In the reporting period, other non-current assets primarily comprised restricted guarantee deposits for a module supplier and restricted cash for borrowings in the amount of EUR 14,491 thousand (previous year: EUR 2,100 thousand).

DEFERRED TAX ASSETS

For information on the composition of deferred tax assets please see note 8.9.

ASSETS HELD FOR SALE

All assets held for sale of COLEXON Solar Invest A/S (formerly Renewagy A/S) were sold as of 31 December 2009 and thus amount to EUR 0 thousand (previous year: EUR 12,397).

INVENTORIES

Goods mainly relate to photovoltaic modules for the wholesale and project business. This item includes goods in transit with a value of EUR 9,088 thousand (previous year: EUR 0 thousand). Production supplies primarily relate to products intended for the project business; they are recognized at EUR 187 thousand (previous year: EUR 0 thousand). Work in progress attributable to the project business of COLEXON AG amounted to EUR 4,023 thousand (previous year: EUR 0 thousand).

Advances paid for plant and machinery totaled EUR 0 thousand (previous year: EUR 990) and concern projects under construction.

Inventory impairments in the amount of EUR 242 thousand were recognized in profit or loss in financial year 2009 (previous year: EUR 0 thousand).

The inventories recognized as an expense in the consolidated income statement under "Cost of purchased goods, non-cash benefits and services" amounted to EUR 80,946 thousand in the year under review (previous year: EUR 561 thousand).

TRADE RECEIVABLES

All trade receivables are due in less than one year.

The following impairment losses were recognized in the reporting year:

Specific valuation allowances were recognized based on the Management Board's assumption of each individual trade receivable.

The receivables are derecognized as soon as they become irrecoverable.

	2009 EUR '000	2008 EUR '000
As of 1 January	10	0
Addition through business acquisition	1,771	0
Use	– 1,661	0
Reversal	– 97	0
Addition	1,160	10
As of 31 December	1,184	10

FUTURE RECEIVABLES FROM CONSTRUCTION CONTRACTS

This item includes the profits generated from the application of the percentage of completion method for construction contracts less the amounts received for partial billing.

The following table shows the significant factors arising from non-current construction contracts that affect the Company's assets, liabilities, cash flows and profit or loss (excluding tax effects):

	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000
Contract revenue	5,714	0
Contract costs	–4,496	0
Realized gains	1,218	0
Actual contract costs	4,496	0
Advances received	– 1,746	0
Future receivables from construction contract	**3,967**	**0**

By the end of the financial year, almost all projects had been completed and connected to the grid. Only one solar power plant had not been put into operation by year-end. This gives rise to a future receivable from construction contracts in the amount of EUR 3,967 thousand.

OTHER CURRENT ASSETS

The other currents assets all are due within twelve months and are comprised as follows:

	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000
Other assets	1,717	1,417
Creditors with debit balances	197	0
Prepaid expenses	1,939	0
Current loans	1,578	0
Valuation allowances	– 168	0
Input VAT deductible in the following year	9	0
Tax receivables	802	0
Clearing accounts	27	0
Input VAT receivables	108	6,362
Total	**6,211**	**7,779**

TAX REFUND CLAIMS

The tax refund claims mainly result from the capital gains taxes for 2007.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash-in-hand and bank balances of EUR 32,255 thousand (previous year: EUR 10,048 thousand).

EQUITY

The Company's share capital was increased by EUR 12,863,323 by issuing 12,863,323 new no-par bearer shares, as recorded in the Commercial Register on 14 August 2009, in accordance with the resolution of the Annual General Meeting dated 26 May 2009 regarding a capital increase against contributions in kind, subject to the exclusion of shareholders' statutory subscription right, by up to EUR 12,628,800 by issuing up to 12,628,800 new no-par bearer shares. The Company's share capital as of 31 December 2009 thus is EUR 17,744,557.

The carrying amounts of the economic buyer, COLEXON Solar Invest A/S (formerly Renewagy A/S), are continued in connection with the reverse acquisition. However, in terms of subscribed capital, the subscribed capital of the legal buyer, COLEXON AG, is shown in order to represent the legal relationship. The difference of EUR 4,202 thousand between the subscribed capital of COLEXON Solar Invest A/S (formerly Renewagy A/S) and COLEXON AG was reclassified to capital reserves.

The purchase price allocation as of the date of initial consolidation gives rise to a revaluation surplus of EUR 178 thousand, which results from the remeasurement of the assets related to the first tranche (19.43 percent of the shares of COLEXON AG) and is reclassified to retained earnings.

Additional effects of the purchase price allocation and acquisition accounting lead overall to a change in the capital reserve of EUR 22,444 thousand and a change in retained earnings of EUR – 2,756 thousand.

Based on IFRS 3.53, in the reporting period EUR 473 thousand were reclassified directly to capital reserves as equity procurement costs in accordance with the resolution of the Annual General Meeting dated 26 May 2009 regarding the increase of the Company's share capital against contributions in kind, excluding shareholders' statutory subscription right.

The fact that 98.18 percent of the shareholders of COLEXON Solar Invest A/S (formerly Renewagy A/S) accepted the takeover offer from COLEXON AG gives rise to a non-controlling interest of 1.82 percent in the equity of COLEXON Solar Invest A/S (formerly Renewagy A/S). On 28 October 2009, COLEXON AG purchased 238,900 COLEXON AG shares from COLEXON Solar Invest A/S (formerly Renewagy A/S), Denmark, for squeeze-out purposes. As part of the squeeze-out, a further 783,540 shares of COLEXON Solar Invest A/S (formerly Renewagy A/S) were exchanged for 145,189 COLEXON AG shares. This increased COLEXON AG's investment in COLEXON Solar Invest A/S to 99.3 percent as of the balance sheet date. This gave rise to a non-controlling interest of EUR 657 thousand. This amount includes the share in earnings of EUR 12 thousand attributable to the non-controlling interest as of 31 December 2009.

As a consequence of the reverse acquisition, the COLEXON Group had 1,232,545 treasury shares on 14 August 2009, corresponding to 6.95 percent of the subscribed capital. Of this figure, 145,189 shares were issued to shareholders of COLEXON Solar Invest A/S (formerly Renewagy A/S) by the balance sheet date as part of the squeeze-out. A further 177,446 shares were sold to a private investor. At the balance sheet date, the COLEXON Group had 909,910 treasury shares in its portfolio, 816,199 of which are held by COLEXON Solar Invest A/S (formerly Renewagy A/S). COLEXON AG holds 93,711 treasury shares. The treasury shares are reported as a separate item of equity under "Reserve for treasury shares" in the amount of EUR 10,826 thousand.

Furthermore, a total of 757 bonds were converted into 757 new COLEXON shares in accordance with the conversion terms of the 2006/2009 convertible bond. The new shares have already been credited to the owners of the convertible bonds. The transaction was registered in Commercial Register on 06 August 2009.

The statement of changes in equity presented separately shows the development of the Group's equity.

In accordance with the resolutions passed by the Annual General Meeting on 19 May 2006, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital in accordance with Article 4 (6) of the Articles of Association by up a total of EUR 2,325,000.00 by 18 May 2011 through the issue of new bearer shares against cash or non-cash contributions on one or several occasions (authorized capital). The Management Board and the Supervisory Board resolved a capital increase on 14 May 2007 and 27 September 2007, respectively, with partial use of authorized capital. Authorized capital amounted to EUR 1,860,000.00 as of 31 December 2009. This authorization was not utilized in 2009.

COLEXON also has contingent capital limited up to 7 June 2010 in accordance with resolutions passed by the Annual General Meeting on 7 May 2005. In accordance with Article 4 (7) of the Articles of Association, the Company's share capital is contingently increased by up to EUR 1,550,000.00 through the issue of up to 1,550,000 new no-par value bearer shares (contingent capital). A total of 757 convertible bonds were converted into shares in 2009, reducing contingent capital to EUR 1,549,243.

NON-CURRENT LIABILITIES

Liabilities to banks and the non-current portion of the fair values of the interest rate swaps are reported under non-current liabilities. They principally serve as non-recourse financing of solar power plants in the amount of EUR 130.7 million. These liabilities have a contractual term of 18 years, including a redemption-free period of two years.

The negative fair values of the derivatives (interest rate swaps) come to EUR –2,577 thousand.

The deferred tax liabilities predominantly result from the application of the percentage of completion method in accordance with IAS 11, the application of the effective interest method in accordance with IAS 39 and the reverse acquisition in accordance with IFRS 3.

Other non-current provisions are recognized for discounted restoration obligations for the solar power plants in the amount of EUR 394 thousand (previous year: EUR 373 thousand).

TAX PROVISIONS

The development of tax provisions is shown below:

	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000
As of 1 January	0	0
Addition through business acquisition	1,169	0
Reversal	0	0
Use	0	0
Addition	2,390	0
As of 31 December	3,559	0

OTHER PROVISIONS

With the exception of provisions for warranties, the other currents assets all are due within twelve months and are comprised as follows:

	AS OF 1 JAN 2009 EUR '000	ADDITIONS THROUGH BUSINESS ACQUISITION EUR '000	USE EUR '000	REVERSAL EUR '000	ADDITION EUR '000	AS OF 31 DEC 2009 EUR '000
Warranties	0	1,479	–539	–107	1,476	2,309
Sun energy funds	0	947	–947	0	400	400
Litigation costs	0	871	–427	–60	0	385
Penalties	0	910	–410	–500	0	0
Closing of the Meppen site	0	175	–112	–63	0	0
Other	373	50	0	0	202	625
Total	**373**	**4,433**	**–2,435**	**–730**	**2,078**	**3,718**

The provision for penalties in 2008 comprised anticipated costs in connection with reduced output and delayed completion of photovoltaic systems. They were utilized or reversed in the reporting period.

Warranty and litigation risks are measured on the basis of management's best estimate, which is based on the lawyers' assessments.

The provisions for warranty obligations due in more than one year amount to EUR 448 thousand.

CONVERTIBLE BOND

COLEXON AG issued a convertible bond in May 2006. The bond issue comprised 474,886 bonds, each costing EUR 21.90. This generated cash of EUR 10.4 million for COLEXON AG. The convertible bond has a three-year term (8 May 2006 to 8 May 2009) and interest of 3.5 percent p.a. based on the issue price. The holders of the convertible bond had a conversion right that could be exercised between 1 January 2007 and 7 May 2009. Each bond could be converted into one new share of the Company. A corresponding amount of contingent capital had been set aside for this. All investors in the 2006/2009 convertible bond, which matured in early May 2009, were repaid in full and timely fashion – with the exception of the owners who converted the bond as described above (see note 7.18). The Company obtained interim financing of EUR 5.0 million from each of two renowned banks for this purpose in early May 2009. The balance of EUR 400 thousand was paid out of the Company's own funds. Interim financing has been replaced by working capital financing.

FINANCIAL LIABILITIES

Current financial liabilities mainly include the current portion of non-current liabilities to banks in the amount of EUR 18,664 thousand (previous year: EUR 18,665 thousand). They include non-recourse financing in the amount of EUR 6.5 million from solar power plants in the Company's own portfolio, which has to be repaid within the next 12 months.

ADVANCES RECEIVED

Advances received on account of orders from the wholesale business up to the balance sheet date are reported under this item.

TRADE PAYABLES

All trade payables are due in less than one year. The trade payables to a supplier are secured by bank guarantees in the amount of EUR 10,000 thousand. In turn, EUR 5,000 thousand was deposited for these bank guarantees (see note 7.8).

OTHER LIABILITIES

All other current liabilities are due in less than one year.

This item is comprised as follows:

	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000
Import sales tax	3,088	0
VAT	4,397	0
Bonus / termination benefits / continued salary payments	1,091	0
Obligation under Imola acquisition	240	0
Wage tax	98	0
Vacation	202	0
Costs for preparing and auditing the annual financial statements	204	0
Supervisory Board remuneration	189	0
Legal and consulting costs	669	0
Other	2,395	5,177
Total	**12,575**	**5,177**

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

No contingent liabilities exist. Other financial liabilities mainly arose from module supply contracts and service agreements.

Under rental agreements and leases, of which all material agreements qualify as operating leases, the Group leases office space, warehouses, vehicles, parking spaces, as well as operating and office equipment, among other things. There are also long-term supply contracts with purchase obligations, mainly for modules. The prices are fixed.

The future (undiscounted) minimum lease payments under such non-cancelable contracts are:

	2009 EUR '000	2008 EUR '000
Rental and lease obligations		
of which due in less than one year	908	316
of which due after more than one and in less than five years	2,616	0
of which due after more than five years	5,845	0
Total	**9,370**	**316**

	2009 EUR '000	2008 EUR '000
Supply and purchase obligations		
of which due in less than one year	143,794	0
of which due after more than one and in less than five years	163,892	0
of which due after more than five years	7,716	0
Total	**315,403**	**0**

	2009 EUR '000	2008 EUR '000
Total		
of which due in less than one year	144,702	316
of which due after more than one and in less than five years	166,509	0
of which due after more than five years	13,562	0
Total	**324,773**	**316**

8. INCOME STATEMENT DISCLOSURES

REVENUE

Please see the Group segment reporting for the composition of revenue.

OTHER OPERATING INCOME

Other operating income is essentially comprised as follows:

	2009 EUR '000	2008 EUR '000
Income not related to the accounting period	0	0
Negative goodwill recognized in income	2,057	0
Other income	166	120
Income from the reversal of provisions	1,118	0
Insurance payments	10	0
Income from costs passed on 19 %	45	0
Loss from disposal of PPE 19 %	12	0
Total	**3,408**	**120**

COST OF PURCHASED GOODS AND SERVICES

This expense item relates to the cost of goods sold and the services received in the financial year.

STAFF COSTS

Staff costs are comprised as follows:

	2009 EUR '000	2008 EUR '000
Wages and salaries	3,954	1,876
Social security costs	934	31
Pension expenses		
Total	**4,888**	**1,906**

Pension expenses relate to contributions for direct insurance policies under defined contributions plans in the form of deferred compensation. The Group's only obligation under these plans is to pay these fixed contributions.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization in the financial year just ended relates to amortization of other intangible assets and depreciation of property, plant and equipment totaling EUR 6,138 thousand (previous year: EUR 2,748 thousand).

OTHER OPERATING EXPENSES

The other operating expenses are essentially comprised as follows:

	2009 EUR '000	2008 EUR '000
Distribution costs	2,565	357
Administrative costs	1,423	1,329
Vehicle costs	756	13
Office and occupancy costs	723	236
Bad debts	1,160	10
Other	567	29
Total	**7,194**	**1,973**

Expenses of EUR 938 thousand for the Group auditors' fees are reported under legal, consulting and audit costs. In addition to costs for auditing the annual financial statements and reviewing the quarterly financial statements, they also include costs incurred in connection with the reverse acquisition.

The auditors' fees recognized as an expense are comprised as follows:

	2009 EUR '000	2008 EUR '000
Audit of annual financial statements	393	167
Other auditing and consulting services	493	78
Tax consulting	52	77
Total	**938**	**322**

OTHER INTEREST AND SIMILAR INCOME

This item essentially concerns interest on bank balances.

OTHER INTEREST AND SIMILAR EXPENSES

Interest and other expenses mainly concern interest on long-term bank borrowings.

As of 31 December 2009, the Group had six interest rate swaps with nominal capital of EUR 58,163 thousand. Based on these agreements, the Group will receive a variable interest rate in the amount of the Euribor and pay fixed interest rates of 3.60 percent to 4.91 percent on the nominal amounts. The interest rate swaps are used to hedge the risk of fluctuations in the cash flows from variable-interest loans.

TAXES ON INCOME

Taxes on income are comprised as follows:

	2009 EUR '000	2008 EUR '000
Actual tax expense		
Current year	2,885	–1,053
Previous years	0	0
Tax expense from recognition of capital increase costs in equity	211	0
Deferred taxes	–760	89
Total	**2,336**	**–964**

Deferred tax expense primarily relates to temporary differences from the recognition and measurement of assets and liabilities under IFRSs and tax law regulations. It also arises from the elimination of intercompany transactions. Deferred taxes are determined on the basis of the tax rates which, based on the current legal situation, apply or are expected to apply in the individual countries at the time of realization. Group companies in Germany pay income tax at a rate of 30.875 percent (previous year: 25 percent).

The deferred tax assets and liabilities developed as follows:

2008	As of 1 Jan EUR '000	Transfer from acquisition EUR '000	Expense/income income statement EUR '000	Transfer to tax liabilities EUR '000	Recognized directly in equity EUR '000	As of 31 Dec EUR '000
Difference between consolidated statement of financial position and tax accounts	0	—	0	0	0	0
Loss carryforwards	0	—	0	0	0	0
Interest rate derivatives	0	—	290	0	95	385
Other	0	—	0	0	0	0
Consolidation	0	—	0	0	0	0
Deferred tax assets	**0**	**—**	**290**	**0**	**95**	**385**
Intangible assets	0	—	0	0	0	0
Property, plant and equipment	388	—	354	–172	0	570
Current assets	–16	—	4	0	0	–12
Provisions	–67	—	20	0	0	–47
Other	0	—	0	0	0	0
Deferred tax liabilities	**305**	**—**	**379**	**–172**	**0**	**511**
Deferred taxes, net	**305**	**—**	**–89**	**172**	**95**	**–126**

2009	As of 1 Jan EUR '000	Transfer from acquisition EUR '000	Expense/income income statement EUR '000	Transfer to tax liabilities EUR '000	Recognized directly in equity EUR '000	As of 31 Dec EUR '000
Loss carryforwards	0	141	785	0	0	926
Effective interest method, loans	0	0	776	0	0	776
Intercompany profits	0	0	100	0	0	100
Interest rate derivatives	385	0	265	0	146	796
Other	0	0	0	0	0	0
Deferred tax assets	**385**	**141**	**1,926**	**0**	**146**	**2,598**
Purchase price allocation	0	570	–394	0	0	176
Property, plant and equipment	570	0	463	0	0	1,033
Investment property	0	0	240	0	0	240
Current assets	–12	0	162	0	0	150
PoC	0	599	–223	0	0	376
Provisions	–47	0	47	0	0	0
Effective interest method, loans	0	0	888	0	0	888
Other	0	0	–17	0	0	–17
Deferred tax liabilities	**511**	**1,169**	**1,166**	**0**	**0**	**2,846**
Deferred taxes, net	**–126**	**–1,028**	**760**	**0**	**146**	**–248**

RECONCILIATION FROM EXPECTED TO CURRENT TAX EXPENSE

The reconciliation statement from expected to reported tax expense is presented below. Expected tax expense is calculated as the pre-tax profit of EUR 8,006 thousand (previous year: EUR 1,163 thousand) – which includes the result from discontinued operations – multiplied by the theoretical Group tax rate of 30.875 percent (previous year: 25 percent).

	2009 EUR '000	2008 EUR '000
Pre-tax profit	**8,006**	**–1,163**
Taxes determined on the basis of national tax rates which are applicable to the profit/loss in the respective countries	**2,466**	**–291**
Average weighted tax rate	**30.8 %**	**25.0 %**
Income not subject to taxation	0	–336
Negative goodwill	–634	0
Ancillary costs of acquiring COLEXON	–185	0
No deferred tax assets on loss carryforwards	204	0
Profit/loss share and impairment of investees	–31	–221
Effects of different tax rates for subsidiaries in other jurisdictions	335	89
Non-deductible expenses	27	229
Other	181	45
Taxes on income	**2,363**	**–485**

Deferred taxes are calculated for the Group as a whole using the tax rate of 30.875 percent applicable for 2009. Applying an average trade tax assessment rate of 430 percent for the individual operating establishments, this is calculated from a trade tax rate of 15.05 percent and a corporate income tax rate plus solidarity surcharge of 15.825 percent.

The taxes on the other income amounting to EUR 146 thousand (previous year: EUR 95 thousand) solely concern changes in the fair value of the effective portion of derivative financial instruments.

NET LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS

The net loss after taxes from discontinued operations of EUR 95 thousand (previous year: EUR 554 thousand) concerns the loss on the disposal of discontinued operations. All discontinued operations of Colexon Solar Invest A/S (formerly Renewagy A/S) were sold as of the 31 December 2009 balance sheet date.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the consolidated net profit attributable to ordinary equity holders by the average number of ordinary shares.

The basic earnings per share as defined by IAS 33 were as follows:

	31 DEC 2009	31 DEC 2008
Consolidated profit / loss (in EUR)	5,642,852	–1,547,263
Weighted number of shares	9,506,531	68,171,880
Basic earnings per share (in EUR)	0.59	–0.02

Potential ordinary shares are treated as dilutive if, and only if, their conversion into ordinary shares would decrease earnings per share or increase loss per share. Earnings per share were not diluted in the previous year on account of the convertible bond that has already been repaid.

9. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS BY CATEGORY

The classification of financial instruments in accordance with IFRS 7 is analogous to the relevant items in the statement of financial position. The following tables show the reconciliation of these classes with the measurement categories of IAS 39 and the fair values of the individual classes, to the extent they can be determined:

AS OF 31 DEC 2009 AS OF 31 DEC 2008	LOANS AND RECEIVABLES EUR '000	AVAILABLE-FOR-SALE FINANCIAL ASSETS – AT COST EUR '000	AVAILABLE-FOR-SALE FINANCIAL ASSETS – AT FAIR VALUE THROUGH EQUITY EUR '000	TOTAL FINANCIAL INSTRUMENTS EUR '000	NOT SUBJECT TO IFRS 7 EUR '000	CARRYING AMOUNTS ACC. TO STATEMENT OF FINANCIAL POSITION EUR '000	FAIR VALUE OF FINANCIAL INSTRUMENTS EUR '000
Recognized financial assets							
Trade receivables	6,056	0	0	6,056	0	6,056	6,056
Previous year	749	0	0	749	0	749	749
Future receivables from constrcution contracts	3,967	0	0	3,967	0	3,967	3,967
Previous year	0	0	0	0	0	0	0
Cash in hand and bank balances	32,255	0	0	32,255	0	32,255	32,255
Previous year	10,048	0	0	10.048	0	10,048	10,048
Other assets	6,094	0	0	6,094	117	6,211	6,094
Previous year	1,417	0	0	0	6,362	7,779	1,417
Other non-current assets	13,854	0	637	14,491	0	14,491	14,491
Previous year	2,100	0	0	0	0	2,100	2,100
Total	**62,226**	**0**	**637**	**62,863**	**117**	**62,980**	**62,863**
Previous year	**14,314**	**0**	**0**	**10,797**	**6,362**	**20,676**	**12,214**
Total fair value of the category	**62,863**	**62,863**					
Previous year	**12,214**	**10,797**					

AS OF 31 DEC 2009 AS OF 31 DEC 2008	FINANCIAL LIABILITIES MEASURED AT COST EUR '000	AVAILABLE-FOR-SALE LIABILITIES – AT FAIR VALUE EUR '000	TOTAL FINANCIAL INSTRUMENTS EUR '000	NOT SUBJECT TO IFRS 7 EUR '000	CARRYING AMOUNTS ACC. TO STATEMENT OF FINANCIAL POSITION EUR '000	FAIR VALUE OF FINANCIAL INSTRUMENTS EUR '000
Liabilities						
Financial liabilities	159,694	2,577	162,271	0	162,271	166,436
Previous year	122,307	1,540	123,847	0	123,847	123,890
Trade payables	16,436	0	16,436	0	16,436	16,436
Previous year	34,978	0	34,978	0	34,978	34,978
Other liabilities	3,699		3,699	8,876	12,575	3,699
Previous year	5,093	0	5,093	84	5,117	5,093
Other non-current liabilities						
Previous year	0	0	0	0	0	0
Total	**179,829**	**2,577**	**182,406**	**8,876**	**191,282**	**186,571**
Previous year	**162,378**	**1,540**	**163,918**	**84**	**164,002**	**163,961**

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial instruments are calculated on the basis of their quoted price on an active market at the balance sheet date (Level 1). If a market for a financial instrument is not active, the fair value is established on the basis of comparable transactions, where these exist (Level 2), otherwise using appropriate valuation techniques such as a discounted cash flow method (Level 3). If the fair value cannot be reliably determined, the asset is carried at amortized cost. The following table shows the classification of financial instruments into the different measurement categories:

AS OF 31 DEC 2009	LEVEL 1 EUR '000	LEVEL 2 EUR '000	LEVEL 3 EUR '000	TOTAL EUR '000
Available-for-sale assets	637	0	0	637
Derivative financial instruments	0	–2,577	0	–2,577
Total	**637**	**–2,577**	**0**	**–1,940**

AS OF 31 DEC 2008	LEVEL 1 EUR '000	LEVEL 2 EUR '000	LEVEL 3 EUR '000	TOTAL EUR '000
Derivative financial instruments	0	–1,540	0	–1,540
Total	**0**	**–1,540**	**0**	**–1,540**

In the case of trade receivables and trade payables, bank balances and other current financial assets and liabilities, it is assumed that the face value less impairment losses equals the fair value on account of the short maturity.

The fair values of other non-current receivables due in more than one year correspond to the present values of the payments associated with the assets, taking into account the current interest parameters in each case that reflect market- and partner-based changes in the terms and conditions and expectations. The fair values of the financial liabilities are calculated by discounting the future contractually agreed payment flows using the current interest rate that would be granted to the Group for comparable financial instruments.

NET RESULT BASED ON MEASUREMENT CATEGORIES

The net result from financial instruments based on the measurement categories of IAS 39 is shown in the table below:

	SUBSEQUENT MEASUREMENT					NET RESULT
AS OF 31 DEC 2009 AS OF 31 DEC 2008	FAIR VALUE CHANGES EUR '000	CURRENCY TRANS-LATION EUR '000	VALUATION ADJUST-MENTS EUR '000	DISPOSAL EUR '000	INTEREST RESULT EUR '000	EUR '000
Loans and receivables	0	0	1,160	0	280	1,440
Previous year	0	0	10	0	1,954	1,964
Financial liabilities measured at cost	0	0	0	0	–9,513	–9,513
Previous year	0	0	0	0	–4,179	–4,179
Financial liabilities held for sale	–1,037	0	0	0	0	–1,037
Previous year	–1,540	0	0	0	0	–1,540
Total	**–1,037**	**0**	**1,160**	**0**	**–9,233**	**–9,110**
Total	**–1,540**	**0**	**10**	**0**	**–2,225**	**–3,755**

10. DISCLOSURES ON THE STATEMENT OF CASH FLOWS

In accordance with IAS 7, the statement of cash flows provides information about changes in cash and cash equivalents of the COLEXON Group during the reporting period. The statement of cash flows is divided into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities.

The statement of cash flows includes the following cash flows:

	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000
Interest received	425	460
Interest paid	9,556	3,730
Income taxes refunded	40	0
Income taxes paid	265	691

11. DISCLOSURES ON SEGMENT REPORTING

The Group voluntarily adopted IFRS 8 “Operating Segments” ahead of time in 2008. This standard stipulates the ‘management approach’, according to which segment information is presented externally on the same basis as used by the Company for internal management. EBIT, earnings before interest and taxes, is used for internal management and as an indicator of the long-term earnings capacity of an operating segment.

Reporting using the operating segments corresponds to the internal reporting to the chief operating decision-maker. The chief operating decision-maker is the Management Board.

The operating segments are defined on the basis of the reports available to the Management Board. The reporting on the operating segments' financial performance using the "management approach" depends to a considerable extent on the nature and the scope of the information submitted to the chief operating decision-maker.

The Management Board assesses the Company from a sales market-based perspective. The "Wholesale" and "Projects" segments are distinguished in accordance with IAS 14. As a result of the acquisition of COLEXON Solar Invest A/S (formerly Renewagy A/S), the Company includes the activities of COLEXON Solar Invest A/S (formerly Renewagy A/S) in segment reporting as a new segment called Plant Operation.

The Projects segment comprises the Company's activities as a system provider of photovoltaic systems as well as a project developer for private and institutional investors. As a system provider, the COLEXON Group plans, delivers and installs large-scale photovoltaic systems, mainly on the roofs of buildings used for commercial, public or agricultural purposes. In this context, the Company offers the following services depending on the arrangement with the customer in question:

- Evaluation of the project's profitability as well as the technical suitability of the areas for PV installation (usually roof surfaces of commercial, private or agricultural buildings),
- Compliance with the requirements for official approval for the construction and operation of the facilities on the relevant areas,
- Organization of the static test of roof areas,
- Preparation of expert reports on output.

The Wholesale segment comprises the wholesale business with modules and accessories.

The Plant Operation segment comprises performing analyses, conducting technical, legal and financial investment reviews, securing the financing of the solar power plants and operating them.

The accounting principles for the two segments are identical to those for the Group as described in the section entitled "Accounting principles". The earnings capacity of the Group's individual segments is measured on the basis of operating result (EBIT) as presented in the income statement.

Management allocated goodwill to the cash-generating units at segment level. This led to goodwill being divided between the Plant Operation and the Projects segments in the respective amounts of EUR 63,462 thousand and EUR 7,937 thousand. Even after this allocation, goodwill was not impaired (see also note 7.2). The measurement of the Company's assets and liabilities also remained unaffected.

The segment information provided to the Management Board for the reportable segments in 2009 and 2008 comprises:

AS OF 31 DEC 2009 AS OF 31 DEC 2008	PROJECTS EUR '000	WHOLESALE EUR '000	PLANT OPERATION EUR '000	RECONCILIATION HOLDING COMPANY EUR '000	CONSOLIDATION EUR '000	TOTAL EUR '000
Revenue	35,563	68,174	17,758	0	–4,317	117,178
Previous year	0	0	7,612	0	0	7,612
Changes in inventories	–3,595	1	0	0	0	–3,595
Previous year	0	0	0	0	0	0
Cost of materials	–27,040	–55,314	–1,553	–116	3,076	–80,946
Previous year	0	0	–561	0	0	–561
Other income	959	9	146	237	2,057	3,408
Previous year	0	0	120	0	0	120
Gross profit	5,887	12,870	16,351	121	817	36,045
Previous year	0	0	7,171	0	0	7,171
Staff costs	–1,822	–302	–1,362	–1,402	0	–4,888
Previous year	0	0	–1,906	0	0	–1,906
Amortization/depreciation	–37	–16	–5,559	–87	–440	–6,138
Previous year	0	0	–2,748	0	0	–2,748
Other expenses	–3,665	–588	–2,115	–1,471	615	–7,194
Previous year	0	0	–1,973	0	0	–1,973
EBIT	363	11,994	7,314	–2,838	992	17,825
Previous year	0	0	544	0	0	544
Result from investments and financial result	–292	0	–9,427	–32	0	–9,751
Previous year	0	0	–2,501	0	0	–2,501
EBT	–70	11,994	–2,113	–2,870	992	8,073
Previous year	0	0	–1,957	0	0	–1,957
Taxes on income						–2,336
Previous year						964
Net profit/loss from continuing operations						5,737
Previous year						–993
Net profit/loss from discontinued operations						–95
Previous year						–554
Net profit/loss						5,643
Previous year						–1,547
Total segment assets	**51,987**	**13,210**	**238,040**	**25,009**	**–5,136**	**323,110**
Previous year			**269,723**			**269,723**

The amounts that are reported to the Management Board are measured in the same way as in this Annual Report. These assets are divided between the segments on the basis of their operations and the location of these operations.

The segment revenue generated with customers outside the Group amounted to EUR 31,246 thousand in the Projects segment, EUR 68,174 thousand in the Wholesale segment and EUR 17,758 thousand in the Plant Operation segment. No transactions carried out with a single customer had a transaction volume exceeding 10 percent of consolidated revenue in the reporting period.

Non-current assets excluding financial instruments and deferred tax assets amounted to EUR 246,345 thousand in Germany, EUR 1,464 thousand in the rest of Europe and EUR 53 thousand in the other regions.

Revenue breakdown by division:

SEGMENT INFORMATION BY REGION	GERMANY EUR '000	REST OF EUROPE EUR '000	OTHER REGIONS EUR '000	HOLDING COMPANY EUR '000	CONSOLI-DATION EUR '000	GROUP EUR '000
Revenue	115,997	4,785	714	0	–4,317	117,178
Previous year	7,612	0	0	0	0	7,612

The reporting of the information by region to the Management Board is based on the customers' registered offices. Germany, Europe and Other Regions are defined as regions in line with internal management requirements.

The revenue by region generated with customers outside the Group amounted to EUR 111,680 thousand in Germany, EUR 4,785 thousand in the rest of Europe and EUR 714 thousand in the other regions.

12. RELATED PARTIES

Besides the subsidiaries included in the consolidated financial statements, COLEXON AG has direct and indirect relationships with related parties within the scope of its ordinary operations.

Due to the reverse acquisition in August 2009 (see 3.2), all transactions by the Management Board and Supervisory Board of COLEXON Solar Invest A/S (formerly Renewagy A/S) that are recognized in income and expense for financial years 2008 and 2009 are taken as a basis for the following description. The transactions by the Management Board and Supervisory Board of COLEXON AG that are recognized in income and expense are only included in this analysis from the date of the reverse acquisition, i. e. from 14 August 2009.

The business relationships with related parties of the Group are as follows:

RELATIONSHIPS WITH RELATED PARTIES	COMPANIES WITH A MATERIAL INFLUENCE EUR '000	MANAGEMENT BOARD EUR '000	SUPERVISORY BOARD MEMBERS EUR '000	OTHER RELATED PARTIES EUR '000
Services and products provided	0	2	42	450
Previous year (2008)	0	45	45	0
Receivables and other assets	1,575	0	0	2
Previous year (31 Dec 2008)	0	0	0	0
Services and products received	0	0	0	407
Previous year (2008)	0	0	0	42
Liabilities	0	62	42	327
Previous year (31 Dec 2008)	0	45	45	166
Advances received	0	0	0	0
Previous year (31 Dec 2007)	0	0	0	0

All receivables and liabilities stated above are current. Besides the subsidiaries included in the consolidated financial statements, COLEXON AG has direct and indirect relationships with related parties within the scope of its ordinary operations.

In the ordinary course of business, all supply and service relationships with individuals were conducted on an arm's length basis.

Associates

COLEXON AG is considered an associate of COLEXON Solar Invest A/S (formerly Renewagy A/S) until 14 August 2009, the date of initial consolidation. Hence all transactions through 13 August 2009 are recognized as transactions with related persons/entities. Starting on 14 August 2009, all transactions are eliminated through consolidation of expenses and earnings.

Companies with a material influence

The deliveries and services provided for companies with a material influence relate to rental costs that were passed on. The receivables relate to receivables from services provided and loans.

Management Board members

One member of the Management Board of COLEXON Solar Invest A/S (formerly Renewagy A/S) has a fifty-percent interest in a leasing partnership. One member of the Management Board of COLEXON AG has an interest of one-third in a leasing partnership.

Supervisory Board members

One member of the Supervisory Board has a fifty-percent interest in the leasing partnership.

Related party entities

The reporting on related parties concerns business relations with relatives of members of the Management Board or the Supervisory Board or companies they own or control, directly or indirectly.

13. WORKFORCE

The Group had a total of 125 employees as of 31 December 2009 (31 December 2008: 8). All are salaried employees.

14. EVENTS AFTER THE REPORTING PERIOD

The Supervisory Board appointed Mr. Tom Glæsner Larsen to the Company's Management Board to head the Plant Operation division effective 01 January 2010. In agreement with the Supervisory Board, Mr. Larsen, who remains on the Management Board of COLEXON Solar Invest A/S (formerly Renewagy A/S), resigned from the Management Board of COLEXON AG on 15 February 2010 in order to focus exclusively on his responsibilities as a member of the Management Board of COLEXON Solar Invest A/S (formerly Renewagy A/S).

Also on 15 February 2010, the Supervisory Board appointed Volker Hars as a further member of the Company's Management Board effective that same day. Mr. Hars is mainly responsible for strategy and plant operation (IPP).

Furthermore, in February 2010 COLEXON AG sold the Sainte Maxime Solaire SASU project company to tnp Mitteldeutsche Fonds Beteiligungs GmbH effective 30 June 2010. The solar power plant located in Sainte Maxime in the South of France, which has a total output of approx. 1.0 MWp, is expected to commence operation in April 2010.

15. LITIGATION

There was no litigation underway at the balance sheet date that could expose the Group to a major risk.

16. RISK MANAGEMENT

MANAGEMENT OF CAPITAL RISKS

The Group manages its capital with the goal of maximizing the earnings of Company shareholders by optimizing the debt/equity ratio. This will ensure that all Group companies can operate on the basis of its forecast as a going concern.

The Group's capital structure consists of liabilities, including the borrowed capital specified under note 7.18 and cash and cash equivalents, as well as the equity to which the equity suppliers of the parent company are entitled. This consists of share capital, the capital reserve, the profit brought forward and the net profit/loss for the period.

The net debt-to-equity ratio is as follows:

NET DEBT-TO-EQUITY RATIO	31 DEC 2009 EUR '000	31 DEC 2008 EUR '000
Liabilities	162,271	123,847
Cash and cash equivalents	–32,255	–10,048
Net liabilities	**130,016**	**113,799**
Equity	118,340	95,975
Net debt-to-equity ratio	110 %	119 %

MANAGEMENT OF FINANCIAL RISKS

Within the scope of its business activities, the Group is exposed to a number of different financial risks. These include credit risk, liquidity risk and market risk, which in turn comprises the interest rate-related cash flow risk, the interest rate-related risk from changes in the fair value and foreign currency risk.

Corporate management decides on strategies and methods to manage individual types of risk.

CREDIT RISK

A credit risk for non-derivative financial instruments arises when counterparties are unable to meet their contractually stipulated payment obligations. This relates to banks, wholesale and retail customers, well as institutional investors. The maximum credit risk is determined on the basis of the recognized carrying amounts of the financial assets.

Credit risk is managed by the Company's management. In the financing area, COLEXON only transacts business with counterparties who have outstanding credit ratings. In the area of operations, the credit risk based on customers' payment performance in the past is monitored continuously. Information on creditworthiness is also obtained. In the wholesale business, the credit risk can also be limited by making deliveries only after receipt of payment. In some cases, collateral is also accepted in the form of bank guarantees. There are no significant concentration risks.

Identifiable credit risks are covered by recognizing specific valuation allowances and global valuation allowances. Please refer to note 7.12 for changes in valuation allowances.

The following table shows the age structure analysis according to classes of financial instruments:

AS OF 31 DEC 2009 AS OF 31 DEC 2008	CARRYING AMOUNT EUR '000	OF WHICH NEITHER PAST DUE NOR IMPAIRED EUR '000	PAST DUE BUT NOT IMPAIRED < 30 DAYS EUR '000	31 – 60 EUR '000	61 – 90 EUR '000	> 90 EUR '000
Financial assets						
Trade receivables	6,056	1,569	3,850	164	48	425
Previous year	749	749	0	0	0	0
Future receivables from construction contracts	3,967	3,967	0	0	0	0
Previous year	0	0	0	0	0	0
Other assets	6,211	6,211	0	0	0	0
Previous year	7,779	7,446	0	0	0	333
Other non-current assets	14,491	14,491	0	0	0	0
Previous year	2,100	2,100	0	0	0	0
Total	**30,725**	**26,238**	**3,850**	**164**	**48**	**425**
Total	**10,628**	**10,295**	**0**	**0**	**0**	**333**

For the amounts reported under receivables that are neither past due nor impaired, there are no indications that the debtors will not fulfill their payment obligations.

LIQUIDITY RISK

Liquidity risks arise from potential financial bottlenecks and may increase the cost of funding. Financial risks could arise for COLEXON in its project business in the form of a pre-financing requirement where project finance has not been secured prior to the start of construction. For this reason, COLEXON's contracts with customers include a right to withdraw from the project contract within a set timeframe if the customer fails to provide committed project finance. There is also a financing requirement for module deliveries, as these need to be bindingly accepted. The Wholesale segment is exposed to an extremely small liquidity risk resulting from prepayments by customers.

The Group plans its liquidity for a one-year period with the aim of maintaining an adequate liquidity reserve. The open-ended credit lines totaling EUR 4.0 million (2008: EUR 0 million) available to the Group had been drawn down in the amount of EUR 0 million (2008: EUR 0 million) at the balance sheet date. The Group also has temporary lines of guarantee in the amount of EUR 23.5 million (2008: EUR 0 million), EUR 21.3 million of which had been utilized (2008: EUR 0 million) at the end of the reporting period.

The following maturity analysis shows the contractually agreed, undiscounted cash flows (interest rate and repayment) of the financial liabilities at the respective balance sheet dates. Planned payments for new, future liabilities were not taken into account. The interest rate applicable at each closing date was taken as the basis for variable interest payments. Financial liabilities that can be terminated at any time are assigned to the first maturity range:

	WITHIN ONE YEAR EUR '000	1–5 YEARS EUR '000	MORE THAN YEARS EUR '000
Financial liabilities	25,722	61,986	136,014
Previous year	122,928	291	305
Trade payables	16,436	0	0
Previous year	34,978	0	0
Other liabilities	12,575	0	0
Previous year	5,177	0	0
Total	**54,733**	**61,986**	**136,014**
Total	**163,083**	**291**	**305**

There are no conditional or unconditional call rights of creditors and also no Company loan commitments.

INTEREST RATE RISK

The Group is principally exposed to interest rate risk in the context of project financing, and mainly in Germany. Liabilities with variable interest rates give rise to an interest rate-related cash flow risk. As of 31 December 2009, the balance of variable-interest bank financing was EUR 0 thousand (31 December 2008: EUR 0 thousand). Liabilities with a fixed interest rate give rise to an interest rate-related risk from changes in the fair value. This may only be recognized in profit or loss, however, if the liabilities are actually measured at fair value. The fixed-interest liabilities measured at amortized cost are consequently not exposed to interest rate risk within the meaning of IFRS 7.

The Group has entered into swaps to hedge interest rate risk. Interest rate risk is presented using sensitivity analyses in accordance with IFRS 7. These show the effects of a change in market interest rates on interest payments, interest income and expense, other line items of profit or loss and, when applicable, equity. Sensitivity analyses for interest rate risk are based on the following assumptions:

Changes in the market interest rate of primary financial instruments with fixed interest rates only affect profit or loss if these instruments are measured at fair value. Correspondingly, no financial instruments with fixed interest rates that are measured at amortized cost are subject to interest rate risk in accordance with IFRS 7.

Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculations.

The following table shows the effect of an assumed change in the interest rate of +/–100 basis points on the consolidated profit/loss assuming that all other variables for the ineffective portion of derivative financial instruments remain constant:

	31 DEC 2009 IN EUR '000		31 DEC 2008 IN EUR '000	
INTEREST LEVEL	+100 BASIS POINTS	–100 BASIS POINTS	+100 BASIS POINTS	–100 BASIS POINTS
Interest result, ineffective derivative financial instruments	1,903	–2,133	1,605	–1,800

The following table shows the effect of an assumed change in the interest rate of +/–100 basis points on equity assuming that all other variables for the ineffective portion of derivative financial instruments remain constant:

	31 DEC 2009 IN EUR '000		31 DEC 2008 IN EUR '000	
INTEREST LEVEL	+100 BASIS POINTS	–100 BASIS POINTS	+100 BASIS POINTS	–100 BASIS POINTS
Changes in equity, effective derivative financial instruments	1,112	–1,241	396	–439

EXCHANGE RATE RISK

On the sales side, foreign currency transactions have only occurred on a very small scale. On the procurement side, the long-term procurement contracts with the two main suppliers stipulate prices in euros. There are no long-term procurement contracts denominated in foreign currencies. Exchange rate fluctuations can therefore have only a minimal impact on COLEXON's profit or loss. For reasons of materiality, there is consequently no need for a sensitivity analysis.

PRICE RISK

The biggest price risk with respect to volume and volatility is in the area of module purchases. In the past, the price trend was dependent both on the performance of the dollar and on general demand for modules. In the context of the development described above under exchange rate risk, with suppliers switching to euro contracts, the influence of the dollar is declining rapidly and is no longer significant. Demand, and therefore price fluctuations for modules, is affected to a considerable extent by government regulations on feed-in tariffs, which are often reduced in stages in the individual countries.

The price risk for the Company is limited insofar as there is a long-term procurement contract with the main supplier wherein fixed prices are agreed up to 2012, reduced in tandem with the feed-in tariffs. For 2010, the purchase volume from the main supplier, secured as regards price and quantity, stands at over EUR 147,200 thousand (previous year: EUR 0 thousand).

Additional modules are procured from other suppliers only where reasonable prices can be agreed. This situation limits the risk for the Group arising from price fluctuations for modules.

17. SUPERVISORY BOARD

THE COMPANY'S SUPERVISORY BOARD WAS COMPRISED AS FOLLOWS IN 2009:

DR. CARL GRAF HARDENBERG
(Chairman since 20 March 2009), member since 6 March 2009,
lawyer

LASSE LINDBLAD
(Deputy Chairman since 20 March 2009), member since 19 June 2008,
CEO of several companies

Supervisory Board positions and memberships in comparable control committees in accordance with Section 285 no. 10 German Commercial Code (HGB):

- Danske AMP A/S
- Capinordic Property Management A/S
- Colexon Solar Invest A/S (formerly Renewagy A/S) Steffen Rønn Fondsmæglerselskab A/S
- DKA Consult A/S
- FMT A/S
- Capinordic Bank A/S
- Dansk O.T.C.Fondsmæglerselskab A/S
- Capinordic Capital Fondsmæglerselskab A/S
- Nordisk Fondservice AB
- Monetar Pensionsförvaltning AB

TOM GLÆSNER LARSEN
(Chairman from 17 October 2008 to 20 March 2009),
member from 18 December 2007 to 14 August 2009,
CFO of several companies

Supervisory Board positions and memberships in comparable control committees in accordance with Section 285 no. 10 German Commercial Code (HGB):

- Tellusborgvägen Holding A/S (Chairman)
- Timotejen Holding A/S (Chairman)
- XSIS ApS (Chairman)
- DKA Consult A/S
- Daintel ApS
- Nanocover A/S

DR. ALEXANDRA VON BERNSTORFF
member from 19 June 2008 to 17 December 2009,
CEO of several companies

DR. ERIC VEULLIET
member since 6 March 2009,
CEO of alpS Zentrum für Naturgefahren- und Risikomanagement GmbH

DR. PETER DILL
member since 6 March 2009
CEO of Deutsche See GmbH

The members of the Supervisory Board receive remuneration totaling EUR 152 thousand (previous year: EUR 109 thousand). Supervisory Board members receive fixed and variable remuneration for each financial year. The Chairman receives EUR 30 thousand, the Deputy Chairman EUR 22.5 thousand, and regular members receive EUR 15 thousand in fixed remuneration. These amounts are payable after the end of the financial year. The variable component of the annual remuneration amounts to EUR 0.5 thousand for each EUR 1 million of positive earnings before interest and taxes (EBIT) reported in the consolidated financial statements for the current financial year).

The individual members of the Supervisory Board received the following remuneration:

NAME	FIXED REMUNERATION IN EUR '000 CHAIRMAN	DEPUTY CHAIRMAN	MEMBER	VARIABLE REMUNERATION EUR '000	TRAVEL EXPENSES EUR '000	TOTAL EUR '000
Dr. Carl Graf Hardenberg	23.9		0.5	7.4	1.7	33.6
Tom Glæsner Larsen	6.5		6.2	5.6	3.9	22.1
Dr. Peter Dill			12.5	7.4	0.0	19.9
Dr. Alexandra von Bernstorff			14.6	8.7	0.0	23.3
Henrik Lasse Lindblad		17.9	3.3	9.0	0.1	30.3
Dr. Eric Veulliet			12.5	7.4	3.3	23.2
Total	**30.4**	**17.9**	**49.6**	**45.4**	**9.0**	**152.3**

18. MANAGEMENT BOARD

The following persons were appointed to the Management Board in 2009 and beyond:

NAME	RESIDENCE	POSITION	APPOINTED ON
Thorsten Preugschas, Dipl.-Ing. (graduate engineer)	Kamp-Lintfort	CEO	11 Nov 2006
Henrik Christiansen, Dipl.-Kaufm. (holder of a degree in business administration)	Ahrensburg	CFO	17 Oct 2008
Tom Glæsner Larsen, Dipl.-Kaufm. (holder of a degree in business administration)	Charlottenlund, DK	CIO	01 Jan 2010 (until 15 Feb 2010)
Volker Hars, Dipl.-Betriebswirt (holder of a degree in business administration)	Reinbek	COO	15 Feb 2010

In accordance with Article 6 of the Articles of Association, the Company is represented by two members of the Management Board or by one Management Board member together with an authorized signatory ("Prokurist"). The Supervisory Board may determine that individual members of the Management Board are authorized to represent the Company alone.

The remuneration of the Management Board members including termination benefits, benefits in kind and royalties were comprised as follows in the reporting period:

	HENRIK CHRISTIANSEN EUR '000	THORSTEN PREUGSCHAS EUR '000	TOTAL EUR '000
Fixed remuneration	181	256	438
Benefits in kind	17	40	58
Additional royalty for 2008	40	0	40
Royalty entitlement 2009	85	200	285
Total	**324**	**496**	**820**

19. DECLARATION OF COMPLIANCE

The declaration to be submitted in accordance with Section 161 of the German Stock Corporation Act stating to what extent the Company has complied and will comply with the recommendations of the Government Commission of the German Corporate Governance Code was submitted through publication on the Company's website and made available to shareholders.

Hamburg, Germany, 18 March 2010

(The Management Board)

20. RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of Company.”

Hamburg, Germany, 18 March 2010

Thorsten Preugschas
Chief Executive Officer

Henrik Christiansen
Chief Financial Officer

Volker Hars
Chief Operating Officer

AUDITORS' REPORT

Based on the final result of our examination, we have issued the following unqualified auditors' report:

We have audited the consolidated financial statements of COLEXON AG, Hamburg, comprising the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and the notes as well as the Group management report for the financial year from 1 January to 31 December 2009. The preparation of the consolidated financial statements and Group management report in accordance with IFRS as applicable in the EU and the supplementary provisions that are applicable under Section 315a para 1 German Commercial Code (HGB) are the responsibility of the Company's Management Board. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, which is based on the findings of the audit, the consolidated financial statements are in compliance with IFRS as applicable in the EU and with the supplementary provisions applicable under Section 315a para 1 German Commercial Code, and in accordance with these provisions give a true and fair view of the net assets, financial position and results of the operations of the Group. The Group management report is consistent with the consolidated financial statements, provides a suitable understanding of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, Germany, 22 March 2010

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Richard Müllner	ppa. Tobias Hennenberger
Wirtschaftsprüfer	*Wirtschaftsprüfer*
[German Public auditor]	*[German Public auditor]*

DEPENDENCY REPORT

The Company prepared a dependency report in accordance with Section 319 (3) German Stock Corporation Act. The Management Board declares in accordance with Section 312 (3) German Stock Corporation Act:

Our Company was paid appropriate consideration in connection with the legal transactions described in the report on relations with affiliated companies, given the circumstances known to us at the time the relevant legal transactions were executed. No measures disadvantaging the Company were executed or omitted in the interest or at the instruction of the controlling company.

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

During financial year 2009, the Supervisory Board performed all its duties in accordance with the law, the Articles of Association and the rules of procedure. In addition to monitoring the Company's management, the Supervisory Board advised the Management Board on its management of the Company. The Supervisory Board of COLEXON AG held a total of sixteen meetings during financial year 2009. All members attended more than half of the meetings during their respective terms of office. These meetings took mainly place in presence of the Management Board. Urgent resolutions were also adopted by written consent.

BASIC INFORMATION

The Management Board of COLEXON AG – through written and oral reports – informed the Supervisory Board on a regular, timely and comprehensive basis about all significant transactions, the position and development of the Company and the Group including the key financial indicators, corporate planning, as well as the situation of the risk situation, risk management and compliance. In the event of deviations from the established business development plans, the Management Board elucidated those in detail. These reports and discussions with the Management Board at meetings gave the Supervisory Board an insight into the financial situation of the Company and the Group. In addition, the Chairman of the Supervisory Board maintained regular contact with the Management Board. A smooth and constructive cooperation with the Management Board was ensured at all times. Following its own examination, the Supervisory Board voted on the measures requiring its approval in accordance with the law, the Articles of Association or the rules of procedure for the Management Board. The Supervisory Board was involved in all decisions that were of great importance to the Company. The Management Board also coordinated the Company's strategic orientation with the Supervisory Board.

KEY TOPICS IN THE REPORTING PERIOD

The Supervisory Board's principal advisory and monitoring activities involved the following topics during the reporting period:

- the takeover of the Danish Renewagy A/S (now operating under the name of COLEXON Solar Invest A/S), in particular the submission of a tender offer to the shareholders of Renewagy A/S as well as the transfer of those shares in the COLEXON AG for which the tender offer has been accepted in the context of a capital increase in return of stock,
- the actions of rescission against the decision of the Annual General Meeting concerning the capital increase to implement the takeover, including legal representation,
- the national and international strategic alignment of the company,
- the organizational structure of the company in the context of the strategic concept "change COLEXON 2012",
- the regular consulting about business development and liquidity of the company,
- the approval of commercial and project contracts.

KEY RESOLUTIONS OF THE SUPERVISORY BOARD

In particular, the following key resolutions were adopted:

- On 20 March 2009, the Supervisory Board approved the 2008 annual and consolidated financial statements as well as the management reports and thus adopted the financial statements for financial year 2008.
- On 15 April 2009, the Supervisory Board approved the submission of a tender offer to the shareholders of the Renewagy A/S and passed the proposed resolution concerning the nominal capital increase in return of stock excluding the shareholders' statutory subscription right to the Annual General Meeting.
- On 11 May 2009, the Supervisory Board approved the formation of a subsidiary in Australia.
- On 25 June 2009, the Supervisory Board authorized an external lawyer's office to represent the company in court and out of court in actions of rescission against the decision of the Annual General Meeting of 26 May 2009.
- On 27 July 2009, the Supervisory Board approved the settlement deal concerning the actions of rescission, which caused the termination of the proceedings
- On 13 August 2009, the Supervisory Board approved the completion of ten photovoltaic rooftop projects with JHL Photovoltaic as well as Lurz New Energy GmbH & Co. KGs.
- On 20 August 2009, the Supervisory Board agreed to the delisting of the remaining 1.82 % Renewagy A/S shareholders in Denmark.
- On 18 November 2009, the Supervisory Board approved the updated rules of procedure of Supervisory Board and Management Board due to an amendment in law and a change of the German Corporate Governance Codex. The shutdown of the COLEXON office in Shanghai, China has been confirmed as well.
- On 17 December 2009, the Supervisory Board approved the contract with Pfixx Solar Systems B.V. about the sale of modules as well as the conclusion of EPC-contracts (Engineering, Procurement, Construction) with Retahilomantex a.s. in Czech Republic and Recurrent Energy Germany GmbH.

Insofar as the Management Board requested a Supervisory Board resolution in these or other cases, the corresponding draft resolution has always been submitted to the Supervisory Board in writing for the preparation of the resolution.

REPORT FROM THE COMMITTEES

To support its work, the Supervisory Board has formed an Audit Committee, a Nomination Committee and a Strategy Committee from among its members on 24 March 2009. Following the appointments of the Supervisory Board during the Annual General Meeting on 26 May 2009, these committees have been reconstituted.

The Audit Committee consists of three members. It mainly deals with monitoring the financial reporting process, the effectiveness of the internal control and risk management systems and issues resulting from audits. Referring to the mentioned above, it also sets up negotiations and resolutions for the Supervisory Board. The Audit Committee met twice in financial year 2009 and currently consists of the following members:

• Dr. Peter Dill (since March 2009)
• Henrik Lasse Lindblad (since February 2010)
• Dr. Carl Graf Hardenberg (since November 2009)

The Nomination Committee consists of two members. One of its tasks is to submit suitable candidates to the Supervisory Board to be proposed to the Annual Gener al Meeting as prospective shareholder representatives for the Supervisory Board. Furthermore, the Nomination Committee is concerned with preliminary Management Board matters. The Nomination Committee met once in financial year 2009 and consists of the following members:

• Dr. Carl Graf Hardenberg (since March 2009)
• Henrik Lasse Lindblad (since March 2009)

The Strategy Committee, which comprises the two members mentioned below, deals with investment and financial issues and did not meet in financial year 2009:

• Dr. Eric Veulliet (since March 2009)
• Henrik Lasse Lindblad (since March 2009)

The Committees regularly report to the Supervisory Board about their work.

CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

Management Board

The Supervisory Board appointed Mr. Tom Glæsner Larsen to the Company's Management Board to head the Plant Operation division effective 01 January 2010. In agreement with the Supervisory Board, Mr. Larsen, who remains on the Management Board of COLEXON Solar Invest A/S (Renewagy A/S), resigned from the Management Board of COLEXON on 15 February 2010 in order to focus exclusively on his responsibilities as a member of the Management Board of COLEXON Solar Invest A/S (formerly Renewagy A/S). Also on 15 February 2010, the Supervisory Board appointed Volker Hars as a further member of the Company's Management Board effective that same day. Mr. Hars is mainly responsible for strategy and plant operation (IPP).

Supervisory Board

Approved by the Hamburg Local Court on 6 March 2009, Dr. Carl Graf von Hardenberg, Dr. Eric Veulliet and Dr. Peter Dill were appointed as new members of the Company's Supervisory Board. On 20 March 2009, Mr. Tom Glæsner Larsen resigned as Chairman of the Supervisory Board, and Dr. Carl Graf von Hardenberg was appointed as the new Chairman, Mr. Henrik Lasse Lindblad as new Deputy Chairman. On 26 May 2009, Dr. Carl Graf von Hardenberg, Dr. Eric and Dr. Peter Dill Veulliet were elected by the Annual General Meeting as members of the Supervisory Board. In the subsequent constitutive meeting of the Supervisory Board, Dr. Carl Graf von Hardenberg as Chairman and Mr Henrik Lasse Lindblad as Deputy Chairman of the Supervisory Board were reelected. Due to legal the restrictions of section 100(2) sentence 1 no. 2 German Stock Corporation Act (AktG), Mr. Tom Glæsner Larsen, upon completion of the takeover of Renewagy A/S (now operating under the name of COLEXON Solar Invest A/S) by COLEXON AG resigned from the Supervisory Board effective 14 August 2009. Furthermore, Mrs. Dr. Alexandra von Bernstorff resigned from the Supervisory Board on 17 December 2009 due to Corporate Governance reasons.

GERMAN CORPORATE GOVERNANCE CODEX

During the reporting period, the Management Board and the Supervisory Board discussed the recommendations of the German Corporate Governance Code in depth. The Declaration of Compliance in accordance with section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) in financial year 2009 was submitted on 12 March 2010 and published on the Company's website.

Following the German Corporate Governance Codex, the Supervisory Board also reviewed the efficiency of its own work over the past financial year. The obtained findings will be incorporated in the Supervisory Board's work. The Supervisory Board responded in a reasonable time frame to a potential conflict of interest of a Supervisory Board member that has occurred due to a directorship at another company. This member of the Supervisory Board has resigned due to Corporate Governance reasons. In terms of the decisions of the Supervisory Board regarding the takeover of the Danish Renewagy A/S on April 15 2009 the three members of the Supervisory Board that had functions at Renewagy A/S have abstained from their voting rights.

2009 ANNUAL FINANCIAL STATEMENTS

The Annual General Meeting on 26 May 2009 appointed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, with its Hamburg branch as the auditor of the financial statements for financial year 2009. The Supervisory Board then issued the audit mandate, taking particular account of the recommendations of the German Corporate Governance Code concerning the collaboration of the Supervisory Board with the auditors.

The annual financial statements of COLEXON AG, its the management report, as well as the consolidated financial statements and the Group management report including the underlying bookkeeping for the 2009 financial year were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, with its branch in Hamburg and issued with an unqualified audit opinion in each case. The financial statements and audit reports were submitted to the Supervisory Board in a timely manner. The auditor attended the meeting of the Supervisory Board on 23 March 2010 for the adoption of the financial statements. The auditor reported in detail on the main findings of the audit, in particular about the fact that there were no fundamental weaknesses of internal control and risk management systems relating to the financial reporting process, and answered the questions from the Supervisory Board. The auditor informed the Supervisory Board about services provided in addition to the audit and the fact that there were no circumstances giving rise to doubts about his impartiality. The result of the audit was discussed and debated at length. The Supervisory Board took note of the result of the audit performed by the auditor and in consideration of the results of the preliminary review by the Audit Committee, the annual financial statements and the management report, the consolidated financial statements and the Group management report in accordance with statutory provisions. This did not lead to any objections. The Supervisory Board endorses the findings of the audit performed by the auditor. At its meeting on 23 March 2010, the Supervisory Board approved the annual financial statements according to the recommendation of the Audit Committee and the consolidated financial statements prepared by the Management Board. The annual financial statements were thus adopted.

PROPOSAL OF THE APPROPRIATION OF PROFIT

The Supervisory Board debated the liquidity of the Company as well as the financial and investment planning with the Management Board in connection with the Management Board's proposal on the appropriation of accumulated profit. Criteria for the examination also included the financial security of the Company as well as the interests of the Company and the shareholders. Following the conclusion of its examination, the Supervisory Board adopts the Management Board's proposal on the appropriation of profit.

AFFILIATED COMPANY REPORT

The Management Board's affiliated company report in financial year 2009 was also examined by the Supervisory Board. The auditor issued the following unqualified audit opinion in this respect:

"In accordance with our dutifully performed audit and assessment, we confirm that

1. the factual statements in the report are correct,
2. the consideration paid by the company for the transactions specified in the report was not unreasonably high and no disadvantages have been compensated."

The auditor participated in the deliberations of the Supervisory Board on the affiliated company report prepared by the Management Board and reported on the main findings of the audit.

The Supervisory Board examined the affiliated company report prepared by the Management Board and adopts it. It also endorses the findings of the audit presented in the audit report. Following the conclusion of its examination, the Supervisory Board did not object to the Management Board's statement at the end of the affiliated company report.

The Supervisory Board would like to thank the members of the Management Board as well as the Company's employees for their work in the past financial year.

Hamburg, Germany, 23 March 2010

Dr. Carl Graf Hardenberg

Chairman of the Supervisory Board

FURTHER INFORMATION

PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

COLEXON AG acquired its former major shareholder, Renewagy A/S, on 14 August 2009. Pursuant to IFRS 3, the acquisition of Renewagy A/S must be treated as a reverse acquisition in the consolidated financial statements. As a result, Renewagy A/S is treated as the buyer in accounting terms whereas COLEXON AG is treated as the acquired company and thus must be recognized as a subsidiary. Hence actual legal relationships are not taken into account and are reversed (in that regard, for more details see the notes to the consolidated financial statements as of 31 December 2009).

In material terms, this means that the revenue, income and expenses of COLEXON AG are only accounted for in the income statement after its initial consolidation as a subsidiary, i. e. from 14 August 2009.

In contrast, IFRS 3 requires taking the earnings of COLEXON AG until 14 August 2009 directly to equity in connection with the purchase price allocation (in that regard, for more details also see the notes to the consolidated financial statements as of 31 December 2009).

In the interest of transparency and in order to provide a better representation of the actual revenue of the "new" COLEXON Group, below please find the voluntary consolidated statement of comprehensive income that would have applied, had the transaction already been executed as of 01 January 2009 (so-called pro-forma consolidated statement of comprehensive income for the reporting period). In contrast to the consolidated financial statements, here the revenue, income and expenses of COLEXON AG are recognized in profit and loss for the entire reporting period. The accounting policies used correspond to the policies utilized in connection with the consolidated financial statements:

PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1 JANUARY TO 31 DECEMBER 2009

	1 JAN–31 DEC 2009 EUR '000
1. Revenue	**188,122**
2. Other operating income	4,120
3. Increase in inventories of finished services and work in progress	3,132
4. Cost of production supplies and purchased goods	–139,118
5. Cost of purchased services	–8,927
6. Gross profit	**47,329**
7. Staff costs	–8,642
8. Depreciation, amortization and impairment losses	–6,945
9. Other operating expenses	–13,259
10. Operating profit (EBIT)	**18,483**
11. Other interest and similar income	445
12. Interest and similar expenses	–10,854
13. Result from investments	45
14. Result from investments and financial result	**–10,346**
15. Taxes on income	–2,154
16. Net profit from continuing operations	**5,965**
17. Loss after taxes from discontinued operations	**–95**
18. Net profit	**5,875**

To further enhance transparency, the segment reporting is also provided for the entire reporting period from 01 January 2009 where COLEXON AG is recognized in profit and loss:

SEGMENT INFORMATION BY DIVISION

	PROJECTS EUR '000	WHOLESALE EUR '000	PLANT OPERATION EUR '000	RECONCILIATION HOLDING COMPANY EUR '000	CONSOLIDATION EUR '000	TOTAL GROUP EUR '000
Revenue	48,440	127,810	17,758	0	–5,886	188,122
Previous year	0	0	7,612	0	0	7,612
Changes in inventories	3,131	1	0	0	0	3,132
Previous year	0	0	0	0	0	0
Cost of materials	–44,528	–106,189	–1,553	–116	4,342	–148,045
Previous year	0	0	–561	0	0	–561
Other income	1,126	21	146	770	2,057	4,120
Previous year	0	0	120	0	0	120
Gross profit	8,169	21,643	16,351	654	513	47,329
Previous year	0	0	7,171	0	0	7,171
Staff costs	–3,791	–594	–1,362	–2,895	0	–8,642
Previous year	0	0	–1,906	0	0	–1,906
Amortization / depreciation	–57	–94	–5,559	–203	–1,031	–6,945
Previous year	0	0	–2,748	0	0	–2,748
Other expenses	–5,724	–1,157	–2,115	–4,878	–615	–13,259
Previous year	0	0	–1,973	0	0	–1,973
EBIT	–1,464	19,798	7,314	–7,321	97	18,483
Previous year	0	0	544	0	0	544
Result from investments and financial result	–347	104	–9,427	–694	0	–10,364
Previous year	0	0	–2,501	0	0	–2,501
EBT	–1,751	19,902	–2,113	–8,016	97	8,119
Previous year	0	0	–1,957	0	0	–1,957
Taxes on income						–2,154
Previous year						964
Net profit / loss from continuing operations						5,965
Previous year						–993
Net profit / loss from discontinued operations						–95
Previous year						–554
Net profit / loss						5,871
Previous year						–1,547

FINANCIAL CALENDAR 2010

Publication Quarterly Financial Report Q1	12 May 2010
Annual General Meeting 2010	12 May 2010
Publication Half-yearly Financial Report	11 August 2010
Small Cap Conference	30 August 2010
Publication Quarterly Financial Report Q3	10 November 2010
11th Forum Solarpraxis	11/12 November 2010
German Equity Forum	22 November 2010

GLOSSARY

BIPV	Building-integrated PV systems
CdS	Cadmium sulfide (Cds) is a chemical compound of cadmium and sulfur which is used in the development of solar modules.
CdTe	Cadmium telluride (CdTe) is an absorber material for solar cells which is less expensive but also less efficient than silicone.
COLEXON	Short form of COLEXON Energy AG
Crystalline silicon	Crystalline modules are made by cutting wafer-thin slices of monocrystalline or polycrystalline silicon and fitting them with contacts. Their efficiency is higher than that of thin-film cells covering the same surface area.
EEG	German Acronym of the German Renewable Energy Sources Act, which has regulated the feed-in tariffs for solar energy in Germany since 2000 and guarantees investors a secure income for a period of 20 years.
Grid parity	Grid parity describes the point in time at which solar electricity can be produced as cheaply as conventional electricity.
kW/kWp	Kilowatt/Kilowatts-peak
MW/MWp	Megawatt/megawatts-peak
PV	Photovoltaics (production of power from solar irradiation)
Thin-film technology	Thin-film modules are made by depositing or vapor coating high-purity semiconducting materials such as a-Si or CdTe onto a substrate, and then applying contacts. Since thin-film PV cells are produced using less energy and material, they are more environmentally friendly and cost-efficient than crystalline cells.

PUBLISHING INFORMATION

PUBLISHED BY

COLEXON Energy AG
Große Elbstrasse 45 • 22767 Hamburg • Germany
www.colexon.de

INVESTOR RELATIONS/PRESS

Jan Hutterer / Kirsten Friedrich
Fon +49 (0)40. 28 00 31-0
Fax +49 (0)40. 28 00 31-101

CONCEPT, CONSULTING AND DESIGN

CAT Consultants GmbH & Co. | www.cat-consultants.de

This report is available for download in German and English. Please contact us for printed copies or additional information about COLEXON Energy AG. We will be happy to include you in our mailing list for shareholders if you'd like to receive regular information and the latest news by email.

DISCLAIMER

This Report includes forward-looking statements that are based on the opinions of the Management Board of COLEXON Energy AG and reflect the Board's current assumptions and estimates. These forward-looking statements are subject to risks and uncertainties. Numerous facts unforeseeable at this time could cause the actual performance and results of COLEXON Energy AG to differ from such forward-looking statements. These facts include, but are not limited to: lack of acceptance of newly introduced products or services; changes in the general economic or business situation; failure to meet efficiency or cost reduction targets; and changes in the Company's business strategy.

The Management Board firmly believes that the expectations contained in these forward-looking statements are sound and realistic. However, should the previously mentioned or other risks materialize, COLEXON Energy AG cannot guarantee that the assumptions made turn out to be correct.

This interim report was produced in a climate-neutral fashion and printed on PEFC-certified paper. The greenhouse gas emissions generated by the production and dissemination of this publication were offset by investments in an additional climate protection project.

PEFC™
PEFC/04-31-0783

COLEXON ENERGY AG • GROSSE ELBSTRASSE 45 • 22767 HAMBURG • WWW.COLEXON.DE