



# Q-CELLS SE

REPORT AS OF 30 SEPTEMBER 2009

DATE OF RELEASE: 12 NOVEMBER 2009



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**1. OVERVIEW Q3 2009**

2. MARKET

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## OVERVIEW Q3 2009

- Restructuring programme in implementation and on track
- Sales of 184.1 EURm (Q2: 141.4 EURm)
- Adjusted EBIT (excl. one-off effects and new technologies) of 3.3 EURm (-4.8 EURm including new technologies)
- Restructuring costs and one-off effects lead to reported EBIT of -163.8 EURm and net result of -248.2 EURm
- Solibro takeover closed
- Further progress on renegotiation of sourcing contracts
- After reporting date:
  - QCI: project Zeithain sold: cash receipt of 38 EURm; payment from MEMC of 24 EURm received
  - Appointment of CFO Dr. Nedim Cen extended until 30 June 2010

1. OVERVIEW Q3 2009

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## 2009:

- Demand recovery mid Q3
- Price pressure easing short-term
- Q4 demand robust: volume increase but no pricing recovery
- Solibro and cell business sold out

...but “December effect” remains uncertain

## 2010:

- Positive demand signals from customers for H1 (> H1 2009)
- Further price pressure expected
- H1/H2 demand drivers very different; will depend on regulatory environment (e.g. EEG) and development of non-EU markets (esp. China, US) and Italy

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# FINANCIAL RESULTS Q3 2009

## SUMMARY

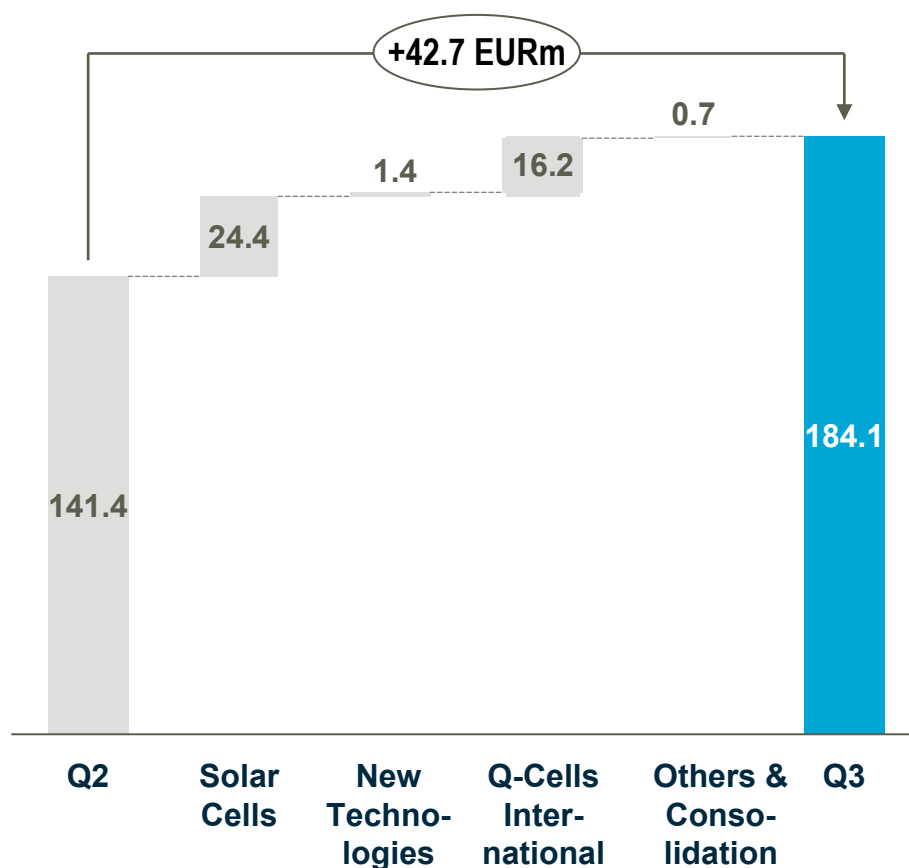
	Q3 2009	Q2 2009
<b>Production volume</b>	119.4 MWp	117.8 MWp
<b>Sales</b>	184.1 EURm	141.4 EURm
<b>EBIT</b>	-163.8 EURm	-62.3 EURm
<b>EBIT adjusted</b>	-4.7 EURm	1.8 EURm
<b>Net result</b>	-248.2 EURm	-305.0 EURm
<b>Capex*</b> (incl. at equity investments)	95.7 EURm	85.2 EURm
<b>Working capital</b>	421.6 EURm	489.3 EURm

\* Excluding payments to Joint Ventures of Q-Cells International with LDK and MEMC



# FINANCIAL RESULTS Q3 2009

## SALES

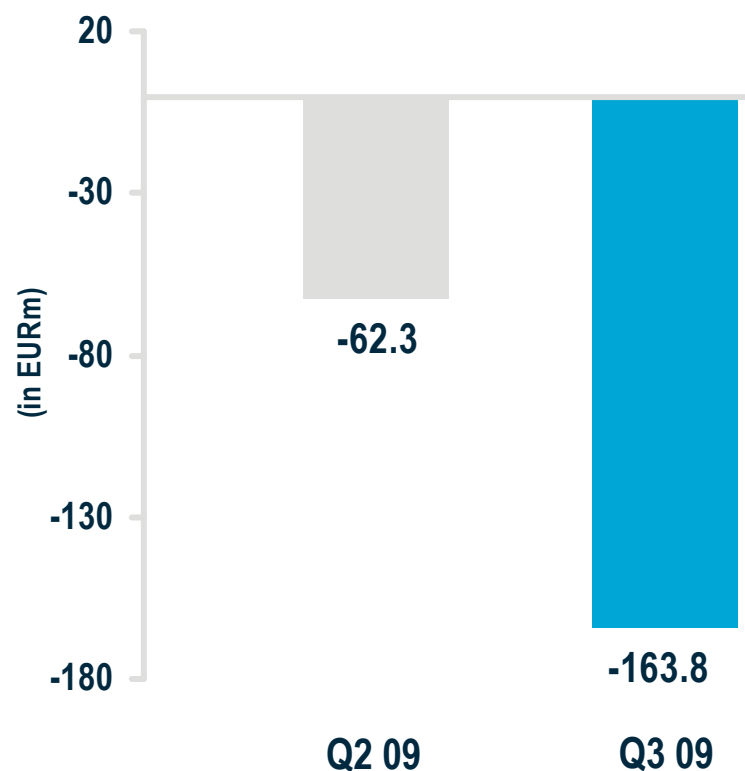


- Strong increase of cell shipments to module customers (103 MWp in Q3 vs. 55 MWp in Q2)
- Further significant price decline for solar cells in Q3 vs. previous quarter (ca. -20%)
- Cell shipments to Q-Cells International ~21 MWp
- Revenues of project business mainly in Q4 (depending on sale of JV projects)



# FINANCIAL RESULTS Q3 2009

## EBIT

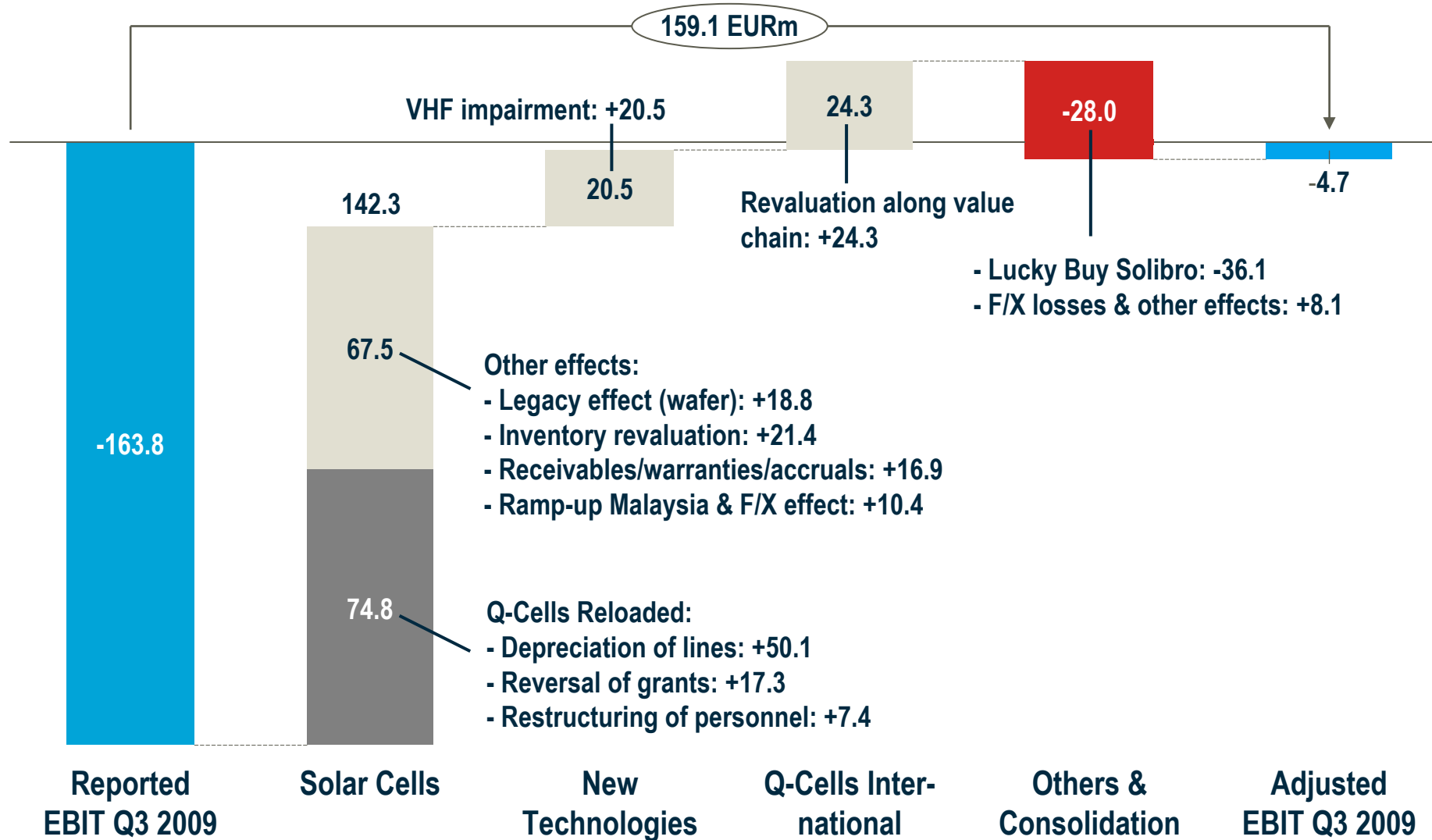


- Reported EBIT strongly influenced by restructuring and one-off effects
- Adjusted EBIT of -4.7 EURm only slightly below adjusted Q2 EBIT of 1.8 EURm despite ~20% cell price reduction
- Adjusted EBIT without start-up costs for New Technologies in Q3: 3.3 EURm



# FINANCIAL RESULTS Q3 2009

## EBIT: ADJUSTMENTS





# FINANCIAL RESULTS Q3 2009

## OVERVIEW Q3 BUSINESS SEGMENTS

EURm	Solar Cells	Q-Cells International	New Technologies		Others, Consolidation	Group
			Full consolidation*	Equity-Consolidation**		
Sales	137.6	59.6	1.8		-14.9	184.1
Gross Profit	-9.6	-10.7	-0.5		10.1	-10.7
EBIT	-151.8	-21.9	-28.5		38.4	-163.8
Adjusted EBIT	-9.6	2.4	-8.0		10.5	-4.7
Net result (after minorities)	-150.6	-26.5	-19.4	-90.7	39.0	-248.2

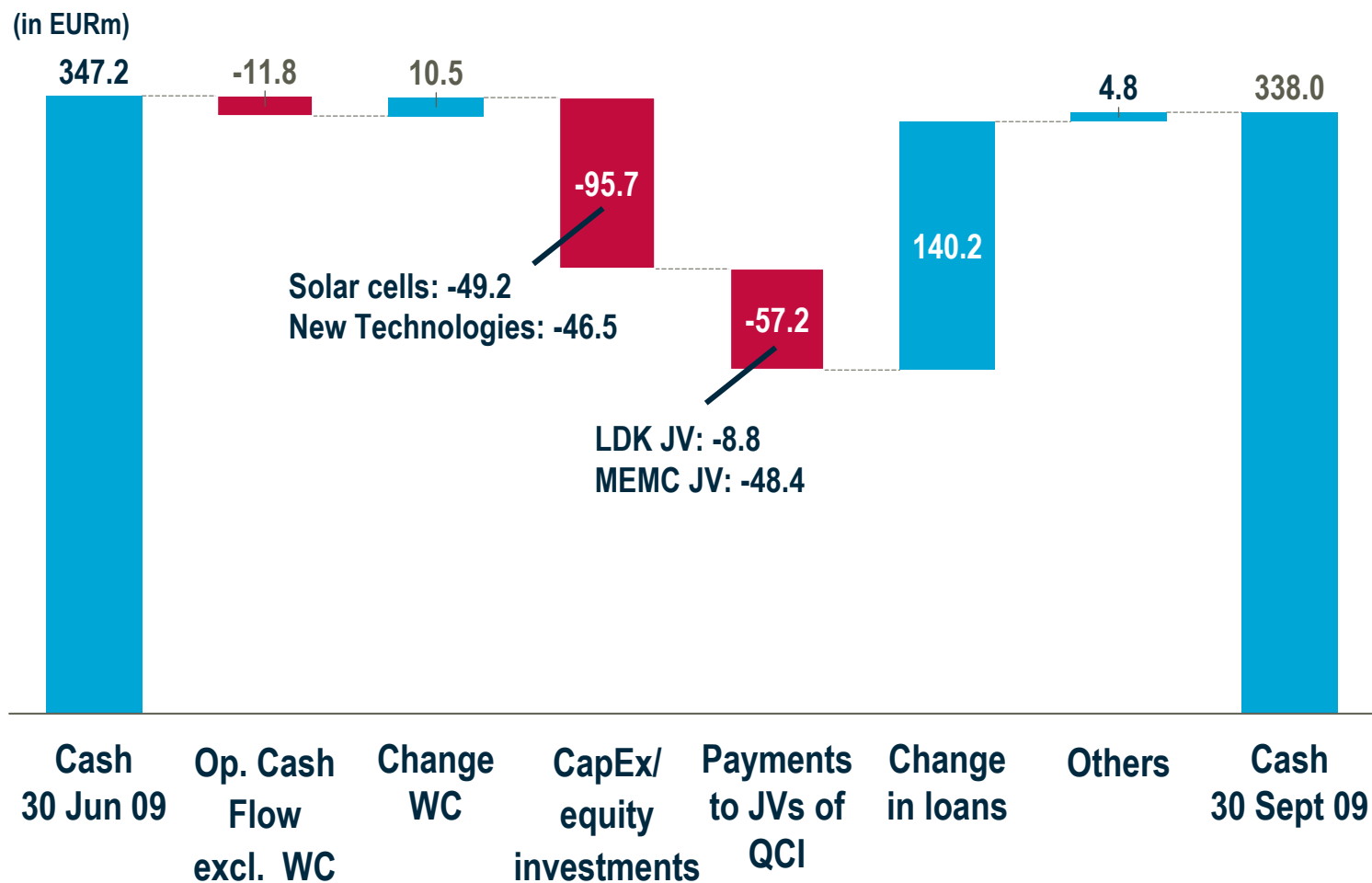
\* Calyxo, VHF Technologies, Sunfilm (until end of July), Solibro (from beginning of September)

\*\* Solibro (until end of August), Sunfilm (from beginning of August), Sovello, Solaria



# FINANCIAL RESULTS Q3 2009

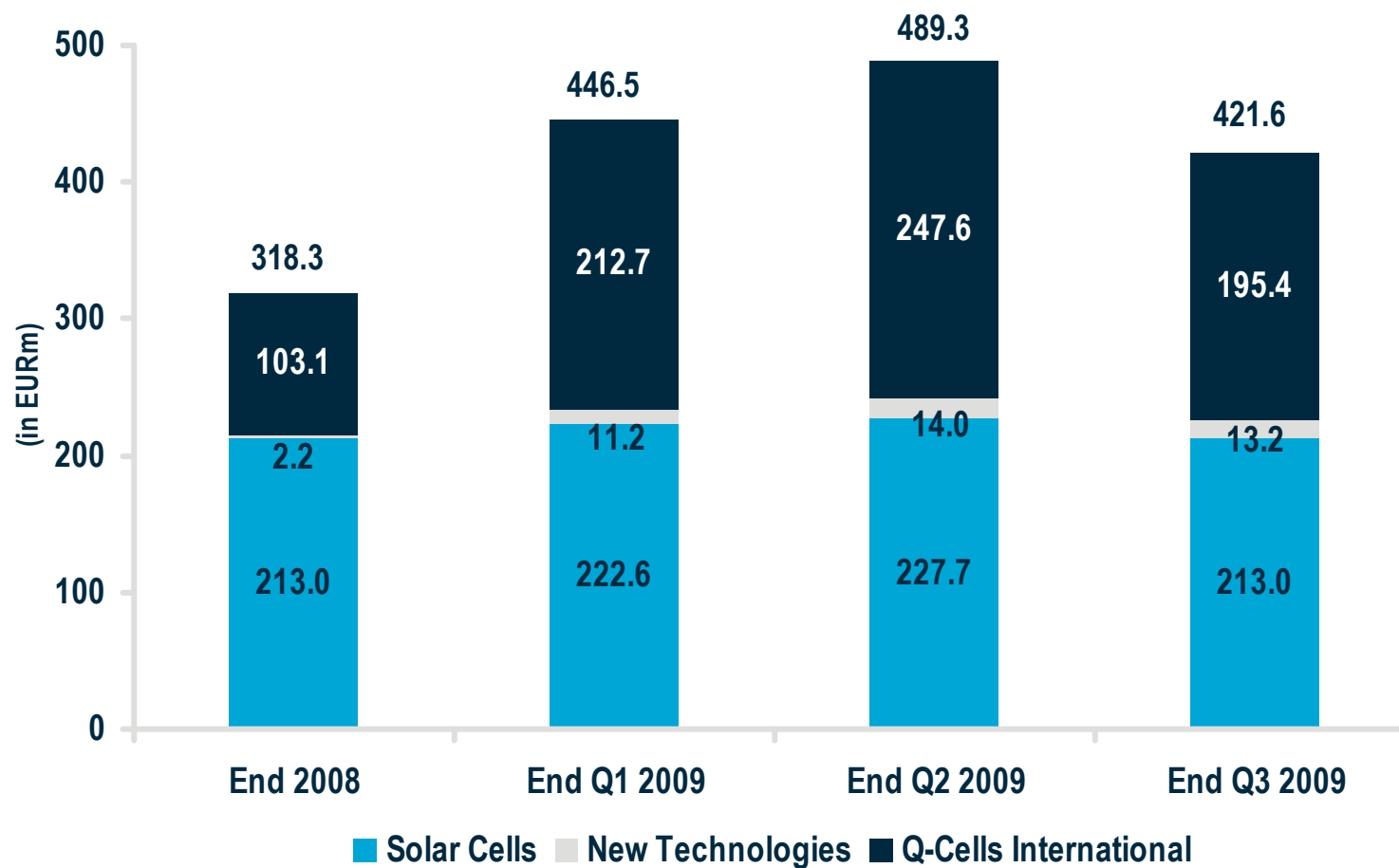
## CASH FLOW





# FINANCIAL RESULTS Q3 2009

## WORKING CAPITAL DEVELOPMENT GROUP

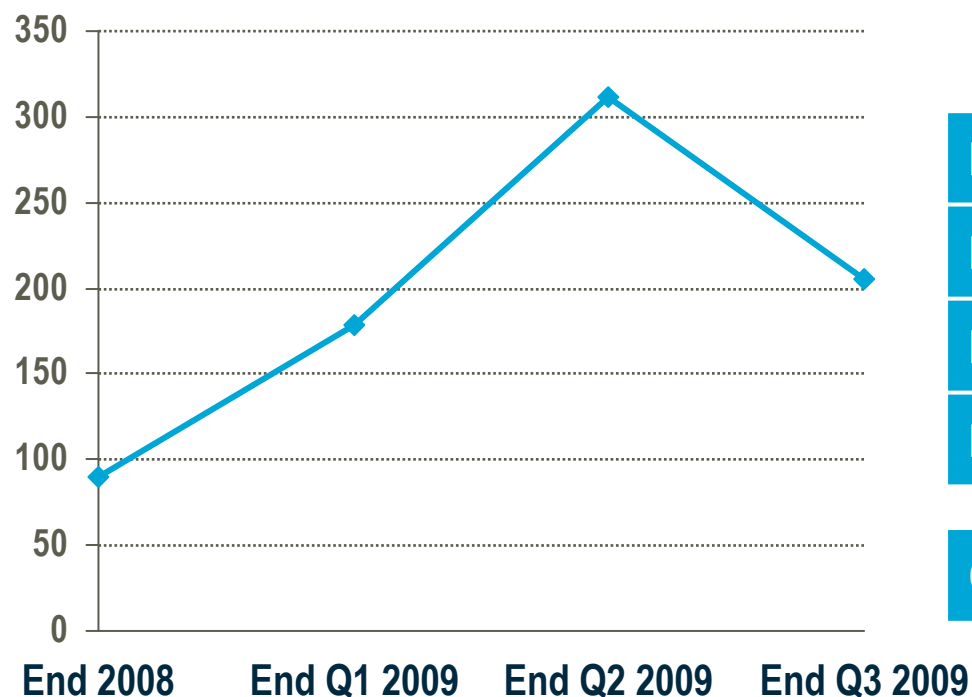




# FINANCIAL RESULTS Q3 2009

## GROUP CASH CYCLE DEVELOPMENT

(in days)



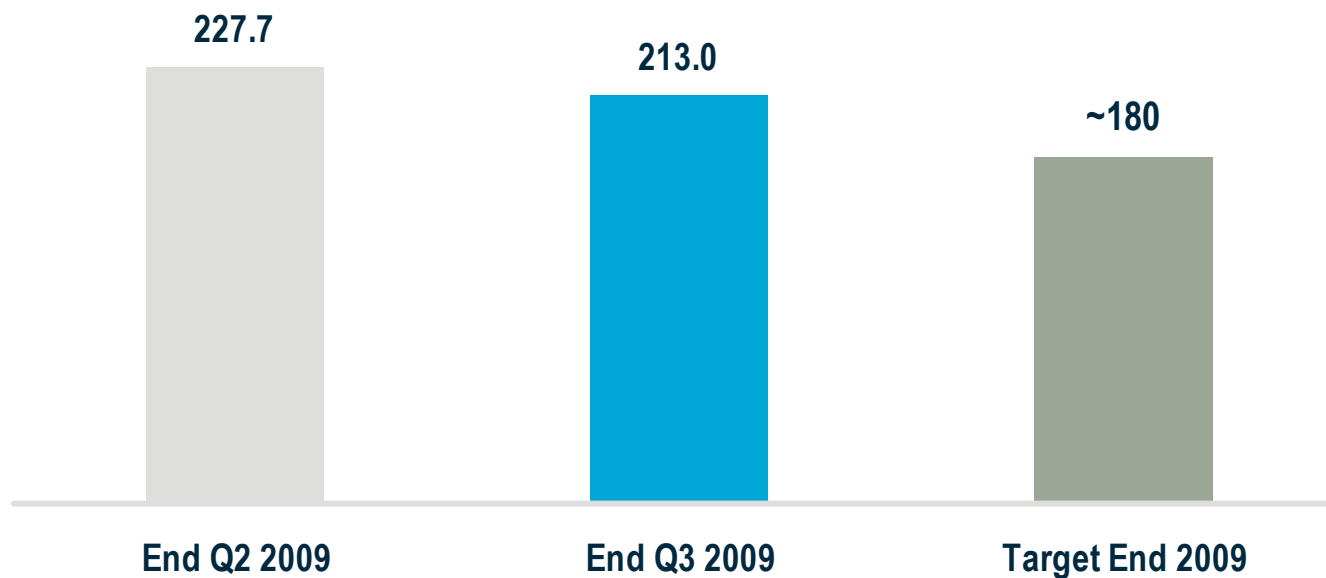
	Q3 2009	Q2 2009
Daily sales	2.05 EURm	1.57 EURm
DIO	177 days	235 days
DSO	89 days	138 days
DPO	60 days	62 days
Cash Cycle	206 days	312 days



# FINANCIAL RESULTS Q3 2009

## WORKING CAPITAL TARGET CELL BUSINESS

(in EURm)

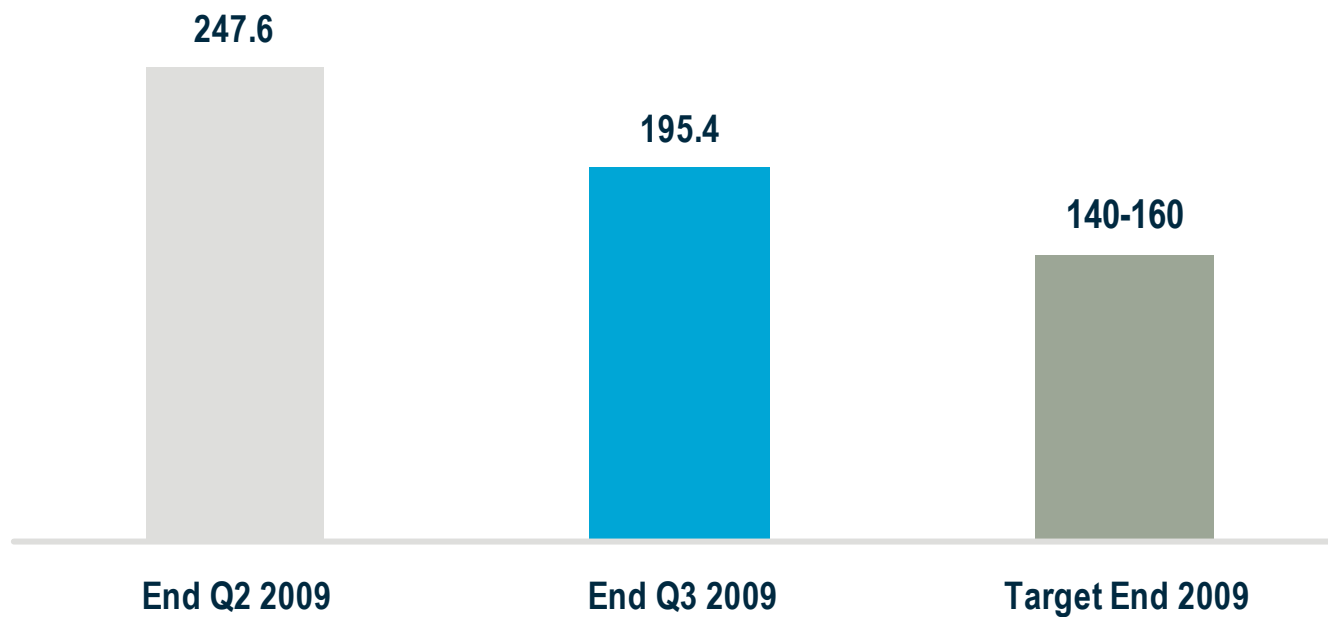




# FINANCIAL RESULTS Q3 2009

## WORKING CAPITAL TARGET PROJECT BUSINESS

(in EURm)





# FINANCIAL RESULTS Q3 2009

## WORKING CAPITAL SPLIT OF PROJECT BUSINESS

in EURm	31 Dec 2008	31 March 2009	30 June 2009	30 Sept 2009
Trade receivables	95.6	194.6	248.9	285.1
Thereof				
- POC*	80.3	141.7	202.8	239.8
- Completed projects	15.3	52.9	46.1	45.3
Inventories	20.7	27.7	93.8	136.3
- Payments received	0.0	0.0	-81.3	-207.6
- Trade payables	-13.2	-9.6	-13.8	-18.4
<b>Working Capital</b>	<b>103.1</b>	<b>212.7</b>	<b>247.6</b>	<b>195.4</b>

\* Including attributable profit margin for projects



# FINANCIAL RESULTS Q3 2009

## BOOK VALUES

in EURm (holding in %)	Balance sheet value 30 June 2009*	Balance sheet value 30 Sept 2009*	Q4
Sovello	83.1 (33.3%)	14.6 (33,3%)	✓
Solibro	135.6 (67.5%)	203.2 (100%)	✓
Solaria	0.0 (32%)	0.0 (32%)	✓
Calyxo	88.0 (93%)	106.5 (93%)	Under review
Sunfilm	61.3 (100%)	109.6 (50%)	Under review
VHF	59.4 (58%)	41.0 (58%)	✓
<b>Total</b>	<b>427.4</b>	<b>474.9</b>	

\* At-equity-investments: book value plus loans from Q-Cells,  
Fully consolidated companies: assets included in consolidated balance sheet



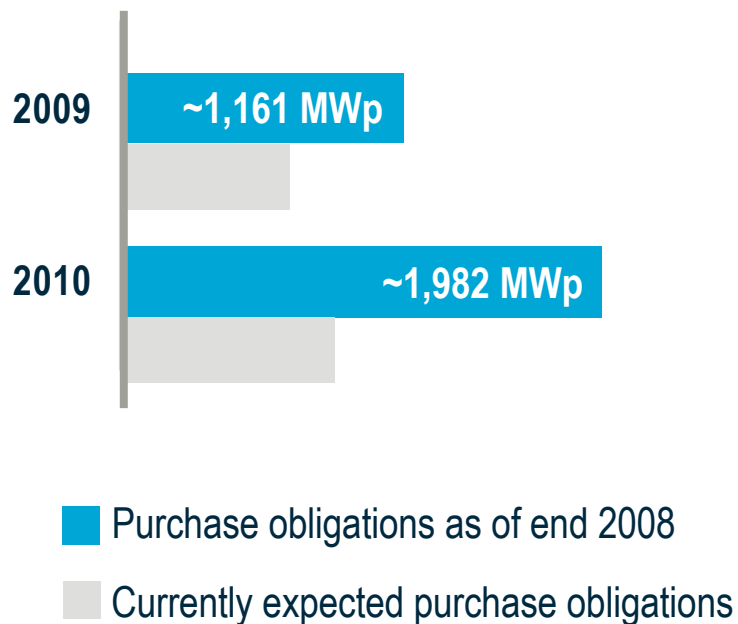
# Q-CELLS RELOADED STAFF REDUCTION

- Executive Board and Works Council agreed upon balance of interest and social compensation plan
- Displacement of some 500 staff in production and administration
- Socially responsible implementation of staff reduction:
  - Installation of a transitional company
  - Severance payment for staff leaving directly
  - Installation of a fund for hardship cases
- Straightening of organization and processes
- Significant effect on reduction of production cost for cells
- With effect of Q1 2010



# Q-CELLS RELOADED

## WAFER AND SILICON SOURCING



- Higher volumes were contracted for 2009/10 for expected growth (including significant umg-silicon volumes and optional volumes)
- Major volume reductions have been achieved through renegotiations, delivering rescheduling, supplier related aspects etc.
- Stock building of raw materials will be minimized as far as possible

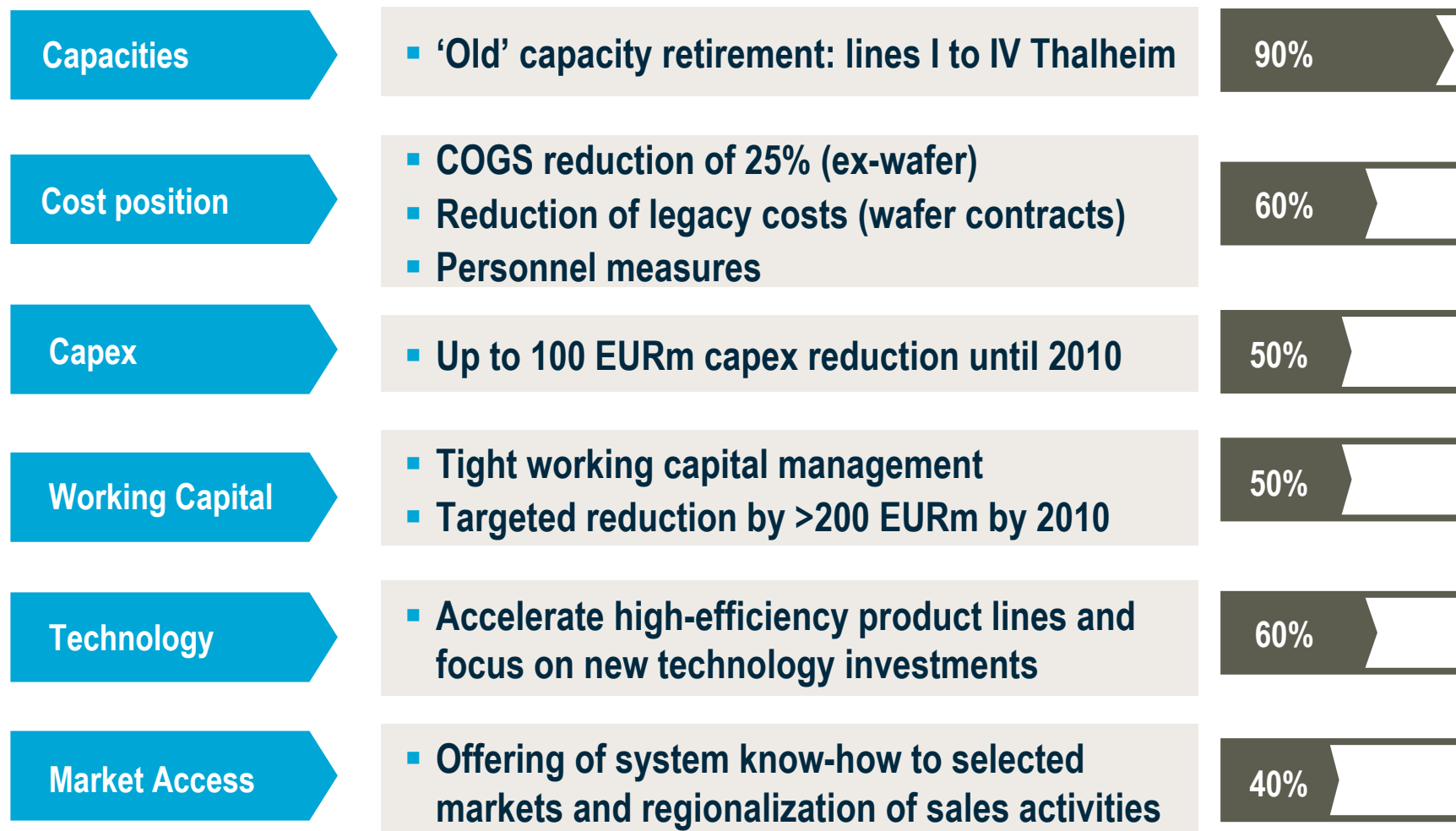
### Update:

- Potential volume overhang issues appear largely solved ✓
- Pricing of sourcing portfolio responding positively ✓

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# Q-CELLS RELOADED PROGRAM ON TRACK





## GOING FORWARD

### 2009

- Year of restructuring
- Clear out legacy effect and position forwards
- Build competitive business platform for 2010

### 2010:

- Back to profitable growth
- Positive market signals for H1 2010 visible
- Positive effects of QCR restructuring will become apparent in 2010
- Technological progress



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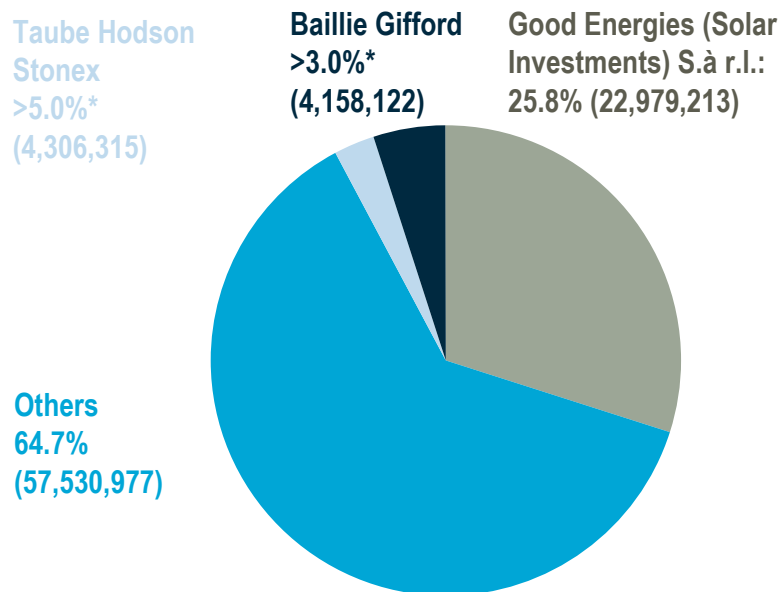
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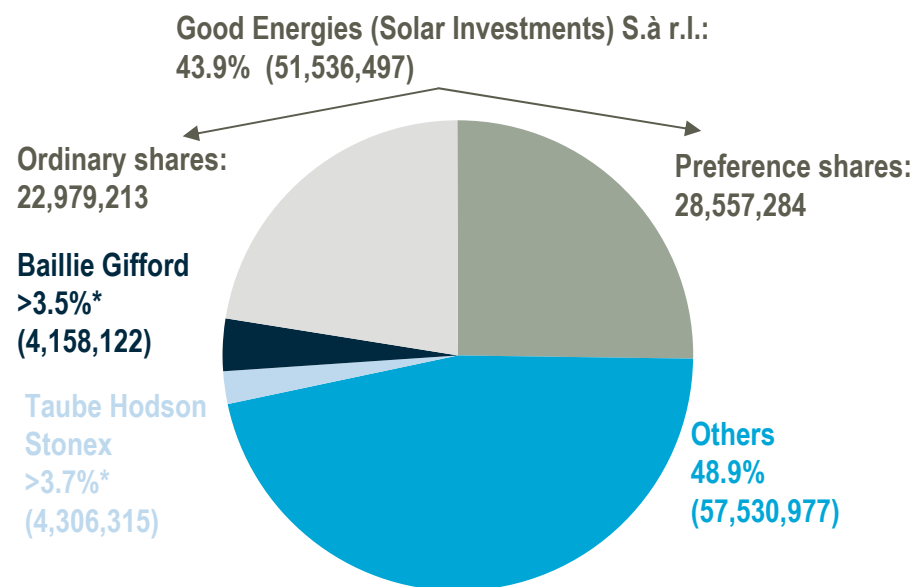


# SHAREHOLDER STRUCTURE (NOVEMBER 2009)

## Ordinary shares: 88,974,627



## Total shares: 117,531,911



### Preference shares:

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

\* Voting rights announcement is dated before last increase of shares



# BALANCE SHEET - ASSETS

Assets (In EURm)	12/31/2002	12/31/2003	12/31/2004*	12/31/2005*	12/31/2006*	12/31/2007*	12/31/2008*	09/30/2009*
<b>Non-Current Assets</b>	<b>16.3</b>	<b>27.3</b>	<b>67.7</b>	<b>126.5</b>	<b>276.7</b>	<b>1,699.8</b>	<b>2,089.3</b>	<b>1,241.8</b>
Goodwill	0	0	0	0	0.5	2.5	3.8	9.6
Intangible Assets	0.4	0.2	0.6	3.7	27.4	40.4	48.4	63.3
Property, Plant and Equipment	15.1	27.1	66.5	99.6	144.1	366.4	664.6	841.4
Financial Assets	0.1	0	0	0	0	0	0	0
Financial Assets accounted for using the Equity Method	0	0	0.6	12.5	38.2	1,207.3	1,125.0	158.4
Other Non-Current Assets	0	0	0	10.7	66.5	83.2	239.0	125.7
Deferred Taxes	0.7	0	0	0	0	0	8.5	43.4
<b>Current Assets</b>	<b>10.3</b>	<b>25.3</b>	<b>45.4</b>	<b>329.6</b>	<b>357.8</b>	<b>888.5</b>	<b>745.8</b>	<b>1,154.7</b>
Inventories	3.9	12.7	14.7	49.9	78.7	94.4	216.8	362.7
Trade Accounts Receivable	2.9	5.9	17.4	33.8	83.5	121.1	181.2	182.3
Market Value from Financial Instruments	0	0	0	0	22.2	6.7	5.3	0.1
Time Deposits	0	0	0	32.5	10.1	186.5	0	0
Other Receivables and Other Current Assets	3.3	5.3	10.8	12.7	15.9	65.7	165.9	271.6
Cash and Cash Equivalents	0	1.4	2.5	200.7	147.4	414.1	176.6	338.0
<b>Total Assets</b>	<b>26.6</b>	<b>52.6</b>	<b>113.1</b>	<b>456.1</b>	<b>634.5</b>	<b>2,588.3</b>	<b>2,835.1</b>	<b>2,396.5</b>

\*Consolidated Financial Statements



# BALANCE SHEET – EQUITY AND LIABILITIES

Equity and liabilities (In EURm)	12/31/2002	12/31/2003	12/31/2004*	12/31/2005*	12/31/2006*	12/31/2007*	12/31/2008*	09/30/2009*
<b>Shareholders' Equity</b>	0.8	10.3	34.7	321.3	440.0	1,833.8	1,876.7	1,137.3
Subscribed Capital	0.1	0.1	10.1	36.9	74.7	111.3	113.5	117.5
Capital Reserves	2.0	8.5	12.4	240.7	247.7	1,459.6	1,466.7	1,528.1
Revenue Reserves	-1.3	1.7	12.2	44.1	104.0	252.4	442.1	-503.9
Other Reserves	0	0	0	-0.4	-0.1	-0.4	-175.3	-22.7
Minority Interest	0	0	0	0	13.7	10.9	29.7	18.3
Investment Grants and Subsidies	6.5	11.9	20.1	29.8	39.0	75.5	101.7	85.7
<b>Non-Current Liabilities</b>	8.2	9.5	32.0	32.5	44.3	487.4	483.3	870.3
Convertible Bond	0	0	0	0	0	402.9	422.2	662.7
Profit Participation Rights Capital	0	0	14.4	14.5	14.6	14.7	14.8	14.8
Silent Partners' Interest	3.9	4.1	4.1	0	0	0	0	0
<b>Non-Current Financial Liabilities</b>	2.7	4.8	7.9	12.8	6.1	1.1	1.4	141.6
Contributed Capital	1.5	0	0	0	0	0	0	0
Other Provisions	0	0	0	0	4.7	6.4	7.0	8.7
Other Non-Current Liabilities	0.1	0.1	4.8	4.5	13.6	57.2	32.2	29.1
Deferred Taxes	0	0.5	0.8	0.6	5.3	5.1	5.7	13.4
<b>Current Liabilities</b>	11.0	20.9	26.3	72.5	111.2	191.6	373.4	303.2
<b>Current Financial Liabilities</b>	6.5	10.1	6.1	11.7	6.7	10.8	226.8	8.8
Trade Accounts Payable	3.8	7.4	8.6	25.5	44.3	64.6	79.7	123.4
Tax Liabilities	0	0.1	5.8	14.5	16.4	26.7	0	6.9
Market Value from Financial Instruments	0	0	0	0	22.6	0.7	0	0.3
Other Provisions	0.5	1.4	3.8	3.2	0.9	1.0	1.2	68.2
Other Current Liabilities	0.2	1.9	2.0	17.6	20.3	87.8	65.7	95.6
<b>Total Shareholders' Equity and Liabilities</b>	26.6	52.6	113.1	456.1	634.5	2,588.3	2,835.1	2,396.5

\*Consolidated Financial Statements



# PROFIT AND LOSS ACCOUNT

(In EURm)	FY 2002	FY 2003	FY 2004*	FY 2005*	FY 2006*	FY 2007*	FY 2008*	9M 2008*	9M 2009*
Sales	17.3	48.8	128.7	299.4	539.5	858.9	1,251.3	931.9	550.3
Changes in Stocks of Finished Goods and Unfinished Goods	2.1	4.8	-1.1	11.9	18.7	-0.3	50.5	12.7	110.1
Other Own Work Capitalised	0.1	0.1	0.4	0.8	1.7	4.9	5.4	3.0	4.3
Other Operating Income	0.9	1.5	3.3	6.8	10.9	13.8	38.7	22.9	73.3
Cost of Materials	14.2	37.9	86.2	197.9	342.5	534.5	895.6	632.4	596.8
Personnel Expenses	2.3	5.4	12.3	28.1	43.4	66.4	93.1	67.1	80.6
Depreciation, Amortisation and Impairment Losses	1.5	3.2	5.2	11.3	17.8	25.0	45.7	30.7	127.4
Other Operating Expenses	1.5	3.4	8.0	18.4	37.7	54.4	106.4	67.4	144.6
Operating Income (EBIT)	0.9	5.3	19.6	63.2	129.4	197.0	205.1	172.9	-211.4
Income from Financial Assets accounted for using the Equity Method	0	0	-0.4	-1.7	7.0	10.6	34.5	-7.5	-125.1
Income from sales of shares	0	0	0	0	0	44.0	0	0	0
Interest and Similar Income	5	0.2	0.2	1.7	5.3	18.2	9.1	6.3	5.8
Interest and Similar Expenses	0.8	1.1	1.5	3.3	3.3	24.8	32.3	22.8	45.4
Gain/Loss from Financial Instruments	0	0	0	0	-0.4	-35.2	8.8	6.6	-5.5
Income before Taxes (EBT)	0.1	4.3	17.9	59.9	138.0	209.8	173.0	155.5	-381.6
Income Taxes	-0.1	1.3	5.9	20.0	42.2	64.0	37.9	35.8	-24.5
Result of continued operations after tax	0.2	3.0	12.0	39.9	95.8	145.8	135.0	119.7	-357.1
Result of discontinued operations after tax	0	0	0	0	0	0	52.3	33.0	-600.9
Net Income for the Year	0.2	3.0	12.0	39.9	95.8	145.8	187.3	152.7	-958.0
Income attributable to Minority Shareholders	0	0	0	0	-1.3	-2.6	-3.3	-3.0	-12.9
Net Income after Minorities	0.2	3.0	12.0	39.9	97.1	148.4	190.6	155.7	-945.1

\*Consolidated Financial Statements



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