



Annual Report 2002

sunways
Photovoltaic Technology

At a Glance

	2002		2001		2000	
	millions of €	%	millions of €	%	millions of €	%
Consolidated income statement						
1. Sales	25.8	94	21.3	90	5.1	81
Changes in inventories	1.7	6	2.3	10	1.2	19
2. Gross performance	27.5	100	23.6	100	6.3	100
Cost of materials	-22.3	-81	-20.1	-85	-5.4	-86
3. Gross margin	5.2	19	3.5	16	0.9	14
Other operating income	0.7	3	0.3	1	0.4	6
Personnel expenses	-3.9	-14	-3.2	-15	-1.7	-27
Other operating expenses	-2.6	-9	-3.1	-15	-1.9	-30
4. EBITDA	-0.6	-2	-2.5	-12	-2.3	-37
Depreciation and amortisation	-1.2	-4	-0.8	-4	-0.6	-10
5. EBIT	-1.8	-6	-3.3	-15	-3.0	-48
Financial result	-0.4	-1	0.1	0	-0.3	-5
6. EBT	-2.2	-8	-3.2	-15	-3.2	-51
Taxes on income	0.9	3	1.3	6	0.0	0
7. EAT	-1.3	-5	-1.9	-9	-3.2	-51
Minority interests	0.0	0	-0.1	0	0.0	0
8. Consolidated net loss	-1.3	-5	-2.0	-9	-3.2	-51
Earning per share	-0.15		-0.23		-0.99	
Assets						
Fixed assets	8.1	30	7.9	28	5.0	42
Current assets	14.7	55	12.2	44	4.1	34
Liquid funds	4.1	15	7.8	28	2.9	24
	26.9	100	27.9	100	12.0	100
Liabilities and Shareholders' Equity						
Shareholders' Equity	15.4	57	16.3	58	1.8	15
Long-term Liabilities	5.3	20	6.1	22	6.6	55
Short-term Liabilities	6.2	23	5.5	20	3.6	30
	26.9	100	27.9	100	12.0	100

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Preface of the Management Board

Dear shareholders, business friends and employees,

The past fiscal year 2002 was a successful one for Sunways. We have reached many of our goals:

- Rise in sales: Sales rose by 21 per cent against the prior year to € 25.8 million.
- Improved result: Earnings before interest and taxes (EBIT) improved from € -3.3 million to € -1.8 million against 2001.
- Extended customer base: One of our foremost targets was to win new customers for Sunways solar cells to reduce the dependence on individual purchasers. We have succeeded in doing so.
- Internationalisation surged ahead: In 2002, 15 per cent of our sales were generated abroad against only ten percent in the prior year. In the area of solar cells the share of international sales was increased to 26 per cent. The highlight was the development of a distribution cooperation in Asia. We again want to win further international clients in 2003.

In addition, the strategic alignment of Sunways was completed upon the 100 per cent acquisition of MHH Solartechnik in Tübingen. Today, MHH Solartechnik is among the ten largest system houses for solar technology in Germany and is also to become active on an international scale in the future. The production of our solar cells at the Constance location is sound and stable so that we have decided as of the year-end to moderately extend capacities to remain flexible with respect to further measures.

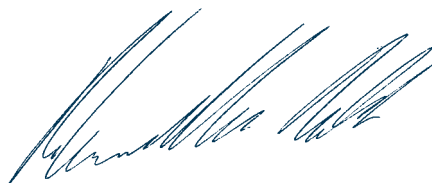
Nevertheless, we have not reached all our goals. We will be able to reach the break-even only in 2003, mainly as a result of the difficult economic situation in Germany. A first recovery was already experienced in the 4th quarter 2002 so that we started the new fiscal year with confidence.

Sunways continues to be a technological leader: the PLUS Cell, our major performer, has the highest efficiency rates among opaque solar cells. The transparent POWER Cell, produced by Sunways under an exclusive license, increasingly wins market share. A particularly impressive reference project is shown in this annual report: All photographs were taken at the Kriegerhornbahn (summit station) in Lech am Arlberg, Austria, which was commissioned in December 2002. Approximately 12,000 POWER solar cells have been installed here with an installed capacity of about eleven kWp. Research cooperations on a national and international level secure our technological lead in the long term.

The target for 2003 is obvious: Sunways seeks to reach a positive result – in the best interest of all employees and shareholders. A two-digit sales growth is to be achieved. We wish to further expand our leading position in terms of technology and quality as well as, with increased distribution efforts, to position our transparent POWER Cell more broadly in the market. In the capital market, we want to strengthen the profile of Sunways as a promising share in the segment of Renewable Energies and to improve communication.

Your continued trust and interest in our company will be greatly appreciated. Do approach us with your ideas, wishes and critical questions – we look forward to a constructive dialogue with you.

With kind regards,



Roland Burkhardt

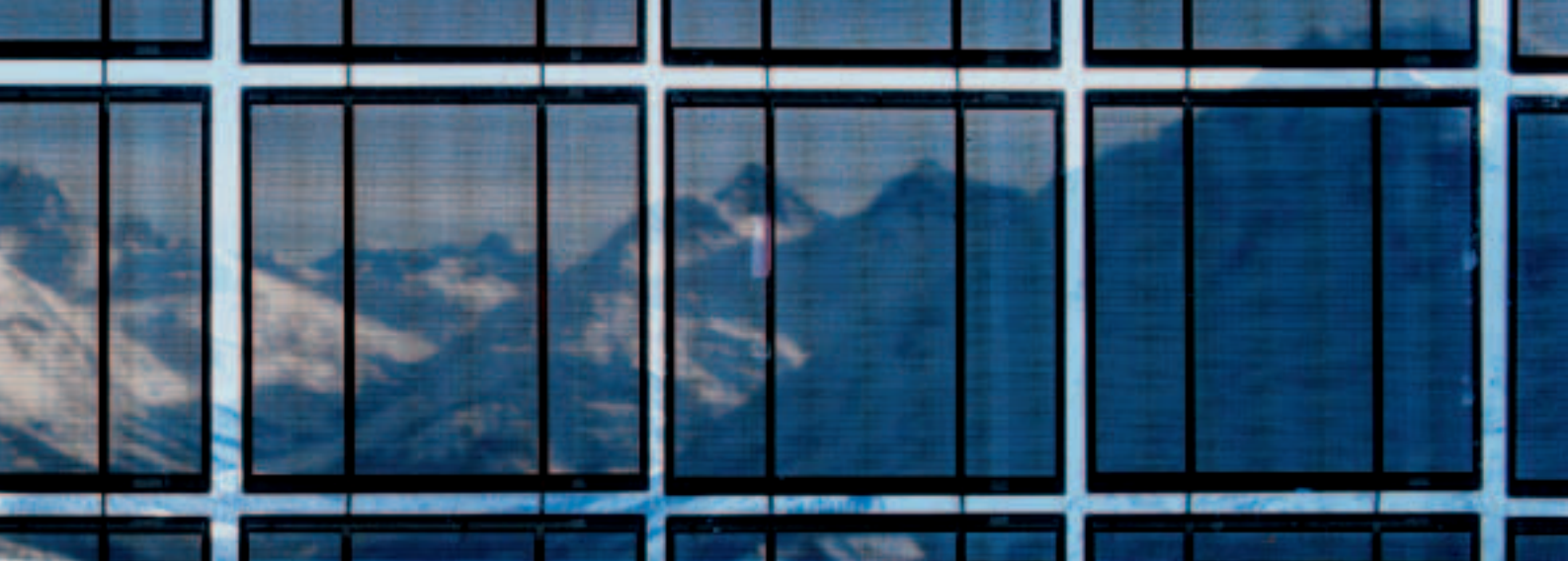


Bernd Fessler



Highlights 2002

- January 2002 Start-up of the research project "RGSells." The aim of this project, which is promoted by the European Union, are new silicon wafers that are to reduce the cost of solar cell production by up to 70 per cent.
- March 2002 The group company MHH Solartechnik GmbH starts to distribute modules with Sunways solar cells.
- April 2002 Start-up of the »PROKON« research project in cooperation with the Federal Ministry for Economy and Labour (Bundesministerium für Wirtschaft und Arbeit). The project is focused on the development of a so-called reverse contact solar cell the production of which is less expensive and that is to meet higher aesthetic requirements.
- August 2002 Great progress of the internationalisation strategy: With Sun Power Systems Ltd., Hong Kong, Sunways enters into an exclusive distribution agreement for East/ South East Asia.
- August 2002 Exclusive license agreement with the Fraunhofer Institute for Solar Energy Systems, ISE, in Freiburg: Sunways markets a new, innovative generation of inverters without transformers to feed solar energy into the public electricity network. The market launch is planned for spring 2003.
- October 2002 New major project involving the transparent POWER Cell at Kriegerhornbahn in Lech am Arlberg (Austria). In December 2002, the system is successfully commissioned. It has an installed capacity of approximately eleven kWp.



October 2002

Sunways completes its product range to include traditional (opaque) solar cells with measuring 125 x 125 mm. Sunways customers thus are allowed more flexibility and design opportunities. This PLUS Cell also achieves high efficiency rates of more than 15 per cent.

November 2002

100 per cent acquisition of MHH Solartechnik GmbH, Tübingen. MHH has a five per cent market share in Germany and thus is among the ten largest system houses for solar technology.

December 2002

Expansion of the production line at the Constance location. Total capacity thus increases from five to ten MW.



The Sunways Share

The second trading year of the Sunways share was characterised by a further general decline in prices and extreme investor restraint. The Sunways share too suffered a serious price decline. However, its development, compared to the NEMAX and even to the NEMAX 50, was visibly more stable. As of the beginning of 2002, it was quoted at € 3.91, as of 30 December 2002 at € 1.60, which corresponds to a decline of 59 per cent. In comparison, the NEMAX decreased by 63 per cent and the NEMAX 50 even by 69 per cent.

A positive impact on the share price resulted from the successful development of the fiscal year 2001 which had turned out better than expected. The increase in order backlog recorded in May 2002 also triggered a short-term rise of the share price. However, in the run-up to the election for the Bundestag, the increasing insecurity with respect to the future government promotion policy had a negative impact on the entire solar technology industry. Together with the negative market climate on the stock exchanges, this scepticism caused share prices to decline further.

On 15 January 2003, the Deutsche Börse has admitted the shares of Sunways AG to Prime Standard trading. Thus we meet the highest demands as to transparency and clarity in capital market communication and would like to stress also in the future: We see ourselves as a permanent capital market participant.

In meetings with investors, analysts and minor shareholders, Sunways AG has discussed its current business development and corporate strategy. On 14 November 2002, the annual DVFA analysts' conference was held in Frankfurt/Main.

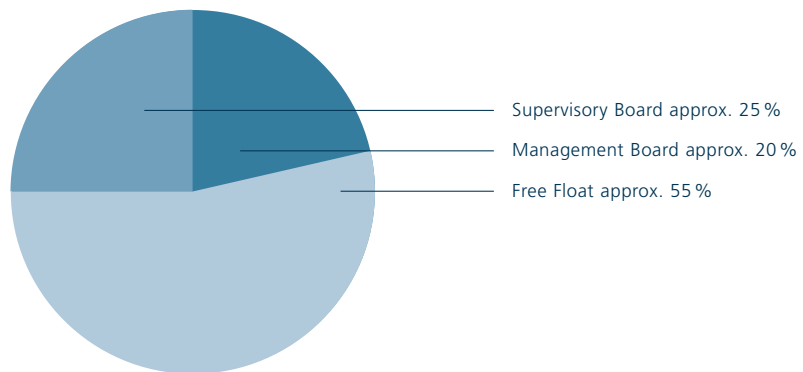
Studies on Sunways AG prepared by Landesbank Baden-Württemberg and equinet Institutional Services are available at present. In the new fiscal year 2003, we have restructured our corporate communication division and will intensify contacts with all target groups.



Shareholdings of members of the executive bodies

	Shares as of 31/12/2002	Options as of 31/12/2002	Lock-up until
Management Board			
Roland Burkhardt	1,775,655	10,000	09/02/2003
Bernd Fessler	56,000	10,000	09/02/2003
Supervisory Board			
Dr. Roland R. Bahr, Chairman	9,902		
Otto Mayer, Deputy Chairman	655,146		
Ernst Haug	3,695		
Franz Heim	1,685,654		09/02/2003
Heinz W. Bull			
Manfred J. Schulz			

Ownership structure



Key figures compared to the prior year

	2002	2001
Earnings per share (€)	-0.15	-0.23
Net assets per share (€)	1.62	1.77
Number of shares (weighted)	9,234,419	8,940,963
Share price high/low (€)	4.76/1.60	21.30/2.58
Share price as of 31/12 (€)	1.60	3.91
Market capitalisation as of 31/12 (€)	15,222,512	35,972,000



The photovoltaics industry continues to be a growth market. In 2002 alone, a 27 per cent growth was recorded. Japan, Germany and the USA are market leaders.

Group Management Report 2002

A. Economic situation affected by investor restraint

In 2002, the economic development worldwide was markedly behind expectations. In particular, the growth rate in the USA, formerly a major economic driving force, has slowed down significantly in the period under review. The economic downturn in the USA has also affected the development in Europe and Germany. Changes in the political framework conditions and the threatening danger of war in the Middle East have also slowed down the economy. The situation in Germany is aggravated by structural problems. The negative development in the labour market as well as insecurities in the areas of healthcare and old age pensions have resulted in a general buyer and investor restraint. This has also had an impact on the photovoltaics market in Germany.

B. Development of the industry and economic environment

There is a favourable environment for solar energy¹

In 2001, the global photovoltaics market has again grown by almost 38 per cent against the prior year and reached a volume of 396 MW. A production volume of approximately 500 MW is projected for 2002. This corresponds to a further increase by about 27 per cent. The macroeconomic environment for solar energy is still deemed to be favourable by experts.

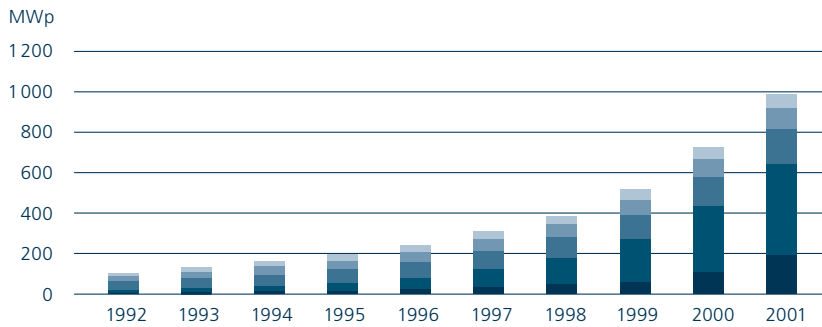
The total installed capacity of photovoltaic systems amounted to approximately 980 MW at the end of 2001. Currently, the market is dominated by Japan, Germany and the USA. The share of these nations in the worldwide installed capacity is more than 80 per cent. The highest growth rates are presently recorded in Germany.

¹ Christoph Butz, "PV 2002 – Markt, Akteure und Prognosen", Sarasin Study, Basle, August 2002; "Trends in photovoltaic applications in selected IEA countries between 1992 and 2001", IEA-PVPS, HC Swindon, August 2002.

In Europe, Spain, France, Austria and Italy are among the most promising markets.

Regional breakdown of accumulated worldwide installed photovoltaic capacity

- Other countries
- Europe
- USA
- Japan
- Germany



Source: IEA-PVPS, HC Swindon, August 2002.

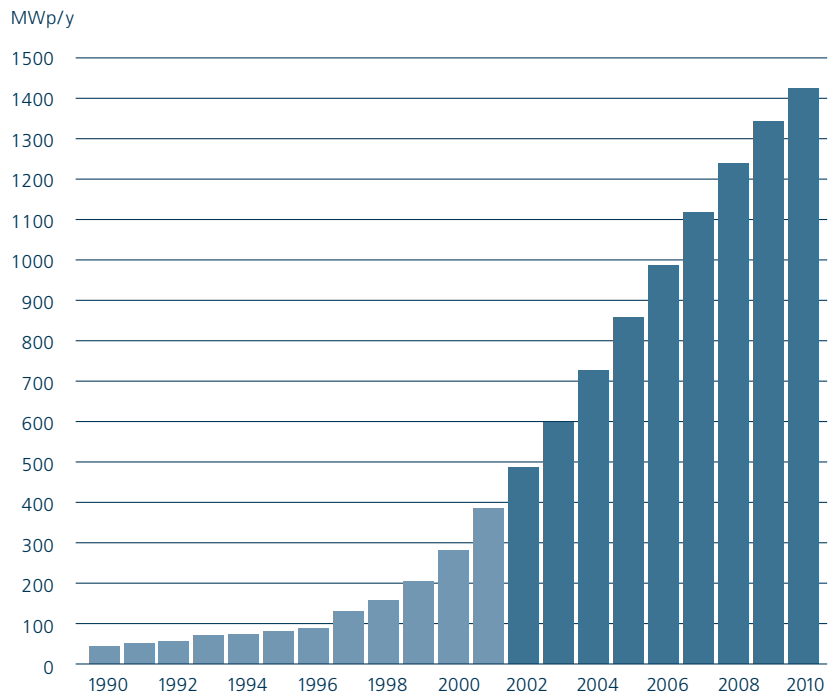


In connection with the promotion of Renewable Energies, the European Union plans to install approximately three GW of photovoltaic capacity in its member states by 2010. Currently, the installed capacity is about 450 MW. In Europe, in addition to Germany, the most important market, Spain, France, Luxembourg and Austria have meanwhile also adopted fixed energy feeding rates, partly in combination with investment grants for the construction of solar systems. Several other European countries (inter alia Italy, Switzerland, the Netherlands) mainly focus on investment grants.

The prospects for Japan and the USA are basically also sound. Although the 70,000 Roofs Programme of the Japanese Government ending in spring 2003 will continue to act as a driving force for only a limited period of time, experts do not expect any serious decline. The Japanese Government has adopted provisional regulations to at least partly offset the discontinuation of the 70,000 Roofs Programme. In the USA, the One Million Roofs Programme, scheduled to expire in 2010, is supported by measures of individual Federal States. California is extremely active in this area.



Market development 1990 to 2010

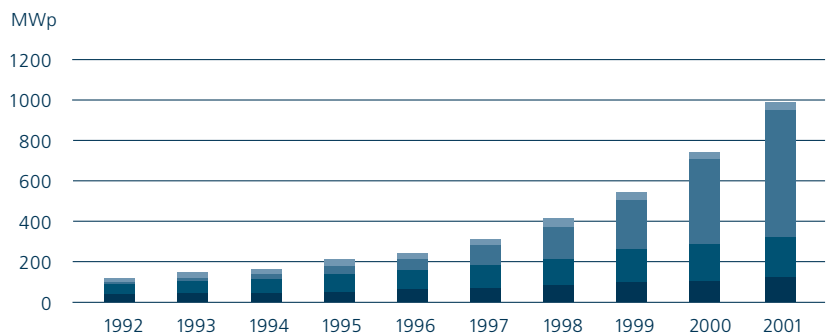


Source: Sarasin Study, Basle, August 2002.

The annual sales volume is expected to rise to 1,450 MW by 2010. This corresponds to an average annual growth of 16 per cent. An annual growth of more than 20 per cent is expected for the near future.

Accumulated worldwide installed photovoltaic capacity by areas of application

- Central systems connected to the public electricity system
- Local systems connected to the public electricity system
- Insular systems in the non-residential sector
- Insular systems on residential buildings



Source: IEA-PVPS, HC Swindon, August 2002.



The market share of systems that are connected to the public electricity network has for the first time exceeded the 50 per cent threshold. In the mid 1990s, their market share was about 20 per cent. Government promotion programmes are mainly targeted at this market segment. In 2001, the market volume has grown by 65 per cent against the prior year. Together with applications in the developing countries, this area will continue to record the strongest growth. In cooperation with national governments, the World Bank has initiated models for the funding of photovoltaic systems in rural regions. In the various production processes, poly-crystalline cells have for the first time reached a market share of more than 50 per cent. Although new technologies are currently being developed (thin-film, melt-draw procedure etc.), poly-crystalline raw material should remain predominant in the foreseeable future. The industry has recognized the threatening problem of raw materials scarcity and started numerous initiatives to secure an adequate supply of silicon suitable for solar cells.

The photovoltaics market in Germany recovered at the end of 2002

In Germany, the development in 2002 was very erratic. While in January and February 2002 almost 1,000 applications had been received by Kreditanstalt für Wiederaufbau under the 100,000 Roofs Programme, the demand slowed down to some extent in subsequent months. In particular in the 3rd quarter, the demand virtually ceased to exist. At the year-end, however, a significant turnaround became apparent, and the volume of applications and sales rose substantially. For the total year 2002, a market volume at about the prior year level is now expected (76–78 MW). The accumulated installed capacity in Germany at the end of 2002 amounted to approximately 270 MW.

Despite the difficult market development in Germany in 2002, our assessment of the German market continues to be positive. The political environment in Germany still seems favourable. Inter alia the formerly existing 350-MW-cap under the Renewable Energies Act (Erneuerbare-Energien-Gesetz – EEG) was increased to one GW in the summer of 2002 and thus practically abolished at least for the next years. The energy feeding rates guaranteed under the EEG will thus also be maintained in the future.

Its concentration on new, innovative technologies and products gives Sunways an advantage over the mass producers.



C. Business divisions

Solar cells

Sunways has positioned itself as a flexible high-quality provider

In the solar cells business division, Sunways AG concentrates on the production and distribution of solar cells based on poly-crystalline raw material. This is where the Company expects the highest growth rates in the near future. In terms of efficiency rates and optical appearance of the solar cells offered, we clearly operate in the upper market segment.

Currently, the market for solar cells is dominated by large, multinational conglomerates for whom the production of solar cells only represents an interesting additional segment but no core business. Due to its clear focus on the photovoltaic business and new, innovative technologies and products as well as the great flexibility of its manufacturing capacities, Sunways, as a medium-sized enterprise, is extremely well positioned and established in the market.

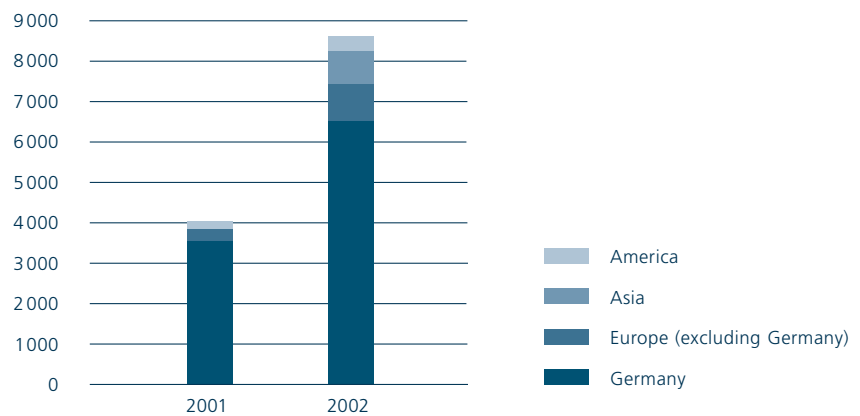
Sales more than doubled

Sales in the solar cells business division rose from k€ 4,015 to k€ 8,635 against the prior year. This corresponds to an increase of 115 per cent. The contribution to total sales of Sunways AG amounted to 34 per cent (prior year: 19 per cent) and thus also markedly increased.

To reduce the dependence on the German sales market, we have successfully continued our internationalisation efforts. The share of sales generated outside Germany rose to 26 per cent in the past fiscal year (prior year: eleven per cent).



Geographic breakdown of sales of solar cells
in k€



As planned, a major portion of sales in the area of solar cells accounted for standard solar cells.

With our transparent POWER Cell, with which additional interesting projects were implemented in the past fiscal year, we recorded increasing sales figures. In the 3rd quarter, the largest order so far was delivered: A transparent solar façade was installed at the summit station of the Kriegerhornbahn in Lech am Arlberg (Austria). The solar system has an installed capacity of approximately eleven kWp and was commissioned in early December 2002. Additional projects in Germany and abroad are in the stage of concrete planning.

Increase in efficiency rate and productivity
offset price decline

The prices in the solar cell market declined in 2002. The decrease in prices against the beginning of the year amounted to approximately ten per cent. We were able to largely offset this decline by significantly improving the average efficiency rate of the solar cells produced as well as by increasing productivity.

The capacity of the production facility in Constance was doubled to approximately ten MW as of the year-end.



Production increased by 30 per cent

In the past fiscal year, the production output was approximately 4.5 MW. This corresponds to a significant expansion against the prior year by 30 per cent. Earlier than planned, we were able to improve the average efficiency rate of solar cells based on multi-crystalline silicon from 14 per cent to more than 14.5 per cent. At present, peak efficiency rates of up to 15.7 per cent are achieved. The preparations for the introduction of an extended shift model to expand the capacities at the Constance site were successfully completed in the 4th quarter. At the beginning of 2003, the establishment of a continuous shift operation (seven days per week) was initiated as planned. As of the year end, we were able to double capacities to approximately ten MW per annum through selective expansion measures at the production facility in Constance. Furthermore, as our production line has become even more flexible, we are able, in addition to solar cells with a 100x100 mm format, also to produce solar cells with formats of 125x125 mm and 150x150 mm. The expansion and flexibility measures implemented in the 4th quarter during day-to-day operations have temporarily affected the throughput and thus also our result. This short-term negative effect will, however, in the future be more than offset by substantially rising sales and results.

Declining purchase prices

Delivery of the wafer material required in 2002 at stable prices was secured by framework agreements. Our wafer suppliers have commissioned new production facilities in 2002 which has resulted in a relaxation of the wafer supply situation. Due to the commissioning of additional capacities also in 2003 and the resulting economies of scale with respect to the production of silicon wafers, we expect prices to decline. The prices of other raw materials for the production of solar cells also slightly decreased.

Sunways maintains technological leadership

The international research project RGSells ("Ribbon Growth on Substrate Solar Cell Technologies") was started in January 2002. Headed by the Dutch research institute ECN (Energieonderzoek Centrum Nederland) and in cooperation with the University of Constance, a new production technology for the cost-effective



manufacturing of silicon wafers will be developed over the next three years until ready for production. A first pilot plant has already been set up at ECN. Upon successful completion of the project, the former wafer costs may be reduced to 30 per cent.

In April 2002, we started another major research project. The target is to reduce the costs of the production of solar cells and to open up new markets through improved aesthetics. We will contribute our core competence in the production of the only transparent solar cell worldwide on the basis of crystalline silicon to the PROKON research project (provisional title for "Entwicklung von PROduktionstechniken zur industriellen Herstellung und Verschaltung innovativer kostengünstiger RückKONTaktsolarzellen aus kristallinem Silizium"): the technology of the mechanical structuring process of silicon wafers. The use of the new reverse-contact solar cell involves a cost reduction compared to traditional solar cells for various reasons: Lower-cost silicon material may be used and the processing into solar modules is facilitated. In addition, thinner silicon wafers can be used. A positive side effect are the improved aesthetics of the front that create a strip-free homogenous surface so that the reverse-contact solar cell may be integrated into façades without problems.

Among other things, the focus in research and development still is on the reduction of production costs of the transparent POWER Cell as well as on the continuous increase of the efficiency rates of this type of solar cell as well as of the opaque PLUS Cell. Here Sunways has achieved a marked improvement of average efficiency rates in the past fiscal year. Intensive efforts to further increase these efficiency rates are under way. In addition, the Company is active in other research projects together with national and international research institutes and industrial partners.



In the 4th quarter 2002, MHH Solartechnik GmbH again recorded a strong increase in demand.

Investments

In the past fiscal year, investments in the solar cell sector amounted to k€ 829, mainly relating to the completion and expansion of the production facility, capitalised development costs as well as EDP hardware and software.

Solar systems and projects

Intensified distribution efforts were successful

Business development in the first nine months, in particular in the 3rd quarter 2002, was characterised by restraint. As a result of a slight decline in sales against the prior year, price competition increased, in particular in the German market. In the 4th quarter, the market recovered significantly. In addition, distribution efforts were intensified to that this business sector grew again as of the year-end.

Sunways has even won new market shares in this difficult environment. About 25 to 30 enterprises are considered to be direct competitors of our system house, MHH Solartechnik GmbH, Tübingen. Like MHH, they are able to directly purchase modules and inverters and have the technical know-how required to install complex solar systems. In 2002, MHH has slightly improved its position among the ten largest system houses in Germany and maintains a market share in Germany of about five per cent.

The focus of MHH's business is on the distribution of systems connected to the network, as the highest growth rates are achieved in this area. Currently, the trend in the business with systems connected to the network is clearly towards larger photovoltaic systems. Due to its long-standing experience with complex projects, MHH is well positioned in the market.



Stable sales despite weak market

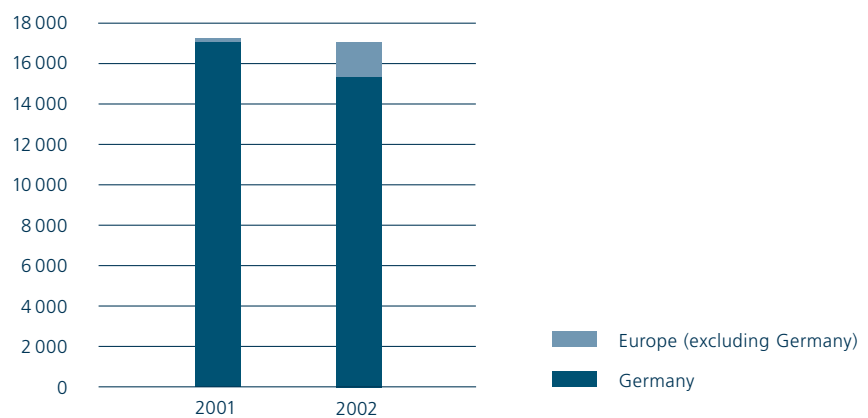
Sales in the business segment of solar systems and projects remained almost stable, despite the difficult market environment. Following a slowdown in the middle of the year, in particular in the 3rd quarter 2002, the Company returned to its growth path in the 4th quarter. Although sales in the first nine months were five per cent below the comparable prior year figures, the 4th quarter experienced a five per cent rise even against the very strong prior year quarter.

The market launch of the solar module introduced in autumn 2001 under the "MHH" brand name was extremely successful. In the fiscal year 2002, about 20 per cent of solar module sales accounted for this module type. The Company expects this high-end quality product to continue to generate increasing sales contributions in the future.

We also want to reduce the dependence on the German sales market in the system and project business. We have already generated ten per cent (prior year: one per cent) of sales in the European neighbouring countries in 2002 (mainly in Switzerland and Austria). We will continue this internationalisation strategy:

In mid 2002, we have inter alia initiated the development of the Spanish market. In 2003, we will for the first time generate significant sales in this country.

Geographic breakdown of sales of solar systems and projects in k€





Further growth expected

On the one hand, there are long-term framework agreements with individual wholesale customers on the delivery of solar systems in the system business. As a consequence of continued state promotion programmes, Sunways also expects the positive development in the project area to persist. Due to the high quality of services offered, the Company anticipates further sales growth also in this area.

As a result of the intensified competition, prices for solar systems, mainly in Germany, declined markedly. This development was largely offset by lower purchase prices negotiated with our suppliers.

Production partnerships to secure success

In the system and project business, the Company concentrates on its core competences and, therefore, does not have the production capacities for inverters and modules. There are long-term supply contracts with reliable partners. The inverters developed by us in Constance are manufactured by a German cooperation partner in Hungary. Thus we combine high quality and cost-effective production.

The modules distributed under the "MHH" brand name are produced by a renowned German module manufacturer in accordance with our specifications to stress the high quality requirements in this area.

Dependence on suppliers further reduced

In 2001, the market in the system and project business was still characterised by a scarcity of solar modules. In the past fiscal year, however, the increased capacities of suppliers as well as the moderate demand have resulted in a sufficient supply of system components. The Company has also entered into long-standing partnerships with its suppliers in the system business so that it is able to calculate on a stable basis.

We have offset the price decline in the sales market by corresponding price reductions on the procurement side.

The Company expects again to be supplied with an adequate number of units in 2003. In addition, the dependence on existing suppliers was markedly reduced by the successful introduction of the MHH module.



New inverter generation ready for market launch

In the period under review, the Company has continued its intensive development activities in the area of new inverters. Following the successful market launch of the NT 1800, the serial production of the new generation of inverters will start in spring 2003. The new inverters inter alia have further improved efficiency rates. The development cooperation with the Fraunhofer Institute for Solar Energy Systems, ISE, Freiburg, which was started in spring 2002, has already been successful in this area and resulted in a first patent application. Sunways was granted the worldwide exclusive license for the utilization of this patent.

MHH completely integrated

As planned, Sunways has acquired the remaining shares (48.57 per cent) in MHH Solartechnik GmbH, Tübingen, in the period under review. The acquisition was effected against the issuance of 314,070 shares of Sunways AG. Thus the business segment of solar systems and projects was further strengthened. MHH is a strong distribution channel that is well-established in the market and enables us to sell our products also directly to end customers. Investments in fixed assets amounted to k€ 679 and related mainly to the acquisition of goodwill, capitalised development costs, non-recurrent payments for licenses as well as utilization rights in the area of inverters.

A fast innovation rate and many changes make high demands on our employees.

D. Personnel and social matters

Qualified employees are a major success factor for Sunways. In the past fiscal year, our employees were again required to make a substantial effort to successfully manage the Company's significant growth. The Management Board would like to take this opportunity to expressly thank our employees for their commitment. Daily working life will continue to be characterised by a fast innovation rate and numerous changes in the implementation of our ambitious goals.

Increase in workforce completed

Following the strong growth of the past years, the Company experienced a stabilisation in the personnel area. As of 31 December 2002, Sunways employed a staff of 102 (as of 31 December 2001: 94).

The breakdown of employees by function is as follows:

	2002	2001
Production	56	56
Research and development	10	8
Marketing, distribution and projects	22	20
General and administration	14	10
Total	102	94



Share options secure long-term commitment

As an additional incentive and for a long-term attraction of qualified employees, the Company has established an employee participation programme in the year 2000.

The Company was authorised to issue up to 400,000 share options to the members of its Management Board, members of management of associated companies as well as to employees of the Company and its associated companies. Each option entitles the holder to purchase one share. 120,000 of the options are earmarked for members of the Management Board of Sunways AG, 120,000 for members of management of associated companies and 160,000 for employees of the Company and its associated companies.

In the period under review, 67,000 new share options were issued to Group employees.

E. Financing

Equity ratio at 57 per cent

In connection with the acquisition of the remaining shares in MHH Solartechnik GmbH, Tübingen, a capital increase against contributions in kind was implemented at Sunways AG by 314,070 non-par value shares to bearer with a notional share in the total share capital of € 1.00 each. The pre-emptive rights of existing shareholders were excluded with respect to the capital increase.

As of 31 December 2002, the Company's equity ratio was a comfortable 57 per cent.

The redemption of the bank loans raised in connection with the development of production facilities was continued according to plan in 2002. Redemption payments in the past fiscal year amounted to k€ 556.



F. Financial position

Capital tie-up to be reduced further

The development of the Company's financial position in the period under review was inter alia characterised by scheduled additional investments in intangible assets (development costs in accordance with IAS 38), the acquisition of the remaining shares in MHH Solartechnik GmbH as well as the completion and expansion of the production facilities in Constance.

Under current assets, working capital rose further as a result of the expansion of business activities. Following a marked rise, in particular in the area of inventories, during the course of the year, we have again significantly reduced inventories as of 31 December 2002 through our intensified distribution efforts. In 2003, we intend to further reduce the capital tie-up in working capital.

Liquid funds as of the year-end amounted to k€ 4,132 (prior year: k€ 7,839).

Following a decline in liquid funds in the first nine months, we were able for the first time to generate a liquidity surplus in the 4th quarter.

G. Environmental protection

Environmental protection beyond the standards required by law

At its production facilities in Constance, the Company utilises state-of-the-art technologies, also in the environmental protection sector.

Thus, within the framework of a heat recovery system, for example, part of the energy required is self-generated. In addition, the Company has exhaust air decontamination systems which exceed the minimum standards required according to the Federal Act on Air Pollution Control. The recycling quota for water, which accounts for a considerable part of supply costs, is at more than 50 per cent, i. e. a significant portion of the water used can be re-used in the production process.



H. Risk report 2002

From the Company's point of view, there are currently the following major risk factors. The term "risk" describes the possibility of unfavourable developments in the future the occurrence of which is likely, although not to a large extent. The order of the following presentation is not meant to be a weighting of risks by their impact on the Company or the probability of their occurrence. In addition to the risks and uncertainties described below, the Company may be subject to various other risks and uncertainties which are presently unknown or deemed to be insignificant.

Considering the following risk factors, it should be noted that none of these factors presently jeopardises the continuation of the Company.

Major risks

Dependence on a limited number of production lines

The Company currently has only one production line in operation on which its various types of solar cells are produced. The construction of further production lines is planned to occur gradually over the next few years. The Company may be unable to meet its agreed delivery obligations, be subject to compensation claims, or permanently lose customers if individual components of its production line should fail and it is partially or completely impossible to rapidly repair these components, procure replacement equipment, switch to other equipment or make up for downtime.

Overall economic development, changes in framework conditions

The focus of Sunways' business activities is on the production of solar cells as well as the sale and installation of photovoltaic products. The Company, therefore, is dependent on the overall development in this market segment. The overall development may be particularly affected by framework conditions which generally cannot be influenced by the Company. These framework conditions may also include the availability of state promotion programmes for the installation and operation of solar equipment, e.g. in the form of grants, low-interest loans or tax concessions. Changes in these as well as in overall



economic framework conditions may cause customers or potential customers of Sunways to reduce or postpone their investments in the Company's products and services.

Dependence on customers

Worldwide there is a growing but still relatively small sales market for the solar cells produced by the Company. Therefore, Sunways AG has only a small circle of customers in the solar cell production sector. In the fiscal year 2002, sales to the ten largest customers accounted for approximately 88 per cent (prior year: 96 per cent) of total sales in this business segment. In the solar systems and projects area sales with the ten largest customers accounted for approximately 69 per cent (prior year: 61 per cent) of total sales. Sales in this segment are generated with a markedly larger number of customers.

Dependence on suppliers

The Company currently purchases the silicon wafers from which it produces its solar cells from two major suppliers. Even though there are practically unlimited amounts of silicon, in the form of quartz sand, on earth and the Company has contractually secured the wafers expected to be necessary to meet its production capacity in 2003, the loss of one of its suppliers could have an adverse effect on its production capacity and, thus, on its financial position and results of operations.



Risk management system in accordance with § 91, subparagraph 2 of the Stock Corporation Act

The Company has further optimised its risk management system in the current fiscal year. In this context the Company differentiates between strategic and operational risks.

Among the strategic risks, the customer and supplier structures have been currently determined to be the most significant. To control and manage these risks, Sunways keeps in contact with its customers and suppliers in order to identify changing market conditions and requirements as early as possible. In addition, the efforts to reduce the risks in these areas were continued in the year under review by broadening the client as well as the supplier base.

In the area of operational risks, the focus was on the production risk. In this sector, the Company has installed an extensive controlling system which permits the ongoing comparison of the quantities produced with the targeted quantities and an early adjustment of any variations. In addition, the quality controls at individual stages were integrated into an extensive quality control system. Thanks to this system it is possible to widely supervise and control production quality, beginning with the inspection of ingoing shipments, via an ongoing quality check at the individual stages of the production process. The relevant information is made available at short notice to the Management Board and the employees in charge.

Due to the introduction of an integrated, group-wide ERP system completed in early 2002, the information required for the risk management system is condensed further and made available on an ongoing basis. This information enables management to respond rapidly to any changes in the Company's risk situation.

In the fiscal year 2003, a two-digit sales growth is anticipated. The result will be markedly positive.



I. Outlook

Striving for a positive result for the year 2003

The moderate overall economic development in Germany as well as on a global basis should, in the opinion of experts, initially continue in 2003. This aspect as well as the uncertainty with respect to the current development in the Middle East and the danger of war also make any prognosis for the photovoltaic market more difficult.

While the development in the fiscal year 2002 was initially characterised by restraint, a significant upswing has started in the 4th quarter, in particular in Germany. The Company anticipates this positive trend to continue. Sales are expected to post a two-digit growth. The Company expects a markedly positive result for the first time in 2003.

Constance, February 2003

Sunways AG



Consolidated Financial Statements (IAS)

Consolidated balance sheet as of 31 December 2002

	Notes	31/12/2002	31/12/2001
		k€	k€
Assets			
Current assets			
Liquid funds	C.1.	2,614	3,403
Marketable securities	C.2.	1,518	4,436
Trade receivables	C.3.	3,926	3,416
Inventories	C.4.	6,770	5,652
Prepayments and other accrued income and other current assets	C.3.	380	516
Total current assets		15,209	17,423
Tangible fixed assets	C.5.	6,337	6,862
Intangible assets	C.6.	1,407	882
Financial assets	C.7.	8	8
Goodwill	C.6.	383	65
Deferred taxes	C.8.	3,648	2,630
Total assets		26,992	27,870

Possible rounding differences.



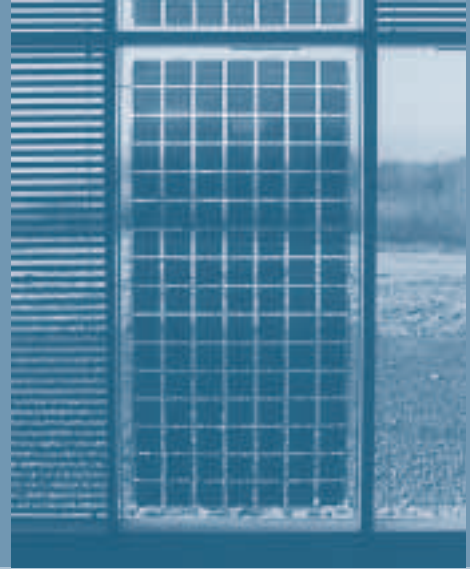
	Notes	31/12/2002	31/12/2001
		k€	k€
Liabilities and Shareholders' Equity			
Current liabilities			
Short-term loans and current portion of			
long-term loans	C.10.	1,038	715
Trade payables	C.10.	4,281	3,684
Provisions	C.10.	507	710
Income tax payable		20	84
Other current liabilities	C.10.	441	284
Total current liabilities		6,288	5,477
Long-term loans	C.11.	4,769	5,507
Deferred taxes	C. 8.	516	369
Minority interests		0	220
Shareholders' Equity			
	C.12.		
Subscribed capital		9,514	9,200
Capital reserve		14,160	13,986
Accumulated profit/loss		-8,255	-6,889
Total Shareholders' Equity		15,419	16,297
Total liabilities and Shareholders' Equity		26,992	27,870

Possible rounding differences.

Consolidated income statement for the fiscal year 2002

	Notes	01/01/2002 – 31/12/2002	01/01/2001 – 31/12/2001
		k€	k€
Sales	D.1.	25,765	21,314
Changes in inventories of finished and unfinished goods		1,662	2,305
Gross performance		27,428	23,619
Other operating income	D.2.	653	279
Cost of materials		-22,275	-20,073
Personnel expenses		-3,853	-3,235
Depreciation and amortisation	D.3.	-1,154	-822
Other operating expenses	D.4.	-2,579	-3,093
Operating result (EBIT)		-1,779	-3,325
Interest income/expenses	D.5.	-436	116
Result before taxes and minority interests		-2,215	-3,209
Taxes on income	D.6.	836	1,216
Result before minority interests		-1,378	-1,993
Minority interests		13	-74
Consolidated net income/loss		-1,366	-2,067
Profit/loss brought forward		-6,889	-4,822
Accumulated profit/loss		-8,255	-6,889
Earnings per share		-0.15	-0.23
Average number of shares outstanding		9,234,419	8,940,963

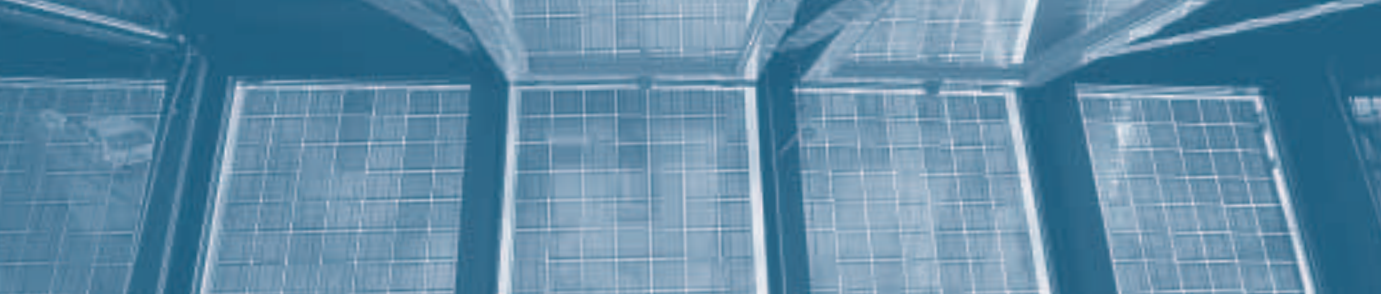
Possible rounding differences.



Changes in Shareholders' Equity from 1 January 2002 to 31 December 2002

	Subscribed capital	Contributions made for the implementation of the capital increase	Reserves	Profit/ loss brought forward	Total
	k€	k€	k€	k€	k€
1 January 2001	5,484	1,097	6	-4,821	1,765
Reclassification	1,097	-1,097			0
Capital increase against cash contribution	2,619		15,714		18,333
Costs of initial public offering (after taxes)			-1,528		-1,528
Revaluation of marketable securities			-206		-206
Net loss				-2,068	-2,068
31 December 2001/					
1 January 2002	9,200	0	13,986	-6,889	16,297
Capital increase against contribution in kind	314		220		534
Revaluation of marketable securities			-46		-46
Net loss				-1,366	-1,366
31 December 2002	9,514	0	14,160	-8,255	15,419

Possible rounding differences.



Consolidated cash-flow statement for the fiscal year 2002

	01/01/2002 – 31/12/2002	01/01/2001 – 31/12/2001
	k€	k€
Operating activities		
Result before taxes and minority interests	-2,215	-3,210
Adjustments for:		
Income tax payable	-34	-129
Depreciation and amortisation	1,154	822
Book gains (-)/losses from disposal of fixed assets	11	0
Minority interests	13	-74
Operating results before changes in net current assets	-1,071	-2,591
Changes in assets and liabilities		
Increase (-)/decrease in receivables and other current assets, accruals and deferrals and deferred tax assets	-374	-3,318
Increase (-)/decrease in inventories	-1,118	-3,011
Increase/decrease (-) in trade payables and other short-term provisions, liabilities and deferred tax liabilities	488	1,902
Cash provided by operating activities	-2,076	-7,018
Investment activities		
Purchase of fixed assets	-1,167	-3,711
Cash provided by the disposal of fixed assets	24	0
Cash used for the acquisition of consolidated companies	-547	0
Cash used for investment activities	-1,690	-3,711

Possible rounding differences.

	01/01/2002 – 31/12/2002	01/01/2001 – 31/12/2001
	k€	k€
Financing activities		
Cash provided by/used for (-) long-term loans	- 738	- 998
Cash provided by/used for (-) short-term loans	323	17
Contributions to subscribed capital and capital reserves	488	16,599
Minority interests' share in profit and loss	- 13	74
Cash provided by/used for financing activities	61	15,692
Net increase/decrease of liquid funds	- 3,705	4,963
Cash and cash equivalents at the beginning of the reporting period	7,837	2,874
Cash and cash equivalents at the end of the reporting period	4,132	7,837
Composition of liquid funds at the end of the reporting period		
Marketable securities	1,518	4,436
+ Cash and cash equivalents	2,614	3,403
	4,132	7,839

Possible rounding differences.

Notes to the Consolidated Financial Statements (IAS) of Sunways AG, Constance, as of 31 December 2002

A. General information, preparation principles and premises

Sunways Aktiengesellschaft has its registered office in Constance and is recorded in the Commercial Register B of the Constance local court (Amtsgericht) under number 1661.

The purpose of the Company is to develop, manufacture and trade in objects for the utilisation of solar energy and related technologies, including accessories.

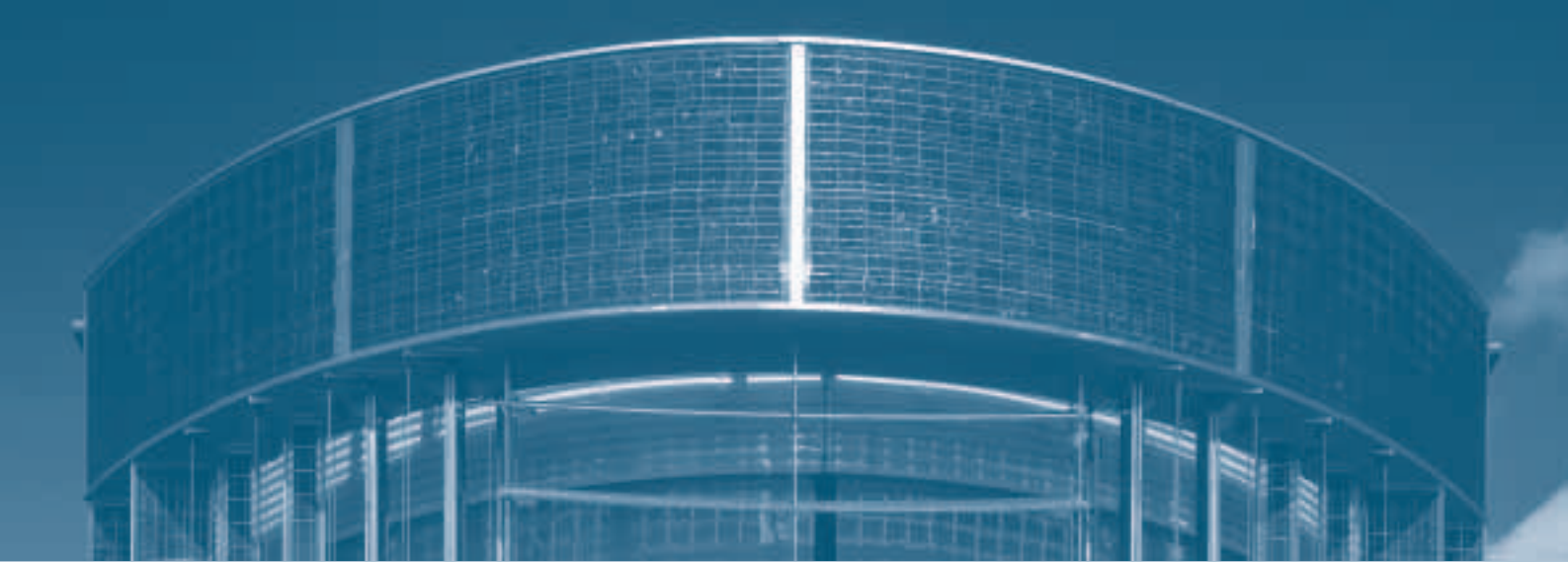
The Company may establish branch offices at home and abroad, establish and purchase other companies or take a stake in them and enter into inter-company agreements with them.

The focus of the Sunways Group, on the one hand, is on the business area of production and distribution of solar cells based on poly-crystalline silicon. Another business segment comprises the distribution of and project activities relating to photovoltaic systems connected to the network (solar systems).

Sunways AG, Constance (hereinafter "Sunways AG" or the "Company") has prepared consolidated financial statements for the fiscal year 2002. The consolidated financial statements were prepared in accordance with § 292a of the Commercial Code (HGB) as well as with the rules and regulations of the Neuer Markt in compliance with International Accounting Standards (IAS). Pursuant to § 292a HGB, the consolidated financial statements are operative as a discharge.

The consolidated financial statements are based on uniform accounting and valuation principles. Use is made of the framework principles and the individual International Accounting Standards (IAS) applicable as of the balance sheet date. Similarly, the interpretations of the Standard Interpretations Committee (SIC) published on the balance sheet date are taken into account.

Compliance of the consolidated financial statements with the 7th EU Directive is based on the interpretation of the directive in accordance with the German Accounting Standard No. 1 (DRS 1).



The consolidated financial statements have been prepared in whole thousands of Euros. For this reason, rounding differences are possible.

Individual items of the consolidated balance sheet and the consolidated income statement have been combined to improve the clarity of presentation.

The annual financial statements of the companies included in the consolidated financial statements were prepared as of the date of the consolidated financial statements in accordance with uniform accounting and valuation principles.

B. Information on consolidation scope and methods

1. Consolidation scope

In addition to Sunways AG as the parent company, the following company in which Sunways AG directly holds the majority of voting rights and exercises uniform management, was included in the consolidated financial statements as of 31 December 2002:

Company	Registered office	Shareholders' Equity	Equity interest
		31/12/2002	31/12/2002
		k€	in %
MHH Solartechnik GmbH	Tübingen, Germany	578	100

MHH Solartechnik GmbH, Tübingen (hereinafter also "MHH") is mainly active in the areas of distribution of solar systems as well as planning and implementation of large solar projects. In the year under review, the remaining 48.57 per cent of the shares in MHH were acquired as planned. The acquisition was effected against the issuance of 314,070 non-par value shares to bearer of Sunways AG. The acquisition was based on a valuation opinion in accordance with the principles of the IdW (Institut der Wirtschaftsprüfer – Institute of Auditors). The

acquisition costs for the remaining shares, including incidental expenses, amounted to k€ 547. Thus Sunways AG holds 100 per cent of the company's shares. The first consolidation of the additionally acquired equity interest has been effected as of 22 November 2002 in accordance with IAS 22.21 et seq. In addition, there is a 33.3 per cent equity stake in Beteiligungsanlage für Solarstrom Villingen-Schwenningen GbRmbH. Due to its minor importance, this participation is not included in the scope of consolidation.

2. Consolidation methods

Capital consolidation is performed using the book value method. The acquisition costs of the investment are offset against the proportional book value of its Shareholders' Equity at the time of initial inclusion in the consolidated financial statements. The resulting goodwill has been capitalised and written off using the straight-line method over an estimated useful life of five years.

Material inter-company profits and losses, sales and expenses and income as well as the receivables and payables existing between the consolidated companies have been netted. The results of inter-company services have been eliminated. Deferred taxes have been recorded with respect to consolidation procedures to the extent that any difference in tax expenses is expected to be offset in subsequent years.

C. Notes to the consolidated balance sheet

1. Liquid funds

Liquid funds are carried at nominal value.

The development of liquid funds, which form the financial resources in accordance with IAS 7, is shown in the cash-flow statement.

2. Marketable securities

All marketable securities are carried at their market values. If the market value differs from the acquisition cost as of the balance sheet date, unrealised profits and losses are included in Shareholders' Equity in accordance with IAS 39 without affecting income.

3. Trade receivables, other assets and prepayments and accrued income

	31/12/2002	31/12/2001
	k€	k€
Trade receivables	3,926	3,416
Other assets and prepayments and accrued income	380	516
	4,306	3,932

All receivables and other assets have a remaining term of below one year. Prepayments and accrued income include discounts of k€ 40.

Trade receivables are recorded at their nominal value. Sufficient account has been taken of risks of default by way of allowances.

Receivables in foreign currencies are translated in accordance with IAS 21.9 at the rate prevailing on the transaction date and subsequently valued at the rate of the balance sheet date in accordance with IAS 21.11. No substantial foreign currency receivables existed on the balance sheet date.

Other assets are recorded at their nominal value. These are essentially claims for sales tax and corporate income tax refunds as well as accrued interest.

4. Inventories

	31/12/2002	31/12/2001
	k€	k€
Raw materials and supplies	1,171	899
Work in progress	659	716
Finished goods and merchandise	4,940	4,037
	6,770	5,652

As a rule, inventories are carried at their acquisition or production costs.

In addition to directly attributable prime costs, the production costs also include all attributable overhead, including adequate depreciation of production installations. Financing costs have not been capitalised since the direct correlation requirement in accordance with IAS 23.11 has not been met.

Insofar as necessary, inventories were recorded at the lower realisable net sales value. No reinstatement of original values was necessary in the reporting period.



5. Tangible fixed assets

Tangible fixed assets are carried at acquisition or production cost less scheduled and, where appropriate, unscheduled depreciation. Financing costs are not capitalised in accordance with IAS 23.7.

Tangible fixed assets are written off over the economic useful life of between two and ten years. Account is taken of material residual values in the determination of depreciation. Maintenance costs are recorded directly as expenses. No positions pursuant to IAS 17.3, i.e. "finance leases" existed in the reporting period.

In the area of technical equipment, major additions relate to the further expansion of the solar cell production unit in Constance. In the area of plant and office equipment, the additions relate essentially to EDP hardware, communication equipment and other office equipment.

No material disposals occurred in the reporting period.

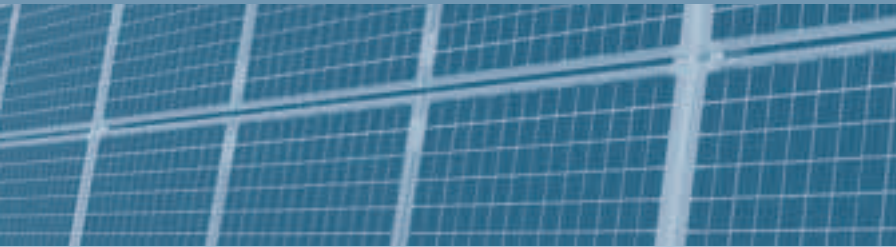
Changes in tangible fixed assets in 2002 are shown in the consolidated development of fixed assets.

6. Intangible assets

Intangible assets purchased are carried at acquisition costs plus costs incidental to acquisition. In accordance with their useful lives, they are reduced by scheduled depreciation using the straight-line method. Unscheduled depreciation is carried where necessary. The useful life of licences is between four and a half and ten years. Goodwill from capital consolidation is depreciated using the straight-line method over a useful life of five years affecting income.

In addition to goodwill from capital consolidation, the goodwill item includes goodwill with respect to Ingenieurbüro für Solartechnik Konstanz acquired in 1996 (k€ 16).

Pursuant to IAS 38, development costs for new products as well as the further development and improvement of production procedures were capitalised in the amount of k€ 538 in the reporting period; k€ 69 of this amount related to the development of the inverter NT 1800 and k€ 106 to the development of the inverter NT 5000. An amount of k€ 362 was used for further development to



reduce the production costs of the transparent Sunways POWER Cell. Valuation was based on IAS 38, subparagraph 53 et seq. External funding costs were not included. In the consolidated financial statements, internally produced and capitalised assets are directly offset against the related expense items (cost of materials k€ 121, other operating expenses k€ 55, depreciation and amortisation k€ 115 and personnel expenses k€ 246. The capitalised costs attributable to the relevant projects are depreciated from the time of their commercial use. Depreciation is carried out over the expected useful life of five years; in 2002 depreciation amounted to k€ 141.

Other additions primarily relate to licenses and software. No material disposals were recorded in the period under review. Changes in intangible assets in 2002 are shown in the consolidated development of fixed assets.

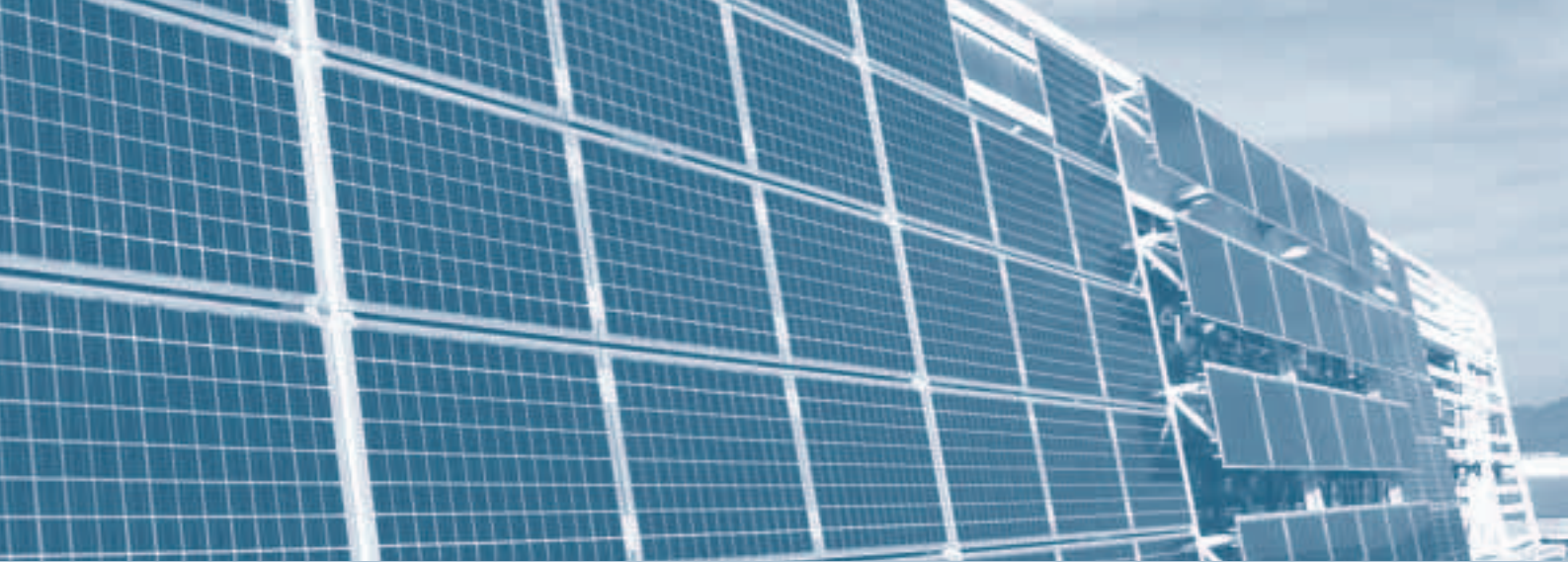
7. Financial assets

Financial assets relate to the investment in Beteiligungsanlage für Solarstrom Villingen-Schwenningen GbRmbH. The valuation was based on acquisition costs. Changes in financial assets in 2002 are shown in the consolidated development of fixed assets.

8. Deferred tax assets and liabilities

In general, deferred tax assets are created for all material timing differences between the commercial and tax balance sheet at the level of the individual companies as well as in the consolidated financial statements pursuant to IAS 12.

As of 31 December 2002, there were the following differences:



	31/12/2002		Deferred Taxes		31/12/2001		Deferred Taxes	
	Difference		Assets	Liabilities	Difference		Assets	Liabilities
	k€		k€	k€	k€		k€	k€
Valuation differences								
Inventories	-3		1		-42		16	
Intangible assets	1,099			-418	702			-267
Marketable securities	258			-98	268			-102
Provisions					-102		39	
Losses brought forward								
Income tax 2002	-2,819		1,071					
Income tax 2001	-6,777		2,575		-6,777		2,575	
Corporate income tax prior to 2001	-4,850		1,843		-4,850		1,843	
Trade tax prior to 2001	-878		96		-878		96	
Write-off of losses brought forward prior to 2001			-1,939				-1,939	
			3,648	-516			2,630	-369

Deferred taxes on losses brought forward were calculated at a tax rate of 38 per cent insofar as they had not been used by 31 December 2002. Additional account was taken of differences between losses carried forward for corporate income tax and for trade tax purposes at a rate of eleven per cent. In the reporting year, there were deferred tax assets on prior year losses carried forward of k€ 1,071. As in the previous year, deferred taxes on losses carried forward from fiscal years prior to 2001 were written off in full.

As in the prior year, deferred claims for corporate income tax reduction with respect to distributions were not capitalised (k€ 10) due to changes in German tax law (uniform tax burden on retained earnings as well as on distributed profits).

9. Liabilities

As a rule, liabilities are recorded at their repayment amount. On the balance sheet date, there were liabilities to banks secured by liens in the amount of k€ 4,464

(transfer by way of security of fixed assets, assignment of trade receivables, transfer by way of security of storage space, undertaking with respect to the availability of licences).

10. Short-term liabilities and provisions


Short-term loans relate to the current portion of long-term bank loans and current account liabilities. The average interest rate on short-term liabilities to banks is approximately six per cent.

Trade payables are exclusively to other enterprises.

Other liabilities include mainly sales tax, wage tax and church tax as well as social security contributions.

Other provisions take into account all identifiable obligations in respect of third parties in accordance with IAS 10.

	01/01/2002	Paid out/released	Additions	31/12/2002
	k€	k€	k€	k€
Personnel expenses	216	-216	187	187
Outstanding invoices received	156	-97	37	96
Anticipated losses related to incomplete contracts	102	-102	0	0
Warranties	79	-64	58	73
Costs of preparation and audit of the financial statements	55	-55	43	43
Annual report/publication	51	-51	30	30
Remuneration of the Supervisory Board	25	-19	42	48
Trade association	14	-14	25	25
Distribution fee	13	-13	0	0
Other	0	0	5	5
	711	-631	427	507



Foreign currency liabilities are translated at the rate prevailing on the transaction date in accordance with IAS 21.9 and 11 and the differences arising from variations in exchange rates are taken to income. There were no material foreign currency liabilities on the balance sheet date.

11. Long-term loans

Long-term loans relate to long-term liabilities to banks for the financing of capital goods. The average interest rate on long-term liabilities to banks is approximately 4.8 per cent.

Long-term loans include a typical silent partnership interest of Mittelständische Beteiligungsgesellschaft Baden-Württemberg GmbH ("MBG"). The silent partnership interest of k€ 1,021 was agreed upon in a contract dated 26 February 1999. The silent partnership has a term up to 30 June 2008. MBG primarily receives a progressive fixed interest rate over the term ranging from two per cent to seven per cent per annum as well as an additional profit-related remuneration which is limited to six per cent per annum until 30 June 2002 and to nine per cent per annum thereafter.

12. Shareholders' Equity

Share capital

At the beginning of the period under review, the Company's share capital amounted to € 9,200,000.

On 19 August 2002, the Management Board, with the consent of the Supervisory Board, resolved upon a capital increase by 314,070 non-par value shares to bearer with a notional share in the total share capital of € 1.00 each. The capital increase was implemented from authorised capital, excluding the pre-emptive rights of shareholders. The shares were granted as consideration for the acquisition of the remaining shares in MHH Solartechnik GmbH, Tübingen. The capital increase was recorded in the commercial register on 22 November 2002.

As of 31 December 2002, the Company's share capital amounted to € 9,514,070, divided into 9,514,070 non-par value shares to bearer with a notional share in the total share capital of € 1.00 each.



Authorised capital

A resolution of the extraordinary general meeting held on 20 December 2000 authorised the Management Board, with the consent of the Supervisory Board, to increase, on one or more occasions, the Company's registered share capital by up to € 4,600,000 through the issuance of up to 4,600,000 non-par value shares to bearer for cash and/or in-kind contributions (authorised capital) until 19 December 2005. The Management Board is authorized, with the consent of the Supervisory Board, to exclude existing shareholders' pre-emptive rights and to determine further details of the issuance of the new shares, in particular the conditions of the issue as well as the rights of these shares.

Exclusion of pre-emptive rights is permitted, in particular, to:

- exclude share fraction amounts from pre-emptive rights,
- acquire enterprises or an interest therein through the issuance of shares for cash or in-kind contributions, provided the acquisition is generally understood to be in the Company's best interest,
- implement cash capital increases for up to a total of ten per cent of the Company's share capital, provided the issue price of these new shares is not substantially lower than the price at which the Company's shares are traded.

Following the implementation of the capital increase by € 314,070 for the acquisition of the remaining shares in MHH Solartechnik GmbH, Tübingen, the authorised share capital amounts to € 4,285,930.

Conditional capital

Also pursuant to a resolution of the general meeting held on 20 December 2000, a conditional capital of € 400,000 was created to satisfy share option rights for the Company's employee participation programme (see item I.4. "Employees"). In this context reference is also made to the information under "Changes in Shareholders' Equity".

D. Notes to the consolidated income statement

The income statement was prepared using the total cost method.

1. Sales

	2002	2001
	k€	k€
Solar cells	8,635	4,015
Solar systems	17,130	17,299
	25,765	21,314

Domestic sales amounted to k€ 21,934 (prior year: k€ 19,087). International sales (i. a. in the Switzerland, Austria, Italy, Cuba, Hong Kong, Sweden) amounted to k€ 3,831 (prior year: k€ 2,227).

2. Other operating income

Other operating income was mainly generated from the provision of state aid for research projects and setting-in allowances from the employment office.

3. Depreciation and amortisation

Depreciation and amortisation includes amortisation of goodwill in the amount of k€ 22 whereof k€ 20 relate to goodwill from first consolidation.

4. Other operating expenses

Other operating expenses include mainly premises and operating costs as well as administrative and distribution costs.

5. Interest income/expenses

This item includes interest income in the amount of k€ 283.

6. Taxes on income

Tax expense includes corporate income tax and trade income tax. The corporate income tax rate, including solidarity surcharge, was 26.38 per cent, the average trade tax rate was approximately 17 per cent. Trade tax is deductible in the determination of the corporate income tax. Thus the tax burden in the year 2002 was 38.89 per cent. In 2002, taxes on income were k€ 34. Deferred tax assets amounted to k€ 870.

Deferred taxes were recorded in accordance with IAS 12 with respect to differences of accounting and valuation of the companies included in the consolidated financial statements as well as for consolidation measures affecting the result and losses carried forward.

The deferred tax expense and tax assets are set forth in the table below:

	2002	2001
	k€	k€
Losses brought forward for tax purposes	1,071	2,575
Intangible assets	-151	-268
Marketable securities	4	-102
Inventories	-15	3
Costs of initial public offering	0	-901
Provisions	-39	39
Deferred tax assets	870	1,346

The determination of deferred taxes was based on a 38 per cent tax rate.

The reconciliation of fictitious tax expense and actual tax expense is shown below:

	k€	k€
Net loss before taxes	-2,215	843
Non-deductible amortisation of goodwill		-7
Tax expense		836

7. Development costs

Development costs taken to expenses amounted to k€ 205.

E. Segment reporting

The following segment reporting shows a breakdown of the Company's business activities by the two major segments of solar cells (development, production and distribution of solar cells) and solar systems (development, production and distribution of inverters as well as distribution and project services for solar systems).

	2002			2001		
	Solar cells	Solar systems	Total	Solar cells	Solar systems	Total
	k€	k€	k€	k€	k€	k€
Sales	8,635	17,130	25,765	4,015	17,299	21,314
EBITDA	-990	365	-625	-3,215	711	-2,504
Depreciation and amortisation	-1,103	-51	-1,154	-779	-43	-822
EBIT	-2,093	314	-1,779	-3,994	668	-3,326
Segment assets	23,206	3,784	26,990	23,835	4,035	27,870
Segment liabilities	9,027	2,546	11,573	8,794	2,559	11,353
Investments	829	679	1,506	3,685	70	3,755

F. Changes in Shareholders' Equity

The development of the Company's Shareholders' Equity in the past fiscal year is set forth in the table "Changes in Shareholders' Equity 2002".

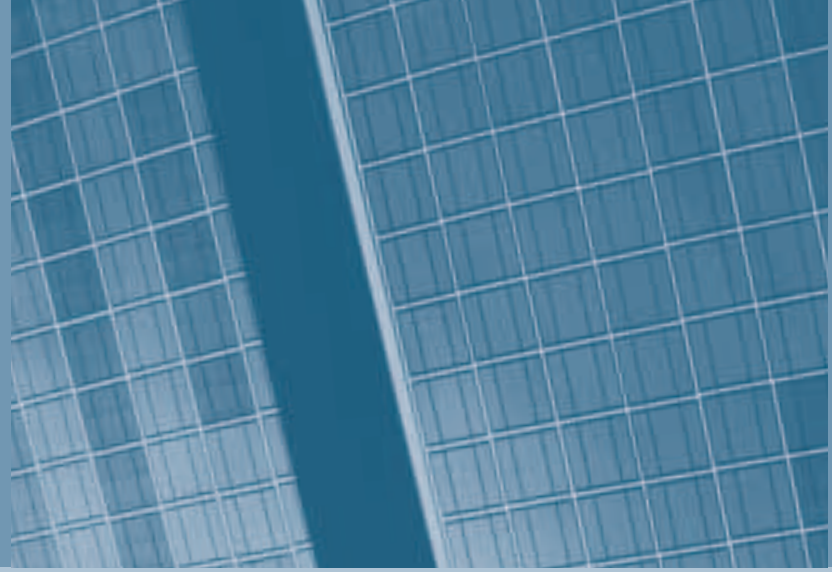
G. Earnings per share

	2002	2001
Result for the year/k€	-1,366	-2,067
Number of shares (weighted)	9,234,419	8,940,963
Earnings per share/€	-0.15	-0.23

The figures presented correspond to undiluted earnings per share within the meaning of IAS 33 ("basic earnings per share").

H. Notes to the consolidated cash-flow statement

The consolidated cash-flow statement shows how the Group's cash changed over the course of the reporting year as a result of the inflow and outflow of funds. In accordance with IAS 7 (Cash-Flow Statements), a distinction is made between cash-flows from operating, investing and financing activities. The liquidity shown in the cash-flow statement includes cash on hand, cheques, cash in banks and marketable securities.



I. Other information

1. Related parties

The following people, groups of people and companies are deemed related parties at 31 December 2002:

- Members of the Management Board and Supervisory Board of Sunways AG.
- Until the acquisition of the remaining shares by Sunways AG in the reporting period, Roland Burkhardt, Franz Heim and Otto Mayer were minority shareholders of the MHH subsidiary included in the consolidated financial statements. The premium with respect to the acquisition of the shares was based on a valuation opinion in line with market conditions.

2. Contingent liabilities

There were no material contingent liabilities on the balance sheet date.

3. Other financial obligations

Tenancy and lease contracts	k€
Due in 2003	179
Due in 2004 and later	635
Total	814



4. Employees

At year-end, Sunways AG employed a staff of 102, including the members of the Management Board (prior year: 94).

As an additional incentive and for a long-term attraction of qualified employees, the Company has established an employee participation programme in the year 2000.

Pursuant to a resolution of the ordinary general meeting held on 20 December 2000, a conditional capital of € 400,000 was created for the provision of share option rights to the Company's Management Board members and employees and for members of the management and employees of companies associated with the Company within the meaning of Sections 15 et seq. of the Stock Corporation Act. The Company was authorised to issue up to 400,000 share options to its Management Board members, management members of associated companies and to employees of the Company and companies associated with it. Each option entitles its holder to purchase one share.

120,000 of the options are for Management Board members of Sunways AG, 120,000 are for management members of associated companies and 160,000 are for employees of the Company and companies associated with it.

The waiting period for the first exercise of options is two years. Options may be exercised within five years after the expiry of the waiting period, but only between the 5th and 30th working day after the Company's ordinary general meeting.

Options may only be exercised if the closing price for the Company's shares on the last trading day of a calendar year preceding the exercise on the Xetra electronic trading system, has risen to a greater degree, in percentage terms, in comparison with the opening price on the first trading day of that calendar year or any system that may replace Xetra, than the weighted average price of all the shares traded on the Neuer Markt. The opening price and the closing price determined by Deutsche Börse AG of the NEMAX-All-Share-Index of the calendar year preceding the exercise in the electronic Xetra trading system or the respective subsequent system serves as the comparative index. In addition, the options may only be exercised when the price of the share in the electronic Xetra trading system, or the subsequent system, at the time of the exercise is not below the price of the share at the time of the granting of the option.



The exercise price corresponds, subject to Section 9(1) of the Stock Corporation Act, to the average closing price of the Company's shares on the electronic Xetra trading system, or any subsequent system, in December of the year preceding the grant of the option. If, in December of the year preceding the grant of the option, the shares were not quoted, the basis for computing the exercise price is the corresponding average of the closing prices of the shares in the second month following the first quotation of the share in the electronic Xetra trading system or any subsequent system. Subject to Section 9(1) of the Stock Corporation Act, the exercise price is reduced by 30 per cent if the increase in the price of the shares has exceeded 50 per cent of the increase in the NEMAX-All-Share-Index of the calendar year preceding the exercise in the electronic Xetra trading system or any subsequent system, and the price of the Company's shares has risen by at least 30 per cent between the date of grant and the exercise date. The Company is authorised to adjust the exercise price accordingly as well as the bases of the calculation of the exercise price in the event of a capital increase. Meanwhile, Deutsche Börse AG has initiated a restructuring of the share markets. As a result of this restructuring, the Neuer Markt will be discontinued as of 31 December 2003. At the beginning of January, the Company was admitted to Prime Standard trading on the Frankfurt Stock Exchange. The quotation in the Neuer Markt was discontinued accordingly.

Currently, the Company is considering which new index is the most suitable to replace the NEMAX-All-Share-Index as a performance indicator in connection with the share option programme. The new reference index is scheduled to be adopted at the annual general meeting on 22 May 2003.

The following share options were granted as of 31 December 2002:

	Number of outstanding share options	Total number of share options to be granted
Management Board	20,000	120,000
Employees of the Company	61,100	120,000
Management members and employees of associated companies	27,000	160,000
Total	108,100	400,000



The average exercise price of the share options issued so far was € 7.16.

5. Executive bodies and their shareholdings

Members of the Management Board in the fiscal year 2002 were:

- Roland Burkhardt, Kreuzlingen
- Bernd Fessler, Markdorf
- Franz Heim, Tübingen, until 31 March 2002

Total remunerations of the Management Board for the fiscal year 2002 amounted to k€ 319 (prior year: k€ 422).

	k€
Fixed remuneration	319
Variable remuneration	0
Total	319

In addition to the fixed remuneration, the remuneration of the Management Board also includes a performance-related, variable component. In 2002, no variable remuneration was paid.

By resolution of the general meeting on 14 May 2002, the number of members of the Supervisory Board was increased from three to six.

Members of the Supervisory Board in the fiscal year 2002 were:

- Dr. jur. Roland R. Bahr, Stockach (Chairman)
- Otto Mayer, Tübingen (Deputy Chairman)
- Heinz W. Bull, Constance, since 14 May 2002
- Ernst Haug, Constance
- Franz Heim, Tübingen, since 14 May 2002
- Manfred J. Schulz, Überlingen, since 14 May 2002

Provisions were made in the amount of k€ 42 with respect to total remunerations of the Supervisory Board of Sunways AG for the fiscal year 2002. The members



of the Supervisory Board receive a fixed remuneration. Consultancy fees to members of the Supervisory Board amounted to k€ 208 in the past fiscal year. The following table shows the number of Sunways shares and share options held by the members of the Management Board and Supervisory Board as of 31 December 2002:

	Number of shares as of 31/12/2002	Number of share options as of 31/12/2002	Lock-up until
Management Board			
Roland Burkhardt	1,775,655	10,000	09/02/2003
Bernd Fessler	56,000	10,000	09/02/2003
Supervisory Board			
Dr. Roland R. Bahr, Chairman	9,902		
Otto Mayer, Deputy Chairman	655,146		
Heinz W. Bull	0		
Ernst Haug	3,695		
Franz Heim	1,685,654		09/02/2003
Manfred J. Schulz	0		

In the period under review and until the date of preparation of this report, no securities transactions have been effected that are subject to reporting requirements.

These consolidated financial statements have been released for publication by the Management Board on 21 February 2003.

Constance, 21 February 2003

Roland Burkhardt

Bernd Fessler

Changes in Fixed Assets in the Consolidated Financial Statements (IAS) in the Fiscal Year 2002

	At cost				31/12
	01/01	Additions	Transfers	Disposals	
	k€	k€	k€	k€	k€
I. Tangible assets					
1. Real property, rights equivalent to real property and buildings, including buildings on third-party property	3	0	0	-2	1
2. Technical equipment and machinery	7,504	286	30	0	7,819
3. Other equipment, plant and office equipment	1,020	143	0	-43	1,120
4. Prepayments made and plant under construction	42	83	-51	-21	54
	8,568	512	-21	-66	8,994
II. Intangible assets					
1. Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	322	232	21	-1	575
2. Development costs	705	422	115	0	1,243
3. Goodwill	90	340	0	0	430
	1,118	994	136	-1	2,248
III. Financial assets					
Equity interests	8	0	0	0	8
	8	0	0	0	8
	9,694	1,506	115	-66	11,250



Accumulated depreciation					Book values	
01/01	Additions	Reclassifications	Disposals	31/12	31/12/2002	31/12/2001
k€	k€	k€	k€	k€	k€	k€
1	0	0	-1	1	0	1
1,352	672	115	0	2,140	5,679	6,152
353	193	0	-30	516	604	667
0	0	0	0	0	54	42
1,706	866	115	-31	2,656	6,337	6,862
143	125	0	0	268	307	179
3	141	0	0	144	1,099	703
25	22	0	0	47	383	65
170	288	0	0	458	1,790	947
0	0	0	0	0	8	8
0	0	0	0	0	8	8
1,877	1,154	115	-31	3,115	8,135	7,817

Auditor's Opinion

We have audited the consolidated financial statements prepared by Sunways AG, Constance, comprising the balance sheet, income statement, changes in Shareholders' Equity, cash-flow statement and the notes thereto, for the fiscal year from 1 January 2002 to 31 December 2002. The preparation and contents of the consolidated financial statements are the responsibility of the Company's Management Board. Our responsibility is to assess, on the basis of our audit, whether the consolidated financial statements comply with the International Accounting Standards (IAS). We have conducted our Group audit pursuant to the German auditing standards and in compliance with the principles of proper auditing determined by the German Institute of Auditors (Institut der Wirtschaftsprüfer – IDW) as well as the International Standards of Auditing (ISA). According to these principles, the audit has to be planned and performed so as to be able to assess with reasonable assurance whether or not the consolidated financial statements are free of material misstatements. In the audit, the evidence of valuations and disclosures in the consolidated financial statements is assessed on a test basis. The audit also includes an appraisal of the accounting principles applied and the material estimates made by the legal representatives as well as an evaluation of the overall presentation of the consolidated financial statements.

We believe that our audit is an adequate basis for our opinion. In our opinion, the consolidated financial statements give a true and fair view of the assets, the financial position and results of operations of the Group and adequately present the cash-flows of the fiscal year in accordance with IAS. Our audit, which also covers the Group management report prepared by the Management Board for the fiscal year from 1 January 2002 to 31 December 2002, has not given rise to any objections. In our opinion, the Group management report gives a true and fair view of the Group situation and adequately presents the risks of future development. We also represent that the consolidated financial statements and Group management report for the fiscal year from 1 January 2002 to 31 December 2002 meet the requirements for an exemption of the Company



from the requirement to prepare consolidated financial statements and a group management report under German law.

Tübingen, 26 February 2003

WPG Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Reich
Auditor

Kässmann
Auditor



Statement of Independence

As statutory auditors of the financial statements/consolidated financial statements as of 31 December 2002 and of the management report/group management report for the fiscal year 2002, we make the following representation with respect to our independence:

1. None of the partners of WPG AG and none of our employees involved in this audit holds a direct or indirect interest in Sunways AG. Similarly, WPG AG holds no shares in Sunways AG.
2. None of the partners of WPG AG and none of our employees involved in this audit has any employment or other relationship affecting his/her independence (e. g. as an asset manager) with Sunways AG.
3. None of the partners of WPG AG and none of our employees involved in this audit is a member of the Supervisory Board or Management Board of Sunways AG.
4. None of the partners of WPG AG and none of our employees involved in this audit has any family relationship with one of the legal representatives of Sunways AG.
5. None of the partners of WPG AG and none of our employees involved in this audit has been involved in the accounting or preparation of the financial statements/consolidated financial statements beyond the auditing activities within the meaning of § 319, subparagraph 3, No. 2 of the Commercial Code (HGB) in conjunction with § 319, subparagraph 2, Nos. 5 and 6 HGB. Furthermore, WPG AG has not provided any other services conflicting with an auditor's appointment.
6. None of the partners of WPG AG and none of our employees involved in this audit has any functions in connection with the control system introduced at the Company pursuant to § 91, subparagraph 2 of the Stock Corporation Act (AktG), in particular in the internal audit.
7. To the best of our knowledge, there are no other relations or aspects that might affect our independence with respect to Sunways AG.



In addition, we represent that no former partners or employees of WPG AG involved in the audit of Sunways AG over the last three years are legal representatives of Sunways AG.

A (gross) fee of k€ 38 is expected to be invoiced for the audit. An amount of approximately k€ 5 thereof relates to the subsidiary in which Sunways AG holds a majority interest. The remunerations received from Sunways AG in the fiscal year 2002 with respect to other consultancy services (corporate valuation opinions, report on the capital increase against contribution in kind) aggregated (gross) k€ 8.5.

We would like to point out that no obligations of Sunways AG will arise and no claims against WPG AG may be derived from this representation.

We would like to express our thanks for the trust placed in us.

With kind regards,

Tübingen, 10 February 2003

WPG Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Reich
Auditor

Kässmann
Auditor



Report of the Supervisory Board of Sunways AG on the Financial Statements for the Fiscal Year from 1 January 2002 to 31 December 2002

For Sunways AG the fiscal year 2002 was characterised by many, and in some cases conflicting, developments. Sales rose by 21 per cent against the prior year; against the background of the many uncertainties in the solar technology market and the difficult economic situation, this is a success. The result was also further improved, although not to the extent initially expected.

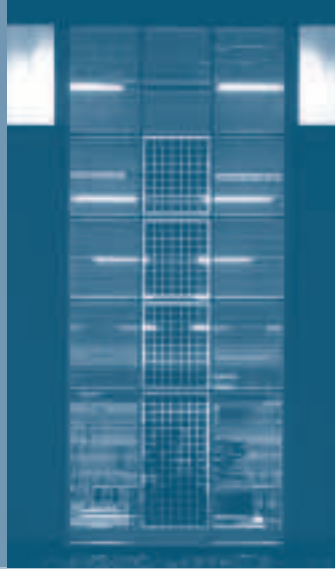
In the past fiscal year, the members of the Supervisory Board have monitored and actively supported the activities of the Management Board and performed their duties far beyond the requirements prescribed by law and the articles of incorporation. The Supervisory Board was informed on a regular basis on the course of operations and the Company's situation in the form of oral and written reports.

The Supervisory Board has continuously accompanied and provided advisory services to the Company at seven ordinary and five extraordinary meetings. The focus of these meetings in the first half of the year prior to the annual general meeting was on the restructuring of the Company's management and the related increase in the number of members of the Supervisory Board from three to six. In the second half-year, the 100 per cent acquisition of MHH Solartechnik GmbH and its even stronger integration into the Group was a major issue. Furthermore, the Supervisory Board assisted the Company in its distribution efforts and the required strategic alignment for the future.

Effective as of 31 March 2002, Franz Heim, Chairman of the Management Board, retired from office for personal reasons. His tasks are now divided between the two remaining members of the Management Board, Roland Burkhardt and Bernd Fessler.

On 14 May 2002, the annual general meeting resolved to increase the number of the members of the Supervisory Board to six and appointed Heinz W. Bull, Franz Heim and Manfred J. Schulz as new members.

The Supervisory Board has discussed the Corporate Governance Code at length. The Management Board as well as the Supervisory Board appreciate the new



Code as a means of strengthening Germany as an investment location. The Management Board and Supervisory Board have adopted a Corporate Governance Code for Sunways AG on 28 February 2003. The Code so adopted largely corresponds to, and in some cases goes beyond, the recommendations of the Government Commission. Any deviations from the Code will be described and discussed in the annual report.

The shareholdings of the members of the Supervisory Board are described on page 9 in the share section. The financial statements and management report 2002 of Sunways AG as of 31 December 2002, including the consolidated financial statements and the Group management report, have been prepared by the Management Board in due time. The auditors appointed by the annual general meeting on 14 May 2002, WPG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Tübingen, have audited the same, together with the accounting, and given their unqualified opinion.

The financial statements of Sunways AG and of the Group as well as the combined management report on the situation of Sunways AG and the Group were discussed at length, reviewed and approved of by all members of the Supervisory Board in the presence of the auditors. At its meeting on 28 February 2003, the Supervisory Board has confirmed the auditors' results. Thus the financial statements for the fiscal year 2002 have been adopted in accordance with § 172 of the Stock Corporation Act (AktG). Simultaneously, the Supervisory Board has resolved to approve of the appropriation of the accumulated loss proposed by the Management Board.

The Supervisory Board would like to express its thanks to all employees as well as to the members of the Management Board for their great commitment and the excellent work performed against the background of an uncertain overall economic environment and wishes them every success in meeting the challenges of the fiscal year 2003.

Constance, March 2003

Dr. jur. Roland R. Bahr
Chairman of the Supervisory Board



Corporate Governance

Compliance Statement Pursuant to § 161 of the Stock Corporation Act (AktG)

The Management Board and Supervisory Board represent that the recommendations of the “Regierungskommission Deutscher Corporate Governance Kodex” (Government Commission of the German Corporate Governance Code) published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) are largely complied with. In some cases the Company's Corporate Governance principles adopted on 28 February 2003 go beyond the recommendations of the Code. The Code of Sunways AG has been published in the Internet under www.sunways.de.

The aspects of the Corporate Governance principles of Sunways AG that deviate from the Corporate Governance Code are described below:

1. The Company has taken out D&O insurance for the Management Board and Supervisory Board. Currently, the D&O does not provide for any deductible to be borne by the members of the Company's executive bodies. The Company will consider the introduction of an adequate deductible.
2. At present, the Company is managed by two members of the Management Board cooperating on a partnership basis. Therefore, the Company currently does not deem necessary the appointment of a chairman or speaker of the Management Board.
3. At present, the members of the Supervisory Board of Sunways AG only receive a fixed remuneration. This remuneration was most recently adjusted at the general meeting on 14 May 2002 and currently, in accordance with the articles of incorporation, amounts to € 6,200 for an ordinary member. The chairman of the Supervisory Board receives twice that amount. There are no performance-related components of the remuneration. Presently, the Company is considering a performance-related remuneration for the Supervisory Board. The remunerations paid by the Company to members of the Supervisory Board with respect to personally provided services, in particular consultancy services,

are not itemized but indicated in one amount at the end of the notes to the consolidated financial statements.

4. In items 6.3 and 6.9 of the Corporate Governance Code of Sunways AG, the term “affecting the share price – kursrelevant” has been inserted. This was solely done for the sake of clarity and to stress that only those facts have to be reported that are likely to have a material impact on the share price. In this respect the Company follows the terms and the wording of §§13 and 15 of the Securities Trading Act (WpHG) (see also item 6.1 of the Corporate Governance Code). This is to make sure that the capital market is not flooded with announcements the content of which is not meaningful.
5. When the 4th Capital Market Promotion Act (4. Finanzmarktförderungsgesetz) came into effect on 1 July 2002, a new § 15a was inserted in the WpHG. Pursuant to this provision, the purchase and sale of the Company's shares and derivatives thereof by members of the Management Board or Supervisory Board is only subject to reporting requirements, if the volume of transactions effected within 30 days is in excess of € 25,000. Also there is no reporting requirement, if the purchase was effected on the basis of an employment contract or as part of a remuneration. In accordance with this new legal provision, we have adjusted the Corporate Governance Code dated 26 February 2002 to include these restrictions with respect to the reporting requirements. Thus only those legal transactions that, due to their volume, are likely to have an impact on the share price and the immediate announcement of which is of interest to the entire capital market are required to be published without delay. The requirement to immediately inform the Company and to disclose holdings of the Company's shares and derivatives thereof in the quarterly reports or in the financial statements, as the case may be, shall be unaffected thereby to ensure the completeness of the documentation.

Constance, March 2003

Roland Burkhardt
Member of the
Management Board

Bernd Fessler
Member of the
Management Board

Dr. jur. Roland R. Bahr
Chairman of the
Supervisory Board

Executive Bodies

Supervisory Board

Dr. jur. Roland R. Bahr, Chairman
Attorney, Stockach

Otto Mayer, Deputy Chairman
Entrepreneur, Tübingen

Ernst Haug
Tax Consultant, Constance

Franz Heim, from 14 May 2002
Management Consultant, Tübingen

Heinz W. Bull, from 14 May 2002
Managing Director of ALTANA Innovationsfonds GmbH, Constance
Membership on other Supervisory Boards:
ALTANA Pharma AG
Recordati Spa, Milan (Italy)
Tanox Inc., Houston (USA)

Manfred J. Schulz, from 14 May 2002
Entrepreneur, Überlingen

Management Board

Roland Burkhardt

Bernd Fessler

Franz Heim, Chairman, until 31 March 2002



Financial Calendar 2003

27 March 2003

Press conference on the 2002 financial statements in Stuttgart

22 May 2003

Publication of financial data for the 1st quarter 2003

22 May 2003

Annual general meeting in Constance

14 August 2003

Publication of financial data for the 2nd quarter 2003

13 November 2003

Publication of financial data for the 3rd quarter 2003

13 November 2003

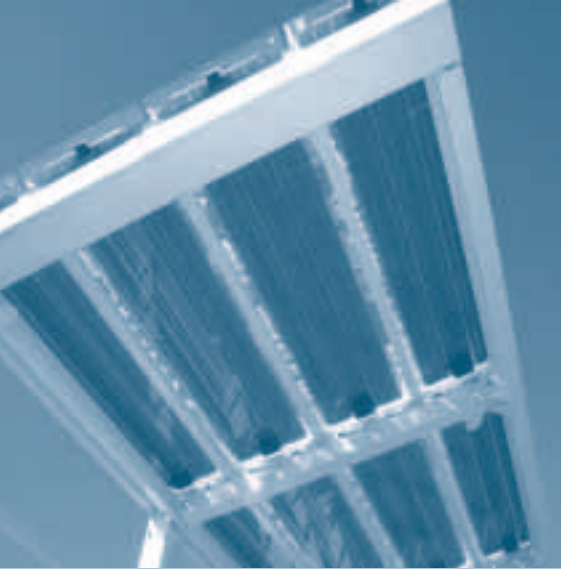
Analysts' conference in Frankfurt/Main



Glossary

GW	Abbreviation for Gigawatt
Semiconductor	Becomes conductive, if light is added. The possibility to influence the conduction capacity of a semiconductor through dotation, makes it of interest for the production of solar cells. 95 per cent of all the solar cells produced worldwide are made from the semiconductor material silicon, the second most common element of the earth crust.
Module	Connection of several solar cells that are enclosed in a weather-proof capsule and form the basic module for photovoltaic systems.
MW	Abbreviation for Megawatt
MWp	Abbreviation for peak Megawatt
Systems connected to the network	Includes also all solar systems installed on the roofs of private and corporate buildings that are connected to the local electricity supply system.
Photovoltaics	Technology with which solar energy can be directly converted into electric energy through solar cells, abbr. PV.
Silicon	Chemical element won from the raw material silicon oxide (sand) and can be made into mono-crystalline, poly-crystalline or amorphous silicon. Silicon is the semiconductor which, to-date, plays the most important role for the semiconductor industry and in photovoltaics.
Solar cell	Electronic component capable of directly converting the absorbed light into electric energy.
Current	Flow of electric charge; the unit of measure is Ampere (A).

Wafer	Semiconductor slices, normally 0.2 to 0.5 millimetres thick, used in the production of solar cells or semiconductor components.
Inverter	Converts the direct current of solar cells into alternating current in conformity with the power supply system so that e.g. household appliances can be operated or energy can be fed into the public power supply system.
Efficiency rate	The efficiency e.g. of a solar cell or module defined as the ratio of energy output and energy input (i.e. sunlight).



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