

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

	December 31, 2008	October 3, 2009
	(Adjusted)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 100,888	\$ 90,960
Marketable securities	76,621	-
Accounts receivable, net of allowances for doubtful accounts	35,458	63,796
Due from Sovello AG	1,949	3,318
Inventory	23,500	30,743
Prepaid cost of inventory	11,696	19,302
VAT receivable, net	1,474	1,601
Other current assets	7,684	7,980
Total current assets	259,270	217,700
Investment in and advances to Sovello AG	115,553	50,000
Restricted cash	212	3,138
Deferred financing costs	6,152	5,115
Loan receivable from silicon supplier	41,757	-
Prepaid cost of inventory	172,193	155,996
Fixed assets, net	406,191	440,348
Other assets	3,579	330
Total assets	\$ 1,004,907	\$ 872,627
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 62,652	\$ 25,951
Due to Sovello AG	22,840	1,620
Accrued employee compensation	6,451	5,646
Accrued interest	7,392	3,277
Accrued warranty	1,182	2,091
Total current liabilities	100,517	38,585
Senior convertible notes, net of discount	311,531	320,262
Loan Payable	-	14,115
Deferred income taxes	9,776	2,400
Total liabilities	421,824	375,362
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value, 250,000,000 shares authorized, 164,874,850 and 207,845,548 shares issued and outstanding at December 31, 2008 and October 3, 2009, respectively	1,649	2,078
Additional paid-in capital	803,491	881,192
Accumulated deficit	(223,687)	(390,759)
Accumulated other comprehensive income	1,630	4,754
Total stockholders' equity	583,083	497,265
Total liabilities and stockholders' equity	\$ 1,004,907	\$ 872,627

(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)
Condensed Consolidated Statements of Operations (a)
(in thousands, except per share data)
(Unaudited)

	Quarter Ended		Year-to-Date Period Ended	
	September 27, 2008 (Adjusted)	October 3, 2009	September 27, 2008 (Adjusted)	October 3, 2009
Product revenues	\$ 17,803	\$ 75,450	\$ 54,180	\$ 192,586
Royalty and fee revenues	4,264	2,208	13,590	4,716
Total revenues	<u>22,067</u>	<u>77,658</u>	<u>67,770</u>	<u>197,302</u>
Cost of revenues	<u>20,820</u>	<u>70,092</u>	<u>50,914</u>	<u>187,842</u>
Gross profit	<u>1,247</u>	<u>7,566</u>	<u>16,856</u>	<u>9,460</u>
Operating expenses:				
Research and development	5,541	4,417	16,371	13,307
Selling, general and administrative	6,174	5,872	17,060	18,990
Write-off of loan receivable from silicon supplier	-	-	-	43,882
Facility start-up	8,956	2,493	20,948	6,639
Restructuring charges	<u>2,709</u>	<u>777</u>	<u>7,279</u>	<u>3,394</u>
Total operating expenses	<u>23,380</u>	<u>13,559</u>	<u>61,658</u>	<u>86,212</u>
Operating loss	(22,133)	(5,993)	(44,802)	(76,752)
Other income (expense):				
Foreign exchange gains (losses), net	(5,017)	2,478	(1,361)	3,460
Interest income	4,242	118	10,004	3,672
Interest expense	<u>(3,295)</u>	<u>(7,430)</u>	<u>(3,657)</u>	<u>(19,342)</u>
Other income (expense), net	<u>(4,070)</u>	<u>(4,834)</u>	<u>4,986</u>	<u>(12,210)</u>
Loss before equity income (loss) from interest in Sovello AG, impairment of equity investment and income tax benefit	(26,203)	(10,827)	(39,816)	(88,962)
Equity income (loss) from interest in Sovello AG and impairment of investment	1,558	(79,423)	6,224	(85,915)
Income tax benefit	-	<u>(7,805)</u>	-	<u>(7,805)</u>
Net loss	<u>\$ (24,645)</u>	<u>\$ (82,445)</u>	<u>\$ (33,592)</u>	<u>\$ (167,072)</u>
Net loss per share:				
Basic	\$ (0.19)	\$ (0.40)	\$ (0.28)	\$ (0.92)
Diluted	\$ (0.19)	\$ (0.40)	\$ (0.28)	\$ (0.92)
Weighted average shares used in computing basic and diluted net loss per share:				
Basic	132,034	204,790	119,807	182,250
Diluted	132,034	204,790	119,807	182,250

(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.

Adjusted EBITDA was determined as follows:

	Quarter Ended	
	July 4,	October 3,
	2009	2009
Operating loss per statement of operations	(11,488)	(5,993)
Depreciation	10,017	10,583
Amortization of prepaid cost of inventory	2,918	1,709
Adjusted EBITDA	<u>1,447</u>	<u>6,299</u>