

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

	December 31,	
	2008	2009
	(Adjusted)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 100,888	\$ 112,368
Marketable securities	76,621	-
Accounts receivable, net of allowances for doubtful accounts	35,458	53,295
Due from Sovello AG	1,949	-
Inventory	23,500	34,890
Prepaid cost of inventory	11,696	25,634
VAT receivable, net	1,474	8
Other current assets	7,684	11,662
Total current assets	259,270	237,857
Investment in and advances to Sovello AG	115,553	-
Restricted cash	212	3,134
Deferred financing costs	6,152	4,769
Loan receivable from silicon supplier	41,757	-
Prepaid cost of inventory	172,193	147,573
Fixed assets, net	406,191	430,681
Other assets	3,579	295
	\$ 1,004,907	\$ 824,309
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 62,652	\$ 31,420
Due to Sovello AG and related guarantees	22,840	17,544
Accrued employee compensation	6,451	7,287
Accrued interest	7,392	7,004
Accrued warranty	1,182	2,368
Total current liabilities	100,517	65,623
Senior convertible notes, net of discount	311,531	323,276
Loan and related interest payable	-	34,152
Deferred income taxes	9,776	5,615
Total liabilities	421,824	428,666
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value, 250,000,000 and 450,000,000 shares authorized at December 31, 2008 and December 31, 2009, respectively, 164,874,850 and 207,809,919 shares issued and outstanding at December 31, 2008 and December 31, 2009, respectively	1,649	2,078
Additional paid-in capital	803,491	882,466
Accumulated deficit	(223,687)	(488,895)
Accumulated other comprehensive income (loss)	1,630	(6)
Total stockholders' equity	583,083	395,643
Total liabilities and stockholders' equity	\$ 1,004,907	\$ 824,309

(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)" which has been incorporated into Accounting Standards Codification 470. The rule requires restatement of prior

Evergreen Solar, Inc. (Nasdaq: ESLR)
Consolidated Statements of Cash Flows (a)
(in thousands)
(Unaudited)

	Year-to-Date Period Ended	
	December 31,	
	2008	2009
	<u>(Adjusted)</u>	<u></u>
Cash flows from operating activities:		
Net loss	\$ (87,407)	\$ (265,208)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	(7)	45
Imputed interest and accretion of bond premiums	(2,472)	(478)
Amortization of prepaid cost of inventory	3,694	11,240
Equity (income) loss from Sovello AG and impairment of investment	(8,435)	155,805
Amortization of deferred debt financing costs	861	1,382
Loss on loan receivable from silicon supplier	-	43,882
Loss on disposal of fixed assets	34,496	5,719
Depreciation expense	18,156	46,086
Provision for warranty	585	1,335
Accretion of capped call discount	345	-
Amortization of debt discount	5,148	11,744
Provision for deferred income taxes	-	(8,090)
Compensation expense associated with employee equity awards	7,246	6,669
Changes in operating assets and liabilities:		
Accounts receivable	(26,168)	(19,170)
Grants receivable	19,908	-
Inventory	(15,406)	(11,390)
Prepaid cost of inventory	(43,012)	(2,097)
Other current assets	9,263	(5,205)
Accounts payable and accrued expenses	15,902	(22,019)
Interest payable	(237)	6,253
Other	1,659	6,403
Net cash used in operating activities	<u>(65,881)</u>	<u>(37,094)</u>
Cash flows from investing activities:		
Purchases of fixed assets and deposits on fixed assets under construction	(345,256)	(110,820)
Proceeds from the disposal of fixed assets	12	503
Decrease (increase) in restricted cash	41,178	(2,914)
Increase in Sovello AG loan	(23,774)	(11,750)
Capital contribution to Sovello AG	-	(8,914)
Increase in other loans	(22,164)	-
Purchases of marketable securities	(98,500)	-
Proceeds from sale and maturity of marketable securities	93,059	76,716
Net cash used in investing activities	<u>(355,445)</u>	<u>(57,179)</u>
Cash flows from financing activities:		
Proceeds from issuances of common stock, net of offering costs	166,726	72,421
Proceeds from China government loan	-	33,000
Proceeds from issuance of senior convertible debt, net of offering costs	363,963	-
Payment of capped call up-front premium	(39,543)	-
Proceeds from share lending agreement	3	-
Proceeds from exercise of stock options and warrants, and shares purchased under Employee Stock Purchase Plan	1,637	332
Net cash provided by financing activities	<u>492,786</u>	<u>105,753</u>
Net increase in cash and cash equivalents	71,460	11,480
Cash and cash equivalents at beginning of year	29,428	100,888
Cash and cash equivalents at end of year	<u>\$ 100,888</u>	<u>\$ 112,368</u>

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

	Quarter Ended December 31,		Year-to-Date Period Ended December 31,	
	2008	2009	2008	2009
	(Adjusted)		(Adjusted)	
Product revenues	\$ 41,065	\$ 74,526	\$ 95,245	\$ 267,112
Royalty and fee revenues	3,124	20	16,714	4,736
Total revenues	44,189	74,546	111,959	271,848
Cost of revenues	42,159	65,642	93,073	253,484
Gross profit	2,030	8,904	18,886	18,364
Operating expenses:				
Research and development	5,668	4,751	22,039	18,058
Selling, general and administrative	6,808	7,270	23,868	26,260
Write-off of loan receivable from silicon supplier	-	-	-	43,882
Equipment write-offs	8,034	6,008	8,034	6,008
Facility start-up	9,675	3,468	30,623	10,107
Restructuring charges	23,134	8,546	30,413	11,940
Total operating expenses	53,319	30,043	114,977	116,255
Operating loss	(51,289)	(21,139)	(96,091)	(97,891)
Other income (expense):				
Foreign exchange gains (losses), net	(2,717)	(810)	(4,078)	2,650
Interest income	2,691	1,056	12,695	4,728
Interest expense	(4,711)	(7,638)	(8,368)	(26,980)
Other income (expense), net	(4,737)	(7,392)	249	(19,602)
Loss before equity income (loss) from interest in Sovello AG, impairment of equity investment and income tax benefit	(56,026)	(28,531)	(95,842)	(117,493)
Equity income (loss) from interest in Sovello AG	2,211	(13,546)	8,435	(29,748)
Impairment and other charges associated with equity investment in Sovello AG	-	(56,344)	-	(126,057)
Income tax benefit	-	(285)	-	(8,090)
Net loss	\$ (53,815)	\$ (98,136)	\$ (87,407)	\$ (265,208)
Net loss per share (basic and diluted)	\$ (0.33)	\$ (0.48)	\$ (0.67)	\$ (1.41)
Weighted average shares used in computing basic and diluted net loss per share	161,678	204,914	130,675	187,777

(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, which has been incorporated into Accounting Standards Codification ("ASC") 470, 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, which has been incorporated into ASC 260. These rules require restatement of prior periods to conform to current accounting.