

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Balance Sheet**

**(unaudited)**  
June 30, 2013

**ASSETS**

Current assets:

Cash and cash equivalents	\$	68,859
Cash held in Escrow	\$	271
Accounts receivable	\$	0
Total current assets	\$	69,130

Fixed Assets:

Automobiles/Trucks	\$	500
Office Equipment	\$	2,334
Solar Inventory	\$	40,000
Total Fixed Assets	\$	<u>42,834</u>

Total assets \$ 111,593

Property, plant and equipment 0  
Investments 0

Total assets \$ 111,593

**LIABILITIES AND STOCKHOLDERS'  
DEFICIT**

Current liabilities:

Accounts payable and accrued liabilities	\$4,673,622
Notes payable, current portion	<u>\$2,104,469</u>
Loan Payable	<u>\$198,000</u>
Total current liabilities	\$6,976,091

Total Liabilities \$6,976,091

Stockholder's Deficit

Preferred stock, par value \$0.01 per share;  
2,700,000 shares authorized:

Series A Preferred stock, par value \$0.01 per share; 1,200,000 shares designated;-0- issued and outstanding at June 30, 2013	
Series B Preferred stock, par value \$0.01 per share; 1,500,000 shares designated:	
Series B-1 Preferred stock, par value \$0.01 per share, 1,000,000 shares designated, 228,652 issued and outstanding on June 30, 2013	2,286
Series B-3 Preferred stock, par value \$0.01 per share 232,500 shares designated, 47,364 issued and outstanding on June 30, 2013	473
Series B-4 Preferred stock, par value \$0.01 per share, 100,000 shares designated, -0- issued and outstanding on June 30, 2013	-
Series C Preferred Stock, par value \$.0001 per share, 1,500,000 shares designated, 1,130,000 shares issued and outstanding on June 30, 2013.	11,300
Common stock, par value \$0.01 per share, 150,000,000 shares authorized, 47,428,909.51 shares issued and outstanding on June 30, 2013 <sup>1</sup>	474,289
Additional paid in capital	26,888,592
Accumulated deficit	(34,241,538)
Total shareholders' deficit	(6,864,498)
Total Liabilities and Stockholders' Deficit	<u>\$111.593</u>

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<sup>1</sup> Adjusted for 1-for-500 reverse stock split effective as of April 5, 2013

**SOLAR THIN FILMS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF**  
**OPERATIONS FOR THE SIX**  
**MONTHS ENDED JUNE 30, 2013**

REVENUE:	Six Months ending 06/30/2013
Revenues	0
Cost of sales	0
Gross profit	0
<b>OPERATING EXPENSES:</b>	
General, selling and administrative expenses	\$ 172,349
Depreciation	0
Total operating expenses	\$172,349
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	
Other income/(expense)	
Loss on sale of equipment	0
Foreign currency transaction (loss)	0
Interest expense, net	\$91,496
Gain on change in fair value of reset provision liability	0
Impairment of investment	0
Debt acquisition costs	0
Other income	0
Net income (loss) before provision for income taxes	0
Net income (Loss)	(\$263,845)
Noncontrolling interest	0

**CONSOLIDATED STATEMENT OF DEFICIENCY OF STOCKHOLDERS' EQUITY  
FOR THE SIX MONTHS ENDED JUNE 30, 2013**

	Preferred Series B-1		Preferred Series B-3		Common shares	
	Shares	Amount	Amount	Shares	Shares	Amount
Balance, December 31, 2012	228,652	\$ 2,286	47,353	\$ 473	20,543,244	\$205,432
Issuance of 9,000,000 shares of common stock pursuant to conversion of promissory note dated the 19 <sup>th</sup> of October, 2010	-	-	-	-	-	9,000,000
Issuance of 350,000 shares of common stock as partial compensation for legal services rendered	-	-	-	-	-	350,000
Issuance of 29,785,000 shares of common stock in connection with acquisition of Quality Resource Technologies, Inc.	-	-	-	-	-	29,785,000
Issuance of 77,000 shares of common stock pursuant to subscription agreements	-	-	-	-	-	77,000
						\$69,300
Issuance of 8,100,000 shares of common stock pursuant to conversion of promissory note dated the 19 <sup>th</sup> of October, 2010	-	-	-	-	-	8,100,000
	-	-	-	-	-	-
Balance, June 30, 2013	228,652	\$ 2,286	47,353	\$ 473	20,543,244	\$205,432

See the accompanying notes to the unaudited condensed consolidated financial statements

**SOLAR THIN FILMS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**

Six Months ended  
June 30, 2013

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net income (loss)	\$	(263,845)
Adjustments to reconcile net loss to net cash used in operating activities:		0

0

Inventory		40,000
Advances and other current assets		0

Increase in:

Accounts payable and accrued liabilities	\$	22,035
Advances received from customers		0
Deferred revenue	\$	0

Net cash used in operations

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from advances-related party		0
(Payments) proceeds from notes payable		198,000
Net cash provided (used in) by financing activities:		70,000

Effect of currency rate change on cash	0
Net (decrease) increase in cash and cash equivalents	57,880
Cash and cash equivalents at beginning of period	10,979
Cash and cash equivalents at end of period	68,859

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

Cash paid during the period for interest	\$	0
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**NON CASH INVESTING AND FINANCING ACTIVITIES:**

Common stock issued as deferred compensation	0
Stock based compensation	0

See the accompanying notes to these unaudited condensed consolidated financial statements

**NOTE**

Solar Thin Films, Inc. (the “Company”) is in the business of developing and manufacturing innovative light-weight fiber reinforced shipping containers, storage units and housing units and designing, installing and leasing solar power systems to commercial and residential customers.

**SCHEDULE A**

**Notes Payable as of June 30, 2013**

<b><u>Name</u></b>	
Zisman	\$1,199,340
Solomon	\$534,472.51
J. Mermelstein	\$185,328
M. Mermelstein	\$185,328
<b>TOTAL</b>	<b>\$2,104,468.51</b>

**Accrued Liabilities as of June 30, 2013**

<b><u>Name</u></b>	
Hodgson Russ	509,493.50
RBSM LLP	\$25,000
Marcum Group	32,500
Steve Chaussy	18,500
Istvan Gorog	12,970.05
Solar PV Quest (Stamenic)	647,000
Orient	3,000
Shufrin & Associates	48,500
Harry Shufrin	2,836
Rubin Trust	39,900
Robert Rubin	8,509
Gary Maitland	8,509
Kreisberg & Maitland advances	7,650
G Maitland Accrued Salary	63,000
G Maitland Expenses	20,491

Droege	238,000
Roberts	80,000
Kogan	100,000
Molinaro	25,000
<b>TOTAL</b>	<hr/> <b>\$ 1,850,958.55</b>