Q3

CONSOLIDATED QUARTERLY ANNOUNCEMENT
Q3 2016

FORWARD-LOOKING STATEMENTS

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

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

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

FURTHER INFORMATION

Rounding differences may occur in this announcement.

IMPRINT

CONCEPT AND DESIGN
heureka GmbH, Essen
► *www.heureka.de*

This quarterly announcement is also available in German. PDF files can be found on our webpage at
► *www.solarworld.de/financial-reports*

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LETTER BY THE CHAIRMAN

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

Seven weeks from now, the year 2016 will draw to a close. It is already evident that this has been a year of two halves for SolarWorld. During the first half, we achieved rapid growth and significantly improved our results, compared with last year. Since this summer, however, nearly all solar manufacturers – ourselves included – have had to contend, once again, with global price erosion.

Neither market participants nor analysts could predict that the international solar market would develop like this in the third quarter. It is clear that the cause lies in the Chinese domestic market. Some 22 gigawatts of new capacity were added there in the first half-year alone, which meant the installation target for the whole year had already been reached. So, around mid-year, China abruptly constrained new installations. This came at just the time when Chinese manufacturers were bringing additional production capacities online. Massive excess capacities and full warehouses were the result. Chinese competitors subsequently stepped up their dumping practices to be able to sell their surplus goods into markets outside the People's Republic. In this way, the problems in China were transferred to the global solar market.

In this difficult market environment, we maintained our shipments (+5 percent) and consolidated revenue (-3 percent) between July and September at roughly the same level as in the same quarter last year. However, we had set ourselves more ambitious targets. Since customers frequently adopted a wait-and-see attitude, expecting further price drops, a lot of liquidity was tied up in inventory during the third quarter. We responded by adjusting our production volume more flexibly to demand, and cutting costs still further in the group, in both production and administration. These and other measures have started to pay off: In September, we were able to halt the build-up of inventories and the decline in liquidity. These tasks remain top of our agenda in the current fourth quarter, too.

We will face our challenges with resolve throughout the remaining weeks of the year and beyond. Demand for our products is there, and will keep growing in 2017. “Quality made by SolarWorld” will hold its position on the international solar market in the future. We will maintain our involvement in support of fair competition in Europe and the United States. More than once, we have shown that we can fight successfully.

Yours,

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

Bonn, November 14, 2016

KEY FIGURES AND FACTS

SELECTED INDICATORS

Financial indicators in k€	Q3 2016	Q3 2015	Change
Revenue	204,491	211,819	-7,328
EBITDA	-11,948	4,667	-16,615
EBIT	-24,527	-6,077	-18,450
Consolidated net result	-38,842	-13,395	-25,447

Financial indicators in k€	Q1–Q3 2016	Q1–Q3 2015	Change
Revenue	638,654	531,790	106,864
Foreign quota in % of revenue	85.4 %	82.8 %	2.6 %-points
EBITDA	6,523	14,537	-8,014
EBIT	-29,689	-18,268	-11,421
EBIT in % of revenue	-4.6 %	-3.4 %	-1.2 %-points
Capital employed*	508,458	525,115	-16,657
Consolidated net result	-61,878	-38,852	-23,026
Consolidated net result in % of revenue	-9.7 %	-7.3 %	-2.4 %-points
Total assets	793,986	925,525	-131,539
Equity	146,172	204,294	-58,122
Equity ratio	18.4 %	22.1 %	-3.7 %-points
Cashflow from operating activities	-40,100	13,235	-53,335
Net indebtedness**	314,715	279,073	35,642
Liquid funds	83,874	140,941	-57,067
Investments in intangible assets and property, plant and equipment	27,250	41,837	-14,587

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Employee indicators	Q1–Q3 2016	Q1–Q3 2015	Change
Employees (key date)	3,073	2,941	132
of which trainees (key date)	54	47	7
Personnel expenses ratio	19.0 %	20.5 %	-1.5 %-points
Revenue per employee in k€	208	181	27
EBIT per employee in k€	-10	-6	-4

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

QUARTERLY COMPARISON OF THE CONSOLIDATED INCOME STATEMENTS

in k€	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q3 2015	Change
Revenue	231,675	212,633	221,530	204,491	211,819	-7,328
Change in inventories of finished goods and work in progress	-28,991	-2,538	21,741	24,074	-9,820	33,894
Own work capitalized	1,321	53	165	310	1,083	-773
Other operating income	40,107	9,032	18,040	7,828	20,837	-13,009
Cost of materials	-136,372	-131,311	-161,333	-167,937	-129,474	-38,463
Personnel expenses	-37,370	-43,899	-43,395	-42,256	-40,066	-2,190
Amortization and depreciation	-12,161	-11,757	-11,876	-12,579	-10,744	-1,835
Other operating expenses	-44,092	-41,915	-40,332	-38,458	-49,712	11,254
Operating result	**14,117**	**-9,702**	**4,540**	**-24,527**	**-6,077**	**-18,450**
Financial result	-10,438	-9,124	-5,804	-12,701	-9,664	-3,037
Result before taxes on income	**3,679**	**-18,826**	**-1,264**	**-37,228**	**-15,741**	**-21,487**
Taxes on income	1,891	-1,975	-971	-1,614	2,346	-3,960
Consolidated net result	**5,570**	**-20,801**	**-2,235**	**-38,842**	**-13,395**	**-25,447**

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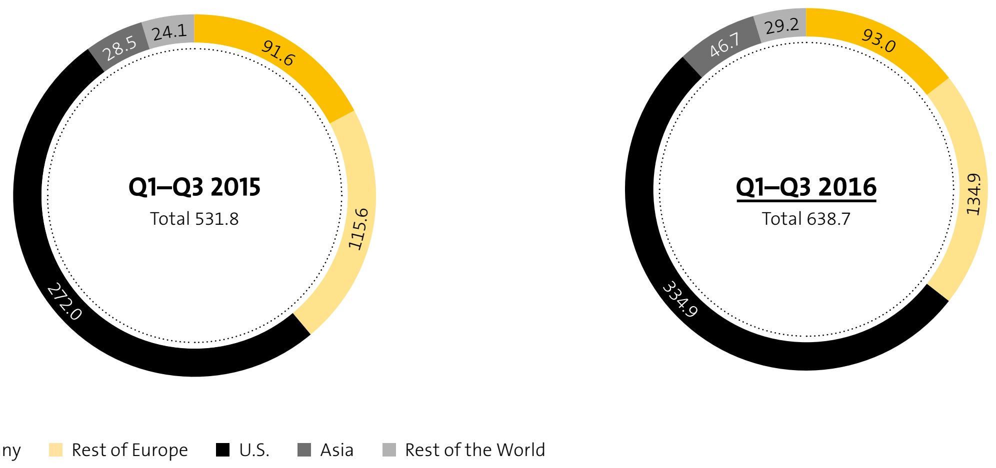
REVENUE BY REGION IN M€



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BUSINESS DEVELOPMENT Q3 2016

PRELIMINARY NOTE

The Management Board of SolarWorld AG expressly points out that the financial figures presented in this quarterly announcement as at September 30, 2016, are preliminary, since no impairment test on fixed assets has been conducted yet in accordance with IAS 36. Thus, depreciation and amortization on fixed assets as shown in the consolidated income statement contain only scheduled depreciation but no impairment losses or reversals of impairment losses on fixed assets which might become necessary. This needs to be considered also with regard to fixed assets shown in the consolidated balance sheet.

MAJOR BUSINESS EVENTS

UNEXPECTEDLY SHARP DETERIORATION IN MARKET SITUATION. During the third quarter of 2016, the international market for solar power products experienced an unexpectedly sharp drop in prices, triggered by high excess capacity. This was mainly due to the abrupt collapse of domestic demand in the world's largest solar market, China, in mid-2016, owing to cuts in feed-in tariffs following a massive increase in new installations during the first half of the year. At the same time, solar manufacturers put additional production capacities into operation, also outside of China. Chinese manufacturers offered their modules at dumping prices globally. In this situation, many customers expected module prices to fall further over the course of the third quarter and delayed their decision to purchase. This added to price pressure. Global market turbulence had a negative impact on the development of shipments, revenue, earnings and liquidity at SolarWorld AG during the third quarter.

APPEAL AGAINST FIRST-INSTANCE JUDGMENT IN HEMLOCK CASE FILED. In the litigation between silicon supplier Hemlock Semiconductor Corp. and SolarWorld Industries Sachsen GmbH, a subsidiary of SolarWorld AG, a single judge granted Hemlock's claim for damages amounting to USD 585 million plus interests of USD 208 million in the first instance on July 26, 2016. SolarWorld Industries Sachsen GmbH has appealed against this judgment of the first instance at the Intermediate Court of Appeals in Cincinnati, United States, in August 2016.

In spite of this first-instance judgment, SolarWorld AG continues to assume that Hemlock will not be able to enforce any claims in Germany. There are anti-trust concerns under European law regarding the effectiveness of the underlying supply contracts. If a potential final ruling by a U.S. court was to be enforced in Germany, Hemlock would have to initiate a recognition process at German courts according to Sec. 722 (1) of the German code of civil procedure. These proceedings would require the existence of a final – i.e. non-appealable – judgment from the United States. Moreover, in such a process, the compliance with fundamental principles of German law would have to be considered in reaching a verdict. According to German law, European trust law is a fundamental principle of the legal system. Furthermore, the U.S. single judge explicitly said that the court did not consider proof of illegality under EU anti-trust but also that this argument would receive its day in court later on. Thus, SolarWorld AG is convinced that such a procedure of recognition and enforcement will fail to be concluded successfully in Germany. The assessment of this legal risk by SolarWorld AG has thus not changed.

ECONOMIC POSITION

EARNINGS POSITION

SALES AND REVENUE PERFORMANCE

The international market for our core product, solar power modules, was affected by strong price erosion of more than 20 percent in the third quarter of 2016. This global market trend affected SolarWorld, too. Thanks to our good performance in the first half of 2016, however, we increased our groupwide shipments of wafers, cells, modules and systems in the first three quarters of 2016 by 31 percent compared with the same period last year to 1,027 (Q1–Q3 2015: 784) MW. The foreign share of group shipments was 79 (Q1–Q3 2015: 80) percent. In the difficult market environment of the third quarter of 2016, we increased group shipments by 5 percent to 345 (Q3 2015: 328) MW.

Shipments of modules and systems grew by 33 percent in the first nine months of the year to 1,002 (Q1–Q3 2015: 755) MW. Once again, the United States was SolarWorld's most important individual market, accounting for 51 percent of our modules and systems sold worldwide. In the first nine months, we increased our shipments in the U.S. by 41 percent compared with the same period of the previous year. In the German market, we maintained our shipments almost at the level of the same period last year. As a result, we increased our market share, since the German market as a whole declined by 32 percent during the first nine months of the year. In the other European markets, we posted a plus of 31 percent between January and September 2016, compared with the same period of the previous year. During the difficult third quarter of 2016, we maintained shipments in Europe at a stable level. In the United States, we grew our shipments volume by 26 percent. We also recorded a positive overall business trend in Asia and Africa.

The price decline on the global module market during the third quarter of 2016 is reflected in the company's consolidated revenue. Compared with the same quarter of the previous year, consolidated revenue fell by 3.4 percent to € 204.5 (Q3 2015: 211.8) million in the third quarter of 2016. Due to high shipments growth, consolidated revenue was up 20.1 percent or € 106.9 million to € 638.7 (Q1–Q3 2015: 531.8) million in the first three quarters of 2016. The foreign quota of revenue rose 2.6 percentage points to 85.4 (Q1–Q3 2015: 82.8) percent.

DEVELOPMENT OF SHIPMENTS

in MW	Q1–Q3 2015	Q1 2016	Q2 2016	Q3 2016	Q1–Q3 2016
Modules and systems	755	333	338	331	1,002
Wafers and cells	29	7	4	14	25
Total	**784**	**340**	**342**	**345**	**1,027**

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DEVELOPMENT OF PROFIT OR LOSS

Total operating performance in the first nine months improved, compared with the same period last year, by € 94.7 million to € 682.5 (Q1–Q3 2015: 587.8) million. This was mainly due to higher revenue. As a result of write-downs on inventories, a total of about € 13.0 million was charged to change in inventories and cost of materials during the third quarter of 2016. This also had a negative impact on the materials cost ratio, which stood at 67.5 (Q1–Q3 2015: 65.1) percent for the first three quarters of the year.

Personnel expenses rose by € 9.0 million in the first nine months of 2016 to € 129.6 (Q1–Q3 2015: 120.6) million. This increase results mainly from the growth in personnel due to the expansion of production capacities during the first half of 2016, particularly in Hillsboro, Oregon. Thanks to increased total operating performance, however, we were able to reduce the personnel expenses ratio to 19.0 (Q1–Q3 2015: 20.5) percent.

Other operating income totaled € 34.9 (Q1–Q3 2015: 62.5) million. Unlike in the same period last year, exchange rate effects had a negative impact on SolarWorld's earnings in the first three quarters of 2016. In total, the currency result (balance of exchange rate profits and exchange rate losses resulting from the valuation of trade receivables and trade payables in foreign currencies as at cut-off date ► *Annual Group Report 2015/Note 40aa Currency risks – p. 161*) had a negative effect of € 6.1 million on operating earnings, compared with the same period last year. Apart from that, other operating income reduced mainly because of a decrease of € 18.1 million in sales of raw materials that are not part of ordinary activities. The corresponding expenses recorded in other operating expenses fell by € 19.3 million.

Other operating expenses fell by € 11.7 million to € 120.7 (Q1–Q3 2015: 132.4) million. Within this figure, expenses for external personnel and for sales increased due to higher production and shipment volumes, while this was offset in particular by reductions in maintenance expenses. In addition, the exchange rate effects described earlier increased other operating expenses, while the lower sales volume of raw materials decreased it. The expense ratio was reduced by 4.8 percentage points to 17.7 (Q1–Q3 2015: 22.5) percent as a result of the increased total operating performance.

Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first three quarters of 2016 amounted to € 6.5 (Q1–Q3 2015: 14.5) million. After adjusting for the currency result, EBITDA amounted to € 8.6 (Q1–Q3 2015: 10.5) million. EBITDA for the third quarter of 2016 was € -11.9 (Q3 2015: 4.7) million. In the third quarter, the currency result did not significantly impact EBITDA.

Depreciation and amortization increased in the first nine months of 2016, compared with the previous year, by 10.4 percent or € 3.4 million to € 36.2 (Q1–Q3 2015: 32.8) million.

As explained above, depreciation and amortization only contain scheduled depreciation. An impairment test in accordance with IAS 36 has not been conducted yet. Due to the current market situation, it cannot be ruled out that impairment tests might result in the need for significant non-scheduled depreciation and amortization.

Group earnings before interest and taxes (EBIT) in the first three quarters of 2016 totaled € -29.7 (Q1–Q3 2015: -18.3) million. Without taking the currency result into account, EBIT would be € -27.6 (Q1–Q3 2015: -22.3) million. EBIT for the third quarter of 2016 was € -24.5 (Q3 2015: -6.1) million.

By contrast, the groupwide financial result improved by € 2.7 million in the first nine months of the year to € -27.6 (Q1–Q3 2015: -30.3) million.

The company's consolidated earnings after taxes in the first nine months of the year amounted to € -61.9 (Q1–Q3 2015: -38.9) million.

FINANCIAL POSITION

FINANCING ANALYSIS

Compared with December 31, 2015, equity decreased by € 62.7 million to € 146.2 (Dec. 31, 2015: 208.9) million. As at the cut-off date, the equity ratio therefore stood at 18.4 (Dec. 31, 2015: 24.0) percent.

By the end of the first three quarters, we had reduced our financial liabilities by a total of € 7.2 million to € 398.6 (Dec. 31, 2015: 405.8) million. This mainly resulted from loan repayments of € 28.1 million. An increase of € 20.9 million in financial liabilities had an opposite effect. This increase was due to the exercise of a contractually provided right to repay the accrued interest plus a raised interest margin together with the principal amount on the maturity date, as well as to the conversion of an obligation toward Qatar Solar Technologies Q.S.C. into a loan.

As at September 30, 2016, financial liabilities of € 181.1 million were reclassified from non-current to current in accordance with IAS 1.74 as certain covenants were not met at the cut-off date (► *Risk position – p. 12*). Thus, 52.3 percent of the financial liabilities are presently classified as current and 47.7 percent as non-current.

Other current liabilities fell during the first three quarters of 2016 to € 55.8 (Dec. 31, 2015: 70.5) million, mainly as a result of an obligation toward Qatar Solar Technologies Q.S.C. previously recognized there being converted into a loan and now being recognized as amounts due to Qatar Solar S.P.C., under non-current liabilities.

INVESTMENTS

In the first nine months of the year, we invested a total of € 27.2 (Q1–Q3 2015: 41.8) million in intangible assets and property, plant and equipment.

LIQUIDITY DEVELOPMENT

Cash flow from operating result for the first three quarters rose by € 1.5 million to € 13.3 (Q1–Q3 2015: 11.8) million. Cash flow from operating activities fell sharply by € 53.3 million to € -40.1 (Q1–Q3 2015: 13.2) million, which can primarily be attributed to a build-up of inventories that, unlike in the same period last year, has not been offset by a corresponding increase in trade payables.

Cash flow from investing activities amounted to € -20.3 (Q1–Q3 2015: -1.8) million. This includes cash receipts amounting to € 2.2 (Q1–Q3 2015: 30.0) million, arising from the negative purchase price agreed for taking over a large proportion of the manufacturing facilities of Bosch Solar Energy AG. Payments for investments in fixed assets totaled € 26.1 (Q1–Q3 2015: 33.0) million in the first three quarters of the year.

During the period under review, SolarWorld AG repaid € 28.1 (Q1–Q3 2015: 31.3) million in loans and made interest payments totaling € 14.2 (Q1–Q3 2015: 20.8) million. Cash flow from financing activities thus amounted to € -42.4 (Q1–Q3 2015: -51.8) million.

As at the cut-off date on September 30, 2016, the group had liquid funds of € 83.9 (Dec. 31, 2015: 188.6) million.

ASSET POSITION

Compared with December 31, 2015, the SolarWorld group's total assets fell by € 74.7 million to € 794.0 (Dec. 31, 2015: 868.7) million.

Non-current assets decreased by € 23.3 million to € 343.9 (Dec. 31, 2015: 367.2) million. Within this figure, in particular the value of property, plant and equipment had decreased as at September 30, 2016, to € 310.8 (Dec. 31, 2015: 319.8) million due mainly to scheduled depreciation and amortization.

Investments measured at equity decreased in the first nine months of 2016 by SolarWorld's share of results in its participation in Qatar Solar Technologies Q.S.C., by € 4.4 million to € 4.6 (Dec. 31, 2015: 9.0) million. SolarWorld's share of results contains an income of € 3.5 million due to a preliminarily determined badwill in connection with an investment of Qatar Solar Technologies Q.S.C.

The reduction in other non-current assets by € 5.4 million to € 4.3 (Dec. 31, 2015: 9.7) million results mainly from the reclassification of long-term advance payments made for raw materials as current for use within one year.

Regarding current assets, as at the cut-off date on September 30, 2016, inventories (excluding short-term advance payments made) increased by € 60.7 million to € 216.8 (Dec. 31, 2015: 156.1) million. At the same time, trade receivables rose by € 5.2 million to € 102.6 (Dec. 31, 2015: 97.4) million. Due to a rise in trade payables, working capital grew by € 55.5 million to € 231.3 (Dec. 31, 2015: 175.8) million.

Other current financial assets dropped by € 8.9 million to € 16.0 (Dec. 31, 2015: 24.9) million. This can primarily be attributed to the derecognition of a € 6.4 million debt, which was offset by the derecognition of a corresponding bank loan. Moreover, receiving € 2.2 million in compensation payments for the acquisition of solar activities from Bosch contributed to the decline in our asset position.

As at the cut-off date, the assets held for sale totaled € 0.6 (Dec. 31, 2015: 1.4) million and mainly comprised production facilities in Germany that were no longer in use.

EMPLOYEES

As at September 30, 2016, the number of employees in the SolarWorld group totaled 3,073 (Sep. 30, 2015: 2,941).

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

ECONOMIC POSITION

The Management Board of SolarWorld AG rates the economic position of the group as very difficult. This assessment is based on the results for the third quarter and ongoing business in the fourth quarter of 2016 at the time of drawing up this quarterly announcement. Price pressure on the international solar market increased massively during the third quarter of 2016. This market turbulence had a negative impact particularly on consolidated revenue, operating result and liquidity.

RISK POSITION

Since the 2015 Annual Group Report was drawn up on March 16, 2016, the risk situation for SolarWorld has intensified, because price pressure and competition increased significantly during the third quarter of 2016 as a result of unexpectedly high excess capacities. The risks due to tougher competition, the shipments and price risks, and the liquidity risks mentioned in the 2015 Annual Group Report have materialized. As explained in the 2015 Annual Group Report, the occurrence of these risks has a negative impact on achievable revenue and margins, and produces negative deviations from originally expected earnings. ► *Annual Group Report 2015/Risk report – p. 65 et seq*.

With regard to legal risks, despite the judgment by the court of first instance that was issued in July 2016 in the proceedings with Hemlock, SolarWorld AG continues to assume that Hemlock Semiconductor Corp. will not be able to enforce any claims. In respect of this individual risk, therefore, the risk assessment of SolarWorld AG has not changed since the 2015 Annual Group Report was drawn up.

The Management Board of SolarWorld AG considers the group's overall risk position to be very high. From the current perspective, however, the Management Board assumes that the company is able to continue as a going concern.

EXPECTED DEVELOPMENT OF THE GROUP

SolarWorld expects that demand for its products will continue during the fourth quarter of 2016 and beyond. For 2016 as a whole, SolarWorld expects its shipments to increase by more than 20 percent compared with the previous year (2015: 1,159 MW). The forecast for consolidated revenue and operating result will probably not be achieved.

During the third quarter of 2016, the group introduced measures to adjust its production volumes flexibly to temporary demand fluctuations and substantially reduce its costs. These measures are aimed in particular at significantly improving liquidity in the fourth quarter.

The Management Board expressly points out that the assumptions and framework conditions on which the forecast is based could change over the course of the fourth quarter of 2016. The Management Board's assessments are based on available information, which it currently considers to be realistic but which is dependent on various factors that are beyond the control and influence of the Management Board of SolarWorld AG and therefore of limited predictability.

CONSOLIDATED INCOME STATEMENT FIRST TO THIRD QUARTER 2016

in k€	Q1–Q3 2016	Q1–Q3 2015
1. Revenue	638,654	531,790
2. Change in inventories of finished goods and work in progress	43,277	53,503
3. Own work capitalized	528	2,531
4. Other operating income	34,900	62,467
5. Cost of materials	-460,581	-382,771
6. Personnel expenses	-129,550	-120,619
7. Amortization and depreciation (in 2016: before impairment test)	-36,212	-32,805
8. Other operating expenses	-120,705	-132,364
9. Operating result	**-29,689**	**-18,268**
10. Financial result	**-27,629**	**-30,256**
11. Result before taxes on income	**-57,318**	**-48,524**
12. Taxes on income	-4,560	9,672
13. Consolidated net result	**-61,878**	**-38,852**
Of which attributable to shareholders of SolarWorld AG	-61,878	-38,852
14. Earnings per share		
a) Weighted average number of shares outstanding (in 1,000)	14,896	14,896
b) Consolidated net result (in €)	**-4.15**	**-2.61**

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CONSOLIDATED INCOME STATEMENT THIRD QUARTER 2016

in k€	Q3 2016	Q3 2015
1. Revenue	204,491	211,819
2. Change in inventories of finished goods and work in progress	24,074	-9,820
3. Own work capitalized	310	1,083
4. Other operating income	7,828	20,837
5. Cost of materials	-167,937	-129,474
6. Personnel expenses	-42,256	-40,066
7. Amortization and depreciation (in 2016: before impairment test)	-12,579	-10,744
8. Other operating expenses	-38,458	-49,712
9. Operating result	**-24,527**	**-6,077**
10. Financial result	**-12,701**	**-9,664**
11. Result before taxes on income	**-37,228**	**-15,741**
12. Taxes on income	-1,614	2,346
13. Consolidated net result	**-38,842**	**-13,395**
Of which attributable to shareholders of SolarWorld AG	-38,842	-13,395
14. Earnings per share		
a) Weighted average number of shares outstanding (in 1,000)	14,896	14,896
b) Consolidated net result (in €)	**-2.61**	**-0.90**

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STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FIRST TO THIRD QUARTER 2016

in k€	Q1–Q3 2016	Q1 –Q3 2015
Consolidated net result	**-61,878**	**-38,852**
Items not to be reclassified to profit or loss	**0**	**0**
Exchange differences from currency translations		
Unrealized currency translations loss/gain	-2,491	9,590
Deferred taxes relating to exchange differences on translating foreign operations	1,664	-5,112
Exchange differences from currency translations, net of tax	**-827**	**4,478**
Items that may be reclassified subsequently to loss/profit	**-827**	**4,478**
Other comprehensive net result	**-827**	**4,478**
Of which:		
Other comprehensive result before tax	-2,491	9,590
Deferred taxes relating to other comprehensive result	1,664	-5,112
Total comprehensive result	**-62,705**	**-34,374**
Of which attributable to shareholders of SolarWorld AG	-62,705	-34,374

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STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME THIRD QUARTER 2016

in k€	Q3 2016	Q3 2015
Consolidated net result	**-38,842**	**-13,395**
Items not to be reclassified to profit or loss	**0**	**0**
Exchange differences from currency translations		
Unrealized currency translations loss	-40	-413
Deferred taxes relating to exchange differences on translating foreign operations	131	84
Exchange differences from currency translations, net of tax	**91**	**-329**
Items that may be reclassified subsequently to profit/loss	**91**	**-329**
Other comprehensive net result	**91**	**-329**
Of which:		
Other comprehensive result before tax	-40	-413
Deferred taxes relating to other comprehensive result	131	84
Total comprehensive result	**-38,751**	**-13,724**
Of which attributable to shareholders of SolarWorld AG	-38,751	-13,724

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CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2016

Assets in k€		Sep. 30, 2016	Dec. 31, 2015
A.	**Non-current assets**	**343,912**	**367,182**
I.	Intangible assets	20,732	23,301
II.	Property, plant and equipment	310,821	319,825
III.	Investments measured at equity	4,595	8,986
IV.	Other financial assets	3,050	3,062
V.	Other non-current assets	4,329	9,736
VI.	Deferred tax assets	385	2,272
B.	**Current assets**	**449,463**	**500,157**
I.	Inventories	226,348	171,563
II.	Trade receivables	102,647	97,402
III.	Current income tax assets	330	187
IV.	Other receivables and assets	20,219	17,510
V.	Other financial assets	16,045	24,853
VI.	Liquid funds	83,874	188,642
C.	**Assets held for sale**	**611**	**1,369**
		793,986	**868,708**

Equity and liabilities in k€		Sep. 30, 2016	Dec. 31, 2015
A.	**Equity**	**146,172**	**208,877**
I.	Subscribed capital	14,896	14,896
II.	Capital reserve	158	158
III.	Other reserves	13,898	14,725
IV.	Accumulated results	117,220	179,098
B.	**Non-current liabilities**	**283,117**	**446,157**
I.	Non-current financial liabilities	190,186	348,627
II.	Accrued investment grants	20,615	23,921
III.	Non-current provisions	24,650	23,524
IV.	Other non-current liabilities	21	18
V.	Deferred tax liabilities	47,645	50,067
C.	**Current liabilities**	**364,697**	**213,674**
I.	Current financial liabilities	208,403	57,222
II.	Trade payables	88,155	77,771
III.	Income tax liabilities	4,655	1,398
IV.	Current provisions	7,679	6,831
V.	Other current liabilities	55,805	70,452
		793,986	**868,708**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FIRST TO THIRD QUARTER 2016

			Other reserves			
in k€	Subscribed capital	Capital reserve	Currency translation reserve	IAS 19 reserve	Accumulated results	Total
As at Jan. 01, 2015	**14,896**	**158**	**13,137**	**-1,903**	**212,380**	**238,668**
Total comprehensive result Q1–Q3 2015	-	-	4,478	-	-38,852	-34,374
As at Sep. 30, 2015	**14,896**	**158**	**17,615**	**-1,903**	**173,528**	**204,294**
Total comprehensive result Q4 2015	-	-	-1,594	607	5,570	4,583
As at Dec. 31, 2015	**14,896**	**158**	**16,021**	**-1,296**	**179,098**	**208,877**
Total comprehensive result Q1–Q3 2016	-	-	-827	-	-61,878	-62,705
As at Sep. 30, 2016	**14,896**	**158**	**15,194**	**-1,296**	**117,220**	**146,172**

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CONSOLIDATED CASH FLOW STATEMENT FIRST TO THIRD QUARTER 2016

in k€		Q1–Q3 2016	Q1–Q3 2015
	Result before tax	-57,318	-48,524
+	Amortization and depreciation	36,212	32,805
+	Financial result (excluding profits and losses from currency translation)	27,775	31,251
–	Profit from disposal of assets	-3,076	-56
–	Reversal of accrued investment grants	-3,262	-3,724
+	Other material non-cash expenses	12,996	0
=	Cash flow from operating result	13,327	11,752
+	Changes in prepayments and customer advances	12,570	22,566
–	Increase in inventories	-73,665	-64,244
–	Increase in trade receivables	-5,264	-24,037
+	Increase in trade payables	9,217	50,874
+	Development in other net assets	4,022	17,957
=	Cash flow from operating result and changes in net assets	-39,793	14,868
+	Interest received	49	71
–	Taxes on income paid	-356	-1,704
=	**Cash flow from operating activities**	**-40,100**	**13,235**
–	Cash payments for investments in fixed assets	-26,093	-33,028
+	Cash receipt from investment grants	0	1,247
+	Cash receipts from the disposal of fixed assets	3,588	29
+	Cash receipts from negative purchase price	2,200	30,000
=	**Cash flow from investing activities**	**-20,305**	**-1,752**
+	Cash receipts from borrowings	0	300
–	Cash payments for the repayment of loans	-28,112	-31,252
–	Interest paid	-14,247	-20,829
=	**Cash flow from financing activities**	**-42,359**	**-51,781**
–	Net changes in cash and cash equivalents	-102,764	-40,298
-/+	Currency related change of cash and cash equivalents	-2,004	4,142
+	Cash and cash equivalents at the beginning of the period	188,642	177,097
=	**Cash and cash equivalents at the end of the period**	**83,874**	**140,941**

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INFORMATION ON OPERATING SEGMENTS FIRST TO THIRD QUARTER 2016

in m€	Production Germany	Production U.S.	Trade	All other segments	Reconciliation	Consolidated
Revenue						
External revenue	3	1	634	1	0	639
Inter-segment revenue	433	209	47	1	-690	0
Total revenue	**436**	**210**	**681**	**2**	**-690**	**639**
EBITDA	**31**	**9**	**-35**	**7**	**-6**	**6**
Scheduled depreciation	-19	-9	-4	-4	0	-36
Operating result (EBIT)	**12**	**0**	**-39**	**3**	**-6**	**-30**
Financial result						-28
Result before taxes on income						**-58**
Taxes on income						-4
Consolidated net result						**-62**

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INFORMATION ON OPERATING SEGMENTS FIRST TO THIRD QUARTER 2015

in m€	Production Germany	Production U.S.	Trade	All other segments	Reconciliation	Consolidated
Revenue						
External revenue	5	1	525	1	0	532
Inter-segment revenue	305	183	20	11	-519	0
Total revenue	**310**	**184**	**545**	**12**	**-519**	**532**
EBITDA	**-1**	**5**	**3**	**7**	**1**	**15**
Scheduled depreciation	-19	-8	-1	-5	0	-33
Operating result (EBIT)	**-20**	**-3**	**2**	**2**	**1**	**-18**
Financial result						-30
Result before taxes on income						**-48**
Taxes on income						9
Consolidated net result						**-39**

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SOLARWORLD GROUP STRUCTURE AS AT SEPTEMBER 30, 2016

SOLARWORLD AG
Bonn, Germany

- 100% ►►► **SolarWorld Industries Sachsen GmbH** — Freiberg, Germany
  - 100% ►►► **Go!Sun GmbH & Co. KG** — Bonn, Germany
  - 100% ►►► **Solarparc Ziegelscheune GmbH** — Freiberg, Germany
- 100% ►►► **SolarWorld Innovations GmbH** — Freiberg, Germany
- 100% ►►► **SolarWorld Solicium GmbH** — Freiberg, Germany
- 100% ►►► **SolarWorld Industries Thüringen GmbH** — Arnstadt, Germany
- 100% ►►► **SolarWorld Americas Inc.** — Hillsboro, U.S.
  - 100% ►►► **SolarWorld Industries Deutschland GmbH** — Bonn, Germany
    - 99% ►►► **SolarWorld Industries America LP** — Camarillo, U.S.
      - 78.74% ►►► **SolarWorld Industries Services LLC** — Camarillo, U.S.
  - 1% (SolarWorld Industries America LP)
  - 21.26% (SolarWorld Industries Services LLC)
  - 100% ►►► **SolarWorld Industries Americas LLC** — Camarillo, U.S.
- 100% ►►► **SolarWorld Asia Pacific PTE Ltd.** — Singapore, Singapore
- 100% ►►► **SolarWorld Japan K.K.** — Tokyo, Japan
- 100% ►►► **SolarWorld France SAS** — Grenoble, France
- 100% ►►► **SolarWorld UK Ltd.** — Salisbury, UK
- 100% ►►► **SolarWorld Africa (Pty.) Ltd.** — Cape Town, South Africa
- 100% ►►► **Solarparc GmbH** — Bonn, Germany
  - 100% ►►► **Solarparc Projekt VI GmbH & Co. KG** — Bonn, Germany
  - 100% ►►► **Solarparc Projekt VII GmbH & Co. KG** — Bonn, Germany
  - 100% ►►► **Solarparc Projekt VIII GmbH & Co. KG** — Bonn, Germany
  - 100% ►►► **Solarparc Donau I GmbH** — Bonn, Germany
  - 100% ►►► **Solarparc Donau II GmbH** — Bonn, Germany
  - 100% ►►► **Go!Sun Verwaltungs GmbH** — Bonn, Germany
  - 100% ►►► **Solarparc Deutschland I GmbH** — Bonn, Germany
  - 100% ►►► **Solarparc Diamant Verwaltungs GmbH** — Bonn, Germany
  - 100% ►►► **Solarparc Brillant GmbH** — Bonn, Germany
- 100% ►►► **Solarparc Rubin Verwaltungs GmbH** — Bonn, Germany
- 100% ►►► **SolarWorld Ibérica S.L.** — Madrid, Spain
- 94.23% ►►► **SolarWorld AG & Solar Holding GmbH in GbR Auermühle** — Bonn, Germany
- 29% ►►► **Qatar Solar Technologies Q.S.C.** — Doha, Qatar*

** Consolidated at equity*

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Q3

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