

Press Release

Sunways AG: Profitable growth continues

- **19.6 % rise in sales in the second quarter compared to the prior year**
- **EBIT margin improved to 7.7 %**
- **Sales volumes reached new record levels across all segments**

Konstanz, 13 August 2010 – In the second quarter 2010, Sunways AG (FWB: SWW; ISIN DE0007332207) consistently remained on its growth path: sales rose by 19.6 % against the second quarter of the prior year to € 64.6 million (Q2/2009: € 54.0 million). The operating result (EBIT) in the quarter grew markedly to € 5.0 million (Q2/2009: € -0.3 million). Consolidated net income reached € 3.5 million (Q2/2009: € 0.1 million). Due to the strong demand for Sunways products, sales volumes in the quarter reached new historical record levels in all three product segments – solar cells, solar modules and solar inverters. Solar inverters proved to be an essential asset to the product portfolio; thanks to the strong demand, all inverters held in stock were sold off in the second quarter 2010.

In the first six months of the year 2010, consolidated sales reached € 108.9 million and thus increased by 30.9 % against the sales figure for the relevant prior year period (H1/2009: € 83,2 million). The operating result (EBIT) increased from € -5.5 million for the period from January through June 2009 to € 9.7 million in the corresponding 2010 period. Consolidated net income in the first half-year 2010 grew to € 5.6 million – an increase by € 9.8 million against the comparable prior year period (H1/2009: € -4.2 million).

Solar cells: significant improvement in profitability

Sales in the solar cell segment in the second quarter 2010

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amounted to € 31.1 million and thus declined by 14.3 % against sales in the second quarter of the previous year (Q2/2009: € 36.3 million); on the other hand, the operating income (EBIT) rose markedly from € 2.7 million in the second quarter 2009 to € 4.2 million for the period from April through June 2010. Thus the segment EBIT margin improved by 6 percentage points against the prior year to 13.5 %. The volume of cells sold in the second quarter 2010, at 30.7 megawatts peak, reached a new record level and increased by 35.4 % against the figure for the corresponding prior year period. This high sales volume was partially due to a major contract manufacturing order from a Chinese customer. Thus the capacity utilization rate for solar cells at both production plants was 95 %.

Significant growth with solar modules and solar inverters

The positive development in the solar module and solar inverter business continued also in the second quarter 2010. The overall increase in demand for Sunways products in the first half-year was partly due to pull-forward effects in connection with the announced reduction of feed-in tariffs. Investments, which had been postponed in the wake of the financial and economic crisis, were however made simultaneously.

Solar modules: basis established for reaching 2010 sales volume targets

Module sales in the second quarter 2010 doubled to € 29.7 million (Q2/2009: € 14.6 million). The operating result (EBIT) for the months from April through June 2010 reached € 0.7 million and thus significantly exceeded the relevant figure for the prior year quarter (Q2/2009: € -1.3 million). The module sales volume in the same period increased from 5.9 megawatts peak to 16.1 megawatts peak. In all, solar modules with a capacity of 26.1 megawatts peak have been sold since the beginning of 2010. Thus Sunways AG is well on its way to doubling its module sales in the current fiscal year against the prior year as planned. Solar modules with a total capacity of 25.3 megawatts peak were sold in the fiscal year 2009.

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Solar inverters: a steadily growing revenue and earnings driver

Sales in the solar inverters segment in the second quarter 2010 amounted to € 9.8 million and thus more than tripled against the prior year period (Q2/2009: € 3.1 million). Sales volumes rose accordingly: while devices with a total capacity of 12.0 megawatts peak had been sold in the second quarter 2009, the sales volume in the corresponding 2010 period amounted to 39.3 megawatts peak. The operating result (EBIT) turned positive from € -1.7 million in the second quarter 2009 to reach € 0.1 million in the quarter under review. Despite the product segment's significant growth, the demand for inverters was again not met in full in the second quarter 2010 due to the continuing global shortage of individual inverter components.

Outlook for the entire fiscal year 2010

Sunways AG is satisfied with the business development in the first six months of 2010. Following a good start to the year in the first quarter, the Company was able to sustain the positive business development during the period from April through June. All three product segments – solar cells, solar modules and solar inverters – are experiencing profitable growth.

Economic research institutes anticipate a potential decline in global economic growth in the second half-year. The inverter component supply situation remains tense. Following the adoption of the unscheduled reduction of feed-in tariffs in Germany (in two stages as of 1 July and 1 October 2010), Sunways AG expects that demand for its products will continue to be strong in its largest market in the second half of the year. The development of margins during the remainder of the year will largely depend on price movements – on the selling as well as on the procurement side. On the procurement side, prices for raw materials continue to be high, e.g. wafer prices in the spot market have risen by about 40 % since the beginning of 2010 – due to increased demand as well as due to the negative development of the exchange rate of the Euro against the U.S. dollar. From today's point of view, only moderate price movements are to be anticipated here in the second half-year. On the selling side, Sunways

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expects market prices to decline in part as a result of the various reductions of feed-in tariffs in the second half-year.

Against this background, Michael Wilhelm, Chairman of the Management Board of Sunways AG, commented on further prospects: „Our core business is experiencing a stable development. We anticipate that demand will continue to be strong for our products, not only in the domestic market but increasingly also in the international markets, in the second half of the year. We have a substantial order backlog in all product segments. From today's point of view, we expect that sales in the fiscal year 2010 will rise to reach more than € 200 million with an EBIT margin of about 6 %.“

Q2/2010 key figures

Group

Sales: € 64.6 million (Q2/2009: € 54.0 million; +19.6 %)

EBITDA: € 6.6 million (Q2/2009: € 1.2 million)

Depreciation and amortization: € 1.6 million (Q2/2009: € 1.5 million)

EBIT: € 5.0 million (Q2/2009: € -0.3 million)

Consolidated net income: € 3.5 million (Q2/2009: € 0.1 million)

Earnings per share: € 0.30 (Q2/2009: € 0.01)

Number of employees (30 June 2010): 318 (30 June 2009: 324)

Solar cell segment

Sales: € 31.1 million (Q2/2009: € 36.3 million; -14.3 %)

EBIT: € 4.2 million (Q2/2009: € 2.7 million)

Solar cell sales volume: 30.7 MWp (Q2/2009: 22.5 MWp)

Solar module segment

Sales: € 29.7 million (Q2/2009: € 14.6 million; +103.4 %)

EBIT: € 0.7 million (Q2/2009: € -1.3 million)

Solar module sales volume: 16.1 MWp (Q2/2009: 5.9 MWp)

Solar inverter segment

Sales: € 9.8 million (Q2/2009: € 3.1 million; +216.1 %)

EBIT: € 0.1 million (Q2/2009: € -1.7 million)

Solar inverter sales volume: 39.3 MWp (Q2/2009: 12.0 MWp)

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H1/2010 key figures

Group

Sales: € 108.9 million (H1/2009: € 83.2 million; +30.9 %)

EBITDA: € 12.8 million (H1/2009: € -2.9 million)

Depreciation and amortization: € 3.1 million (H1/2009: € 2.6 million)

EBIT: € 9.7 million (H1/2009: € -5.5 million)

Consolidated net income: € 5.6 million (H1/2009: € -4.2 million)

Earnings per share: € 0.48 € (H1/2009: € -0.36)

Solar cell segment

Sales: € 52.9 million (H1/2009: € 55.2 million; -4.2 %)

EBIT: € 7.0 million (H1/2009: € 0.1 million)

Solar cell sales volume: 48.5 MWp (H1/2009: 32.9 MWp)

Solar module segment

Sales: € 48.4 million (H1/2009: € 22.5 million; +115.1 %)

EBIT: € 1.5 million (H1/2009: € -2.8 million)

Solar module sales: 26.1 MWp (H1/2009: 8.8 MWp)

Solar inverter segment

Sales: € 18.9 million (H1/2009: € 5.5 million; +243.6 %)

EBIT: € 1.2 million (H1/2009: € -2.8 million)

Solar inverters sales volume: 77.0 MWp (H1/2009: 21.5 MWp)

Financial calendar 2010

12 November 2010 – interim report as of 30 September 2010

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This press release is also available on www.sunways.eu/en.

Forward-looking statements

This press release contains statements relating to the future business development of Sunways AG that are based on management assumptions and estimates made at the time of publication. Should the

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assumptions underlying the prognoses fail to be fulfilled, actual events may vary substantially from forward-looking statements. Uncertainties include changes in the political, legal, economic and business environment, exchange and interest rate fluctuations as well as the behaviour of competitors and other market participants. Sunways does not intend and is not under any obligation to update forward-looking statements on an ongoing basis as these are exclusively based on the circumstances prevailing as of the date of publication.

About Sunways

Sunways AG, Konstanz/Germany, stands for consistent use of solar energy to secure long-term energy supply of man in an efficient and sustainable manner. Sunways offers technological competence, performance and highest quality – from single components to complete solar systems.

Since its foundation in 1993, Sunways AG evolved into a technology leader in the photovoltaics industry serving international markets. With silicon-based solar cells, inverters, solar modules and solar systems, the company offers all components required for high-yield photovoltaic power generation. With photovoltaic solutions tailored to customers' needs (transparent and coloured solar cells, building-integrated photovoltaic installations), Sunways turns exceptional ideas into reality.

Sunways Production GmbH in Arnstadt/Germany is a subsidiary of Sunways AG; in addition, the group has own branch offices in Barcelona/Spain and Bologna/Italy. In 2009, Sunways AG with about 320 employees realised sales of about € 180 million.

The shares of Sunways AG are listed at the Frankfurt Stock Exchange (SWW, ISIN DE0007332207).

For further information, please visit www.sunways.eu/en.