



Press Release

Q-Cells SE: Preliminary Figures reflect Major Revaluations – Restructuring takes Effect

- Sales EUR 801 million, EBIT EUR -481 million
- Rigorous reorganisation proves effective
- Portfolio revaluation forms the basis for repositioning of Q-Cells
- Cash and cash equivalents of EUR 412 million at year-end well above target figure

Bitterfeld-Wolfen (Germany), 23 February 2010: In the fourth quarter of 2009, Q-Cells SE (QCE; ISIN DE0005558662) continued to press ahead with its reorganisation plans, laying the foundations for the company's reorientation. This was accompanied by extensive revaluations of investments and subsidiaries, in response to far-reaching changes in then industry. At the same time, the restructuring programme, which was set up in August 2009 and has already been partly completed, is beginning to take effect. Preliminary earnings before interest and taxes (EBIT) for the fourth quarter, adjusted for one-off items and start-up costs, improved to EUR -20 million compared with EUR -36 million in the third quarter. Excluding these adjustments, which mainly included write-downs on portfolio companies, EBIT amounted to EUR -270 million (previous quarter: EUR -164 million). For 2009 as a whole, Q-Cells therefore posted EBIT of EUR -481 million (adjusted: EUR -77 million). As with EBIT, the provisional net result for the fourth quarter was significantly influenced by impairment write-downs and totalled approx. EUR -411 million. For the full year a loss of EUR 1,356 million was generated: Book losses and write-downs on portfolio companies accounted for around EUR 952 million thereof. Anton Milner, Chairman of the Executive Board of Q-Cells SE: "In 2009, our clear aim was to secure the long-term competitiveness of the company. We have achieved significant milestones and made real progress here, which will make a key contribution to our earnings for 2010."

Slight Improvement of the Market Situation in the Fourth Quarter of 2009

Production of crystalline solar cells fell to 537 MWp overall in 2009 (previous year: 570 MWp). Including the thin-film modules of the subsidiary Solibro, annual production of 551 MWp was attained in 2009. The situation for the entire market and Q-Cells improved slightly in the final quarter of 2009. For Q-Cells, the fourth quarter was the strongest of the year with sales of approx. EUR 251 million, an increase of 36% on the third quarter. This does not include substantial revenues from the project business of Q-Cells International; although two major projects were completed in the fourth quarter as scheduled, they have only partly been recognised as sales revenue in 2009.

The figures announced today are also subject to an ongoing review of 2008 figures by the German Financial Reporting Enforcement Panel (FREP). The review concentrates on two major issues: The balance sheet value of the company's stake in REC as at 31 December 2008 (sold in May 2009) as well as the revenue recognition for a project by Q-Cells International based on the Percentage-of-Completion method. This could lead to corrections of sales and adjustments in EBIT and net result of the year 2008, thus improving EBIT and net result in 2009.

Q-Cells anticipates that these issues will soon be clarified in close cooperation with the FREP.

At the end of the year, cash and cash equivalents totalled EUR 412 million, well above the forecast figure of EUR 250 million to EUR 300 million. This higher cash position is partly attributable to postponing investments to 2010. With these cash and cash equivalents, the company is sufficiently financed for the current year.

Extensive Write-downs due to New Market Situation

The changed market situation in the past year, with a drastic fall in prices, has severely affected the future prospects of the various technological approaches in the entire solar industry. Against this background and when setting its priorities, Q-Cells extensively adjusted its investment portfolio. "We are focusing on our competitive core technologies in the area of crystalline silicon and thin-film modules made by Solibro. Other new technologies such as Calyxo need a little more time to become competitive. Against this background, we have taken precautions to protect Q-Cells against future eventualities. In view of the fundamental changes in the solar market, this trend is unavoidable and is also likely to affect other players in the industry," says Anton Milner. The carrying values of three investments were written down to zero in 2009. In addition to Solaria Corp., these were Sovello AG (write-down in Q4: EUR 12 million) and Sunfilm AG (write-down in Q4: EUR 146 million). Both Sovello and Sunfilm are currently in financing negotiations with their principal banks. Due to existing obligations in relation to Sunfilm, Q-Cells posted a net outflow of funds of approx. EUR 42 million in the first quarter of 2010. With the adjustments, Q-Cells is taking a major step towards eliminating or minimising accounting risks.

Restructuring bears First Fruit

The Executive Board believes that its decision to rigorously continue the realignment of the company, started in August with the restructuring programme, has been proved correct. "The operating income for the fourth quarter shows that our restructuring plans are already paying off. During 2010, the reorganisation plans will bear more fruit and lead to significant and long-term savings. In addition to the cost side, we are working intensively on enhancing our business model. Q-Cells will change fundamentally within a year," says Anton Milner. Wafer purchasing prices, which had a significant negative impact on the earnings situation last year, have been agreed on a much more flexible basis and in line with market conditions for 2010. Further cost reductions in cell production have been and will be achieved by closing the older production lines in Germany and extending production capacity in Malaysia.

“With the implemented and planned restructuring steps, Q-Cells intends to return to profitable growth with its operating business,” states Anton Milner. “The actual shape of development will heavily depend on government plans for reductions in solar power subsidies on the key German market.”

	Q4 '09	Q3 '09	'09 overall	'08 overall
Production	161 MWp	120 MWp	551 MWp	574 MWp
Sales revenues	EUR 251 million	EUR 184 million	EUR 801 million	EUR 1,251 million
EBIT, adjusted	EUR -20 million	EUR -36 million	EUR -77 million	EUR 205 million
EBIT	EUR -270 million	EUR -164 million	EUR -481 million	EUR 205 million
Net income	EUR -411 million	EUR -248 million	EUR -1,356 million	EUR 191 million

A presentation on the preliminary figures for 2009 is available for download in the Investor Relations section of the Q-Cells SE website (www.q-cells.com).

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