

Evergreen Solar, Inc. (Nasdaq: ESLR)
Condensed Consolidated Statements of Operations (a)
(in thousands, except per share data)
(Unaudited)

| | Quarter Ended | | Year-to-Date Period Ended | |
|---|----------------------|---------------------|----------------------------------|---------------------|
| | June 28, 2008 | July 4, 2009 | June 28, 2008 | July 4, 2009 |
| Product revenues | \$ 18,118 | \$ 62,697 | \$ 36,377 | \$ 117,136 |
| Royalty and fee revenues | 4,638 | 1,141 | 9,326 | 2,508 |
| Total revenues | <u>22,756</u> | <u>63,838</u> | <u>45,703</u> | <u>119,644</u> |
| Cost of revenues | 14,863 | 62,628 | 30,094 | 117,750 |
| Gross profit | <u>7,893</u> | <u>1,210</u> | <u>15,609</u> | <u>1,894</u> |
| Operating expenses: | | | | |
| Research and development | 5,887 | 4,444 | 10,830 | 8,890 |
| Selling, general and administrative | 5,894 | 6,742 | 10,886 | 13,118 |
| Write-off of loan receivable from silicon supplier | - | - | - | 43,882 |
| Facility start-up | 8,573 | 687 | 11,992 | 4,146 |
| Restructuring charges | 2,708 | 825 | 4,570 | 2,617 |
| Total operating expenses | <u>23,062</u> | <u>12,698</u> | <u>38,278</u> | <u>72,653</u> |
| Operating loss | (15,169) | (11,488) | (22,669) | (70,759) |
| Other income (expense): | | | | |
| Foreign exchange gains (losses), net | (158) | 1,681 | 3,656 | 982 |
| Interest income | 2,735 | 1,341 | 5,762 | 3,554 |
| Interest expense | (46) | (6,532) | (362) | (11,912) |
| Other income (expense), net | <u>2,531</u> | <u>(3,510)</u> | <u>9,056</u> | <u>(7,376)</u> |
| Loss before equity income (loss) from interest in Sovello AG | (12,638) | (14,998) | (13,613) | (78,135) |
| Equity income (loss) from interest in Sovello AG | 3,716 | (5,340) | 4,666 | (6,492) |
| Net loss | <u>\$ (8,922)</u> | <u>\$ (20,338)</u> | <u>\$ (8,947)</u> | <u>\$ (84,627)</u> |
| Net loss per share: | | | | |
| Basic | \$ (0.08) | \$ (0.11) | \$ (0.08) | \$ (0.49) |
| Diluted | \$ (0.08) | \$ (0.11) | \$ (0.08) | \$ (0.49) |
| Weighted average shares used in computing basic and diluted net loss per share: | | | | |
| Basic | 118,327 | 180,745 | 113,625 | 171,163 |
| Diluted | 118,327 | 180,745 | 113,625 | 171,163 |

(a) On January 1, 2009, the Company adopted FSP No. APB 14-1 "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)" concerning convertible debt accounting and FSP EITF 03-6-1 "Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities" concerning the calculation of earnings per share. These rules require restatement of prior periods to conform to current accounting.

Evergreen Solar, Inc. (Nasdaq: ESLR)
Condensed Consolidated Balance Sheets (a)
(in thousands, except share data)
(Unaudited)

| | December 31, 2008 | July 4, 2009 |
|---|------------------------------|---------------------|
| | (Adjusted) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 100,888 | \$ 83,474 |
| Marketable securities | 76,621 | 2,674 |
| Accounts receivable, net of allowances for doubtful accounts | 35,458 | 61,559 |
| Due from Sovello AG | 1,949 | 3,306 |
| Inventory | 23,500 | 29,524 |
| Prepaid cost of inventory | 11,696 | 16,176 |
| VAT receivable, net | 1,474 | 1,495 |
| Other current assets | 7,684 | 7,892 |
| Total current assets | 259,270 | 206,100 |
| Investment in and advances to Sovello AG | 115,553 | 122,984 |
| Restricted cash | 212 | 3,128 |
| Deferred financing costs | 6,152 | 5,460 |
| Loan receivable from silicon supplier | 41,757 | - |
| Prepaid cost of inventory | 172,193 | 160,480 |
| Fixed assets, net | 406,191 | 442,634 |
| Other assets | 3,579 | 366 |
| | \$ 1,004,907 | \$ 941,152 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 62,652 | \$ 22,732 |
| Due to Sovello AG | 22,840 | 1,802 |
| Accrued employee compensation | 6,451 | 5,861 |
| Accrued interest | 7,392 | 7,024 |
| Accrued warranty | 1,182 | 1,765 |
| Total current liabilities | 100,517 | 39,184 |
| Senior convertible notes, net of discount | 311,531 | 317,267 |
| Deferred income taxes | 9,776 | 9,496 |
| Total liabilities | 421,824 | 365,947 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock, \$0.01 par value, 250,000,000 shares authorized, 164,874,850 and 208,277,378 issued and outstanding at December 31, 2008 and July 4, 2009, respectively | 1,649 | 2,083 |
| Additional paid-in capital | 803,491 | 879,496 |
| Accumulated deficit | (223,687) | (308,314) |
| Accumulated other comprehensive income (loss) | 1,630 | 1,940 |
| Total stockholders' equity | 583,083 | 575,205 |
| Total liabilities and stockholders' equity | \$ 1,004,907 | \$ 941,152 |

(a) On January 1, 2009, the Company adopted FSP No. APB 14-1 "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)." The rule requires restatement of prior periods to conform to current accounting.