



## SolarWorld Aktiengesellschaft

(a stock corporation incorporated under the laws of the Federal Republic of Germany,  
having its corporate domicile in Bonn, Federal Republic of Germany)

### EUR • •% Notes due 2017 Issue Price •%

SolarWorld Aktiengesellschaft, Bonn, Federal Republic of Germany (the "**Issuer**" or "**SolarWorld**") will issue on or about 21 January 2010 (which date may be postponed up to two weeks, the "**Issue Date**") EUR 1 1 % notes due 2017 (the "**Notes**"). The Notes will be redeemed at par on 21 January 2017. The Notes will bear interest from and including 21 January 2010 to, but excluding, 21 January 2017 at a rate of 1 % *per annum*, payable annually in arrear on 21 January in each year, commencing on 21 January 2011.

The Notes will mature on 21 January 2017. The Issuer may redeem all (but not some only) of the Notes at their principal amount together with interest accrued to the date of such redemption, in the event of certain tax changes as described under "CONDITIONS OF THE ISSUE – *Redemption – Early Redemption for Reasons of Taxation*". In addition, upon the occurrence of a Change of Control the holder of each Note will have the right to require the Issuer to redeem such Note at its principal amount together with accrued interest to (but excluding) the Mandatory Redemption Date as described below in "CONDITIONS OF ISSUE – *Redemption – Change of Control*".

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the "**Prospectus Directive**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). This Prospectus has been approved by the *Commission de Surveillance du Sector Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Luxembourg law relating to prospectuses (*Loi relative aux prospectus pour valeurs mobilières*), which implements the Prospectus Directive into Luxembourg law. The Issuer has requested the CSSF to provide the competent authority in the Federal Republic of Germany ("**Germany**"), The Netherlands and the Republic of Austria with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg law relating to prospectuses for securities (the "**Notification**").

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the E.C. pursuant to Directive 2004/39/EC of 21 April 2004 on markets in financial instruments.

The Notes are issued in bearer form with a denomination of EUR 1,000 each.

The Notes have been assigned the following securities codes: ISIN XS0478864225, Common Code 047886422, WKN A1CR73.

The final offer price and amount, the interest rate, the issue proceeds, the yield of the issue and the Issue Date, in the case it is postponed, will be included in the Pricing Notice (as defined in "SUBSCRIPTION, SALE AND OFFER OF THE NOTES" below) which will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) on the pricing date which is expected to be on or about 14 January 2010.

*Joint Lead Managers*

**Deutsche Bank**

**J.P. Morgan**

*Co-Lead Manager*

**Hauck & Aufhäuser Privatbankiers**

*Junior Consultant to the Issuer*

**Silvia Quandt & Cie. AG**

## RESPONSIBILITY STATEMENT

The Issuer with its registered office in Germany accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its importance.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer and its subsidiaries and affiliates taken as a whole (the "**SolarWorld Group**") and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the SolarWorld Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the SolarWorld Group and the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the SolarWorld Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

## NOTICE

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers (as defined in "SUBSCRIPTION, SALE AND OFFER OF THE NOTES"). Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes made hereunder shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended, or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer which is material in the context of the issue and sale of the Notes since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Managers nor any other person mentioned in this Prospectus, except for the Issuer, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Managers to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States or to United States persons.

For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see "SUBSCRIPTION, SALE AND OFFER OF THE NOTES - *Selling Restrictions.*"

The legally binding language of this Prospectus is English. Any part of the Prospectus in German language constitutes a translation, except for the conditions of issue of the Notes (the "**Conditions of Issue**") in respect of which German is the legally binding language.

IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT DEUTSCHE BANK AG, LONDON BRANCH (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN AT ANY TIME AFTER THE ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE OF THE RECEIPT OF THE PROCEEDS OF THE ISSUE BY THE ISSUER AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL LAWS, DIRECTIVES, REGULATIONS AND RULES OF ANY RELEVANT JURISDICTION.

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## SUMMARY

The following constitutes the summary (the "**Summary**") of the essential characteristics of and risks associated with the Issuer and the Notes. This Summary should be read as an introduction to this Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to the Issuer who has tabled this Summary including any translation thereof, and applied for its notification, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

### Summary in respect of the Notes

Words and expressions defined in the Conditions of Issue of the Notes reproduced elsewhere in this Prospectus shall have the same meanings in this Summary.

<i>Issuer:</i>	SolarWorld Aktiengesellschaft
<i>Joint Lead Managers:</i>	Deutsche Bank AG, London Branch J.P. Morgan Securities Ltd.
<i>Co-Lead Manager:</i>	Hauck & Aufhäuser Privatbankiers KGaA
<i>Principal Paying Agent:</i>	Deutsche Bank Aktiengesellschaft
<i>Luxembourg Listing and Paying Agent:</i>	Deutsche Bank Luxembourg S.A.
<i>Determination of Aggregate Principal Amount and Issue Price, etc.:</i>	The final issue price and aggregate principal amount, the interest rate, the issue proceeds, the Issue Date, in the case it is postponed due to the market conditions, and the yield of the issue will be included in the Pricing Notice (as defined in "SUBSCRIPTION, SALE AND OFFER OF THE NOTES" below) which will be published on the website of the Luxembourg Stock Exchange ( <a href="http://www.bourse.lu">www.bourse.lu</a> ) on or prior to the Issue Date of the Notes.
<i>Aggregate Principal Amount:</i>	EUR 1
<i>Issue Price:</i>	1 %
<i>Issue Date:</i>	21 January 2010  Subject to market conditions, the Issue Date may be postponed up to two weeks. Prospective investors will be informed of such postponement in the manner described in the section "SUBSCRIPTION, SALE AND OFFER OF THE NOTES".
<i>Denomination:</i>	The Notes will be issued in a denomination of EUR 1,000 each.
<i>Form of Notes:</i>	The Notes will initially be represented by a temporary global bearer Note (the " <b>Temporary Global Note</b> ") without interest coupons which will be kept in custody by a common safekeeper on behalf of both, Clearstream Banking société anonyme, Luxembourg and Euroclear Bank SA/NV (together, the " <b>Clearing System</b> "). Notes represented by the Temporary Global Note will be exchangeable for Notes represented by a permanent global bearer Note (the " <b>Permanent Global Note</b> ", and each of the Temporary Global Note and the Permanent Global Note, a " <b>Global Note</b> ") without interest coupons not earlier than 40 days after the Issue Date in accordance

with the provisions set out in the Conditions of Issue. In particular such exchange and any payment of interest on Notes represented by the Temporary Global Note shall only be made upon delivery of certifications as to non-U.S. beneficial ownership in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Note will only be made against presentation of such certifications. No definitive Notes or interest coupons will be issued.

<i>Interest:</i>	The Notes will bear interest from and including 21 January 2010 to, but excluding, 21 January 2017 at a rate of 1 % <i>per annum</i> , payable annually in arrear on 21 January in each year, commencing on 21 January 2011.
<i>Taxation:</i>	Principal and interest shall be payable without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Federal Republic of Germany or by or on behalf of any political subdivision or authority thereof or therein having power to tax (the " <b>Withholding Taxes</b> "), unless such withholding or deduction is required by law. In such event, the Issuer will, subject to the exceptions set out in the Conditions of Issue, pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.
<i>Early Redemption for Taxation Reasons:</i>	Early redemption of the Notes for reasons of taxation will be permitted, if as a result of any change in, or amendment to, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer will become obligated to pay additional amounts on the Notes, all as more fully set out in the Conditions of Issue.
<i>Status of the Notes:</i>	The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
<i>Negative Pledge:</i>	The Conditions of Issue contain a negative pledge provision of the Issuer with regard to Capital Market Indebtedness.
<i>Change of Control:</i>	The Conditions of Issue contain provisions regarding a Change of Control.
<i>Events of Default:</i>	The Notes will provide for events of default entitling Holders to demand immediate redemption of the Notes, all as more fully set out in the Conditions of Issue.
<i>Cross Default:</i>	The Conditions of Issue contain a cross default clause in relation to non-payment of indebtedness.
<i>Resolutions of Holders:</i>	In accordance with the Act on Debt Securities of 2009 ( <i>Schuldverschreibungsgesetz</i> – " <b>SchVG</b> ") the Notes contain provisions pursuant to which Holders may agree by resolution to amend the Conditions of Issue (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted in a meeting of Holders in accordance with the Conditions of Issue, are binding upon all

Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders which are disadvantaged expressly consent to their being treated disadvantageously. In no event, however, may any obligation to make any payment or render any other performance be imposed on any Holder by resolution. Resolutions providing for material amendments to the Conditions of Issue require a majority of not less than 75% of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.

<i> Holders' Representative:</i>	In accordance with the SchVG the Notes provide that the Holders may by majority resolution appoint a representative for all Holders (the " <b> Holders' Representative </b> "). The responsibilities and functions assigned to the Holders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders. The Holders' Representative is subject to the instructions of the Holders and its appointment may be revoked at any time by a majority resolution of the Holders.
<i> Governing Law:</i>	The Notes will be governed by German law.
<i> Jurisdiction:</i>	Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is Frankfurt am Main, Germany.
<i> Listing and admission to trading:</i>	Application has been made for admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange and for listing of the Notes on the official list of the Luxembourg Stock Exchange.
<i> Selling Restrictions:</i>	The offer and the sale of the Notes and the distribution of offering materials are subject to specific restrictions. The relevant restrictions applicable in the European Union, the USA and the United Kingdom of Great Britain and Northern Ireland are set out under "SUBSCRIPTION, SALE AND OFFER OF THE NOTES – <i> Selling Restrictions </i> ".
<i> Clearance and Settlement:</i>	The Notes will be accepted for clearing through the Clearing System.
<i> Availability of documents:</i>	This Prospectus and the documents incorporated by reference herein can either be found on the website of the Luxembourg Stock Exchange ( <a href="http://www.bourse.lu">www.bourse.lu</a> ) or are obtainable in printed form at the address of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg.

### Summary in respect of the Issuer

#### General Information about SolarWorld Aktiengesellschaft and SolarWorld Group

SolarWorld Aktiengesellschaft ("**SolarWorld**") is the parent company of SolarWorld Group performing the function of a holding company. It is listed in the prime standard of Frankfurt Stock Exchange (TecDAX).

SolarWorld Group is one of the world leaders in the manufacture of crystalline solar power technology. Today, SolarWorld Aktiengesellschaft and its subsidiaries research, develop, produce and recycle at all stages of the solar value creation chain: from the generation of silicon via wafer, cell and module production all the way to systems solutions in on-grid and off-grid technology. The business model concentrates on the core business of solar power technology. SolarWorld Group emphasises on solar power applications ranging from roofs to large-scale solar power plants in the worldwide solar markets. At the same time, SolarWorld Group also promotes access to energy in regions all over the world that are far removed from grids.

## History, Incorporation and Seat

The origins of SolarWorld trace back to the sole proprietorship (*Einzelfirma*) Frank H. Asbeck, Ingenieurbüro für Industrieanlagen founded 1988 and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) Bonn under HRA 3761. As a result of the expansion of its business activities, SolarWorld Aktiengesellschaft was founded to which the whole business unit photovoltaic trading and plant construction was transferred. As a stock corporation under German law SolarWorld Aktiengesellschaft was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) Bonn under HRB 8319 on 26 March 1999. SolarWorld's headquarters is located in Bonn, Germany; the registered office is located in Martin-Luther-King-Straße 24, 53175 Bonn, Germany, telephone number: +49 (0) 228 559 20 0.

The fiscal year of SolarWorld is the calendar year.

## Corporate Purpose

Article 2 of SolarWorld's Articles of Association (*Satzung*) define the company's purpose as:

1. The corporate purpose of the company comprises plant engineering and construction, product development, manufacturing of modules and components as well as trading in these products in the photovoltaic business, the planning/design, construction and operation of, and the trading with, wind power plants, as well as power trading.
2. The company is authorised to engage in any business and to take measures which serve this corporate purpose. To this end, it may also establish, acquire or invest in other companies.

## Organisational Structure

SolarWorld Group is headed by SolarWorld, which as the holding company provides centralised business services to the group, such as leadership, steering and control functions in the areas of strategic group development, mergers & acquisition, finance, controlling, corporate communication, marketing as well as sustainability management as a staff position under the group management board.

At the date of this Prospectus, the SolarWorld Group consists of a total of 29 companies. SolarWorld entered into profit and loss transfer agreements with all major wholly owned subsidiaries in Germany.

## Business Overview – Principal Activities and Principal Markets

### General

SolarWorld Group is one of the world leaders in the manufacture of crystalline solar power technology, whose integrated value creation chain ranges from raw material to the turn-key solar plant. Thus, it concentrates on the core business of solar power technology and operates in two business segments: Production (of raw materials, wafer, cells and modules including research & development) and Trading (sales of modules and solar kits).

With a total of 12 sites worldwide (including two establishments, joint ventures operations and the holding company), SolarWorld Group is today present on the relevant solar markets. SolarWorld Group operates with production facilities in Germany, the USA, and South Korea on the core solar markets of Europe, North America, and Asia, which keeps transport distances short and logistics cost low. Sales teams in Germany, Spain, the USA, Singapore, and South Africa are pushing ahead strategic distribution in the solar growth regions.

### Production

SolarWorld Group's production ranges across the value creation chain from silicon to the finished module. The integrated production leads to process transparency and facilitates process control and optimisation.

### Raw Material Production and Recycling Activities

The first stage of the solar value creation chain is the production of silicon. Silicon is the most important raw material of the photovoltaic industry. Besides long-term silicon contracts, SolarWorld Group's own silicon production and recycling activities stabilise the necessary raw material position

and costs. Under the coverage of Sunicon AG, the group's raw material activities are pooled. Sunicon AG is charged with securing the strategic long-term supply of silicon.

Within the framework of the Joint Venture, JSSi GmbH, Freiberg, Germany ("**JSSi**") (formerly known as Joint Solar Silicon Verwaltungs GmbH) with Evonik Degussa GmbH (SolarWorld: 49%), processes in industrial silicon production are evaluated and developed with regard to their feasibility and economy. JSSi took up its silicon production in 2008.

The broad range of recycling activities ranges from by-products of solar and semiconductor production and processing via wafer and cell scrap all the way to the recycling of all commercially available solar modules.

### **Production of Wafers, Cells and Modules**

The second stage of the production value creation chain is the wafer manufacturing. In a polycrystalline process the silicon is crystallised in square blocks, cut into columns and sawn into wafers with the help of modern wire sawing technology. SolarWorld has long-term contracts with wafer clients running until the year 2018.

During the cell production process, the wafers are further processed in fully automatic processing plants under clean room conditions into multi- and mono-crystalline solar cells.

In the final step of the value creation chain the solar cells are soldered into cell strings, which are connected into a matrix, laminated, equipped with a patented connecting socket on the rear of the laminate and finally pressed into an aluminium frame, thus creating a solar module. The products of the module manufacturing of SolarWorld are then completely transferred into the Trading segment, where they are sold to external customers.

### **Research and Development**

The key innovation task of Solar World Group's research and development activities is to continually reduce the cost of solar power by means of improvements in processes and products. They cover the entire value creation chain and are concentrated at SolarWorld Innovations GmbH, Sunicon AG and the "Systems and Frame Technology" design department at SolarWorld.

### **Trading**

Products in the Trading segment include the solar system kits consisting of the selected module type, the inverter to match, the assembly rack required for the roof-shape as well as additional accessories. SolarWorld also specialises in the planning and construction of large-scales solar power plants.

Distribution is organised in a three-stage system. The wholesale trade supplies specialised companies on the spot such as electricians, roofer, heating and sanitation technicians. At the second stage SolarWorld distributes its products through other trading firms that are specialised in photovoltaic for a long time. SolarWorld sells its products also directly to retail customers, whereas the processing of orders will be realised by technical firms on the spot.

### **Management and Supervisory Bodies**

SolarWorld's governance bodies include its Management Board (*Vorstand*), which currently consists of four members and its Supervisory Board (*Aufsichtsrat*), which consists of three members.

Except as disclosed in this Prospectus, none of the members of the Supervisory Board or the Management Board of SolarWorld has any potential conflicts of interests between any duties regarding SolarWorld and their private interests or other duties. The members of the Supervisory Board and of the Executive Board can be contacted at the address of the headquarters of SolarWorld.

### **Significant Changes/Trend Information**

Except as disclosed in this Prospectus, there have been neither significant changes in the financial or trading position of SolarWorld or SolarWorld Group since 30 September 2009 nor has there been a material adverse change in the prospects of SolarWorld or SolarWorld Group since 31 December 2008.

### **Legal and Arbitration Proceedings**

Except as disclosed in this document there are no, nor have there been any governmental, court or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of SolarWorld or SolarWorld Group.

### **Summary in respect of Risk Factors**

#### ***Summary of Risk Factors regarding the Issuer***

SolarWorld is the central holding company of the SolarWorld Group and has only limited operational business of its own. Accordingly, SolarWorld is affected by the same risk factors as those that affect the business and operations of the SolarWorld Group.

SolarWorld's business, and as a result, the value of the Notes, are exposed to a number of risks. The following contains a description of certain risks, which may materially adversely affect SolarWorld's financial position and results of operations.

- economic conditions have been strongly impacted by the fallout from the financial crisis, both on the capital markets and, to an increasing extent, on the markets for manufactured goods. Lending banks are restricting credit and imposing tighter credit terms, which specifically affect investors in large-scale solar projects. Although, large-scale projects only represent a small portion of SolarWorld Group's business, a decline in demand from investors might have a negative effect on SolarWorld Group sales and earnings. Furthermore, falling electricity prices for private households lead to falling propensity among retail customers to invest in solar products, which in turn delays in solar power reaching grid parity and slows down the entering of new markets and, in the medium to long term, might have an effect on the group's business;
- SolarWorld Group's business is subject to changes in laws and regulations whose objective is the promotion of solar power. A reduction in, or even abolition of, financial incentives resulting from such laws and regulations in one or several relevant countries may lead to a slower overall market growth. Declines in demand in the core markets may temporarily impact SolarWorld Group's sales and earnings;
- SolarWorld Group is exposed to an intensification of competitive pressure, which tends to harden at all stages of the value creation chain of the solar industry. The therefrom resulting potential loss of market shares and stronger margin pressure due to increased price competition may have adverse effects on sales and earnings of SolarWorld Group;
- technological breakthrough of alternative technologies involves the risk of the substitution of crystalline solar power technologies, which technologies provide the basis for SolarWorld Group's mono- and poly-crystalline solar power applications. Resulting potential loss of market shares and increasing price competition with stronger pressure on margins may adversely affect sales and earnings of SolarWorld Group;
- The rollout of new products involves conceptual and market risks. Products that have already been launched pose quality risks. Long-term customer contracts give rise to additional risks;
- SolarWorld Group is dependent upon hiring and retaining highly qualified management and technical personnel;
- SolarWorld Group is subject to the risks associated with its group-wide installed processes. The processes are to a large extent supported by information technology, which gives rise to risks;
- SolarWorld Group is exposed to financial market risks, to foreign currency and to interest rate risks. Significant variations in the cost and availability of silicon as most important raw material may adversely affect SolarWorld Group's operating results. Litigation could arise. Additional tax claims may arise due to different legal positions of the relevant tax authorities;
- SolarWorld Group is subject to environmental risk;

**Summary of Risk Factors regarding the Notes**

An investment in the Notes involves certain risks associated with the characteristics of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Those risks include that:

- the Notes may not be a suitable investment for any investor;
- prior to the issue, there has been no public market for the Notes and there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue; in an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices;
- the price of the Notes falls as a result of changes in market interest rates;
- market value of the Notes could decrease if the creditworthiness of the SolarWorld Group worsens or the shareholder structure of SolarWorld changes or as a result of changes in IFRS and HGB/German Commercial Code standards applicable to SolarWorld;
- the Notes may be subject to early redemption at the principal amount, if the Issuer becomes obligated to bear withholding taxes which are or will be leviable on payments of principal or interest in respect of the Notes; if the Issuer calls and redeems the Notes in such case, the Holders may only be able to reinvest the redemption proceeds in securities with a lower yield;
- since the Notes provide for majority resolutions of Holders, to be passed in a meeting of Holders, a Holder is subject to the risk of being outvoted. As resolutions properly adopted are binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions may be amended or reduced or even;
- since the Notes provide for the appointment of a Holders' Representative, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Conditions of Issue against the Issuer, such right passing to the Holders' Representative who is then responsible to claim and enforce the rights of all Holders;
- the euro denominated Notes could represent a currency risk for a Holder if the euro represents a foreign currency to such Holder; in addition governments and competent authorities could impose exchange controls in the future; and
- there is no restriction on the amount of debt which the Issuer may incur in the future.

The realisation of the respective risks described above may affect the Issuer's ability to fulfil its payment obligations under the Notes and/or lead to a decline in the market price of the Notes, as the case may be.

## GERMAN TRANSLATION OF THE SUMMARY

### ZUSAMMENFASSUNG

Der folgende Abschnitt stellt die Zusammenfassung (die "**Zusammenfassung**") der wesentlichen Merkmale und Risiken der Emittentin und der Schuldverschreibungen dar. Die Zusammenfassung ist als Einleitung zu diesem Prospekt zu verstehen. Sie ist keine vollständige Darstellung und im Zusammenhang mit dem Prospekt zu lesen. Der Anleger sollte jede Entscheidung zur Anlage in die Schuldverschreibungen auf die Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der klagende Anleger in Anwendung einzelstaatlicher Rechtsvorschriften die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Die Emittentin, die diese Zusammenfassung einschließlich jede Übersetzung davon vorgelegt und deren Notifizierung beantragt hat, kann haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird.

#### Zusammenfassung in Bezug auf die Schuldverschreibungen

Worte und Begriffe, die in den an anderer Stelle in dem Prospekt wiedergegebenen Anleihebedingungen definiert sind, haben in der Zusammenfassung dieselbe Bedeutung.

<i>Emittentin:</i>	SolarWorld Aktiengesellschaft
<i>Joint Lead Managers:</i>	Deutsche Bank AG, London Branch J.P. Morgan Securities Ltd.
<i>Co-Lead Manager:</i>	Hauck & Aufhäuser Privatbankiers KGaA
<i>Hauptzahlstelle:</i>	Deutsche Bank Aktiengesellschaft
<i>Luxemburger Listing- und Zahlstelle:</i>	Deutsche Bank Luxembourg S.A.
<i>Bestimmung des Gesamt- nennbetrags und des Ausgabepreises u.a.:</i>	Der endgültige Ausgabepreis und Gesamtnennbetrag, der Zinssatz, der Tag der Begebung im Fall, dass er wegen der Marktbedingungen verschoben wurde, und die Rendite der Emission werden in der Pricing Notice enthalten sein (definiert unten in "SUBSCRIPTION, SALE AND OFFER OF THE NOTES"), die auf der Internetseite der Luxemburger Wertpapierbörse ( <a href="http://www.bourse.lu">www.bourse.lu</a> ) am oder vor dem Tag der Begebung der Schuldverschreibungen veröffentlicht wird.
<i>Gesamtnennbetrag:</i>	EUR ●
<i>Ausgabepreis:</i>	● %
<i>Tag der Begebung:</i>	21. Januar 2010  Vorbehaltlich der Marktbedingungen kann der Tag der Begebung bis zu zwei Wochen verschoben werden. Potentielle Investoren werden von einer solchen Verschiebung wie im Abschnitt "SUBSCRIPTION, SALE AND OFFER OF THE NOTES" beschrieben informiert.
<i>Stückelung:</i>	Die Schuldverschreibungen werden im Nennbetrag von je EUR 1.000 begeben.
<i>Form der Schuldverschreibungen:</i>	Die Schuldverschreibungen werden anfänglich durch eine vorläufige Inhaber-Globalurkunde (die " <b>vorläufige Globalurkunde</b> ") ohne Zinsscheine verbrieft, welche bei einem common safekeeper im Namen von sowohl Clearstream Banking, société anonyme, Luxemburg als auch Euroclear Bank SA/NV (zusammen, das " <b>Clearing System</b> ") hinterlegt werden. Schuldverschreibungen, die

durch die vorläufige Globalurkunde verbrieft sind, werden gegen Schuldverschreibungen, die durch eine Inhaber-Dauerglobalurkunde (die "**Dauerglobalurkunde**", und jede der vorläufigen Globalurkunden und der Dauerglobalurkunde, die "**Globalurkunde**") ohne Zinsscheine verbrieft sind, nicht früher als 40 Tage nach dem Tag der Begebung gemäß den in den Anleihebedingungen dargelegten Bestimmungen ausgetauscht. Insbesondere ein solcher Austausch und jegliche Zinszahlung auf durch die vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage von Bescheinigungen, wonach der wirtschaftliche Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person ist, gemäß den Regelungen und Betriebsverfahren des Clearing Systems. Zahlungen auf die vorläufige Globalurkunde erfolgen erst nach Vorlage solcher Bescheinigungen. Es werden keine Einzelurkunden und keine Zinsscheine begeben.

- Zinsen:* Die Schuldverschreibungen werden vom 21. Januar 2010 (einschließlich) bis zum 21. Januar 2017 (ausschließlich), mit einem Zinssatz von • % *per annum* verzinst. Die Zinsen sind nachträglich am 21. Januar eines jeden Jahres zahlbar. Die erste Zinszahlung erfolgt am 21. Januar 2011.
- Steuern:* Kapital und Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde auferlegt oder erhoben werden (die "**Quellensteuer**"), es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In einem solchen Fall, wird die Emittentin, vorbehaltlich der in den Anleihebedingungen festgelegten Ausnahmen, diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern von Schuldverschreibungen zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug bezüglich der Schuldverschreibungen empfangen worden wären.
- Vorzeitige Rückzahlung aus steuerlichen Gründen:* Die vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze oder Vorschriften (einschließlich jeder Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden, die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist, wie im Einzelnen in den Anleihebedingungen beschrieben.
- Status der Schuldverschreibungen:* Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.
- Negativverpflichtung:* Die Anleihebedingungen enthalten eine Negativverpflichtung der Emittentin in Bezug auf Kapitalmarktverbindlichkeiten.
- Kontrollwechsel:* Die Anleihebedingungen enthalten Bestimmungen hinsichtlich eines Kontrollwechsels.

- Kündigungsgründe:* Die Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen, wie im Einzelnen in den Anleihebedingungen beschrieben.
- Cross Default:* Die Anleihebedingungen enthalten eine Cross-Default-Klausel (Drittverzugs-klausel) in Bezug auf die Nichtzahlung von Verbindlichkeiten.
- Gläubigerbeschlüsse:* In Übereinstimmung mit dem Schuldverschreibungsgesetz 2009 ("**SchVG**") sehen die Schuldverschreibungen vor, dass die Gläubiger durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen können. Beschlüsse der Gläubiger werden nach Maßgabe der Anleihebedingungen in einer Gläubigerversammlung gefasst. Ordnungsgemäß gefasste Beschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Beschlüsse, die nicht gleiche Bedingungen für alle Gläubiger vorsehen, sind unwirksam, es sei denn die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu. In keinem Fall kann eine Verpflichtung zur Leistung für die Gläubiger durch Mehrheitsbeschluss begründet werden. Beschlüsse der Gläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.
- Gemeinsamer Vertreter:* In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Gläubiger durch Beschluss einen "**Gemeinsamen Vertreter**" bestellen können. Die Aufgaben und Befugnisse des durch Beschluss bestellten gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Beschlüssen der Gläubiger. Der Gemeinsame Vertreter hat die Weisungen der Gläubiger zu befolgen. Er kann von den Gläubigern jederzeit durch Mehrheitsbeschluss abberufen werden.
- Anwendbares Recht:* Die Schuldverschreibungen unterliegen deutschem Recht.
- Gerichtsstand:* Nicht ausschließlicher Gerichtsstand für alle gerichtlichen Verfahren im Zusammenhang mit den Schuldverschreibungen ist Frankfurt am Main, Deutschland.
- Börsenzulassung und Listing:* Für die Schuldverschreibungen wurde die Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse sowie die Notierung an der *official list* der Luxemburger Wertpapierbörse beantragt.
- Verkaufsbeschränkungen:* Das Angebot und der Verkauf von Schuldverschreibungen sowie die Verteilung von Angebotsmaterialien unterliegen regulatorischen Beschränkungen. Die in der Europäischen Union, den USA und dem Vereinigten Königreich von Großbritannien und Nordirland geltenden Beschränkungen sind unter "SUBSCRIPTION, SALE AND OFFER OF THE NOTES – *Selling Restrictions*" dargestellt.
- Abwicklung und Settlement:* Die Abwicklung der Schuldverschreibungen erfolgt durch das Clearing System.

*Verfügbarkeit von Dokumenten:*

Dieser Prospekt und die hierin einbezogenen Dokumente können entweder auf der Internetseite der Luxemburger Wertpapierbörse ([www.bourse.lu](http://www.bourse.lu)) abgerufen werden oder sind in gedruckter Form unter der Adresse der Zahlstelle in Luxemburg, Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, 1115 Luxemburg, Luxemburg erhältlich.

## **Zusammenfassung in Bezug auf die Emittentin**

### **Allgemeine Informationen über die SolarWorld Aktiengesellschaft und den SolarWorld Konzern**

Die SolarWorld Aktiengesellschaft ("**SolarWorld**") ist die Muttergesellschaft des SolarWorld Konzerns und hat die Funktion einer Holding. SolarWorld ist im *Prime Standard* der Frankfurter Wertpapierbörse (TecDAX) gelistet.

Der SolarWorld Konzern ist einer der weltweit führenden Hersteller kristalliner Solarstromtechnologie. Die SolarWorld Aktiengesellschaft und ihre Tochterunternehmen forschen, entwickeln, produzieren und recyceln heute auf allen Stufen der Solar-Wertschöpfungskette: angefangen bei der Gewinnung von Silizium über den Wafer, die Zelle und die Herstellung von Modulen bis hin zu Systemlösungen im Bereich der "*on-grid*" (Netz-) und "*off-grid*" (netzfernen) Technologie. Das Geschäftsmodell konzentriert sich auf das Kerngeschäft der Solarstromtechnologie. Der Schwerpunkt des SolarWorld Konzerns liegt auf Solarstromanwendungen von Hausdächern bis zu Großanlagen in den weltweiten Solarmärkten. Gleichzeitig treibt der SolarWorld Konzern den Zugang zu Energie weltweit in Regionen voran, die noch keinen Zugang zu Energienetzen haben.

### **Geschichte, Gründung und Sitz**

Die Ursprünge von SolarWorld gehen auf die 1988 gegründete Einzelfirma Frank H. Asbeck, Ingenieurbüro für Industrieanlagen, eingetragen im Handelsregister des Amtsgerichts Bonn unter der Nummer HRA 3761, zurück. Als Folge der Expansion der Unternehmenstätigkeit der Einzelfirma wurde die SolarWorld Aktiengesellschaft gegründet, der der komplette Geschäftsbereich Photovoltaikhandel und Anlagenbau übertragen wurde. Die SolarWorld Aktiengesellschaft wurde als Aktiengesellschaft deutschen Rechts am 26. März 1999 ins Handelsregister des Amtsgerichts Bonn unter der Nummer HRB 8319 eingetragen. SolarWorld's Hauptsitz ist Bonn, Deutschland; die Geschäftsadresse ist Martin-Luther-King-Straße 24, 53175 Bonn, Deutschland, Telefonnummer: +49 (0) 228 559 20 0.

Das Geschäftsjahr der SolarWorld ist das Kalenderjahr.

### **Unternehmensgegenstand**

Artikel 2 der Satzung der SolarWorld definiert den Unternehmensgegenstand wie folgt:

1. Gegenstand des Unternehmens sind: der Anlagenbau, die Produktentwicklung, die Produktion von Modulen und Komponenten sowie der Handel mit solchen Gegenständen im Bereich der Photovoltaik ferner die Planung, Errichtung, der Betrieb und der Handel mit Windkraftanlagen und der Stromhandel.
2. Die Gesellschaft ist zu allen Geschäften und Maßnahmen berechtigt, die dem Gegenstand des Unternehmens dienen. Sie kann zu diesem Zweck auch andere Unternehmen gründen, erwerben und sich an ihnen beteiligen.

### **Organisationsstruktur**

Der SolarWorld Konzern wird durch SolarWorld angeführt. Als Holdinggesellschaft stellt die SolarWorld zentralisierte Dienstleistungen für den Konzern bereit, u.a. Leitungs-, Steuerungs- und Kontrollfunktionen in den Bereichen strategische Konzernentwicklung, Fusionen & Übernahmen, Finanzierung, Controlling, Unternehmenskommunikation und Marketing sowie Nachhaltigkeitsmanagement als Stabstelle beim Konzernvorstand.

Mit Datum dieses Prospekts, besteht der SolarWorld Konzern insgesamt aus 29 Gesellschaften. SolarWorld hat mit allen großen hundertprozentigen Tochtergesellschaften in Deutschland Gewinn- und Verlustabführungsverträge abgeschlossen.

## **Geschäftsüberblick – Hauptaktivitäten und Hauptmärkte**

### **Allgemein**

Der SolarWorld Konzern ist einer der weltweit führenden Hersteller kristalliner Solarstromtechnologie, deren integrierte Wertschöpfungskette vom Rohstoff bis hin zur schlüsselfertigen Solaranlage reicht. Der SolarWorld Konzern konzentriert sich daher auf das Kerngeschäft der Solarstromtechnologie und operiert in zwei Geschäftsbereichen: Produktion (von Rohmaterial, Wafern, Zellen und Modulen sowie Forschung & Entwicklung) und Handel (Verkauf von Modulen und Solarbausätzen).

Mit insgesamt zwölf Standorten weltweit (inklusive zwei Betriebsstätten, Joint Ventures und der Holdinggesellschaft) ist der SolarWorld Konzern heute in den relevanten Märkten präsent. Der SolarWorld Konzern operiert mit Produktionsstätten in Deutschland, den USA und Südkorea auf den Kernsolarmärkten Europas, Nordamerikas und Asiens, was Transportwege kurz und Logistikkosten niedrig hält. Vertriebsteam in Deutschland, Spanien, den USA, Singapur und Südafrika forcieren den strategischen Absatz in den solaren Wachstumsregionen.

### **Produktion**

Die Fertigung des SolarWorld Konzerns reicht wertschöpfungsübergreifend vom Silizium bis zum fertigen Modul. Die integrierte Produktion schafft Prozeßtransparenz und erleichtert die Prozesskontrolle und –optimierung.

#### ***Produktion von Rohstoffen und Recyclingaktivitäten***

Die erste Stufe der Solar-Wertschöpfungskette ist die Produktion von Silizium. Silizium ist der wichtigste Rohstoff für die Solarbranche. Neben langfristigen Silizium-Lieferkontrakten, stabilisieren die eigene Siliziumproduktion und Recyclingaktivitäten des SolarWorld Konzerns die notwendigen Rohstoffposition und –kosten. Unter dem Dach der Sunicon AG bündelt der SolarWorld Konzern seine konzerneigenen Rohstoffaktivitäten. Aufgabe der Sunicon AG ist die strategische Sicherung der langfristigen Versorgung mit Silizium.

Im Rahmen des Joint Ventures JSSi GmbH, Freiberg, Germany ("**JSSi**") (vormals Joint Solar Silicon Verwaltungs GmbH) mit der Evonik Degussa GmbH (SolarWorld: 49 %) werden Verfahren hinsichtlich ihrer Durchführbarkeit und Wirtschaftlichkeit in der industriellen Siliziumfertigung bewertet und entwickelt. JSSi hat die Siliziumproduktion in 2008 aufgenommen.

Die breite Palette der Recyclingaktivitäten reicht von Nebenprodukten der Solar- sowie Halbleiterherstellung und -verarbeitung, über Wafer- und Zellbruch bis zum Recycling aller handelsüblichen Solarmodule.

#### ***Produktion von Wafern, Zellen und Modulen***

Die zweite Stufe der Wertschöpfungskette betrifft die Herstellung von Wafern. In einem polykristallinen Prozess wird das Silizium zu Blöcken gegossen, in Säulen geschnitten und mit Hilfe einer modernen Drahtsägetechnologie zu Wafern zersägt. SolarWorld hat langfristige, bis 2018 laufende Lieferverträge mit Wafer Kunden.

Während des Zellherstellungsprozesses werden die Wafer in vollautomatischen Aufbereitungsanlagen unter Reinraumbedingungen zu Multi- und Mono-kristallinen Solarzellen verarbeitet.

Im letzten Schritt der Wertschöpfungskette entstehen die Solarmodule: Die Solarzellen werden zu Stringern verlötet, diese werden zu einer Matrix verbunden, laminiert, mit einer patentierten Anschlussdose auf der Rückseite des Laminats ausgestattet und schließlich in einen Aluminiumrahmen gepresst. Die Produkte der Modulherstellung werden dann komplett über Geschäftsbereich Handel an externe Kunden verkauft.

### **Forschung und Entwicklung**

Zentrale Innovationsaufgabe der Forschungs- und Entwicklungsaktivitäten des SolarWorld Konzerns ist die kontinuierliche Verringerung der Kosten von Solarenergie durch die Verbesserung der Prozesse und Produkte. Sie erstrecken sich auf die gesamte Wertschöpfungskette und sind in der SolarWorld Innovations GmbH, Sunicon AG und der Konstruktionsabteilung "System- und Gestelltechnik" der SolarWorld zusammengefasst.

### **Handel**

Zu den Produkten im Geschäftsbereich Handel gehören die Sunkit-Bausätze. Sie bestehen aus dem jeweils ausgewählten Modultyp, dem darauf abgerichteten Wechselrichter, dem für die jeweilige Dachform benötigte Montagesystem sowie entsprechendem Zubehör. Die SolarWorld ist außerdem auf Planung und Bau von solaren Großanlagen spezialisiert.

Der Vertrieb ist in einem drei-stufigen System organisiert. Der Großhandel beliefert ausführende Betriebe aus dem Elektro-, Dachdecker oder Heizungs- und Sanitärhandwerk vor Ort. Auf der zweiten Stufe vertreibt SolarWorld seine Produkte über andere Handelshäuser, die sich seit langem auf Photovoltaik spezialisiert haben. Weiterhin verkauft SolarWorld seine Produkte auch direkt an Privatkunden, während die Geschäftsabwicklung der Aufträge durch den Installateur vor Ort erfolgt.

### **Unternehmensführung und Aufsichtsgremien**

Die Führungsgremien der SolarWorld umfassen den Vorstand, der gegenwärtig aus vier Mitgliedern besteht, und den Aufsichtsrat, der gegenwärtig aus drei Mitgliedern besteht.

Soweit nicht in diesem Prospekt offen gelegt, bestehen bei keinem der Mitglieder des Aufsichtsrats und des Vorstands der SolarWorld irgendwelche potentiellen Interessenkonflikte zwischen ihren Pflichten und Aufgaben für die SolarWorld und ihren privaten Interessen oder sonstigen Verpflichtungen. Die Mitglieder des Vorstands und des Aufsichtsrates können unter der Adresse des Hauptsitzes der SolarWorld kontaktiert werden.

### **Signifikante Veränderungen/Ausblick**

Soweit nicht in diesem Prospekt offen gelegt, hat es seit dem 30. September 2009 weder signifikante Änderungen der Finanz- bzw. Handelsposition der SolarWorld oder des SolarWorld Konzerns gegeben noch hat sich der Geschäftsausblick der SolarWorld oder des SolarWorld Konzerns seit dem 31. Dezember 2008 signifikant negativ verändert.

### **Gerichts- und Schiedsverfahren**

Soweit nicht in diesem Prospekt offen gelegt, gibt es keine behördlichen Verfahren bzw. Gerichts- oder Schiedsverfahren (einschließlich schwebender oder angedrohter Verfahren, von denen die SolarWorld Kenntnis hat), noch hat es derartige Verfahren gegeben, die sich in den zwölf Monaten vor der Veröffentlichung dieses Prospekts auf die Finanzposition von SolarWorld oder des SolarWorld Konzerns signifikant ausgewirkt haben oder noch auswirken könnten.

### **Zusammenfassung in Bezug auf die Risikofaktoren**

#### ***Zusammenfassung der Risikofaktoren in Bezug auf die Emittentin***

SolarWorld ist die zentrale Holdinggesellschaft des SolarWorld Konzerns und hat nur begrenztes eigenes operatives Geschäft. Daher ist SolarWorld denselben Risikofaktoren ausgesetzt, die auch das Geschäft und den Betrieb des SolarWorld Konzerns betreffen.

Das Geschäft des SolarWorld Konzerns und folglich auch der Wert der Schuldverschreibungen unterliegen einer Reihe von Risiken. Nachfolgend werden einige Risiken beschrieben, die SolarWorld's Finanzposition und Betriebsergebnisse wesentlich nachteilig beeinflussen können.

- Die wirtschaftlichen Bedingungen sowohl auf den Kapitalmärkten als auch in zunehmendem Maße auf den Märkten für Industriegüter sind stark durch die Auswirkungen der Finanzkrise beeinträchtigt. Banken begrenzen insbesondere die Kreditvergabe und setzen engere

Kreditbedingungen, was speziell Investoren solarer Großprojekte betrifft. Auch wenn solare Großprojekte nur einen kleinen Anteil des SolarWorld Konzern's Geschäft darstellen, könnte ein Rückgang der Nachfrage negative Auswirkungen auf Umsätze und Ergebnis des SolarWorld Konzerns haben. Weiterhin führen sinkende Haushaltsstrompreise zur sinkenden Bereitschaft von Privatkunden, in Solarprodukte zu investieren, was wiederum das Erreichen der Wettbewerbsfähigkeit von Solarenergie verzögert und die Erschließung neuer Märkte verlangsamt, und mittel- bis langfristig Auswirkungen auf das Geschäft des Konzerns haben kann;

- das Geschäft des SolarWorld Konzerns unterliegt Änderungen von Solarstrom-Fördergesetzen. Eine Reduktion oder Abschaffung von durch solche Gesetze gewährten finanziellen Anreizen in einem oder mehreren Ländern kann zu einem verlangsamten Gesamtmarktwachstum führen. Ein Nachfragerückgang in den Kernmärkten könnte Umsätze und Ergebnis des SolarWorld Konzerns zeitweise beeinträchtigen;
- der SolarWorld Group Konzern ist einer Intensivierung des Wettbewerbsdrucks ausgesetzt, welcher sich auf allen Stufen der Wertschöpfungskette der Solarindustrie zu verfestigen scheint. Der daraus resultierende mögliche Verlust von Marktanteilen and erhöhte Margendruck aufgrund steigenden Preiswettbewerbs könnte nachteilige Auswirkungen auf Umsätze und Ergebnis des SolarWorld Konzerns haben;
- der technologische Durchbruch alternativer Technologien bezieht das Risiko ein, dass kristalline Solarstromtechnologien, die jedoch die Grundlage für die mono- und polykristallinen Solarstromanwendungen des SolarWorld Konzerns sind, ersetzt werden. Der daraus resultierende mögliche Verlust von Marktanteilen und der erhöhte Margendruck könnten nachteilige Auswirkungen auf Umsätze und Ergebnis des SolarWorld Konzerns haben;
- die Einführung neuer Produkte bringt konzeptionelle Risiken und Marktrisiken mit sich. Bereits eingeführte Produkte bergen Qualitätsrisiken. Langzeitverträge mit Kunden ziehen zusätzlich Risiken nach sich;
- der SolarWorld Konzern ist von der Einstellung und Bindung hoch qualifizierter Manager und technischer Mitarbeiter abhängig;
- der SolarWorld Konzern ist Risiken, die mit seinen konzernweit aufgesetzten Prozessen verknüpft sind, ausgesetzt. Diese Prozesse sind in einem großen Umfang durch Informationstechnologie gestützt, was ebenfalls Risiken birgt;
- der SolarWorld Konzern ist Finanzmarktrisiken, Fremdwährungsrisiken und Zinsrisiken ausgesetzt. Wesentliche Schwankungen in Kosten und Verfügbarkeit von Silizium als wichtigstem Rohstoff können die operativen Ergebnisse des SolarWorld Konzern's nachteilig beeinflussen. Rechtsstreitigkeiten können entstehen. Steuernachforderungen könnten aufgrund anderer Rechtsauffassungen der jeweiligen Steuerbehörde geltend gemacht werden;
- der SolarWorld Konzern unterliegt ökologischen Risiken;

### ***Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen***

Eine Anlage in die Schuldverschreibungen ist mit bestimmten Risiken im Zusammenhang mit den Merkmalen der Schuldverschreibungen verbunden. Diese Risiken könnten zu erheblichen Verlusten führen, die die Gläubiger zu tragen hätten, wenn sie ihre Schuldverschreibungen verkaufen oder wenn Verluste im Zusammenhang mit der Zahlung von Zinsen oder der Rückzahlung entstehen. Zu diesen Risiken gehört, dass:

- die Schuldverschreibungen nicht für jeden Anleger geeignet sind;
- vor der Begebung der Schuldverschreibungen für diese kein Markt existierte und keine Gewissheit besteht, dass ein liquider Sekundärmarkt für die Schuldverschreibungen entstehen wird, oder, sofern er entsteht, fortbestehen wird; in einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann;
- der Wert der Schuldverschreibungen auf Grund von Veränderungen des Zinsniveaus fällt;

- der Marktwert der Schuldverschreibungen fallen kann, wenn sich die Kreditwürdigkeit oder die Aktionärsstruktur von SolarWorld ändert oder als Folge von Änderungen der auf SolarWorld anwendbaren IFRS bzw. HGB Standards;
- die Schuldverschreibungen vorzeitig zum Nennbetrag zurückgezahlt werden können, falls die Emittentin zur Zahlung von Quellensteuern auf die Zahlung von Kapital oder Zinsen der Schuldverschreibungen verpflichtet ist; wenn die Emittentin die Schuldverschreibungen kündigt und zurückzahlt, kann es sein, dass die Gläubiger den aus der Rückzahlung vereinnahmten Betrag lediglich in Wertpapiere mit niedrigerer Rendite re-investieren können;
- die Schuldverschreibungen Mehrheitsbeschlüsse der Gläubiger im Rahmen einer Gläubigerversammlung vorsehen, so dass ein Gläubiger dem Risiko ausgesetzt ist, durch einen Beschluss der Gläubiger überstimmt zu werden. Da ein solcher Mehrheitsbeschluss für alle Gläubiger verbindlich ist, können bestimmte Rechte des Gläubigers gegen die Emittentin aus den Anleihebedingungen geändert, eingeschränkt oder sogar aufgehoben werden;
- die Schuldverschreibungen die Bestellung eines Gemeinsamen Vertreters vorsehen, so dass möglicherweise das persönliche Recht eines Gläubigers zur Geltendmachung und Durchsetzung seiner Rechte aus den Anleihebedingungen gegenüber der Emittentin auf den Gemeinsamen Vertreter übergeht, der sodann allein verantwortlich ist, die Rechte sämtlicher Gläubiger geltend zu machen und durchzusetzen;
- die auf Euro lautenden Schuldverschreibungen für solche Anleger ein Währungsrisiko bedeuten können, für die der Euro eine Fremdwährung bedeutet; ferner könnten Regierungen und zuständige Behörden künftig Devisenkontrollen einführen; und
- die Höhe der Schulden, die die Emittentin in Zukunft eingehen kann, nicht begrenzt ist.

Der Eintritt eines entsprechenden der vorgenannten Risiken kann die Fähigkeit der Emittentin beeinträchtigen, ihren aus den Schuldverschreibungen resultierenden Zahlungsverpflichtungen nachzukommen und/oder zu einem Wertverlust der Schuldverschreibungen führen, je nach Sachlage.

## **RISK FACTORS**

*Potential investors should carefully read and consider the risk factors described below and the other information contained in this Prospectus and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary before they make a decision about acquiring the Notes. The realisation of one or more of these risks could individually or together with other circumstances adversely affect the business activities and have material adverse effects on the financial condition and results of operations of SolarWorld or the SolarWorld Group. The market price of the Notes could decline as the result of any of these risks, and investors could lose all or part of their investments. The risks described below may not be the only risks to which SolarWorld or the SolarWorld Group is exposed. Additional risks which are presently not known to SolarWorld or the SolarWorld Group or which currently are considered immaterial could also adversely affect the business operations of SolarWorld or the SolarWorld Group and have material adverse effects on SolarWorld Group's business activities, financial condition and results of operations. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence, the scope of their financial consequences or the importance of the risk factors mentioned below. In addition, investors should be aware that the risks described might combine and thus intensify one another.*

### **Risks relating to the Issuer**

#### **Risk Factors regarding the SolarWorld Aktiengesellschaft and SolarWorld Group**

*SolarWorld is the central holding company of the SolarWorld Group and has only limited operational business of its own. Accordingly, SolarWorld is affected by the same risk factors as those that affect the business and operations of the SolarWorld Group.*

*SolarWorld Group's business and as a result, the value of the Notes, are exposed to a number of risks. The following contains a description of certain risks, which may materially adversely affect SolarWorld Group's financial position, cash flow and earnings.*

*While all the risks considered material are described below, these are not the only risks SolarWorld Group faces. Additional risks not known to SolarWorld Group or not presently considered material might also impair SolarWorld Group's business operations.*

#### **Macroeconomic Risks**

Economic conditions have been strongly impacted by the fallout from the financial crisis, both on the capital markets and, to an increasing extent, on the markets for manufactured goods. Many economies are already in recession and the uncertain outlook is depressing demand for capital goods. Lending banks are exacerbating this trend by severely restricting credit and imposing tighter credit terms, which specifically affects investors in large-scale solar projects. Although, large-scale projects only represent a small portion of SolarWorld Group's business, a decline in demand from investors might have a negative effect on SolarWorld group sales and earnings.

Furthermore, falling electricity prices for private households lead to falling propensity among retail customers to invest in solar products, which in turn delays in solar power reaching grid parity and slows down the entering of new markets. Even though solar power tariffs do not depend on temporary fluctuations in electricity prices due to regulatory incentive systems, in the medium to long term, household energy prices might have an effect on the group's business.

#### **Political and Regulatory Risks**

SolarWorld Group's business is subject to changes in laws and regulations whose objective is the promotion of solar power. A reduction in, or even abolition of, financial incentives, like minimum price systems (feed-in tariffs), investment grants, tax reliefs and quota systems fixing a certain percentage of solar power in the energy mix of energy providers, resulting from such laws and regulations in one or several relevant countries may lead to a slower overall market growth.

Especially, amendments of the feed-in schemes in core markets like Germany and Italy as well as changes to the rebate programs in the USA may slow down demand. In Germany, the new government coalition stated, that it plans to further decrease the feed-in tariffs for solar products by mid 2010 or beginning of the year 2011, although the exact depression scheme has not been

communicated yet. However, the German government generally confirmed its intention to continue the support of solar power. A strong decrease of incentives like feed-in tariffs for solar power would have to be offset by corresponding price cuts for solar modules. Generally, risks resulting from a decrease of feed-in tariffs will have to be compensated through the reduction of manufacturing costs along the entire value creation chain. It may also have adverse effects on demand, thus affecting SolarWorld Group's sales and earnings.

In the USA, the government has approved new federal incentive programmes aimed to promote renewable energies including solar energy. These programmes may show first effects on demand, if any, as of 2010. A slower resulting increase in demand than expected may affect SolarWorld Group's sales and earnings.

### ***Risks from Intensified Competition***

SolarWorld Group is exposed to an intensification of competitive pressure, which tends to harden at all stages of the value creation chain of the solar industry. Reasons for growing competition consist above all of low-wage countries and declining annual feed-in tariffs. With increasing production capacities in the wafer, cells and module markets, supply for these products may exceed demand thus accelerating the price decline in these segments. The therefrom resulting potential loss of market shares and stronger margin pressure due to increased price competition may have adverse effects on sales and earnings of SolarWorld Group for wafers, cells and modules.

### ***Risks from Alternative Technologies***

Numerous companies operate in the field of alternative technologies. The technological breakthrough of alternative technologies involves the risk of the substitution of crystalline solar power technologies, which technologies provide the basis for SolarWorld Group's mono- and poly-crystalline solar power applications. Resulting potential loss of market shares and increasing price competition with stronger pressure on margins may adversely affect sales and earnings of SolarWorld Group.

### ***Procurement Risks***

The manufacture of SolarWorld Group's products requires substantial amounts of silicon as most important raw material for the solar industry. The security of silicon supplies is of the essence for SolarWorld Group. As a consequence, the scarcity of the silicon supply-capacity may affect the long-term capacity utilisation of SolarWorld Group's manufacture, which in turn may have an adverse effect on the group's sales and earnings.

Amongst others, long-term silicon supplier contracts shall ensure its availability for SolarWorld Group's production. Currently, SolarWorld Group covers approximately 100% of its silicon needs until 2014, including the planned capacity increase in the wafer production of up to 1.250 MW, through long-term supplier contracts. Down-payments amounting to EUR 367 million in order to secure the raw material needs were made up to 30 September 2009. Since contract and spot market prices for silicon converge more and more due to its increased supply, long-term silicon supplier contracts become less advantageous. Should this development of procurement costs remain unchanged, it may cause margin erosion in the case that wafer and module prices should fall.

Generally, significant variations in the cost and availability of raw materials and energy may adversely affect SolarWorld Group's sales and earnings.

### ***Counterparty Default Risks***

SolarWorld Group is subject to credit risks to the extent that counterparties to transactions may not be able to perform their contractual obligations. Moreover, since SolarWorld Group's major customers are small to medium sized companies it may face the risk of falling demand due to illiquid customers as a result of which products may not be sold. Defaults with respect to significant contracts may adversely affect SolarWorld Group's sales and earnings.

### ***Corporate Strategy Risks***

SolarWorld Group's operating results depend on the development of commercially viable new products and production technologies. SolarWorld Group devotes approximately 2% of its revenue to research and development. However, the rollout of new products involves conceptual and market

risks. Because of the lengthy development process, technological challenges and intense competition, there can be no assurance that any of the products SolarWorld Group is currently developing, or may begin to develop in the future, will become market-ready and achieve substantial commercial success. The resulting losses of market shares, image and capital due to wrong strategic decisions might adversely affect the economic situation of SolarWorld Group.

### **Warranty Product Liability Risks**

Substandard quality may result in manufacturer's guarantee, statutory warranty and *ex gratia* repair costs and lead in the long term to the loss of market share or lower product margins. In extreme cases, product liability and compensation claims may be made.

Sales to wholesalers are customarily conducted on the basis of SolarWorld Group's general terms and conditions. The same provide for a customary limitation of warranty rights for the customer. In general, SolarWorld is entitled to remedy defects by repair or re-delivery. Only if such measurements should fail the customers may claim a deduction of the purchase price and/or withdraw from the purchase and claim damages. In the case where SolarWorld Group sells modules to larger turn key projects, the terms of warranty and liability are agreed upon on an individual basis and may differ from the above. In addition to the foregoing, the modules being sold are covered by a service certificate providing a warranty for a period of 25 years for a power output decrease compared to the nominal output of the module of maximal 0.7% *per annum* starting from 97% at the second year of use. Accordingly, SolarWorld warrants a power output of at least 80.2% at the end of the warranty period compared to the nominal power output of the module, provided that the modules have been used and maintained with the diligence of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmanns*). In the case where the power output falls below the above stated figure, SolarWorld Group may remedy the shortfall by providing modules in exchange or a compensation for the time-value of the respective module or other appropriate measurements. To date, SolarWorld Group has only had moderate costs for warranty claims. However, SolarWorld Group cannot predict how this will develop in the future and can therefore not exclude that any pending or future warranty claims might have an adverse effect on the group's earnings or financial position.

### **Human Resources Risks**

Competition for highly qualified management and technical personnel is intense in the industries in which SolarWorld Group operates. SolarWorld Group's future success depends in part on its continued ability to hire, integrate and retain highly skilled employees. The risks include not being able to fill key positions to meet future requirements. A resulting potential reduction in SolarWorld Group's technological edge and corporate growth due to the shortage of specialised employees may adversely affect its financial position.

### **Information Technology Risks**

SolarWorld Group is dependent upon technology for the distribution of information within the SolarWorld Group and to customers and suppliers. This information technology is subject to risks associated with defects, errors, failures and computer viruses. There can be no assurance that SolarWorld Group's information technology systems will not fail and cause material disruptions to SolarWorld Group's business. Productivity losses due to resulting interruption of production and workflows may have a negative impact on SolarWorld Group's sales and earnings.

### **Liquidity Risks**

SolarWorld's ability to finance its business depends on future developments of financial markets. Access to liquid funds may be limited during the financial crisis. Should the situation in the credit markets not improve in the medium to long term, SolarWorld could face increasing refinancing costs due to the widening of interest spreads and shorter maturities in lending. Lending commitments at tighter or unfavorable credit terms may have a negative impact on the funding options for SolarWorld's expansion plans as well as the funding of modernisation, potential acquisitions and the refinancing of existing debt.

### **Other Financial Risks**

SolarWorld Group conducts a significant portion of its operations outside of Europe and is therefore

exposed to risks associated with the fluctuations of foreign currencies. Furthermore, SolarWorld Group is subject to interest rate risks and price risks in the ordinary course of its business. Any loss resulting from the realisation of any of these risks may adversely affect SolarWorld Group's earnings.

### ***Litigation Risks***

SolarWorld Group is involved in legal, regulatory, governmental and arbitration proceedings and may become involved in additional proceedings. These proceedings involve claims by and against SolarWorld Group, which arise in the ordinary course of its business (such as payment claims against customers who do not comply with their contractual obligations), trade mark, patent and warranty proceedings. To date, these proceedings only resulted in moderate costs for SolarWorld Group. However, SolarWorld Group cannot predict how the litigation risk may develop in the future and can therefore not exclude that any pending or future proceedings might have an adverse effect on the group's earnings or financial position.

### ***Taxation Risks***

SolarWorld Group aims to comply with all applicable tax laws and regulations concerning the group's sites globally. However, any financial obligation of SolarWorld Group with respect to taxes is subject to changes of the respective laws and regulations as well as business decisions. SolarWorld Group believes that the tax filings are prepared in compliance with all relevant tax laws and regulations. If the relevant tax authority had a different legal position to particular issues this could lead to additional tax claims which could have a negative effect on SolarWorld Group's earnings or financial position.

### ***Environmental risks***

As a manufacturing and selling group, SolarWorld Group is subject to environmental risks. SolarWorld Group operates a group-wide environmental management system in order to counter risks in the process chain and make environmental standards transparent. The gathering of statistics relating to waste, emissions, waste water and the use of material facilitates the early detection and risk identification with regard to environmental issues. However, there remains the general risk of non compliance with environmental protection law which may lead to fines and/or compensation payments which in turn may have negative effects on SolarWorld Group's earnings or financial position.

## **Risks relating to the Notes**

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks:

### ***Notes may not be a suitable investment for all investors***

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

**Liquidity Risk**

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

**Risk of Early Redemption**

The Notes may be redeemed at the option of the Issuer (in whole, but not in part) at the principal amount of the Notes plus accrued interest to the date fixed for redemption, for reasons of taxation, as more fully described in the Conditions of Issue. In the event that the Issuer exercises the option to redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

**Market Price Risk**

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Note. The Holders are therefore exposed to the risk of an unfavourable development of market prices of their Notes which materialise if the Holders sell the Notes prior to the final maturity. If a Holder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the Conditions of Issue.

***The market value of the Notes could decrease if the creditworthiness of the SolarWorld Group worsens or the shareholder structure changes***

If, e.g., because of the materialisation of any of the risks regarding the Issuer, the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the SolarWorld Group could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of said risk. Under these circumstances, the market value of the Notes will decrease.

**Currency Risk**

The Notes are denominated in euro. If such currency represents a foreign currency to a Holder, such Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

**Fixed Rate Notes**

The Notes bear a fixed interest rate. A Holder of fixed rate Notes is particularly exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of a fixed rate Note as specified in the Conditions of Issue is fixed during the life of the Notes, the current interest rate on the capital market typically changes on a daily basis. As the market interest rate changes, the price of fixed rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of fixed rate Notes typically increases, until the yield of such Notes is approximately equal to

the market interest rate of comparable issues. If a Holder of the Notes holds his Notes until maturity, changes in the market interest rate are without relevance to such Holder as the Notes will be redeemed at the principal amount of the Notes.

#### ***Resolutions of Holders***

Since the Notes provide for meetings of Holders, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution is binding on all Holders, certain rights of such Holder against the Issuer under the Conditions of Issue may be amended or reduced or even cancelled.

#### ***Holdings' Representative***

Since the Notes provide for the appointment of a Holdings' Representative by a majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Holdings' Representative who is then exclusively responsible to claim and enforce the rights of all the Holders.

#### ***Changes in Accounting Standards (IFRS and HGB (German Commercial Code))***

SolarWorld's annual financial statements are issued in accordance with IFRS Standards as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315a (1) HGB (*Handelsgesetzbuch*, German Commercial Code). New or changed accounting standards may lead to adjustments in the relevant SolarWorld accounting positions. This might lead to a different perception of the market regarding SolarWorld's creditworthiness. As a result there is a risk that the market value of the Notes might decrease.

#### ***No restriction on the amount of debt which the Issuer may incur in the future***

There is no restriction on the amount of debt which the Issuer may issue which ranks equal to the Notes. Such issuance of further debt may reduce the amount recoverable by the Holders upon winding-up or insolvency of the Issuer.

## **USE OF PROCEEDS**

In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately EUR ●, after deducting aggregate costs and commissions aggregating approximately EUR ●. The Issuer intends to use the net proceeds for purposes of its general business.

## SOLARWORLD AKTIENGESELLSCHAFT

### General Information about SolarWorld Aktiengesellschaft and SolarWorld Group

SolarWorld Aktiengesellschaft ("**SolarWorld**") is the parent company of SolarWorld Group performing the function of a holding company. SolarWorld is listed in the prime standard of Frankfurt Stock Exchange (TecDAX).

SolarWorld Group is one of the world leaders in the manufacture of crystalline solar power technology. Today, SolarWorld Aktiengesellschaft and its subsidiaries research, develop, produce and recycle at all stages of the solar value creation chain: from the generation of silicon via wafer, cell and module production all the way to systems solutions in on-grid and off-grid technology. The business model concentrates on the core business of solar power technology. SolarWorld Group emphasises on solar power applications ranging from roofs to large-scale solar power plants in the worldwide solar markets. At the same time, SolarWorld Group also promotes access to energy in regions all over the world that are far removed from grids.

### History, Incorporation and Seat

The origins of SolarWorld trace back to the sole proprietorship (*Einzelfirma*) Frank H. Asbeck, Ingenieurbüro für Industrieanlagen founded 1988 and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) Bonn under HRA 3761. As a result of the expansion of its business activities, SolarWorld Aktiengesellschaft was founded to which the whole business unit photovoltaic trading and plant construction was transferred. As a stock corporation under German law SolarWorld Aktiengesellschaft was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) Bonn under HRB 8319 on 26 March 1999. SolarWorld's headquarters is located in Bonn, Germany; the registered office is located in Martin-Luther-King-Straße 24, 53175 Bonn, Germany, telephone number: +49 (0) 228 559 20 0.

The fiscal year of SolarWorld is the calendar year.

### Corporate Purpose

Article 2 of SolarWorld's Articles of Association (*Satzung*) define the company's purpose as:

1. The corporate purpose of the company comprises plant engineering and construction, product development, manufacturing of modules and components as well as trading in these products in the photovoltaic business, the planning/design, construction and operation of, and the trading with, wind power plants, as well as power trading.
2. The company is authorised to engage in any business and to take measures which serve this corporate purpose. To this end, it may also establish, acquire or invest in other companies.

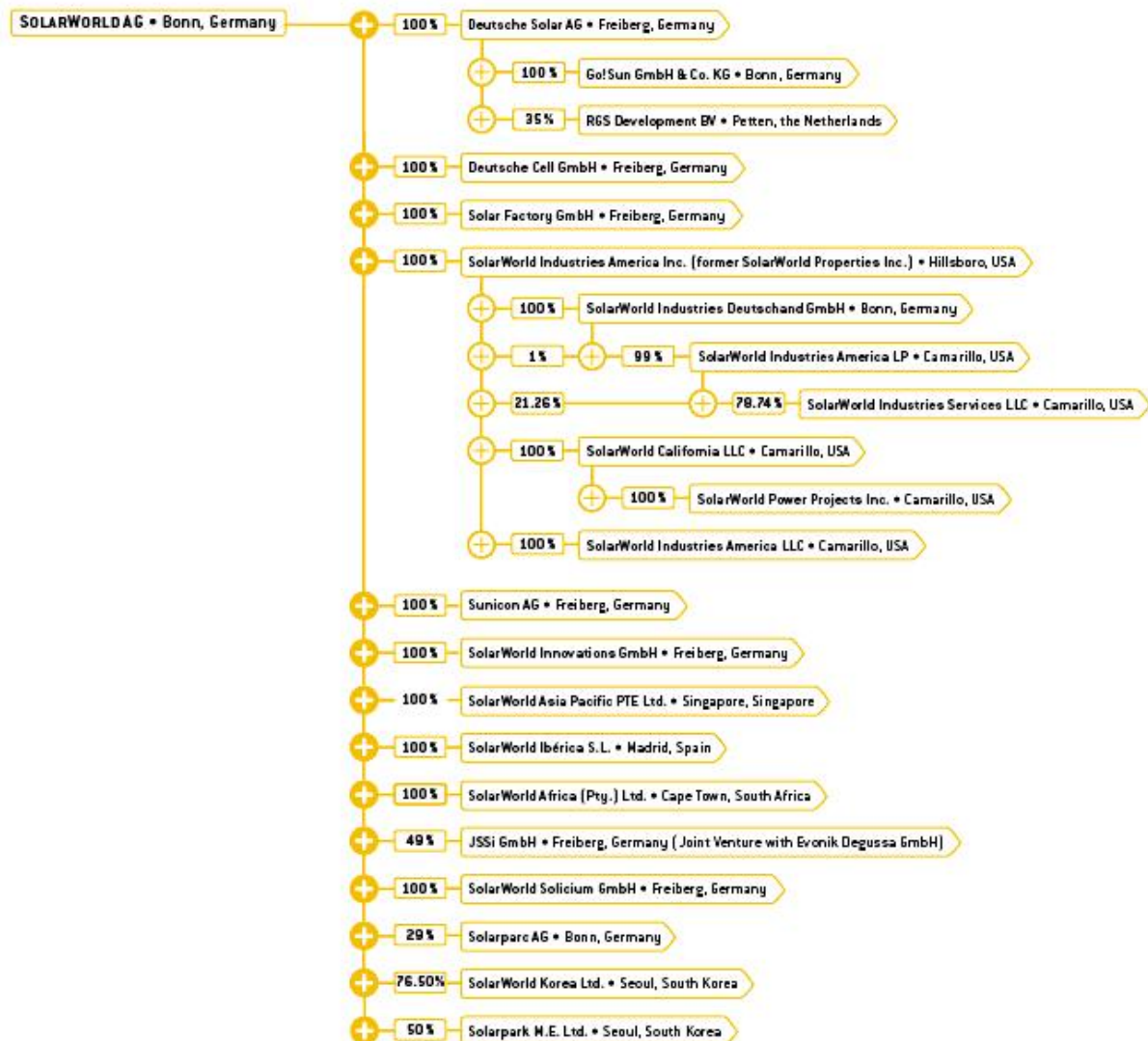
### Organisational Structure and Group Strategy

#### Organisational Structure

SolarWorld Group is headed by SolarWorld, which as the holding company provides centralised business services to the group, such as leadership, steering and control functions in the areas of strategic group development, mergers & acquisition, finance, controlling, corporate communication, marketing as well as sustainability management as a staff position under the group management board.

At the date of this Prospectus, the SolarWorld Group consists of a total of 29 companies. SolarWorld entered into profit and loss transfer agreements with all major wholly owned subsidiaries in Germany.

## Solarworld Legal Structure as per 1 December 2009



## Group Strategy

As fully integrated solar technology group it is SolarWorld Group's goal to expand its position on the global solar market and, as a result, to further promote the use of solar energy. At the same time SolarWorld Group remains open to creative approaches in overlapping business sectors.

SolarWorld Group focuses on the optimisation of its cost structures through research and development activities across the entire production chain. It also plans to increase its production capacities worldwide in order to satisfy growing demand for solar power products and benefit from economies of scale, thus achieving a stable growth. It has the goal to increase its market share and to focus on the core markets of Europe, the USA as well as the development and penetration of new market segments like off-grid solar power systems. For this reason it has established sales offices in the major solar markets worldwide and it is developing international marketing campaigns to raise brand awareness as a high quality manufacturer of solar power products. As differentiation strategy, SolarWorld Group is further developing its competence in integrated ready-to-assemble solar systems (solar kits) and its service quality, since the market for integrated system solutions offers higher margins and is more difficult to penetrate by competitors who are not present on the spot.

SolarWorld Group also aims to strengthen its presence in the market of large solar power plants for on-grid as well as off-grid power supply. The increasing concerns regarding energy security and the growing demand for low-carbon energy technologies have created new opportunities for large solar power systems, which the company wants to use for its further growth. Thus, SolarWorld has created a new subsidiary in California, USA (SolarWorld Power Projects Inc.), which shall support the group's activities in this high growth future market.

### Business Overview – Principal Activities and Principal Markets

#### General

SolarWorld Group is one of the world leaders in the manufacture of crystalline solar power technology, whose integrated value creation chain ranges from raw material to the turn-key solar plant. Thus, it concentrates on the core business of solar power technology and operates in two business segments: Production (of raw materials, wafer, cells and modules including research & development) and Trading (sales of modules and solar kits).

PRODUCTION					TRADING
RESEARCH AND DEVELOPMENT	RAW MATERIAL PRODUCTION AND RECYCLING	WAFER	CELL	MODULE	TRADING
SolarWorld Innovations GmbH Germany	Sunicon AG Germany	Deutsche Solar AG Germany	Deutsche Cell GmbH Germany	Solar Factory GmbH Germany	SolarWorld AG Germany
RGS-Development BV The Netherlands	Solar material Business unit of Sunicon AG Germany	SolarWorld Industries America Inc. USA	SolarWorld Industries America Inc. USA	SolarWorld Industries America Inc. USA	SolarWorld California LLC USA
	JSSi GmbH Germany			SolarWorld Korea Ltd. South Korea	SolarWorld Ibérica S.L. Spain
	SolarWorld Solicium GmbH Germany				SolarWorld Africa (Pty.) Ltd. South Africa
					SolarWorld Asia Pacific PTE Ltd. Singapore

Additionally, SolarWorld acts as the European sales and distribution center for the trading in modules and kits. In the case of high capacity central solar power stations SolarWorld also provides the turn-key installation to customers. A central purchasing unit attached to Deutsche Solar AG at Freiberg, Germany production site controls the procurement and purchasing activities for the entire group. The research and raw materials activities are bundled centrally at subsidiaries such as SolarWorld Innovations (research and development) and Sunicon AG (raw materials activities). In this way SolarWorld Group benefits from group-wide synergies and economies of scale, improves the know-how transfer within the group and strengthens its market position. With a uniform group-wide IT system, SolarWorld Group intends to secure the identical acquisition of data, a smooth exchange of information and the efficient handling of projects for all business segments.

With a total of 12 sites worldwide (including two establishments, joint ventures operations and the holding company), SolarWorld Group is today present on the relevant solar markets. SolarWorld

Group operates with production facilities in Germany, the USA, and South Korea on the core solar markets of Europe, North America, and Asia, which keeps transport distances short and logistics cost low. Sales teams in Germany, Spain, the USA, Singapore, and South Africa are pushing ahead strategic distribution in the solar growth regions.

In 2008, SolarWorld Group entered the market in the USA by way of building up an integrated production facility from silicon to the finished module. On 17 October 2008, SolarWorld Industries America Inc. commenced operations at its wafer and cell production facility in Hillsboro, USA.

The newly established SolarWorld Power Projects Inc. headquartered in Camarillo, California, USA, a wholly owned subsidiary of SolarWorld California LLC., will primarily look after the development of large-scale projects in the USA. Camarillo is, due to its logistic proximity to the Californian retail market, another strategically important location for SolarWorld Group in the USA. Operations for module production started at the technologically completely revised plant technology in the middle of 2008. As a result, group-wide, productions are now at the same technology level.

Another strategic entry into new markets was completed in 2008 when SolarWorld Group established a module production facility with its joint venture partner SolarPark Engineering Co. Ltd., Seoul in South Korea. Towards the end of 2008 production was started and the initially planned capacity was reached. The existing level of process and plant know-how of the two Joint Venture partners made the construction of this modern, fully automatic module manufacturing facility possible.

## **Production**

SolarWorld Group's production ranges across the value creation chain from silicon to the finished module. The integrated production leads to process transparency and facilitates process control and optimisation. Thus, SolarWorld can control its products at every manufacturing stage as a result of which it can assure the high quality of the SolarWorld brand to its customers. This holistic production approach allows SolarWorld Group to cut the use of resources under economic and ecological aspects. Furthermore, it provides with additional means for increasing the performance and competitiveness of their products. Through this value creation chain SolarWorld Group seeks to achieve internal cost cutting effects through which the decline in feed-in tariffs for solar power established by the relevant national renewable energy laws shall largely be compensated.

### ***Raw Material Production and Recycling Activities***

The first stage of the solar value creation chain is the production of silicon. Silicon is the most important raw material of the photovoltaic industry. Besides long-term silicon contracts, SolarWorld Group's own silicon production and recycling activities stabilise the necessary raw material position and costs. Under the coverage of Sunicon AG, the group's raw material activities are pooled. Sunicon AG is charged with securing the strategic long-term supply of silicon.

Within the framework of the Joint Venture, JSSi GmbH, Freiberg, Germany ("**JSSi**") (formerly known as Joint Solar Silicon Verwaltungs GmbH) with Evonik Degussa GmbH (SolarWorld: 49%), processes in industrial silicon production are evaluated and developed with regard to their feasibility and economy.

JSSi took up its silicon production in 2008. Advantage of this joint venture is on the one hand the lower investment costs compared to those spent for the process employed so far. On the other hand, Evonik Degussa GmbH provides the input product, mono-silane, and acts as a partner (in the context of the joint venture) in building the precipitation plant for the subsequent production of solar-grade silicon under the brand Sunsil®. Furthermore, the process based on the use of mono-silane is energy-efficient because, in comparison with conventional silicon production, it saves up to 90% of the required energy. This newly developed precipitation process is protected by four patents. All rights are held exclusively by JSSi, whose general conditions are laid down in a master agreement. Regarding the purchase of the input product, mono-silane, Evonik Degussa GmbH, JSSi and SolarWorld concluded ten-year contracts, which shall secure the basis for silicon production over the long term.

Due to its broad range of recycling activities, which range from by-products of solar and semiconductor production and processing via wafer and cell scrap all the way to the recycling of all commercially available solar modules, SolarWorld Group is one of the market leaders worldwide. Production residues from wafer and column manufacture are also completely recycled. Cells and modules made from recycled wafers meet the same quality and performance criteria as modules from non-recycled

raw materials. SolarWorld Group succeeded in increasingly automating the internal recycling processes thus making them more cost-efficient. The recycling contributes about 20% to the raw materials supply of the group.

### ***Production of Wafers, Cells and Modules***

The second stage of the production value creation chain is the wafer manufacturing. In a polycrystalline process the silicon is crystallised in square blocks, cut into columns and sawn into wafers with the help of modern wire sawing technology. In line with market requirements SolarWorld produces mono- and polycrystalline wafers under the Solsix® brand. These wafers possess a high degree of efficiency in the downstream cell production as well as a high degree of mechanical stability. They are produced at the SolarWorld sites in Germany and the USA, and are used in the internal production as well as sold to external customers. SolarWorld has long-term contracts with wafer clients running until the year 2018.

During the cell production process, the wafers are further processed in fully automatic processing plants under clean room conditions into multi- and mono-crystalline solar cells.

In the final step of the value creation chain the solar cells are soldered into cell strings, which are connected into a matrix, laminated, equipped with a patented connecting socket on the rear of the laminate and finally pressed into an aluminium frame, thus creating a solar module. The products of the module manufacturing of SolarWorld are then completely transferred into the Trading segment, where they are sold to external customers.

### ***Research and Development***

International solar markets are characterised by growing competition, above all from low-wage countries and declining annual feed-in tariffs, but at the same time by double-digit growth rates. As a result, the key innovation task of SolarWorld Group's research and development activities is to continually reduce the cost of solar power by means of improvements in processes and products and make solar power "*made by SolarWorld*" competitive in the near future. SolarWorld's research and development activities cover the entire value creation chain together with SolarWorld Innovations GmbH, Sunicon AG and the "System and Frame Technology" design department at SolarWorld. SolarWorld Group develops technology based on an understanding of the causes and effects all the way from silicon to the finished system. This results in innovation and cost-cutting potential.

SolarWorld Innovations GmbH was founded in mid-2007 as a strictly research and development company of the SolarWorld Group at the German site in Freiberg. Thus, a group-wide strategic platform for technology and product development was built and the necessary resources were created so that SolarWorld Group is able to deliver synergies, including development and test laboratories, to support quality assurance, a central patent and literature administration system, intellectual property (IP) management, and central project management that also serves to coordinate state-funded development projects. The production technology teams show just how closely the research and development is linked with production. Employees from the individual production areas and SolarWorld Innovations GmbH cooperate closely within these teams. The research and development is therefore guided by the principle of direct implementation in production, which creates time and efficiency gains for innovations.

SolarWorld Group's research and development activities include two pilot plants that provide an opportunity to carry out development activities under conditions that are very close to actual production conditions. Process and plant development and evaluation will be completed on a pilot scale all the way through to series production at these plants. Furthermore, scientific support by universities, institutes, and other external centers of excellence is and continues to be a key pillar of these development activities, despite the strengthening of the internal research operations.

### ***Trading***

Products in the Trading segment include the solar system kits consisting of the selected module type, the inverter to match, the assembly rack required for the roof-shape as well as additional accessories. System Components – almost all developed and produced by SolarWorld and distributed by the group - are e.g. Sunkits®, meaning custom-made construction kits, Sunmodule® plus (photovoltaic modules), the Energyroof (Energiedach®), a complete roof-integrated system, Suntrac®, the ground

mounting tracking system, Suntub®, the flat roof assembly system, and Suntrol®, a display panel for the control of a solar system's output, as well as inverters of all types. SolarWorld also specialises in the planning and construction of large-scales solar power plants.

Distribution is organised in a three-stage system. The wholesale trade supplies specialised companies on the spot such as electricians, roofer, heating and sanitarian technicians. At the second stage SolarWorld distributes its products through other trading firms that are specialised in photovoltaic for a long time. SolarWorld sells its products also directly to retail customers, whereas the processing of orders will be realised by technical firms on the spot.

The company has sales subsidiaries in Camarillo, USA; Madrid, Spain; Singapore, Singapore; Cape Town, South Africa as well as in Bonn, Germany. The latter acts as the sales and distribution centre for the European markets.

### Key Financial Information on Business Segments as of 31 December 2008

	Wafer	Cell	Module	Trading	Elimination	Consolidated
<b>REVENUE</b>						
External revenue	203	32	0	665		
Inter-segment revenue	253	327	455	2	-1.037	
<b>Total revenue</b>	<b>456</b>	<b>359</b>	<b>455</b>	<b>667</b>	<b>-1.037</b>	<b>900</b>
<b>RESULT</b>						
Segment result	123	64	35	52	-2	272
Unallocated gains						1
Unallocated expenses						-12
Operating result (EBIT)						261
Financial result						-72
Taxes on income						-54
<b>Result for the period</b>						<b>135</b>

As per 1 January 2009, IFRS 8 "Business Segments" replaces IAS 14 "Segment Reporting". Contrary to prior year, in application of the full management approach, only two reportable operating segments have been identified: Production and Trading. Background is the internal organisational, reporting as well as controlling structure predominating SolarWorld Aktiengesellschaft which is primarily divided into the areas production and trade. The operating segment Production comprises the worldwide production of solar modules taking into account the full value creation chain as well as research and development. The operating segment Trading includes the worldwide sales activities regarding solar modules. Prior year figures have been adjusted accordingly. The disclosed eliminations refer to regular consolidation entries as well as eliminations with regard to intersegment tolling transactions.

### Key Financial Information on Business Segments as of 30 September 2009

in m EUR	Production	Trading	Elimination	Consolidated
<b>Revenue</b>				
External revenue	284	455	-105	
Inter-segment revenue	346	0	-346	
<b>Total revenue</b>	<b>630</b>	<b>455</b>	<b>-451</b>	<b>634</b>
<b>Result from continued operations</b>				
Segment result (EBIT)	128	8	-18	118
Financial result				-20
Taxes on income				-30
<b>Result from continued operations</b>				<b>68</b>

## Acquisitions and Divestitures

SolarWorld intends to pursue consistently the strategy of a fully integrated global solar technology group. This is why SolarWorld intends to continue to invest in the core markets of Germany, the USA and South Korea and to expand the production capacities in Freiberg, Germany as well as Hillsboro, USA in 2009 as planned.

The establishment of the central Research and Technology Center at the Freiberg location was continued as scheduled in 2009.

Furthermore, SolarWorld newly established SolarWorld Power Projects Inc. headquartered in Camarillo, California, USA as a wholly owned subsidiary of SolarWorld California LLC. Its corporate purpose is primarily to look after the development of large-scale projects in the USA. During the third quarter 2009, SolarWorld also acquired the remaining 50% of the shares of SolarWorld Solicium GmbH, Freiberg, Germany (former: Scheuten SolarWorld Solicium GmbH).

In order to accelerate the expansion of the Korean Joint Venture in the recovering Asian solar market SolarWorld increased its stake in SolarWorld Korea Ltd. in the context of a capital increase amounting to EUR 13.9 million to 76.5% (previously: 50%) in the course of the first three quarters of 2009. SolarWorld's joint venture partner holds the contractual right to purchase 26.5% of the shares from SolarWorld within one year, so that an equal share-percentage will be re-established in the short-term. SolarWorld plans to more than double the current capacity of the module production of their joint venture in South Korea.

Prior to the end of 2009, SolarWorld AG finalised its divestment strategy with regard to the module manufacturing company Gällivare PhotoVoltaic AB ("**GPV**"), Gällivare Sweden, which was initiated already in 2008, by transferring the remaining 35% interest in GPV to Boreinvest AB

For 2009, SolarWorld invested a volume of around EUR 300 million group-wide. A large portion of the investment expenditure will be accounted for by the expansion of the two main production sites.

For the most part, group funding is carried out centrally via SolarWorld. This includes, *inter alia*, the management of liquidity as well as borrowing for the funding of the business expansion. SolarWorld's financial policy aims at having respective liquidity reserves available at any time in order to provide the group with the financial flexibility necessary for further international growth of the group, at limiting financial risks, and at optimising capital costs by way of an appropriate capital structure. On the balance sheet dated 30 September 2009 respective free liquidity (liquid funds and other financial assets per 30 September 2009) amounted to EUR 456.1 million (31 December 2008: 836.1). A syndicated credit line with a volume of EUR 200 million agreed upon in the first quarter of 2009 flanks the group's financial flexibility and was utilised on 1 October 2009 and 4 January 2010.

SolarWorld aims to achieve a stable equity ratio of or around 40%. In addition to the financial resources requirements that SolarWorld safeguard via the operational cash flow, it also use different debt financing instruments in accordance with the market situation. The long-term alignment of the financial management seeks to achieve solid funding of the group's expansion plans.

## Management and Supervisory Bodies, Board Practices and Corporate Governance

### General

In accordance with the maintained two-tier administrative system, SolarWorld has a Management Board (*Vorstand*) and a Supervisory Board (*Aufsichtsrat*). The two boards are separate and no individual is or can be simultaneously a member of both boards. Both governing bodies cooperate by tradition very closely and in a trustful manner at SolarWorld.

The members of the Management Board are appointed, supervised and advised by the Supervisory Board and manage the company under their own responsibility pursuant to the German Stock Corporation Act (*Aktiengesetz – AktG*), to the Articles of Association and to the Rules of Procedure. The Rules of Procedure determine the work of the Management Board, define the responsibilities of individual Management Board members as well as matters reserved for the entire Management Board and the required voting majorities for Management Board resolutions. The Management Board of SolarWorld and the business distribution among its members has remained unchanged in the course of 2009. The Management Board consists of four members.

Pursuant to the German Stock Corporation Act (*Aktiengesetz – AktG*), the Supervisory Board of SolarWorld consists of Supervisory Board members of the shareholders. The Annual General Meeting is not bound by any election proposals. The legal basis for the work of the Supervisory Board at SolarWorld is provided by the German Stock Corporation Act (*Aktiengesetz – AktG*), the Articles of Association and by the Rules of Procedure. The Supervisory Board consists of three members. None of its members exercises a directorship or similar function or performs advisory tasks for important competitors of SolarWorld. At the Annual General Meeting on 21 May 2008, Dr. Claus Recktenwald, Dr. Georg Gansen and also Dr. Alexander von Bossel were re-elected to the Supervisory Board in individual elections. At its constituent meeting on the same day the Supervisory Board confirmed Dr. Claus Recktenwald as its Chairman, and Dr. Georg Gansen as its Deputy Chairman.

In November 2009, Frank H. Asbeck, Chairman of the Management Board/Chief Executive Officer of SolarWorld, purchased 1% of the issued share capital of Hauck & Aufhäuser Privatbankiers KGaA, a German partnership limited by shares (*Kommanditgesellschaft auf Aktien - KGaA*), which interest was increased in December 2009 by another 8% resulting in a total interest of 9% in the issued share capital. As a result of this investment Frank H. Asbeck now belongs to the limited liability shareholders of Hauck & Aufhäuser Privatbankiers KGaA.

Except as disclosed in this Prospectus, none of the members of the Supervisory Board or the Management Board of SolarWorld has any potential conflicts of interests between any duties regarding SolarWorld and their private interests or other duties. The members of the Supervisory Board and of the Executive Board can be contacted at the address of the headquarters of SolarWorld.

### **Management Board**

The following table shows the current members of the Management Board, their position and background:

<b>Name/</b>	<b>Position/Background</b>
Frank H. Asbeck	Chairman of the Management Board/Chief Executive Officer, Graduate Engineer, Founder of SolarWorld and Chairman of SolarWorld AG since 1998
Frank Henn	Manager Sales/Chief Sales Officer, Graduate Industrial Engineer, In charge since September 2003 for the national and international sales business
Boris Klebensberger	Manager Operative Business/Chief Operating Officer, Graduate Engineer, Master of Business Engineering, In charge since October 2001 as member of the corporate management of SolarWorld for the operative business at the manufacturing segments
Philipp Koecke	Executive Director Finance/Chief Financial Officer, Graduate Finance Executive, In charge for SolarWorld Group since May 2002 for finance and capital market communication,

## Supervisory Board

The following table shows the current members of the Supervisory Board and a list of responsibilities, their background and outside directorships:

Name	Position/Background/Outside Directorships
Dr. Claus Recktenwald	Attorney-at-law and Partner in the law firm Schmitz Knoth Rechtsanwälte in Bonn, Chairman of the Supervisory Board of SolarWorld AG, Bonn, Germany, Chairman of the Supervisory Board of Solarparc AG, Bonn, Germany, Deputy Chairman of the Supervisory Board of Deutsche Solar AG, Freiberg, Germany, Member of the Supervisory Board of VEMAG Verlags- und Medien Aktiengesellschaft, Cologne, Germany, Deputy Chairman of the Supervisory Board of Sunicon AG, Freiberg, Germany,
Dr. Georg Gansen	Attorney-at-law and Corporate Legal Counsel with Deutsche Post AG with official residence in Bonn, Germany, Deputy Chairman of the Supervisory Board of SolarWorld AG, Bonn, Germany, Deputy Chairman of the Supervisory Board of Solarparc AG, Bonn, Germany, Deputy Chairman of the Supervisory Board of Deutsche Solar AG, Freiberg, Germany, Deputy Chairman of the Supervisory Board of Sunicon AG, Freiberg, Germany
Dr. Alexander von Bossel	Attorney-at-law and Partner in the law firm CMS Hasche Sigle in Cologne, Germany, Member of the Supervisory Board of SolarWorld AG, Bonn, Germany, Member of the Supervisory Board of Solarparc AG, Bonn, Germany

## Board Practices

In all decisions of fundamental importance to the Issuer the Supervisory Board is involved in a direct and timely manner. The Management Board informs the Supervisory Board both in writing and verbally about all relevant matters of corporate planning and strategic development, about the earnings, asset and finance situation of the Issuer as well as about current business policy and the risk management system being practiced. The reporting duties pursuant to section 90 AktG (German Stock Corporation Act, *Aktiengesetz*) are complied with as much as the recommendations of the German Corporate Governance Code (the "**GCGC**") dated June 2008.

As far as compliance with the GCGC recommendations by the Supervisory Board of SolarWorld is concerned, the coordination of the strategic alignment of the company and the regular discussion of the current state of strategy implementation are dealt with within the framework of the consistently practiced exchange of information with the Management Board (section 3.2 GCGC). In this process, the provision of information to the Supervisory Board was and is seen as a joint task of the Management Board and the Supervisory Board (section 3.4 GCGC). The Supervisory Board regularly informs and as much as possible integrates the Chairman of the Management Board about/in its activities.

The tasks described by the German Accounting Rules Modernisation Act (*Bilanzrechtsmodernisierungsgesetz, BilMoG*) with regard to accounting and auditing are performed by all three members of the Supervisory Board. To the extent that the BilMoG demands in this context that at least one member of the Supervisory Board be independent and have expertise in the areas of accounting or auditing, the Supervisory Board as a whole declares itself to be sufficiently qualified. In the first instance it is enough if one member of the Supervisory Board has expertise in the area of accounting or alternatively in the area of auditing. This applies to all Supervisory Board members as fully qualified lawyers who have all specialised in business law. In addition, the necessary expertise is simply taken or granted in the case of "*long-standing members in audit committees*". As all the Supervisory Board members have been involved in the annual auditing of the SolarWorld Group since 18 December 1998 no further explanations are needed therefore.

Since the Supervisory Board of SolarWorld is limited to three members a formation of committees is currently legally not required.

### **German Corporate Governance Rules**

Principal source of enacted corporate governance standards for SolarWorld is the German Stock Corporation Act (*Aktiengesetz - AktG*). In addition, the German Corporate Governance Code (the "**GCGC**"), published by the German Ministry of Justice (*Bundesministerium der Justiz – "BMJ"*) in 2002, as amended, presents essential widely accepted standards for the corporate governance of German listed companies. The aim of the GCGC is to make the German corporate governance rules applicable to listed German stock corporations transparent for national and international investors.

According to section 161 AktG, which entered into force in 2002, the Management Board and the Supervisory Board of a listed German stock corporation are required to declare annually (declaration of compliance) either:

- (i) that the stock corporation has complied and does comply, with the recommendations set forth in the German Corporate Governance Code, or, alternatively,
- (ii) that the stock corporation has not or does not comply with certain recommendations (so-called comply or explain system).

### **Statement of principles pursuant to section 161 AktG**

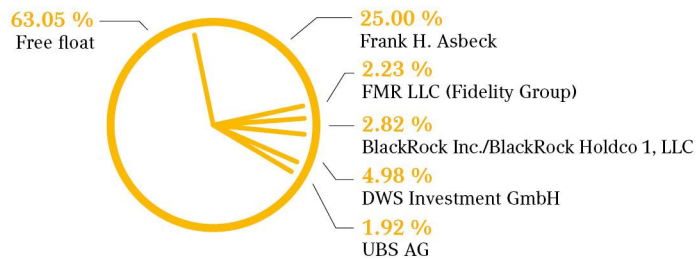
"The recommendations of the "*Government Commission German Corporate Governance Code*" as announced by the Federal Ministry of Justice in the official section of the Electronic Federal Gazette have been and are being complied with by the Supervisory Board of SolarWorld AG to the extent that these recommendations apply to it." As per the resolution passed on 29 September 2008 the declaration of compliance of 6 August 2007 is reiterated with regard to the version of the GCGC of 6 June 2008 as announced on 8 August 2008 and will be made permanently available to all shareholders in line with section 161 AktG.

In its meeting on 20 October 2008 the members of the Management Board of SolarWorld AG also passed a resolution on their declaration of compliance with the recommendations of the German Corporate Governance Code in its version of 6 June 2008 which in line with section 161 AktG will be made known to all shareholders as follows: "The recommendations of the "*Government Commission German Corporate Governance Code*" as announced by the Federal Ministry of Justice in the official section of the Electronic Federal Gazette have been and are being complied with by the Board of Management to the extent that these recommendations apply to it."

## Major Shareholders

As per 30 September 2009, the shareholder structure of SolarWorld has changed. DWS Investment GmbH reduced its share from 4.99 to 4.98%.

### 06 SHAREHOLDER STRUCTURE AS PER CUT-OFF DATE [30 SEPTEMBER 2009]



Until 20 November 2009, there were no further notifications of voting rights pursuant to section 26(1) WpHG (German Securities Trading Act, *Wertpapierhandelsgesetz*).

## Financial Information concerning the Assets and Liabilities, Financial Position and Profits and Losses

### Selected Financial Information

Selected Corporate Indicators as of 31 December 2008

Financial indicators (in k EUR)	2008	2007	Variation (%)
Revenue from continued operations	900.311	689.588	30,6%
Share of foreign revenues	54,0%	48,8%	5,2%-points
EBITDA	315.979	240.926	31,2%
EBIT	260.813	198.872	31,1%
EBIT in % of revenues	29,0%	28,8%	0,1%-points
Capital employed (cut-off-date)*	698.661	544.721	28,3%
ROCE**	37,3%	36,5%	0,8%-points
Consolidated net income	148.679	113.256	31,3%
Consolidated net income in % of revenues	16,5%	16,4%	0,1%-points
Total assets	2.120.622	1.704.466	24,4%
Equity	841.075	691.546	21,6%
Equity ratio	39,7%	40,6%	-0,9%-points
Return on equity	17,7%	16,4%	1,3%-points
Cash flow from current business activities	320.463	244.026	31,3%
Net liquidity***	136.560	151.692	-10,0%
Investments in intangible assets and in property, plant and equipment	271.594	115.165	135,8%

### Employees indicators

Employees (cut-off-date)	1.825	1.420	28,5%
Thereof trainees (cut-off-date)	83	66	25,8%
Personnel costs ratio	9,8%	11,2%	-1,4%-points
Revenues per capita (in k EUR)	493	486	1,6%
EBIT per capita (in k EUR)	143	140	2,0%

## Selected Corporate Indicators as of 30 September 2009

(in k EUR)	3rd quarter 2009	3rd quarter 2008	Variation (%)
Revenue	232.501	238.282	-2,4
EBITDA	51.127	103.953	-50,8
EBIT	34.712	90.790	-61,8
EBIT in % of revenue	14,9%	38,1%	-23,2 %-points
Consolidated net income	16.011	36.145	-55,7

	1st-3rd quarter 2009	1st-3rd quarter 2008	Variation (%)
Revenue from continued operations	634.067	665.374	-4,7
Share of foreign revenues	32,5%	59,0%	-26,5 %-points
EBITDA	164.402	247.676	-33,6
EBIT	117.721	209.314	-43,8
EBIT in % of revenue	18,6%	31,5%	-12,9 %-points
Capital employed (cut-off-date)	1.060.320	680.365	55,8
ROCE	11,1%	30,8%	-19,7 %-points
Consolidated net income	67.699	123.251	-45,1
Consolidated net income in % of revenues	10,7%	18,5%	-7,8 %-points
Total assets	2.168.337	2.014.498	7,6
Equity	867.400	812.385	6,8
Equity ratio	40,0%	40,3%	-0,3 %-points
Return on equity	7,8%	15,2%	-7,4 %-points
Cash flow from current business activities	-106.715	208.363	-151,2
Net liquidity	-232.677	115.828	-300,9
Investments in intangible assets and in property, plant and equipment	193.546	178.741	8,3

Employees indicators	1st-3rd quarter 2009	1st-3rd quarter 2008	Variation (%)
Employees (cut-off-date)	1.971	1.738	13
Thereof trainees (cut-off-date)	86	84	2
Personnel costs ratio	9,8%	9,4%	0,4 %-points
Revenues per capita (in k EUR)	322	383	-16
EBIT per capita (in k EUR)	60	120	-50

### Statutory Auditors

The consolidated financial statements for the years ended on 31 December 2008 and 31 December 2007 of SolarWorld Group have been audited by BDO Deutsche Warentreuhand Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Potsdamer Platz 5, 53119 Bonn, Germany, as the independent registered public accounting firm for SolarWorld. It is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer, Körperschaft des öffentlichen Rechts*). BDO Deutsche Warentreuhand Aktiengesellschaft Wirtschaftsprüfungsgesellschaft issued an unqualified auditor's opinion in each case.

### Historical Financial Information

The consolidated financial statements for the year ended on 31 December 2008 and the unaudited consolidated interim financial statements for the first three quarter ending on 30 September 2009 of SolarWorld Group are prepared on the basis of the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), as adopted by Regulation

(EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union, and the additional requirements of the German commercial law pursuant to § 315a (1) HGB (German Commercial Code, *Handelsgesetzbuch*).

### **Significant Changes/Trend Information**

Except as disclosed in this Prospectus, there have been neither significant changes in the financial or trading position of SolarWorld or SolarWorld Group since 30 September 2009 nor has there been a material adverse change in the prospects of SolarWorld or SolarWorld Group since 31 December 2008.

### **Legal and Arbitration Proceedings**

Risks from litigation may exist, in particular from competition, anti-trust, environmental litigation or potential claims for damages in connection with product liability. SolarWorld Group attempts to avoid claims by applying strict quality and safety standards. Apart from those risks, SolarWorld Group companies are parties to various administrative, judicial or arbitration proceedings in Germany and a number of foreign jurisdictions, including trademark litigations in the USA and the Republic of Korea, involving claims by and against them, which arise in the ordinary course of their businesses, including in connection with their business activities, employers, investors and taxpayers. Most of these proceedings constitute ordinary, routine proceedings that are incidental to SolarWorld Group business. However, it cannot be excluded that the final resolution of some of these proceedings could cause SolarWorld Group to incur considerable costs and cash outflows. Although the final resolution of any such proceeding could have a significant effect on SolarWorld Group earnings in any particular period, SolarWorld Group believes that any resulting obligations are unlikely to have a material adverse effect on the financial condition or profitability of SolarWorld or of SolarWorld Group. Proceedings have not been threatened, either. Finally, neither SolarWorld nor SolarWorld Group is aware that any significant proceedings have been initiated, nor have been pending in the past 12 months.

### **Material Contracts**

Except for the profit and loss transfer agreements entered into by SolarWorld with all major wholly owned subsidiaries in Germany, SolarWorld did not enter into any contracts outside the ordinary course of business, which could result in any member of the SolarWorld Group being under an obligation or entitlement that is material to SolarWorld's ability to meet its obligations to the holders in respect of the Notes.

### **Additional Information**

#### **Share Capital**

As of 30 September 2009 the share capital of SolarWorld amounts to EUR 111,720,000 being divided into bearer shares of no par value with an imputed nominal value of EUR 1.00 which are fully paid up.

### **Recent Development/Outlook**

#### **Recent Developments**

The international solar market showed dynamic development in the third quarter of 2009. The demand went up quite significantly in comparison with the first half of the year, driven by the very strong German market. Prices for solar power products stabilised after a renewed decline at the beginning of 2009. Inventories of installers and wholesalers declined significantly due to the increase in the demand. As a result of the positive market development SolarWorld was able to increase shipments substantially in the third quarter over the same quarter of the previous year.

In the course of first three quarters 2009, more and more countries announced their intention to provide funding for solar energy. However, the planned or already approved laws will not be able to exert their full effect on the sales markets until the year 2010.

In the third quarter of 2009, Germany remained the most important solar market worldwide. According to information provided by the Federal Grid Agency solar plants with an output of 953 megawatts ("MW") were newly installed in Germany in the third quarter alone. This had been a truly rapid

increase in demand because in the whole of the first half of the year 2009 installations had only reached 518 MW by comparison. The roof systems segment showed the largest growth rate – as had already been the case in the first half of the year 2009. The demand was driven by the declining prices for solar power products.

The high demand also has positive repercussions on SolarWorld Group sales: SolarWorld has already allocated and sold the complete module volumes to customers until the end of the year 2009.

The Italian market gained momentum in the third quarter of 2009 but did not grow as much as originally expected. The main reason for this is the persistently difficult financing situation. At the end of September 2009 the total installed output capacity in Italy amounted to more than 650 MW; in the first nine months of 2009 some 226 MW were newly installed.

The French government presented an amendment to its feed-in compensation act in the period under review. It is due to be officially approved by Parliament in the fourth quarter and would then come into force in January 2010. In the amendment the feed-in compensations have been increased. This applies particularly to the building-integrated roof systems that are particularly in demand in France. In the first nine months of 2009 the newly installed output in France reached more than 106 MW, which is roughly equivalent to the entire previous year.

In the US market the general conditions for the funding of the solar sector changed in the third quarter 2009. The guidelines for the subsidy programme of the Department of Treasury that converts the 30% ITC (investment tax credit) for new solar plants into a cash grant were released in early July 2009. In the first application phase USD 3 billion are to be made available. On the whole, USD 10 to 14 billion are earmarked for the funding of renewable energy plants in the next two years. The programme of loan guarantees of the Department of Energy ("**DOE**") amounting to USD 30 billion has also been fleshed out. USD 2.75 billion are set aside for commercial renewable energy projects. Applications can probably not be filed until the middle of 2010. This is why expectations for the US market to grow in the second half of 2009 have somewhat declined. Generally, a stagnating or slightly increasing market development in comparison with the previous year (342 MW) is expected.

The solar market in California/USA, on the other hand, continued to grow. Above all, the private roof systems market showed a high level of dynamism, but the realisation of commercial projects remained difficult. In the first nine months 131 (previous year: 74) MW were newly installed.

In South Korea the government announced its intention to invest some USD 84.4 billion in environmentally friendly technology like, for example, solar power in the next five years. In addition, it presented a new funding programme designed to support smaller solar plants of up to 200 kW (kilowatts, "**kW**") while compensation for larger plants is to be reduced.

The off-grid market showed a moderate development in the course of the third quarter 2009. SolarWorld could still benefit from the demand for off-grid solar power units in Africa, Asia and South America.

## **Outlook**

SolarWorld believes that the international solar market will mainly be driven by the high demand in the private roof systems market in the year 2009. SolarWorld also believes that the market for large-scale plants, on the other hand, is expected to decline significantly. In the year 2008, it had still accounted for half (2.6 GW (gigawatts, "**GW**")) of the newly installed solar power output worldwide (5.6 GW). The main reason for this shift is considered to be the persistently difficult financing situation for large-scale projects.

Based on the current figures of the Federal Grid Agency (Source: press release 30 October 2009 [www.bundesnetzagentur.de](http://www.bundesnetzagentur.de)) SolarWorld expects a newly installed output capacity of more than 2.3 (2008: 1.5) GW in Germany in the year 2009. The winners of the Parliamentary elections – the CDU/CSU and the FDP – have announced in their coalition agreement that they intend to amend the law on renewable energies (EEG). The changes are expected to come into force on 1 January 2012. Solar energy continues to be viewed by the government coalition as an important energy of the future. In a dialogue with the solar industry and the consumer organisations it is to be deliberated according to the coalition agreement whether the funding of the photovoltaic industry should be adjusted before the amendment of the EEG law.

In Italy negotiations have started on the adjustment of the feed-in tariffs. It is expected that the tariffs are to be readjusted when the 1,200-MW limit has been reached. SolarWorld expects this to be reached in the first half of 2010 already. The solar industry association in Italy (GIFI) (Source: [www.gifi-fv.it](http://www.gifi-fv.it)) already submitted a proposal for the reduction of tariffs as of 2011 in order to prevent future uncertainties in the market. This provides for stronger reductions for free-field power plants than for roof systems.

France and the Czech Republic also intend to adjust their feed-in tariffs. France will most probably increase the tariffs for building-integrated roof systems. The free-field market is to be made more attractive as well: Here, tariffs are to go up by more than 7%. All in all, SolarWorld expects a newly installed output capacity of more than 100 (previous year: 46) MW in France in 2009. In the Czech Republic the government will adjust the law on solar funding. The size of the tariff reduction is to be determined on the basis of market growth corridors. For this market the European Photovoltaic Industry Association ("**EPIA**") (Source: Global market outlook for Photovoltaic until 2013, EPIA 2009) is expecting a newly installed output capacity of 80 (previous year: 51) MW in the year 2009.

Due to the delayed introduction of the guidelines for loan guarantees and for the investment tax credit cash grant programme the market in the USA is expected to grow only slightly in the year 2009. SolarWorld expects that probably from the year 2010 onwards, these programmes will then have a stronger influence on demand. Thus, the EPIA is expecting in its moderate scenario a newly installed output of 1,000 (2009: 340) MW in the USA for the year 2010 (Source: Global market outlook for Photovoltaic until 2013, EPIA 2009). In California, on the other hand, the market will again grow vigorously this year. SolarWorld expects a newly installed output performance of between 215 and 230 (previous year: 104) MW in 2009.

In South Korea a newly installed output performance of 100 (previous year: 274) MW is expected for the year 2009 (source: Korea's Ministry of Knowledge Economy, September 2009). The main reason for this decline is the launch of a market cap, which establishes a yearly maximum solar power capacity eligible for the incentive scheme. For the year 2010 this has been fixed at 132 MW.

SolarWorld intends to persistently pursue its strategy of a fully integrated global solar technology group. This is why SolarWorld intends to continue to invest in the core markets of Germany, the USA and South Korea and to expand the production capacities for modules more vigorously than planned so far. Until the end of 2010, SolarWorld intends to triple the module capacity at the German location in Freiberg to 450 MW. At the US site in Hillsboro a production facility for crystalline solar power modules with a capacity of 350 MW is to be created. Counting the existing module capacity in Camarillo (150 MW) SolarWorld expects to reach a total module production capacity of 500 MW in the USA. In South Korea the group plans to reach a total module production capacity of 300 MW by the end of the year 2010.

SolarWorld intends to continue to focus on the quality of its products and the satisfaction of its customers. To this end, SolarWorld plans to also further invest in research and development. Commissioning the module and solar cell technology center currently under construction is scheduled to occur soon. Together with the already existing wafer technology center and additional labs for development, reliability testing and quality assurance SolarWorld creates a technology campus with the group's own pilot production line along the value creation chain. As a result, SolarWorld will be able to test new technologies more efficiently and even closer to production.

In parallel, SolarWorld plans to also invest in the further development of the SolarWorld brand. Against the backdrop of the fall in prices required on the path to achieving grid parity and based on the assumption of a further stabilising macroeconomic development, SolarWorld intends to generate sales over previous year's level.

## CONDITIONS OF ISSUE ANLEIHEBEDINGUNGEN

*These terms and conditions of the notes (the "**Conditions of Issue**") are written in the German language and provided with an English language translation. The German text shall be the legally binding version. The English language translation is provided for convenience only.*

*Diese Anleihebedingungen (die "**Anleihebedingungen**") sind in deutscher Sprache abgefasst und mit einer englischen Übersetzung versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

### ANLEIHEBEDINGUNGEN

#### § 1

#### WÄHRUNG, NENNBETRAG, FORM, BESTIMMTE DEFINITIONEN

(1) *Währung; Nennbetrag.* Die Anleihe der SolarWorld Aktiengesellschaft (die "**Emittentin**"), begeben am 21. Januar 2010 im Gesamtnennbetrag (vorbehaltlich § 1 Absatz (6)) von EUR I ist eingeteilt in I auf den Inhaber lautende Schuldverschreibungen im Nennbetrag von je EUR 1.000 (die "**Schuldverschreibungen**" oder die "**Anleihe**").

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und die eigenhändige Kontrollunterschrift der Hauptzahlstelle. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die Vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage und nicht mehr als 180 Tage nach dem Tag der Begebung der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von

### CONDITIONS OF ISSUE

#### § 1

#### CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

(1) *Currency; Principal Amount.* The issue by SolarWorld Aktiengesellschaft (the "**Issuer**") issued on 21 January 2010 in the aggregate principal amount, subject to § 1(6) of EUR I is divided into I notes in the principal amount of EUR 1,000 each payable to bearer (the "**Notes**" or the "**Issue**").

(2) *Form.* The Notes are being issued in bearer form.

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchanged for a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall bear a manual control signature of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days and not later than 180 days after the date of issue of the Notes represented by the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners

Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 Absatz (3) auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 6 Absatz (2) definiert) geliefert werden.

(4) *Clearing System.* Die Globalurkunde, die die Schuldverschreibung verbrieft, wird von einem oder für ein Clearing System verwahrt. "**Clearing System**" bedeutet jeweils folgendes: Clearstream Banking, société anonyme (42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg) ("**CBL**") and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brüssel, Belgien) ("**Euroclear**") (CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**") sowie jeder Funktionsnachfolger.

Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem *common safekeeper* (gemeinamer Verwahrer) im Namen beider ICSDs verwahrt.

(5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

(6) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen die Register zu verstehen sind, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind maßgeblicher Nachweis des Nennbetrages der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine für zu diesem Zweck von einem ICSD jeweils ausgestellte

of the Notes represented by the Temporary Global Note is not, or are, a U.S. person or persons (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 6(2)).

(4) *Clearing System.* The global note representing the Notes will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) ("**CBL**") and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) ("**Euroclear**") (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**") and any successor in such capacity.

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

(6) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the global note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the global note and, for these purposes, a statement issued by a ICSD stating the principal amount of Notes so

Bescheinigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist ein maßgeblicher Nachweis über den Inhalt des Registers des betreffenden ICSD zu dem fraglichen Zeitpunkt.

Bei jeder Tilgung oder einer Zinszahlung auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. beim Kauf und der Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten der Rückzahlung, Zahlung oder des Kaufs und der Entwertung bezüglich der Globalurkunde entsprechend in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Nennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.

Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs entsprechend in die Register der ICSDs aufgenommen werden.

(7) *Einbezogene Bedingungen.* Die Bestimmungen gemäß Annex 2 des Emissions- und Zahlstellenvertrages vom 19. Januar 2010 (das "**Agency Agreement**") zwischen der Emittentin und der Deutsche Bank Aktiengesellschaft als Hauptzahlstelle (einsehbar unter [www.bourse.lu](http://www.bourse.lu)), die überwiegend das für Gläubigerversammlungen oder Abstimmungen der Gläubiger ohne Versammlung zu wählende Verfahren betreffen, sind in vollem Umfang in diese Anleihebedingungen einbezogen.

## § 2 STATUS UND NEGATIVVERPFLICHTUNG

(1) *Status.* Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) *Negativverpflichtung.* Die Emittentin verpflichtet sich und wird sicherstellen, dass jede ihrer Wesentlichen Tochtergesellschaften (wie

represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the global note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the global note shall be entered accordingly in the records of the ICSDs and, upon any such entry being made, the principal amount of the Notes recorded in the records of the ICSDs and represented by the global note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered accordingly in the records of the ICSDs.

(7) *Conditions Incorporated by Reference.* The provisions set out in Annex 2 of the Paying Agency Agreement dated 19 January 2010 (the "**Agency Agreement**") between the Issuer and Deutsche Bank Aktiengesellschaft acting as Principal Paying Agent (on display on [www.bourse.lu](http://www.bourse.lu)) containing primarily the procedural provisions regarding resolutions of Holders shall be fully incorporated into the Conditions of Issue.

## § 2 STATUS AND NEGATIVE PLEDGE

(1) *Status.* The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) *Negative Pledge.* The Issuer undertakes and will ensure that each of its Material Subsidiaries (as defined in § 9 below) will undertake, so long

nachstehend in § 9 definiert) sich verpflichten wird, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder dingliche Sicherheiten oder sonstige Sicherungsrechte (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Sicherung von anderen Kapitalmarktverbindlichkeiten zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht zu gewähren; diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten durch die Emittentin bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

Für Zwecke dieses § 2 bedeutet "**Kapitalmarktverbindlichkeit**" jede bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) der Emittentin oder einer ihrer Wesentlichen Tochtergesellschaften (wie nachstehend in § 9 definiert) bezüglich Geldaufnahmen in Form von oder verbrieft durch Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, soweit sie an einer Börse oder im Freiverkehr notiert sind oder gehandelt werden oder deren Notierung oder Handel dort beabsichtigt ist oder Schuldscheindarlehen nach deutschem Recht.

### § 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 21. Januar 2010 (einschließlich) bis zum Fälligkeitstag (wie in § 5 Absatz (1) definiert) (ausschließlich) mit 1 % *per annum*. Die Zinsen sind nachträglich am 21. Januar eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am 21. Januar 2011.

(2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der

as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, not to provide any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each a "**Security Interest**") over the whole or any part of its assets to secure any Capital Market Indebtedness without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof by the Issuer, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

For the purposes of this § 2, "**Capital Market Indebtedness**" shall mean any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Issuer or any of its Material Subsidiaries (as defined in § 9 below) in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are intended to be quoted, listed or traded on any stock exchange or over-the-counter securities market or certificates of indebtedness governed by German law.

### § 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of 1 % *per annum* from (and including) 21 January 2010 to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrears on 21 January in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on 21 January 2011.

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate

tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen. Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

(3) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

(4) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Zinsperiode.

#### § 4 ZAHLUNGEN

(1) *Zahlungen auf Kapital und von Zinsen.* Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz (3)(b).

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten

of interest established by law. The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time; §§ 288(1), 247(1) BGB (German Civil Code, *Bürgerliches Gesetzbuch*).

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(4) *Day Count Fraction.* "**Day Count Fraction**" means with regard to the calculation of interest on any Note for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.

#### § 4 PAYMENTS

(1) *Payment of Principal and Interest.* Payment of principal and interest in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in euro.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next

Zahltag. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag, der ein Tag (außer einem Samstag oder Sonntag) ist, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") geöffnet sind, um die betreffenden Zahlungen weiterzuleiten.

(5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen (wie in § 5 Absatz (1) definiert) und jeden Aufschlag und sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

## § 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 21. Januar 2017 (der "**Fälligkeitstag**") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Hauptzahlstelle und gemäß § 14 gegenüber den Gläubigern vorzeitig gekündigt und zum Nennbetrag zuzüglich bis zum für die

such day and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") are open to forward the relevant payment.

(5) *References to Principal and Interest.* References in these Conditions of Issue to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as defined in § 5(1)); and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Conditions of Issue to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within 12 months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

## § 5 REDEMPTION

(1) *Final Redemption.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on 21 January 2017 (the "**Maturity Date**"). The Final Redemption Amount in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or

Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 Absatz (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Anleihebedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühest möglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 14 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umständen darlegt.

(3) *Vorzeitige Rückzahlung infolge Kontrollwechsels.* Wenn zu einem Zeitpunkt, zu dem die Schuldverschreibungen noch nicht vollständig zurückgezahlt sind, ein Kontrollwechsel eintritt, so hat jeder Gläubiger das Recht, von der Emittentin zu verlangen, seine Schuldverschreibungen am Obligatorischen Rückzahlungstag zum Nennbetrag zuzüglich Zinsen bis zum Obligatorischen Rückzahlungstag (ausschließlich) zurückzuzahlen. Sobald die Emittentin davon Kenntnis erhält, dass ein Rückzahlungsereignis eingetreten ist, hat sie den Gläubigern dies unverzüglich gemäß § 14 mitzuteilen (eine "**Rückzahlungsmittelteilung**"). In der Rückzahlungsmittelteilung sind die Art des Rückzahlungsereignisses anzugeben, die Umstände, die zu dem Rückzahlungsereignis geführt haben, sowie die Modalitäten der Ausübung des in diesem § 5 Absatz (3) geregelten Rechts auf vorzeitige Rückzahlung.

regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Principal Paying Agent and, in accordance with § 14 to the Holders, at the principal amount together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 14. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(3) *Early Redemption following a Change of Control.* If at any time while any Notes remain outstanding there occurs a Change of Control, each Holder will have the option to require the Issuer to redeem each of the Notes held by such Holder on the Mandatory Redemption Date at its principal amount together with interest accrued to (but excluding) the Mandatory Redemption Date. Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Holders in accordance with § 14 specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the option set out in this § 5(3).

Die wirksame Ausübung des in diesem § 5 Absatz (3) geregelten Rechts auf vorzeitige Rückzahlung setzt voraus, dass der Gläubiger innerhalb der Ausübungsfrist, indem er der Hauptzahlstelle eine schriftliche Erklärung übergibt oder durch eingeschriebenen Brief übersendet, mitgeteilt hat, dass er das Recht auf vorzeitige Rückzahlung ausübt.

In order to exercise the right to require redemption under this § 5(3), the Holder of the Notes must, within the Put Period, give notice to the Principal Paying Agent of such exercise by means of a written notice to be delivered by hand or registered mail to the Principal Paying Agent.

Ein "**Kontrollwechsel**" gilt als eingetreten, wenn zu irgendeiner Zeit eine Person oder gemeinsam handelnde Personen (ausgenommen Frank H. Asbeck, ein Mitglied seiner Familie und/oder von diesen beherrschte juristische Personen) zusammen mit verbundenen Unternehmen insgesamt (direkt oder indirekt) (a) mehr als 50 % (durch Stimmberechtigung) der ausgegebenen und ausstehenden stimmberechtigten Aktien der Emittentin kontrollieren oder besitzen (wirtschaftlich oder anderweitig) oder (b) die Berechtigung erlangen, die Mehrheit der Mitglieder des Aufsichtsrates (oder eines vergleichbaren Organs) zu wählen oder zu bestellen bzw. ihre Wahl oder Bestellung durch wirtschaftliches Eigentum am Aktienkapital der Emittentin oder anderweitig zu veranlassen. Im Sinne dieser Definition meint "**Familie**" die Erben, Vermächtnisnehmer, Nachkommen und Blutsverwandte bis zum dritten Grad der Blutsverwandtschaft von Frank H. Asbeck.

A "**Change of Control**" shall be deemed to occur if at any time any person or persons acting in concert (other than Frank H. Asbeck, any member of his Family and/or legal entities controlled by any of them), together with affiliates thereof, shall in the aggregate, directly or indirectly, (a) control or own (beneficially or otherwise) more than 50% (by voting power) of the issued and outstanding voting stock of the Issuer, or (b) acquire the power to elect, appoint or cause the election or appointment of the majority of the members of the supervisory board (or similar body) of the Issuer, through beneficial ownership of the capital stock of the Issuer or otherwise. As used in this definition, "**Family**" means the heirs, legatees, descendants and blood relatives to the third degree of consanguinity of Frank H. Asbeck.

"**Obligatorischer Rückzahlungstag**" ist der siebte Tag nach dem letzten Tag der Ausübungsfrist.

"**Mandatory Redemption Date**" is the seventh day after the last day of the Put Period.

"**Ausübungsfrist**" ist der Zeitraum von zehn Tagen seit der Abgabe einer Rückzahlungsmitteilung (wobei der Tag der Rückzahlungsmitteilung mitzuzählen ist).

"**Put Period**" means the period of ten days from and including the date on which a Put Event Notice is given.

"**Geschäftstag**" meint einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System sowie alle betroffenen Bereiche von TARGET geöffnet sind.

"**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of TARGET are open.

## § 6 DIE HAUPTZAHLSTELLE UND DIE ZAHLSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Hauptzahlstelle und die anfänglich bestellte Zahlstelle und deren bezeichnete Geschäftsstellen lauten wie folgt:

## § 6 THE PRINCIPAL PAYING AGENT AND THE PAYING AGENT

(1) *Appointment; Specified Office.* The initial Principal Paying Agent and the initial Paying Agents and their initial specified offices shall be:

## Hauptzahlstelle:

Deutsche Bank Aktiengesellschaft  
Trust & Securities Services  
Große Gallusstraße 10–14  
60272 Frankfurt am Main  
Bundesrepublik Deutschland

## Zahlstelle:

Deutsche Bank Luxembourg S.A.  
2 Boulevard Konrad Adenauer  
1115 Luxemburg  
Luxemburg

Die Hauptzahlstelle und die Zahlstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Hauptzahlstelle unterhalten und (ii) solange die Schuldverschreibungen an der *official list* (offizielle Liste) der Luxemburger Börse notiert sind, eine Zahlstelle (die die Hauptzahlstelle sein kann) mit bezeichneter Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 14 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden. Für die Zwecke dieser Anleihebedingungen bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

(3) *Erfüllungsgehilfen der Emittentin.* Die Hauptzahlstelle und die Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern, und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

## Principal Paying Agent:

Deutsche Bank Aktiengesellschaft  
Trust & Securities Services  
Große Gallusstraße 10–14  
60272 Frankfurt am Main  
Federal Republic of Germany

## Paying Agent:

Deutsche Bank Luxembourg S.A.  
2 Boulevard Konrad Adenauer  
1115 Luxemburg  
Luxemburg

The Principal Paying Agent and the Paying Agent reserve the right at any time to change their specified offices to some other office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or any Paying Agent and to appoint another Principal Paying Agent or additional or other Paying Agents. The Issuer shall at all times maintain (i) a Principal Paying Agent and (ii) so long as the Notes are listed on the official list of the Luxembourg Stock Exchange, a Paying Agent (which may be the Principal Paying Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such stock exchange. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 14. For the purposes of these Conditions of Issue, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(3) *Agents of the Issuer.* The Principal Paying Agent and the Paying Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

**§ 7  
STEUERN**

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach

**§ 7  
TAXATION**

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such withholding is required by law, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the

Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 14 wirksam wird; oder

relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 14, whichever occurs later, or

(e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.

(e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.

*Die seit dem 1. Januar 1993 in der Bundesrepublik Deutschland geltende Zinsabschlagsteuer (seit dem 1. Januar 2009: Kapitalertragsteuer) und der seit dem 1. Januar 1995 darauf erhobene Solidaritätszuschlag sind keine Steuer oder sonstige Abgabe im oben genannten Sinn, für die zusätzliche Beträge seitens der Emittentin zu zahlen wären.*

*The tax on interest payments (Zinsabschlagsteuer, since 1 January 2009: Kapitalertragsteuer) which has been in effect in the Federal Republic of Germany since 1 January 1993 and the solidarity surcharge (Solidaritätszuschlag) imposed thereon as from 1 January 1995 do not constitute a tax on interest payments as described above in respect of which Additional Amounts would be payable by the Issuer.*

#### **§ 8 VORLEGUNGSFRIST**

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

#### **§ 8 PRESENTATION PERIOD**

The presentation period provided in § 801 (1), sentence 1 BGB (German Civil Code, *Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

#### **§ 9 KÜNDIGUNG**

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag zuzüglich (etwaiger) bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:

(a) *Nichtzahlung:* die Emittentin Kapital oder Zinsen oder sonstige auf die Schuldverschreibungen zahlbaren Beträge nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitsdatum zahlt; oder

(b) *Verletzung einer sonstigen Verpflichtung:* die Emittentin die ordnungsgemäße Erfüllung einer anderen Verpflichtung aus den Schuldverschreibungen unterlässt und diese Unterlassung länger als 30 Tage fort dauert, nachdem die Hauptzahlstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder

#### **§ 9 EVENTS OF DEFAULT**

(1) *Events of default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at their principle amount plus accrued interest (if any) to the date of repayment, in the event that

(a) *Non-Payment:* the Issuer fails to pay principal or interest or any other amounts due on the Notes within 30 days after the relevant due date, or

(b) *Breach of other Obligation:* the Issuer fails to duly perform any other obligation arising from the Notes and such failure continues unremedied for more than 30 days after the Principal Paying Agent has received notice thereof from a Holder, or

- (c) *Drittverzugsklausel*: (i) wenn eine bestehende oder zukünftige Zahlungsverpflichtung der Emittentin oder einer ihrer Wesentlichen Tochtergesellschaften (wie nachstehend definiert) im Zusammenhang mit einer Kredit- oder sonstigen Geldaufnahme infolge einer Nichtleistung (unabhängig davon, wie eine solche definiert ist) vorzeitig fällig wird oder (ii) wenn eine solche Zahlungsverpflichtung bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht erfüllt wird oder (iii) wenn die Emittentin einen Betrag, der unter einer bestehenden oder zukünftigen Garantie, Gewährleistung oder Bürgschaft im Zusammenhang mit einer Kredit- oder sonstigen Geldaufnahme, zur Zahlung fällig wird, bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht zahlt, vorausgesetzt, dass der Gesamtbetrag der betreffenden Zahlungsverpflichtungen, Garantien, Gewährleistungen oder Bürgschaften, bezüglich derer eines oder mehrere der in diesem Absatz (c) genannten Ereignisse eintritt, mindestens dem Betrag von EUR 25.000.000 oder dessen Gegenwert in einer anderen Währung entspricht oder diesen übersteigt und der jeweilige Kündigungsgrund nicht innerhalb von 30 Tagen, nachdem die Emittentin eine diesbezügliche Mitteilung durch den Gläubiger nach Maßgabe von Absatz (2) erhalten hat, behoben wird; oder
- (c) *Cross-Default*: (i) any present or future payment obligation of the Issuer or a Material Subsidiary (as defined below) in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity for reason of the occurrence of a default (howsoever defined), or (ii) any such payment obligation is not met when due or, as the case may be, within an applicable grace period, or (iii) any amounts due under any present or future guarantee, warranty or suretyships by the Issuer for moneys borrowed or raised are not paid when due or, as the case may be, within an applicable grace period, provided that the relevant aggregate amount of the payment obligation, guarantee, warranty or suretyships in respect of which one or more of the events mentioned above in this subsection (c) has or have occurred equals or exceeds EUR 25,000,000 or its equivalent in any other currency and such default continues for more than 30 days after the Issuer has received notice thereof from a Holder, such notice being substantially in the form as specified in subparagraph (2); or
- (d) *Zahlungseinstellung*: die Emittentin ihre Zahlungsunfähigkeit bekannt gibt oder ihre Zahlungen allgemein einstellt; oder
- (d) *Cessation of Payment*: the Issuer announces its inability to meet its financial obligations or ceases its payments generally; or
- (e) *Insolvenz u.ä.*: ein Gericht ein Insolvenzverfahren gegen die Emittentin eröffnet oder die Emittentin ein solches Verfahren einleitet oder beantragt oder eine allgemeine Schuldenregelung zu Gunsten ihrer Gläubiger anbietet oder trifft oder ein Dritter ein Insolvenzverfahren gegen die Emittentin beantragt und ein solches Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt worden ist; oder
- (e) *Insolvency etc.*: a court opens insolvency proceedings against the Issuer or the Issuer applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or a third party applies for insolvency proceedings against the Issuer and such proceedings are not discharged or stayed within 60 days; or
- (f) *Liquidation*: die Emittentin in Liquidation geht (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der
- (f) *Liquidation*: the Issuer enters into liquidation (except in connection with a merger or other form of combination with another company or in connection with a reconstruction and such other or new company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer).

Emittentin übernimmt oder übernehmen).

Im Sinne dieser Anleihebedingungen bedeutet

**"Tochtergesellschaft"** jede Gesellschaft, an der die Emittentin direkt oder indirekt mehrheitlich beteiligt ist, und

**"Wesentliche Tochtergesellschaft"** (i) jede nach den International Financial Reporting Standards (IFRS) oder dem jeweils angewendeten Bilanzierungsstandard konsolidierte Tochtergesellschaft der Emittentin, deren Nettoumsatz bzw. deren Vermögenswerte gemäß ihres letzten geprüften, nicht konsolidierten Jahresabschlusses (bzw., wenn die betreffende Tochtergesellschaft selbst Konzernabschlüsse erstellt, deren konsolidierter Umsatz bzw. deren konsolidierte Vermögenswerte gemäß ihres letzten geprüften Konzernabschlusses), der für die Erstellung des letzten geprüften Konzernabschlusses der Emittentin genutzt wurde, mindestens 10 % des konsolidierten Gesamtumsatzes und/oder 10 % der konsolidierten Vermögenswerte der Emittentin und ihrer konsolidierten Tochtergesellschaften betragen hat, oder (ii) eine Tochtergesellschaft, auf die der gesamte oder im Wesentlichen gesamte Betrieb und Vermögenswerte von einer Wesentlichen Tochtergesellschaft übertragen wurde.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Absatz (1) ist schriftlich in deutscher oder englischer Sprache gegenüber der Hauptzahlstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 15 Absatz (3) definiert) oder auf andere geeignete Weise erbracht werden.

## § 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung

For the purpose of these Conditions of Issue,

**"Subsidiary"** means an entity in which the Issuer holds directly or indirectly a majority interest, and

**"Material Subsidiary"** means (i) any Subsidiary of the Issuer consolidated in accordance with the International Financial Reporting Standards (IFRS) or any other relevant accounting standards applicable to the Issuer, whose net revenues or total assets pursuant to its most recent audited non-consolidated financial statements (or, if the relevant Subsidiary prepares own consolidated financial statements, whose consolidated net revenues or consolidated total assets pursuant to its most recent audited consolidated financial statements), which was used for the preparation of the most recent audited consolidated financial statements of the Issuer amounts to at least 10% of the consolidated total net revenues and/or 10% of the consolidated total assets of the Issuer and its consolidated Subsidiaries, or (ii) any Subsidiary, to whom the total of or substantially all of the business and the assets of a Material Subsidiary was transferred.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Principal Paying Agent together with proof that such Holder at the time of such notice is the holder of the relevant Notes by means of a certificate of his Custodian (as defined in § 15(3)) or in any other appropriate manner.

## § 10 SUBSTITUTION

(1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal

von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz hat, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;
- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;
- (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen des dem Zahlstellvertrag anhängenden Musters einer unwiderruflichen und unbedingten Garantie der Emittentin entsprechen; und
- (e) die Emittentin eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten bei einer dafür beauftragten Stelle verfügbar macht, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein verbundenes Unternehmen im Sinne von § 15 AktG (Aktiengesetz).

(2) *Bekanntmachung*. Jede Ersetzung ist gemäß § 14 bekannt zu machen.

(3) *Änderung von Bezugnahmen*. Im Fall einer

of or interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate (as defined below) of it as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the form of an irrevocable and unconditional guarantee of the Issuer as attached to the Agency Agreement; and
- (e) the Issuer shall have made available at an agent appointed for that purpose one opinion for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 AktG (German Stock Corporation Act, *Aktiengesetz*).

(2) *Notice*. Notice of any such substitution shall be published in accordance with § 14.

(3) *Change of References*. In the event of any

Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf die Bundesrepublik Deutschland gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

In § 7 und § 5 Absatz (2) gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat) und in § 9 Absatz (1)(c) bis (f) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).

such substitution, any reference in these Conditions of Issue to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the Bundesrepublik Deutschland shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

In § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor and in § 9(1)(c) to (f) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.

## § 11 BESCHLÜSSE DER GLÄUBIGER

(1) *Grundsatz.* Vorbehaltlich § 11 Absatz (3), können die Gläubiger durch Mehrheitsbeschluss über alle gesetzlich zugelassenen Beschlussgegenstände Beschluss fassen. Eine Verpflichtung zur Leistung kann für die Gläubiger durch Mehrheitsbeschluss nicht begründet werden.

(2) *Verbindlichkeit.* Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu

(3) *Mehrheitsprinzip.* Die Gläubiger entscheiden mit einer Mehrheit von 75 % (Qualifizierte Mehrheit) der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit von mindestens 50 % der teilnehmenden Stimmrechte.

(4) *Abstimmungsmethode.* Die Gläubiger beschließen in einer Gläubigerversammlung.

(5) *Stimmrecht.* An Abstimmungen der Gläubiger nimmt jeder Gläubiger nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil. Das Stimmrecht ruht,

## § 11 RESOLUTIONS OF HOLDERS

(1) *General Principle.* Subject to § 11 (3) below, the Holders may agree by majority resolution on all matters permitted by law, provided that no obligation to make any payment or render any other performance shall be imposed on any Holder by majority resolution.

(2) *Binding Effect.* Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(3) *Majority Vote.* Resolutions shall be passed by a majority of not less than 75% of the votes cast (qualified majority). Resolutions relating to amendments to the Terms and Conditions which are not material require a majority of not less than 50% of the votes cast.

(4) *Voting Method.* Holders shall pass resolutions by vote taken at a Holders' meeting.

(5) *Right to Vote.* Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes. As long as the entitlement to the Notes lies with, or the Notes

solange die Anteile der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB (Handelsgesetzbuch)) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden. Die Emittentin darf Schuldverschreibungen, deren Stimmrechte ruhen, einem anderen nicht zu dem Zweck überlassen, die Stimmrechte an ihrer Stelle auszuüben; dies gilt auch für ein mit der Emittentin verbundenes Unternehmen. Niemand darf das Stimmrecht zu dem in Satz 3 erster Halbsatz bezeichneten Zweck ausüben.

Niemand darf dafür, dass eine stimmberechtigte Person nicht oder in einem bestimmten Sinne stimme, Vorteile als Gegenleistung anbieten, versprechen oder gewähren.

Wer stimmberechtigt ist, darf dafür, dass er nicht oder in einem bestimmten Sinne stimme, keinen Vorteil und keine Gegenleistung fordern, sich versprechen lassen oder annehmen.

## §12 GEMEINSAMER VERTRETER DER GLÄUBIGER

(1) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen "**Gemeinsamen Vertreter**"<sup>1</sup> für alle Gläubiger bestellen.

(2) *Aufgaben und Befugnisse.* Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Gläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Gläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Gläubiger ermächtigt ist, sind die einzelnen Gläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Gläubigern zu berichten.

(3) *Haftung.* Der gemeinsame Vertreter haftet den Gläubigern als Gesamtgläubiger für die ordnungsgemäße Erfüllung seiner Aufgaben; bei

are held for the account of, the Issuer or any of its affiliates (§ 271 (2) HGB (German Commercial Code, *Handelsgesetzbuch*), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.

No person shall be permitted to offer, promise or grant any benefit or advantage to another person entitled to vote in consideration of such person abstaining from voting or voting in a certain way.

A person entitled to vote may not demand, accept or accept the promise of, any benefit, advantage or consideration for abstaining from voting or voting in a certain way.

## §12 HOLDERS' REPRESENTATIVE

(1) *Holders' Representative.* The Holders may by majority resolution appoint a common representative (the "**Holders' Representative**"<sup>1</sup>) to exercise the Holders' rights on behalf of each Holder.

(2) *Duties and Powers.* The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities.

(3) *Liability.* The Holders' Representative shall be liable for the performance of its duties towards the Holders who shall be joint and several creditors

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<sup>1</sup> Der gemeinsame Vertreter muss in persönlicher Hinsicht den Anforderungen des § 8 Abs. (1) SchVG genügen.  
The Holders' Representative must satisfy the conditions specified in § 8 (1) SchVG.

seiner Tätigkeit hat er die Sorgfalt eines ordentlichen und gewissenhaften Geschäftsleiters anzuwenden. Die Haftung des gemeinsamen Vertreters kann durch Beschluss der Gläubiger beschränkt werden. Über die Geltendmachung von Ersatzansprüchen der Gläubiger gegen den gemeinsamen Vertreter entscheiden die Gläubiger.

(4) *Abberufung*. Der gemeinsame Vertreter kann von den Gläubigern jederzeit ohne Angabe von Gründen abberufen werden.

(5) *Auskünfte*. Der gemeinsame Vertreter kann von der Emittentin verlangen, alle Auskünfte zu erteilen, die zur Erfüllung der ihm übertragenen Aufgaben erforderlich sind

(*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Holders' Representative may be limited by a resolution passed by the Holders. The Holders shall decide upon the assertion of claims for compensation of the Holders against the Holders' Representative.

(4) *Removal*. The Holders' Representative may be removed from office at any time by the Holders without specifying any reasons.

(5) *Information*. The Holders' Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it.

### § 13

#### BEBEGUNG WEITERER SCHULDVERSCHREIBUNGEN UND ANKAUF

(1) *Begebung weiterer Schuldverschreibungen*. Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf*. Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Hauptzahlstelle zwecks Entwertung eingereicht werden.

### § 14

#### MITTEILUNGEN

(1) *Bekanntmachung*. Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen (a) im elektronischen Bundesanzeiger und, soweit darüber hinaus rechtlich erforderlich, in den weiteren gesetzlich bestimmten Medien und (b) durch elektronische Publikation auf der Internetseite der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu)). Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.

(2) *Mitteilungen an das Clearing System*. Solange Schuldverschreibungen an der *official list* der

### § 13

#### FURTHER ISSUES AND PURCHASES

(1) *Further Issues*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases*. The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Principal Paying Agent for cancellation.

### § 14

#### NOTICES

(1) *Publication*. All notices concerning the Notes shall be made (a) in the electronic Federal Gazette (*elektronischer Bundesanzeiger*) and, if legally required, in the form of media determined by law in addition thereto and (b) by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

(2) *Notification to Clearing System*. So long as any Notes are listed on the official list of the

Luxemburger Börse notiert sind, findet Absatz (1)(b) Anwendung. Soweit die Mitteilung den Zinssatz betrifft oder die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1)(b) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

(3) *Form der Mitteilung.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit der oder den betreffenden Schuldverschreibung(en) per Kurier oder per Einschreiben an die Hauptzahlstelle geleitet werden. Solange Schuldverschreibungen durch eine Globalurkunde verbrieft sind, kann eine solche Mitteilung von einem Gläubiger an die Hauptzahlstelle über das Clearing System in der von der Hauptzahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

#### § 15

#### **ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG**

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Gerichtsstand.* Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ist Frankfurt am Main.

(3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem

Luxembourg Stock Exchange, subparagraph (1)(b) shall apply. In the case of notices regarding the Rate of Interest or, if the Rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1)(b) above; any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System.

(3) *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be delivered by hand or registered mail together with the relevant Note or Notes to the Principal Paying Agent. So long as any of the Notes are represented by a global note, such notice may be given by any Holder of a Note to the Principal Paying Agent through the Clearing System in such manner as the Principal Paying Agent and the Clearing System may approve for such purpose.

#### § 15

#### **APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT**

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Place of Jurisdiction.* The place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be Frankfurt am Main.

(3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System,

Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

#### **§ 16 SPRACHE**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

#### **§ 16 LANGUAGE**

These Conditions of Issue are written in the German language. The German text shall be controlling and binding. The English language translation is provided for convenience only.

## SHORT DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS

Pursuant to the Conditions of Issue, the Holders of the Notes may agree to amendments of the Conditions of Issue or decide on matters relating to the Notes with binding effect on all Holders by way of resolution to be passed in meetings of Holders. Any such resolution duly adopted by resolution of the Holders shall be binding on each Holder of the Notes irrespective of whether such Holder took part in the vote and whether such Holder voted in favour or against such resolution.

In addition to the provisions included in the Conditions of Issue, the rules regarding the convening of meetings, the passing and publication of resolutions as well as their implementation and challenge before German courts are set out in Annex 2 to the Paying Agency Agreement which is incorporated by reference into the Conditions of Issue. Under the Act on Debt Securities (*Schuldverschreibungsgesetz*), these rules are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Conditions of Issue.

The following is a brief summary of some of the statutory rules regarding the convening and conduct of meetings of Holders, the passing and publication of resolutions as well as their implementation and challenge before German courts.

Holders' Meetings may be convened by the Issuer and, where so appointed by a Holders' resolution, by the Holders' Representative. Holders' Meetings must be convened if one or more Holders holding 5% or more of the outstanding Notes so require for specified reasons permitted by the statute.

Meetings may be convened not less than 14 days before the date of the meeting. Attendance and voting at the meeting may be made subject to prior registration of Holders. The convening notice will provide what proof will be required for attendance and voting at the meeting. The place of the meeting in respect of a German issuer is the place of the issuer's registered office, provided, however, that where the relevant Notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice must include relevant particulars and must be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Holder may be represented by proxy.

A quorum exists if Holders representing by value not less than 50% of the outstanding Notes are present or represented at the meeting. If the quorum is not reached, a second meeting may be called at which no quorum will be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25% of the principal amount of outstanding Notes.

All resolutions adopted must be properly published. In the case of Notes represented by one or more Global Notes, resolutions which amend or supplement the Conditions of Issue have to be implemented by supplementing or amending the relevant Global Note(s).

In insolvency proceedings instituted in Germany against an Issuer, a Holders' Representative, if appointed, is obliged and exclusively entitled to assert the Holders' rights under the Notes. Any resolutions passed by the Holders are subject to the provisions of the Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the Conditions of Issue, Holders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

## TAXATION

The following is a general description of certain tax considerations relating to the Notes in Germany and Luxembourg. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences, under the tax laws of the country in which they are resident for tax purposes and under the tax laws of Germany and Luxembourg of acquiring, holding and disposing of Notes and receiving payments of principal, interest and other amounts under the Notes. This summary is based upon the laws in force and their interpretation on the date of this Prospectus and is subject to any change in law or interpretation that may take effect after such date.

### Federal Republic of Germany

#### Income tax

Notes held by German tax residents as private assets

##### - Taxation of interest

Payments of interest on the Notes to Holders who are tax residents of the Federal Republic of Germany (*i.e.*, persons whose residence or habitual abode is located in the Federal Republic of Germany) are subject to German income tax, and, if applicable, church tax. In each case where German income tax arises, a solidarity surcharge (*Solidaritätszuschlag*) is levied in addition. If coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of coupons or interest claims if the Note is disposed of separately.

Payments of interest on the Notes to individual tax residents of the Federal Republic of Germany are generally subject to a flat income tax at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%). The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or bank in the Federal Republic of Germany (the "**Disbursing Agent**") the flat income tax will be levied by way of withholding from the gross interest payment to be made by the Disbursing Agent.

In general, no withholding tax will be levied if the Holder is an individual (i) whose Note does not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent (as defined above) is involved in the payment process the Holder will have to include its income on the Notes in its tax return and the flat income tax of 25% plus solidarity surcharge will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%.

##### - Taxation of capital gains

From 1 January 2009, also capital gains from the disposition or redemption of the Notes acquired after 31 December 2008 will be subject to the flat income tax on investment income at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%), irrespective of any holding period. This will also apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) the flat income tax will be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) and the issue price (or the purchase price)

of the Notes. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously kept the Notes in its custodial account, withholding tax will be levied on 30% of the proceeds from the disposition or redemption of the Notes.

If no Disbursing Agent is involved in the payment process the Holder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25% plus solidarity surcharge will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%.

#### Notes held by tax residents as business assets

Payments of interest on Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge). The interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) tax at a rate of 25% (plus a solidarity surcharge of 5.5% of such tax) will also be withheld from interest payments on Notes and (since 1 January 2009) generally also from capital gains from the disposition or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge of the Holder.

With regard to capital gains no withholding will generally be required under certain circumstances in the case of Notes held by corporations resident in Germany and upon application in the case of Notes held by individuals or partnerships as business assets.

#### Notes held by non-residents

Interest and capital gains are not subject to German taxation in the case of non-residents, *i.e.* persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in the Federal Republic of Germany, unless the Notes form part of the business property of a permanent establishment maintained in the Federal Republic of Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate.

Non-residents of the Federal Republic of Germany are in general exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent (as defined above), withholding tax will be levied as explained above at "*Notes held by tax residents as business assets*" or at "*Notes held by tax residents as private assets*", respectively.

#### ***Inheritance and Gift Tax***

No inheritance or gift taxes with respect to any Note will generally arise under the laws of the Federal Republic of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of the Federal Republic of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in the Federal Republic of Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in the Federal Republic of Germany.

### **Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in the Federal Republic of Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in the Federal Republic of Germany.

### **Luxembourg**

#### **Non-Residents**

Under the existing laws of Luxembourg and except as provided for by the Luxembourg laws of 21 June 2005 implementing the EU Savings Tax Directive (as defined below), there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg.

Under the Luxembourg laws of 21 June 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of certain related Accords with the relevant dependent and associated territories, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual holder of a Note or certain residual entities, who, as a result of an identification procedure implemented by the paying agent, are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg or certain of those dependent or associated territories referred to under "*EU Savings Tax Directive*" below, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or, in the case of an individual holder of a Note, has provided a tax exemption certificate from his/her fiscal authority in the format required by law to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 20% until 30 June 2011 and at a rate of 35% thereafter.

#### **Residents**

According to the law of 23 December 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU, the EEA or in a State which has concluded an international agreement related to the EU Savings Tax Directive to an individual holder of Notes who is a resident of Luxembourg or to a residual entity established in another EU Member State or in the dependent and associated territories (as defined under the EU Savings Tax Directive) securing the payment for such individual will be subject to a withholding tax of 10%. In case of payment through a paying agent established in the EU, the EEA or in a State which has concluded an international agreement related to the EU Savings Tax Directive, the Luxembourg resident individual holder of Notes must under a specific procedure remit 10% tax to the Luxembourg Treasury.

If the individual Holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 10% withholding tax will operate a full discharge of income tax due on such payments.

Interest on Notes paid by a Luxembourg paying agent to a resident Holder of Notes who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs "**interest**", "**paying agent**" and "**residual entity**" have the meaning given thereto in the Luxembourg laws of 21 June 2005 (or the relevant Accords) and 23 December 2005, as amended. "**Interest**" will include accrued or capitalised interest at the sale, repayment or redemption of the Notes.

Payments of interest or similar income under the Notes to Clearstream Banking AG, Clearstream Banking, société anonyme and Euroclear Bank SA/NV and payments by or on behalf of Clearstream Banking, société anonyme to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

### **EU Savings Tax Directive**

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**") each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in

another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 20% since 1 July 2008, and of 35% from 1 July 2011. Belgium has decided to opt for the withholding tax only until 31 December 2009 and to apply the information procedure described above as from 2010.

In Germany, provisions for implementing the EU Savings Tax Directive have been enacted by legislative regulations of the Federal Government. These provisions apply since 1 July 2005.

## SUBSCRIPTION, SALE AND OFFER OF THE NOTES

### General

SolarWorld Aktiengesellschaft has agreed in an agreement to be signed on or about 19 January 2010 to sell to Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd. (the "**Joint Lead Managers**") and Hauck & Aufhäuser Privatbankiers KGaA (together with the Joint Lead Managers, the "**Managers**"), and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on 21 January 2010 (which date may be postponed up to two weeks, the "**Issue Date**") at a price of 1 % of their principal amount (the "**Issue Price**"). Proceeds to the Issuer will be net of commissions of up to 0.75% of the principal amount of the Notes payable to the Managers. The Issuer has furthermore agreed to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes.

The Managers are entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, SolarWorld Aktiengesellschaft has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

### Offer of the Notes

#### *Offer Period and determination of Pricing Details*

The Notes will be offered to investors by the Managers during an offer period which will commence on 14 January 2010 and will end on 19 January 2010 subject to any shortening or extension of the offer period. During the offer period, investors may submit orders to the Managers. On the basis of the orders received by the Managers the Issue Price, the rate of interest, the number of notes to be issued, the aggregate nominal amount and the yield of the issue will be determined on the pricing date which is expected to be on or about 14 January 2010. The results of the offer and the Issue Date, in the case it is postponed, will be included in a notification which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) on or about the pricing date (the "**Pricing Notice**"). Should the Issuer and the Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be notified in the same manner as the pricing details will be published.

#### *Public Offer*

The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer may be made in Luxembourg, Germany, The Netherlands and Austria following the notification of the Prospectus by the CSSF according to Article 18 of the Prospectus Directive.

#### *Conditions and technical details of the Offer*

The following sets out details of the offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the offer is subject. Any offer to purchase Notes to investors will be made through, and investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Following the publication of the Pricing Notice, the Managers will offer the Notes upon request through banking institutions in Luxembourg, Germany, The Netherlands and Austria. Subscription rights for the Notes will not be issued. Therefore, there are no procedures for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. Before an investor receives a confirmation from the Managers that its

purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. Any investor will receive relating to the respective allotment of the Notes a confirmation relating to the results of the offer. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.

***Confirmation in relation to an order and allotments as well as delivery of the Notes***

Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors, delivery and payment of the Notes will be made within five business days after the date of pricing of the Notes and the confirmation of the allotment to investors. The Notes will be delivered via book-entry through the Clearing System and its accountholding banks against payment of the Issue Price.

***Charges and costs relating to the Offer***

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the purchase of Notes which are generally applicable in their respective country of residence, including any charges of their own depository banks in connection with the purchase or holding of securities.

***Method of determination of the Issue Price and the Rate of Interest***

The Rate of Interest and the Issue Price for the Notes will be determined at the time of pricing on the basis of a yield which is determined by adding a credit spread to the level of the Midswaps at the time of pricing. The pricing spread will be determined on the basis of the orders of the investors which are received by the Managers during the offer period. The level of the Midswaps will be determined as the average yield of the bid and ask prices of Interest-Swap Transactions ("**Midswaps**") with a maturity similar to the maturity of the Notes shown on the Reuters page ICAPEURO or on any other screen page which is conventionally used to price Eurobond transactions at the time of pricing. The resulting yield will be used to determine an Issue Price (which is expected to be less than par) and a Rate of Interest (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent. and which will be correspondingly higher if a higher Issue Price is determined and which will be correspondingly lower if a lower Issue Price is determined), all to correspond to the yield which reflects the level of the Midswaps and the pricing spread. In the event that the figures for the relevant Midswaps shall not be shown as set out above then the relevant figures shall be determined in a manner which banks and other institutional market participants apply at that time. The resulting figure will represent the yield of the Notes and such yield will be used to determine the Rate of Interest and the Issue Price.

**Selling Restrictions**

***General***

Each Manager has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers the Notes or possesses or distributes the Prospectus and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Managers shall have any responsibility therefor.

***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance

with Article 18 of the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last fiscal year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer or Managers to publish a Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Prospectus pursuant to Articles 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### ***United States of America and its Territories***

Each Manager has acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Manager has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered and will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Manager has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**" or "**TEFRA D**").

- (a) Except to the extent permitted under TEFRA D, each Manager has represented that (i) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Notes that are sold during the restricted period;
- (b) Each Manager has represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) If it is a United States person, each Manager has represented that it is acquiring such Notes for purposes of resale in connection with their original issuance and if it retains such Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation 1.163-5(c)(2)(i)(D)(6); and
- (d) With respect to each affiliate that acquires such Notes from a Manager for the purpose of offering or selling such Notes during the restricted period, such Manager has repeated and

confirmed the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's behalf.

Terms used in this subparagraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

***United Kingdom of Great Britain and Northern Ireland***

Each Manager has represented and agreed that,

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION / INCORPORATION BY REFERENCE

### Authorisation

The creation and issue of the Notes has been authorised by resolutions of the Management Board of the Issuer dated 24 November 2009 and the Supervisory Board of the Issuer dated 24 November 2009.

### Clearance and Settlement

The Notes have been accepted for clearance by Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank SA/NV. The Notes have been assigned the following securities codes: ISIN XS0478864225, Common Code 047886422, WKN A1CR73.

### Yield

The yield of the Notes is 1 % *per annum*. Such yield is calculated in accordance with the ICMA (International Capital Market Association) method.

### Expenses

The total expenses of the issue of the Notes are expected to amount to EUR 1 .

### Incorporation by Reference

The following documents are incorporated by reference into this Prospectus:

- (1) The audited consolidated financial statements of the SolarWorld Group for the fiscal year ended on 31 December 2008 included in the English language Annual Group Report 2008 and consisting of
  - Consolidated income statement (page 156 in the Annual Group Report 2008),
  - Consolidated balance sheet (page 157 in the Annual Group Report 2008),
  - Consolidated statement of changes in equity (page 158 in the Annual Group Report 2008)
  - Consolidated cash flow statement (page 159 in the Annual Group Report 2008),
  - Group notes (pages 160 to 198 in the Annual Group Report 2008),
  - Auditor's report (page 199 in the Annual Group Report 2008).
- (2) The audited consolidated financial statements of the SolarWorld Group for the fiscal year ended on 31 December 2007 included in the English language Annual Group Report 2007 and consisting of
  - Consolidated income statement (page 110 in the Annual Group Report 2007),
  - Consolidated balance sheet (page 111 in the Annual Group Report 2007),
  - Consolidated statement of changes in equity (page 112 in the Annual Group Report 2007)
  - Consolidated cash flow statement (page 113 in the Annual Group Report 2007),
  - Group notes (pages 114 to 152 in the Annual Group Report 2007),
  - Auditor's report (page 153 in the Annual Group Report 2007).
- (3) The unaudited consolidated interim financial statements of the SolarWorld Group for the nine months ended on 30 September 2009 included in the English language Consolidated Interim Report Third Quarter 2009 and consisting of
  - Consolidated income statement (pages 32 to 33 in the Consolidated Interim Report),
  - Consolidated balance sheet (page 34 in the Consolidated Interim Report),
  - Consolidated statement of changes in equity (page 35 in the Consolidated Interim Report)
  - Consolidated cash flow statement (page 36 in the Consolidated Interim Report),
  - Notes to the consolidated interim financial statements (pages 37 to 40 in the Consolidated Interim Report).
- (4) Annex 2 of the Paying Agency Agreement dated 19 January 2010 between the Issuer and Deutsche Bank Aktiengesellschaft acting as Principal Paying Agent as well as Deutsche Bank Luxembourg S.A. acting as Paying Agent.

Any information not listed in the cross reference list above but included in the documents incorporated by reference is given for information purposes only.

The documents incorporated by reference are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and may be inspected and are available free of charge at Deutsche Bank Luxembourg S.A. as long as any Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of such stock exchange so require.

### **Documents on Display**

For so long as any Note is outstanding, copies of the following documents may be inspected during normal business hours at the specified office of the Paying Agent and as long as the Notes are listed on the official list of the Luxembourg Stock Exchange the documents set out below will be available (free of charge) at the head office of the listing agent in Luxembourg:

- (a) the articles of association of the Issuer;
- (b) the Prospectus;
- (c) the documents incorporated by reference set out above;
- (d) Annex 2 of the Paying Agency Agreement dated 19 January 2010 between the Issuer and Deutsche Bank Aktiengesellschaft acting as Principal Paying Agent as well as Deutsche Bank Luxembourg S.A. acting as Paying Agent.

**NAMES AND ADDRESSES****ISSUER**

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London EC2Y 5AJ  
United Kingdom

**Co-Lead Manager**

**Hauck & Aufhäuser Privatbankiers KGaA**  
Kaiserstraße 24  
60311 Frankfurt am Main  
Germany

**PRINCIPAL PAYING AGENT**

**Deutsche Bank Aktiengesellschaft**  
Trust & Securities Services  
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60272 Frankfurt am Main  
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**LUXEMBOURG LISTING AGENT AND PAYING AGENT**

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*To the Managers  
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