

MEMC Electronic Materials

Fourth Quarter 2011 Earnings Conference Call
February 15, 2012

MEMC



Agenda

- ❑ Safe Harbor
- ❑ Q4 Summary Results
- ❑ Variance
- ❑ Q4 Segment Highlights
- ❑ SunEdison Pipeline & Installations
- ❑ Cash Flow
- ❑ Debt & Interest Expense
- ❑ Outlook & Priorities
- ❑ Appendix
- ❑ Forward-Looking Statements

With the exception of historical information, the matters disclosed in this presentation are forward-looking statements. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission (SEC), including its 2010 Form 10-K and Form 10-Qs for Q1, Q2 and Q3 2011, in addition to the risks and uncertainties described on page 24 of this presentation. These forward-looking statements represent the Company's judgment as of the date of this presentation. The Company disclaims, however, any intent or obligation to update these forward-looking statements.

This presentation also includes non-GAAP financial measures. You can find a reconciliation of each of these non-GAAP measures to the most directly comparable GAAP financial measure in our earnings press release filed on Form 8-K today with the SEC and posted in the Investor Relations portion of our web site at www.memc.com.

Q4 2011 Summary Results

| (\$ Millions, except per share) | Semiconductor Materials | Solar Materials | Solar Energy (SunEdison) | Corporate | MEMC GAAP | Non-GAAP Adjustments (SunEdison) | MEMC Non-GAAP |
|---|----------------------------|--------------------|-----------------------------|---------------|------------------|--|------------------|
| Net Sales | 227.9 | 108.6 | 381.3 | - | 717.8 | 54.3 | 772.1 |
| Gross Profit | | | | | (58.8) | 51.3 | (7.5) |
| <i>Gross Margin%</i> | | | | | -8.2% | | -1.0% |
| - Exclude Inventory Charges | | | | | 37.9 | | 89.2 |
| <i>Adjusted Gross Margin %</i> | | | | | 5.3% | | 11.6% |
| Operating Expenses | | | | | 1,189.4 | - | 1,189.4 |
| - Exclude Restructuring Charges | | | | | 105.9 | | 105.9 |
| Operating Income / (Loss) | (61.4) | (729.0) | (433.7) | (24.1) | (1,248.2) | 51.3 | (1,196.9) |
| <i>Operating Margin %</i> | -26.9% | -671.3% | -113.7% | | -173.9% | | -155.0% |
| - Exclude Inventory and Restructuring Charges | 0.8 | (7.5) | (38.1) | (23.2) | (68.0) | 51.3 | (16.7) |
| <i>Adjusted Operating Margin %</i> | 0.4% | -6.9% | -10.0% | | -9.5% | | -2.2% |
| Decline / (Increase) FMV of Warrants | | | | | 0.2 | - | 0.2 |
| Other Expense / (Income) | | | | | 39.5 | - | 39.5 |
| Profit / (Loss) Before Tax | | | | | (1,287.9) | 51.3 | (1,236.6) |
| Income Taxes/(Benefit) excl. DTA | | | | | 129.7 | 17.0 | 146.7 |
| - Include DTA and Tax Impact of Charges | | | | | 271.8 | 17.0 | 288.8 |
| Equity in (Loss) Earnings of JVs/Noncontrolling Interest | | | | | (66.8) | - | (66.8) |
| - Exclude Investment Impairments | | | | | 12.1 | - | 12.1 |
| Net Income (Loss) | | | | | (1,484.4) | 34.3 | (1,450.1) |
| - Exclude Q4 Restructuring | | | | | (83.2) | 34.3 | (48.9) |
| Diluted Earnings (Loss) per Share | | | | | \$ (6.44) | \$ 0.15 | \$ (6.29) |
| - Exclude Q4 Restructuring | | | | | \$ (0.36) | \$ 0.15 | \$ (0.21) |
| - Exclude Tax Impact due to Earnings Mix | | | | | | | \$ (0.09) |

- Q4 2011 GAAP P&L reflects the impact of restructuring, impairments and other charges.

Note: unaudited

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Q4 2011 Variance (Adjusted Non-GAAP)

| (\$ Millions, except per share) | Q4 2011 Non-GAAP | Q3 2011 Non-GAAP | vs. Prior Quarter | | Q4 2010 Non-GAAP | vs. Prior Year | |
|--|---------------------|---------------------|-------------------|------------|---------------------|----------------|------------|
| | | | \$ Variance | % Variance | | \$ Variance | % Variance |
| Net Sales | 772.1 | 859.0 | (86.9) | -10% | 949.5 | (177.4) | -19% |
| Gross Profit | 89.2 | 124.6 | (35.4) | -28% | 183.5 | (94.3) | -51% |
| <i>Gross Margin %</i> | 11.6% | 14.5% | | | 19.3% | | |
| Operating Expenses | 105.9 | 106.0 | (0.1) | 0% | 92.8 | 13.1 | 14% |
| Operating Income (Loss) | (16.7) | 18.6 | (35.3) | -190% | 90.7 | (107.4) | -118% |
| <i>Operating Margin %</i> | -2.2% | 2.2% | | | 9.6% | | |
| Net Income (Loss) | (48.9) | 6.1 | (55.0) | -902% | 59.4 | (108.3) | -182% |
| Diluted Earnings (Loss) per Share | (0.21) | 0.03 | (0.24) | -800% | 0.25 | (0.46) | -184% |
| Including Tax Impact from Earnings Mix | (0.09) | | | | | | |

Revenue

- Non-GAAP revenue down YoY and QoQ, driven primarily by cyclical downturn in semi wafer industry and continued market weakness in solar upstream.

EPS

- EPS losses reflect lower volumes, weaker pricing and less favorable project mix.

Adjusted non-GAAP figures exclude restructuring, impairment and other non-routine charges

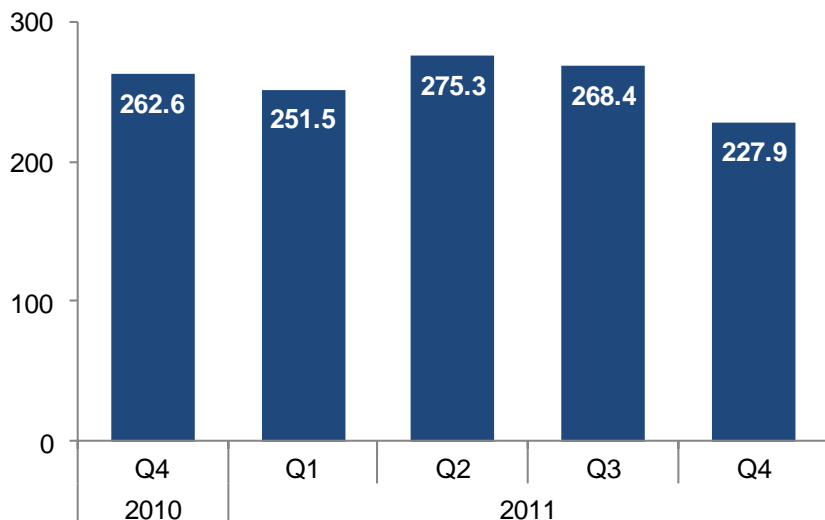
Note: unaudited

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Q4 2011: Semiconductor Materials

Revenue (\$ Millions)



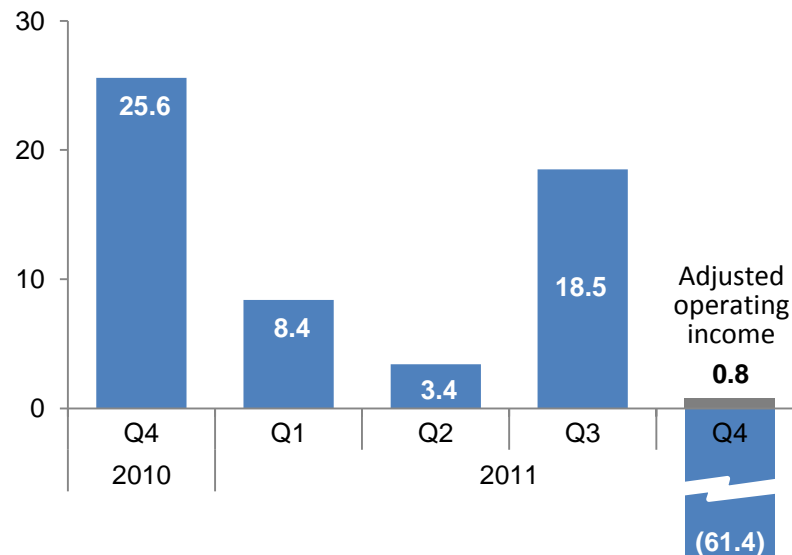
Sequential down \$41M, or 15%

- 11% volume decrease largely in 200mm
- 5% ASP decline

YOY down \$35M, or 13%

- 10% volume decline driven by smaller diameters
- ASP down 3%

Operating Profit (\$ Millions)



Adjusted \$0.8M income excluding charges and impairment:

Sequential down \$18M

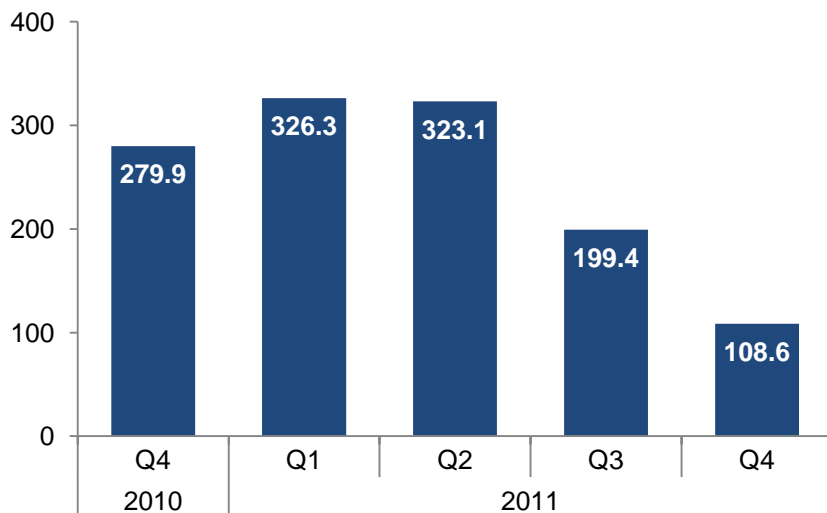
- ASP softness across all diameters
- Lower capacity utilization at smaller diameters

YOY down \$25M

- Lower ASP and lower capacity utilization
- Partially offset by net productivity savings of \$6M

Q4 2011: Solar Materials

Revenue (\$ Millions)



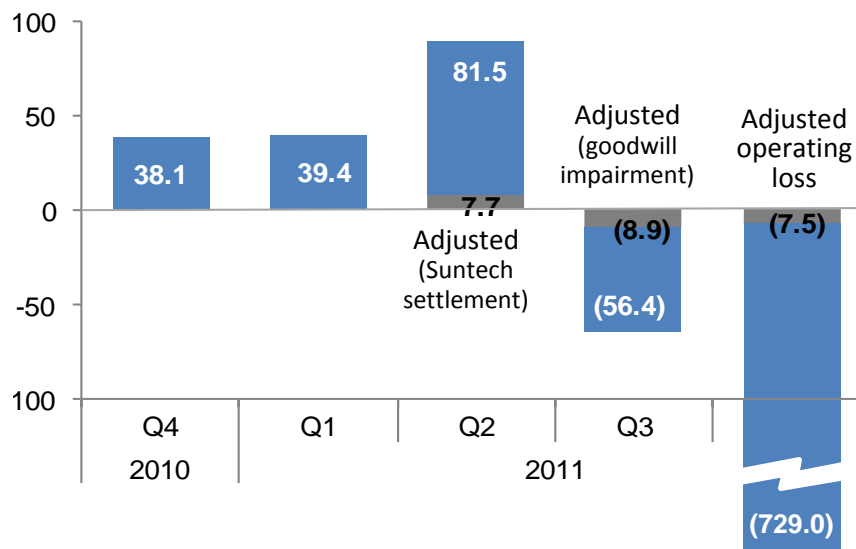
Sequential down \$91M, or 46%

- 27% wafer ASP decline
- 21% wafer volume decrease

YOY down \$171M, or 61%

- 23% wafer volume decrease
- 53% wafer ASP decline

Operating Profit (\$ Millions)



Adjusted (\$7.5M) loss excluding charges and impairment:

Sequential up \$1M

- Lower wafer ASP and sales volume
- Offset by lower cost

YOY down \$46M

- Driven by significant ASP and volume decline
- Partially offset by 35% in cost improvement

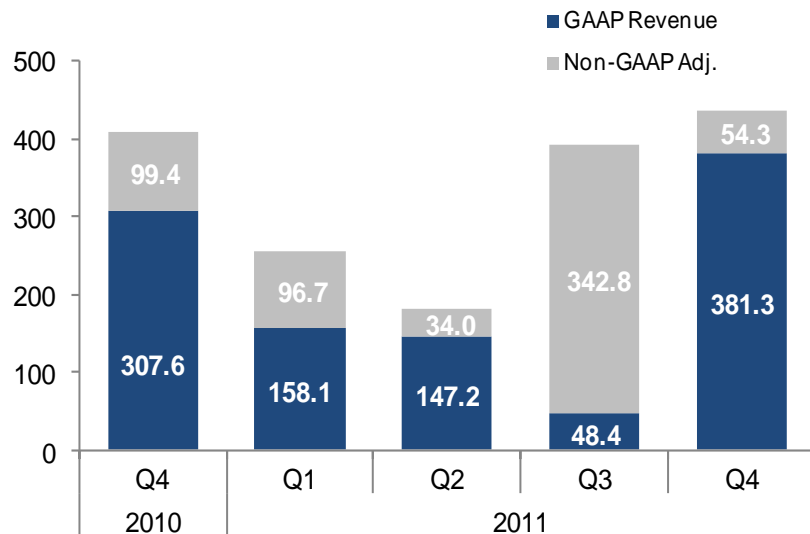
Note: unaudited

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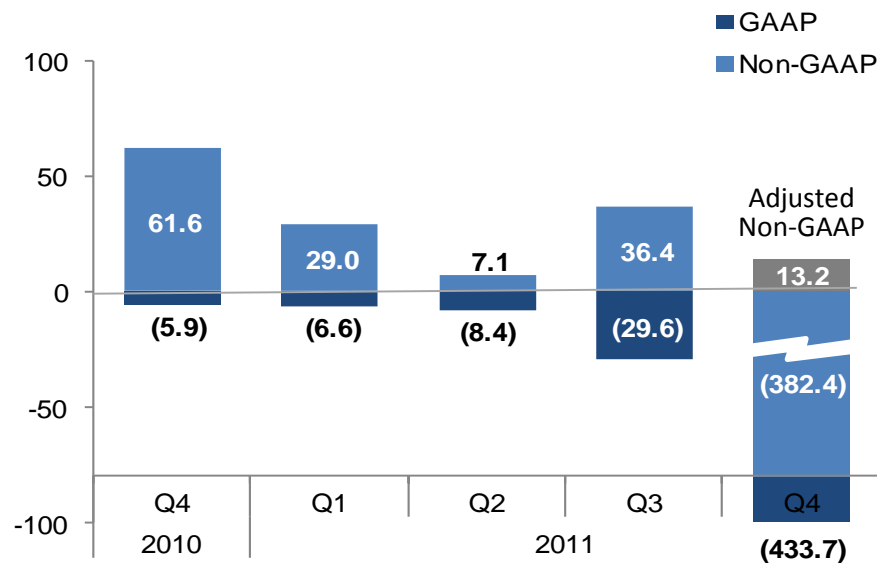


Q4 2011: SunEdison (Non-GAAP)

Non-GAAP Revenue (\$ Millions)



Non-GAAP Operating Profit (\$ Millions)



Sequential up \$44M, or 11%

- Higher project sales, partially offset by \$143M non-GAAP reversals on projects sold in Q3 and recognized for non-GAAP revenue

YOY up \$29M, or 7%

- Higher project interconnections and sales

Adjusted non-GAAP \$13.2M profit excluding charges and impairment:

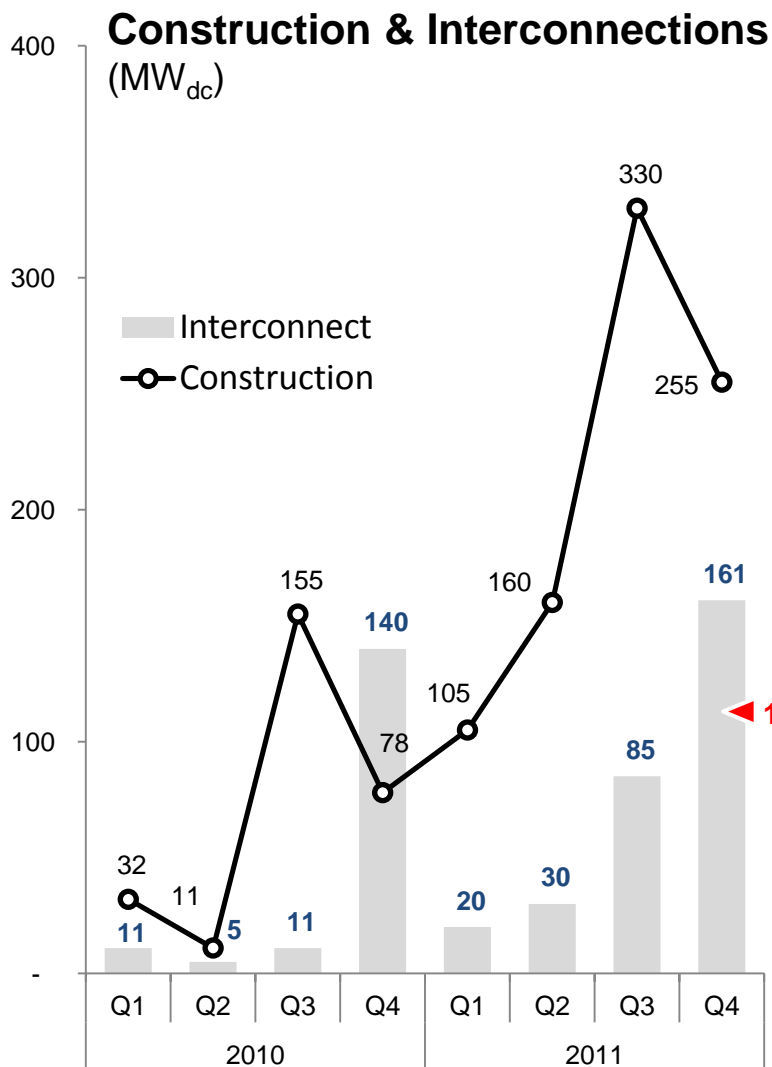
Sequential down \$23M

- Lower energy service profit largely due to seasonality
- Lower profit impacted by purchase accounting

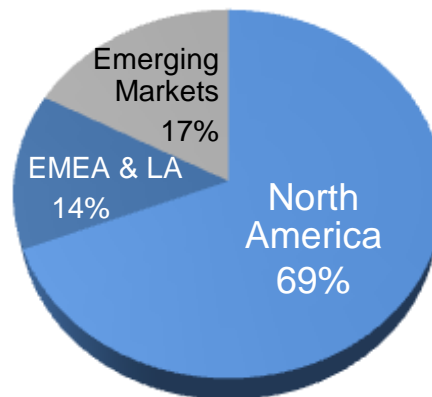
YOY down \$48M

- Unfavorable project mix
- Higher operating expense

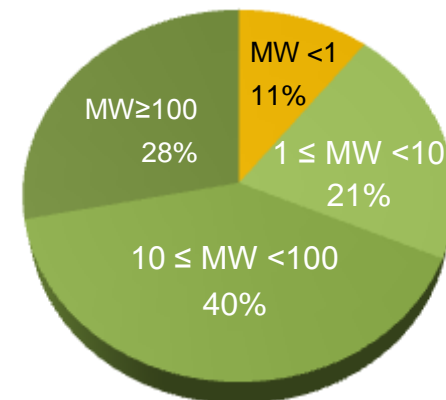
Q4 2011: SunEdison Pipeline & Installations



Pipeline by Region



Pipeline by Size



Pipeline of 3.0GW_{dc}

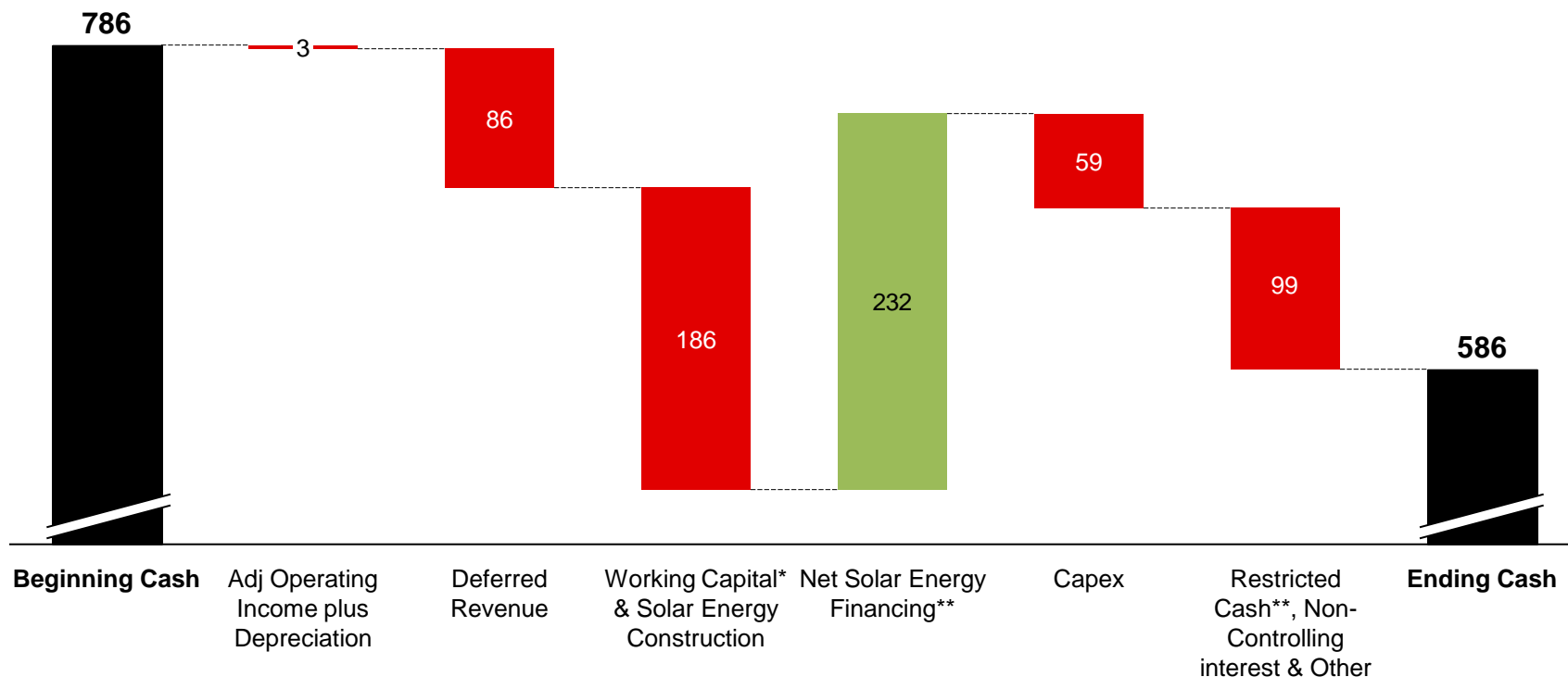
- Held flat, net of organic growth and record quarterly interconnections

Q4'11 Interconnections and Sales:

- Completed 161MW_{dc} interconnections
- 109MW_{dc} recognized for non-GAAP revenue, 17MW retained projects and 35MW held for sale at locked-in FiT rates

Interconnected 296MW_{dc} in 2011 (up 77% y/y) with another 255MW_{dc} under construction

Q4 2011: Cash Flow



*Adjusted for \$96.7M inventory charge

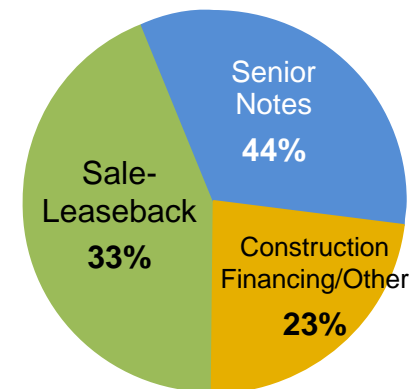
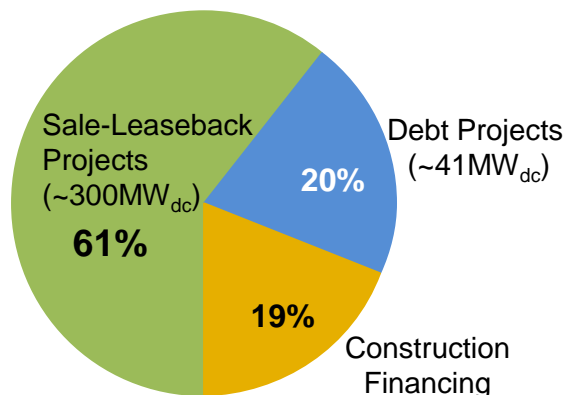
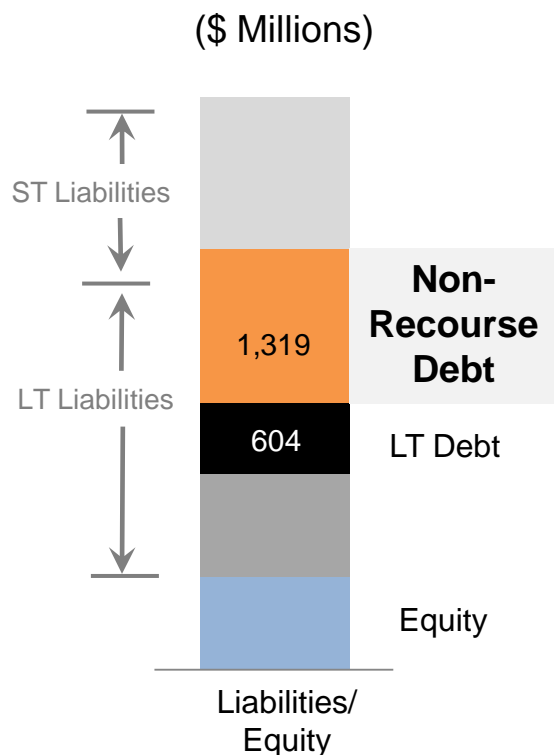
** Net Solar Energy Financing includes approximately \$70M of construction financing proceeds that have also been recorded as Restricted Cash

- Cash use driven largely by SunEdison project construction spend.
- \$2M cash charges related to Q4 2011 restructuring, \$30M cash restructuring charges expected for Q1 2012, and \$102M cash restructuring charges expected for FY 2012.

Q4 2011: Debt & Interest Expense

Non-Recourse Debt

Interest Expense



\$1,319M Non-Recourse Debt:

- Primarily sale-leaseback project sale/financing proceeds
- Non-recourse to MEMC or SunEdison; payment supported by energy revenue or project assets

\$26M in Interest Expense:

- Primarily interest expense for \$550M 7.75% Sr. Note (recourse due 2019)
- Sale-leaseback lease payment included as interest expense and supported by energy revenue and paid down over the life of the lease

Recourse Debt Principal Repayment Schedule through 2016 (US\$M):

Minimal principal repayment within the next five years



Note: unaudited

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Outlook & Priorities

| Key Metrics | Q1 2012 | FY 2012 |
|---|------------------|----------|
| Semiconductor Revenue | Down 10%-15% QoQ | Flat YoY |
| Solar Energy Systems Vol (sold) | ~50MW | > 400 MW |
| Solar Energy Systems Avg. Price (\$/W _{dc}) | ~\$4.25 | ~\$3.75 |
| Operating Expenses (\$ millions) | <\$110 | < \$375 |
| Capex (\$ millions) | <\$50 | < \$175 |
| Interest / Other Expense (\$ millions) | < \$25 | < \$100 |
| Non-GAAP Tax Rate | ~30% | ~30% |

Macro/Industry Backdrop

- Semi market trough in 1Q12; recovery strengthens from 2Q through 4Q 2012
- Financial instability in Europe: credit markets improving but remain uncertain
- Solar PV markets remain in an over-supply position; Europe instability and risk an overhang throughout the year

Priorities

- Cash flow and liquidity
- Execute on restructure plan and position for market recovery
- Semi market share gain (focus on 300mm); expand margins in the upturn
- Optimize pipeline development and achieve y/y growth in systems sales

Appendix

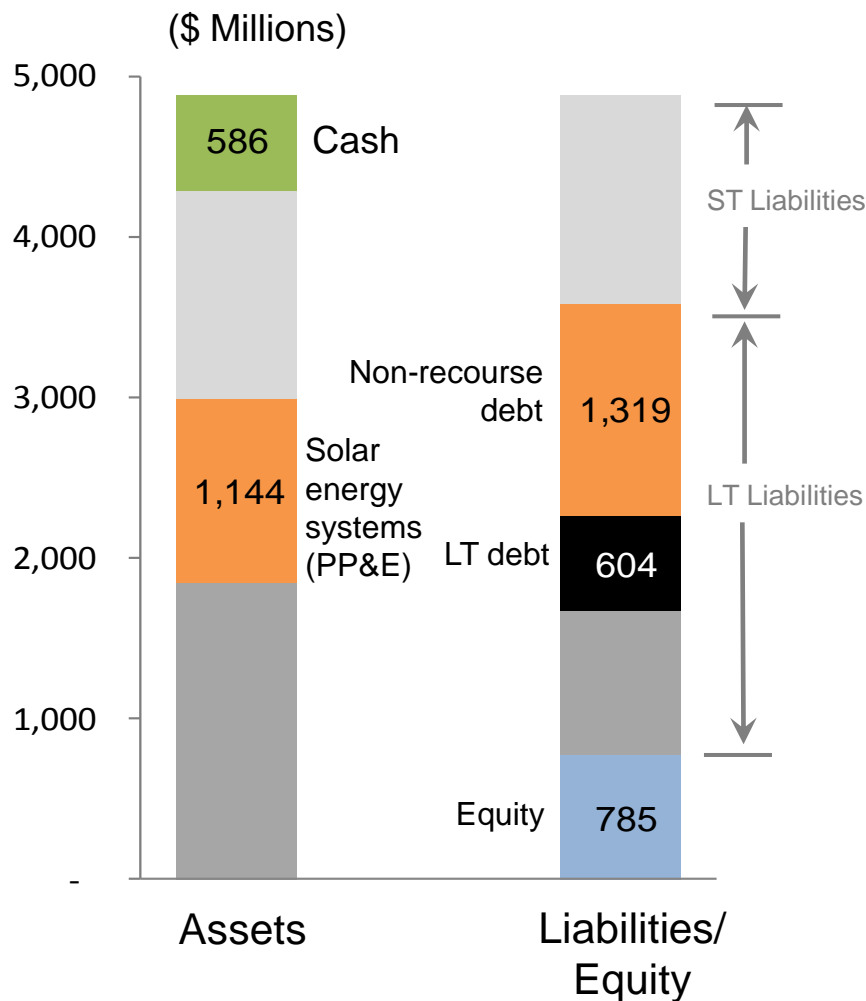
Restructuring Summary

| Type of Charge | Semi | Solar Materials | SunEdison | Corporate | Total | P&L Classification |
|---------------------------|-------------|-----------------|--------------|--------------|----------------|--------------------|
| Restructuring | 35.6 | 299.3 | 3.7 | 0.9 | 339.5 | Restructuring |
| Asset Impairments | 7.4 | 353.6 | 4.4 | - | 365.4 | Impairment |
| Investment/JV Impairments | - | 78.9 | - | - | 78.9 | OIE/Equity in JV |
| Inventory Adjustments | 14.2 | 76.6 | 5.9 | - | 96.7 | CoGS |
| Goodwill Impairment | - | - | 384.1 | - | 384.1 | Goodwill |
| Other Non-Routine Charges | 5.0 | (8.0) | (2.5) | - | (5.5) | Marketing |
| Total | 62.2 | 800.4 | 395.6 | 0.9 | 1,259.1 | |
| Tax Valuation Allowance | | | | 214.1 | 214.1 | Tax expense |
| Tax Benefit of Charges | | | | (72.0) | (72.0) | Tax expense |
| Total (post tax) | 62.2 | 800.4 | 395.6 | 143.0 | 1,401.2 | |

Pro-forma Balance Sheet (Restructuring)

| Q4'11 base | Pre | Charges | Post |
|---------------------------------------|--------------|----------------|--------------|
| Cash & Restricted Cash | 711 | 0 | 711 |
| Inventory | 404 | (82) | 322 |
| Other current assets | 853 | 0 | 853 |
| Total Current Assets | 1,968 | (82) | 1,886 |
| Investments | 133 | (79) | 55 |
| PP&E | 2,752 | (359) | 2,393 |
| Goodwill | 384 | (384) | 0 |
| Deferred tax assets | 187 | (142) | 45 |
| Other assets | 526 | (23) | 503 |
| Total Assets | 5,951 | (1,069) | 4,882 |
| Other current liabilities | 1,118 | 171 | 1,289 |
| Recourse debt | 570 | 0 | 570 |
| Non-recourse debt | 1,356 | 0 | 1,356 |
| Other liabilities | 720 | 161 | 881 |
| Total Liabilities | 3,765 | 332 | 4,097 |
| Noncontrolling interest | 47 | 0 | 47 |
| MEMC equity | 2,139 | (1,401) | 738 |
| Total Shareholders Equity | 2,186 | (1,401) | 785 |
| Total Liabilities & Equity | 5,951 | (1,069) | 4,882 |

Q4 2011: Balance Sheet Highlights



- Continued focus on cash management
- \$813 million in liquidity: \$586 million cash and cash equivalents, and \$227 million unused credit facilities
- \$300 million non-recourse construction revolver
- Non-recourse debt excluded from leverage calculations in covenants

Cash Flow - SunEdison

| For the Quarter ending Dec. 31, 2011 | SunE | Materials & Corp | 4Q11 |
|--|-------------------|---------------------|-------------------|
| Net Loss | \$ (447.4) | \$ (1,037.4) | (1,484.9) |
| Depreciation & Amortization | 15.1 | 50.3 | 65.4 |
| Stock Compensation | 0.0 | 12.2 | 12.2 |
| Asset Impairment Charges | 389.1 | 455.6 | 844.7 |
| Accounts Receivable | (26.7) | 76.3 | 49.6 |
| Inventory/Solar Energy Systems | (22.8) | 113.4 | 90.5 |
| Accounts Payable | (13.6) | (88.0) | (101.6) |
| Deferred Revenue | (79.6) | 0.0 | (79.6) |
| Other Operating | (25.1) | 313.1 | 287.9 |
| Taxes, net | 0.0 | 139.2 | 139.2 |
| Operating Cash Flow | (211.1) | 34.5 | (176.6) |
| Capital Expenditures | 0.0 | (58.5) | (58.5) |
| Construction of PV Systems | (127.9) | 0.0 | (127.9) |
| Proceeds from Financing & Capital Lease Obligations, net | 232.0 | 0.0 | 232.0 |
| Purchases of Noncontrolling Interest | (33.3) | 0.0 | (33.3) |
| Free Cash Flow | (139.7) | (24.6) | (164.3) |
| Restricted Cash & Other | (42.2) | 6.2 | (36.0) |
| Total Cash Flow | \$ (181.9) | \$ (18.5) | \$ (200.3) |

SunEdison Accounting

SunEdison Non-GAAP Accounting

GAAP Application

Non-GAAP Application

Real Estate Accounting for Direct Sales

CONDITION

*On executed sales contract:
When the system is considered
integral to the site on which it was
built:*

1. Deferral of maximum contractual exposure for power production and system uptime guarantees offered to direct sale customers.
2. No sales treatment for certain indemnifications

P&L:

Completed Sales:

1. Revenue and profit deferred between 2 to 20 years; 100% cost recognition
2. No revenue or cost recognition until indemnifications expire

Projects under Construction:

No recognition

Balance Sheet:

Deferred revenue or other liabilities

Cash Flow:

Receipt of sale price, typically in operating cash

→ Revenue and profit recognized 100%

→ Percentage of completion on revenue and cost

Financing Sale Leasebacks (FSLB)

CONDITION

*When there is a difference
between the cash we receive from
financing partners in SLB and total
cost to construct the solar energy
systems:*

Deferral of the system development margin and recognition.

P&L:

Revenue is never recognized and profit deferred until the end of the lease (10-25 years);
PPA revenue and profit stream
Gain on extinguishment of debt

Balance Sheet:

Cash proceeds recorded as debt

Cash Flow:

Receipt of system development margin, typically in financing cash

→ Revenue and profit from project sale recognized 100%

→ PPA revenue and profit stream

SunEdison Accounting

For illustrative purpose only
Not intended to represent company project

Key Assumptions:

| \$M unless otherwise noted | Project MW | ASP | Construction Cost | Debt Financing | Utility Rate (\$/kwh) | Incentives (\$/kwh) | Cash Grant | Revenue Deferral | Deferral Period | Financing Term | Incentive Length | Dep'n Period |
|----------------------------|------------|------|-------------------|----------------|-----------------------|---------------------|------------|------------------|-----------------|----------------|------------------|--------------|
| Direct sale | 1 | 4.50 | 3.50 | N.R. | N.R. | N.R. | N.R. | 15% | 2 years | N.R. | N.R. | N.R. |
| Sale leaseback | 1 | 4.50 | 3.50 | 4.50 | 0.12 | 0.20 | N.R. | N.R. | N.R. | 20 years | 10 years | 30 years |
| Debt finance | 1 | N.R. | 3.50 | 2.10 | 0.12 | 0.20 | 1.05 | N.R. | N.R. | 20 years | 10 years | 30 years |

| Direct Sale (\$M) | | | Financing Sale Leaseback (\$M) | | | Debt Finance (\$M) | |
|---|---------------|---------------|---|---------------|---------------|---|---------------|
| Year 1 Economics | GAAP | Non-GAAP | Year 1 Economics | GAAP | Non-GAAP | Year 1 Economics | GAAP |
| Revenue | \$4.50 | \$4.50 | Revenue | - | \$4.50 | Revenue | - |
| Revenue deferral ¹ | (0.68) | - | CoGS | - | (3.50) | CoGS | - |
| CoGS | (3.50) | (3.50) | Gross profit | - | 1.00 | Gross profit | - |
| Gross profit | 0.32 | 1.00 | <i>Gross margin</i> | - | 22% | <i>Gross margin</i> | - |
| <i>Gross margin</i> | 7% | 22% | Pre-tax cash flow | 1.00 | 1.00 | Pre-tax cash flow | (0.35) |
| Pre-tax cash flow | 1.00 | 1.00 | Recurring Economics (avg/yr) | | | Recurring Economics (avg/yr) | |
| Year 3 Economics | | | Energy/incentive revenue | 0.30 | 0.30 | Energy/incentive revenue | 0.30 |
| Revenue | 0.68 | - | O&M & Insurance ² | (0.03) | (0.03) | O&M & Insurance ² | (0.03) |
| <i>Gross margin</i> | 100% | - | Lease expense | (0.23) | (0.23) | Interest expense | (0.09) |
| Pre-tax cash flow | - | - | Pre-tax cash flow | 0.04 | 0.04 | Debt principal repayment | (0.11) |
| Pre-tax profit | 0.68 | - | Depreciation | (0.12) | - | Pre-tax cash flow | 0.07 |
| | | | Y1-Y20, Pre-tax profit | (0.08) | 0.04 | Depreciation | (0.08) |
| | | | End of Year 20 Economics | | | Y1-Y20, Pre-tax profit | 0.10 |
| | | | Loss on fixed asset disposal | (1.10) | - | | |
| | | | Gain from debt extinguishment | 4.50 | - | | |
| Total Economics (Y1-Y3) | | | Total Economics (Y1-Y20) | | | Total Economics (Y1-Y20) | |
| Project pre-tax profit³ | 1.00 | 1.00 | Project pre-tax profit³ | 1.80 | 1.80 | Project pre-tax profit³ | 2.00 |
| NPV pre-tax CF (@10%) | 1.00 | 1.00 | NPV pre-tax CF (@10%) | 1.64 | 1.64 | NPV pre-tax CF (@10%) | 0.64 |

1. Applies to projects accounted under real estate accounting rules only. Revenue deferral is associated with performance ratio guarantee and maximum O&M liability exposure; the latter, typically less than 5% of revenue, is not illustrated in the example. Deferred revenue is recognized upon expiration of the related contingency period.
2. Assumes no local tax or other cash expenses.
3. SG&A is not allocated to the project level, and, therefore, is excluded from the project pre-tax profit calculation.

Direct Sale

For illustrative purpose only
Not intended to represent company project

| Direct Sale (\$M) | | | Notes/Calculations GAAP & Non-GAAP | GAAP Financial Impact | | |
|--------------------------------|---------------|-----------------|--|-----------------------|---|---|
| | | | | P&L | Cash Flow | Balance Sheet |
| Year 1 Economics | GAAP | Non-GAAP | | | | |
| Revenue | \$4.50 | \$4.50 | Direct sale proceeds | Revenue | Operating | Cash/Equity |
| Revenue deferral | (0.68) | - | Revenue x % deferral (varies, typically 15%-20%) | (Revenue) | - | Deferred revenue/Equity |
| CoGS | (3.50) | (3.50) | Construction cost (Construction in progress) | CoGS | (Operating) (Inventory: solar systems held for sale) | Cash/Equity (Inventory: solar systems held for sale) |
| Gross profit | 0.32 | 1.00 | | | | |
| <i>Gross margin</i> | 7% | 22% | | | | |
| Pre-tax cash flow | 1.00 | 1.00 | | | | |
| Year 3 Economics | | | | | | |
| Revenue | 0.68 | - | Revenue recognized upon expiration of contingency period | Revenue | - | Deferred revenue/Equity |
| <i>Gross margin</i> | 100% | - | | | | |
| Pre-tax cash flow | - | - | All cash flows occur in Year 1 | | | |
| Pre-tax profit | 0.68 | - | | | | |
| Total Economics (Y1-Y3) | | | | | | |
| Project pre-tax profit | 1.00 | 1.00 | | | | |
| NPV pre-tax CF (@10%) | 1.00 | 1.00 | All cash flows occur in Year 1 | | | |

Financing Sale-Leaseback

For illustrative purpose only
Not intended to represent company project

| Financing Sale Leaseback (\$M) | | | Notes/Calculations GAAP & Non-GAAP | GAAP Financial Impact | | |
|-------------------------------------|-------------|-----------------|--|-----------------------|--|---------------------------------|
| | | | | P&L | Cash Flow | Balance Sheet |
| Year 1 Economics | GAAP | Non-GAAP | | | | |
| Revenue | - | \$4.50 | Project sale proceeds | - | Financing: solar energy financing | Cash/Non-recourse debt |
| CoGS | - | (3.50) | Construction cost | - | (Investing): construction of solar systems | Cash/PP&E: solar energy systems |
| Gross profit | - | 1.00 | | | | |
| Gross margin | - | 22% | | | | |
| Pre-tax cash flow | 1.00 | 1.00 | | | | |
| Recurring Economics (avg/yr) | | | | | | |
| Energy/incentive revenue | 0.30 | 0.30 | | Revenue | Investing | Restricted cash /Equity |
| O&M & Insurance | (0.03) | (0.03) | | CoGS | (Operating) | Cash/Equity |
| Lease expense ¹ | (0.23) | (0.23) | | Interest expense | (Investing) | Restricted cash /Equity |
| Pre-tax cash flow | 0.04 | 0.04 | Energy/incentive revenue – O&M/insurance – lease expense | | | |
| Depreciation | (0.12) | - | Construction cost/30 years | CoGS | - | PP&E/Equity |
| Y1-Y20, Pre-tax profit | (0.08) | 0.04 | Recurring pre-tax cash flow – depreciation | | | |
| End of Year 20 Economics | | | | | | |
| Loss on fixed asset disposal | (1.10) | - | Construction cost – (depreciation x 20 years) | Other expense | - | PP&E/Equity |
| Gain from debt extinguishment | 4.50 | - | Equal to project sale proceeds | Other income | - | Non-recourse debt/Equity |
| Total Economics (Y1-Y20) | | | | | | |
| Project pre-tax profit | 1.80 | 1.80 | GAAP: (Y1-Y20 Pre-tax profit x 20) + Y20 Economics Non-GAAP: Y1 Gross profit + (Y1-Y20 Pre-tax profit x 20) | | | |
| NPV pre-tax CF (@10%) | 1.64 | 1.64 | Pre-tax cash flow (all years) discounted at 10% | | | |

1. Residual project cash flows in excess of lease service requirements are reclassified from restricted cash to cash, which represent a positive investing cash flow.

Debt Finance

For illustrative purpose only
Not intended to represent company project

| Debt Finance (\$M) | | Notes/Calculations GAAP | GAAP Financial Impact | | |
|-------------------------------------|---------------|---|-----------------------|---------------------------------------|---|
| | | | P&L | Cash Flow | Balance Sheet |
| Year 1 Economics | GAAP | | | | |
| Revenue | - | | | | |
| CoGS | - | | | | |
| Gross profit | - | | | | |
| <i>Gross margin</i> | - | | | | |
| Pre-tax cash flow | (0.35) | Debt financing + cash grant – construction cost | - | Financing Investing (Investing) | Cash/Non-recourse debt Cash/Reduction in PP&E Cash/PP&E |
| Recurring Economics (avg/yr) | | | | | |
| Energy/incentive revenue | 0.30 | | Revenue | Operating | Cash/Equity |
| O&M & Insurance | (0.03) | | CoGS | (Operating) | Cash/Equity |
| Interest expense | (0.09) | | Interest expense | (Operating) | Cash/Equity |
| Debt principal repayment | (0.11) | | - | (Financing) | Cash/Non-recourse debt |
| Pre-tax cash flow | 0.07 | Energy/incentive revenue – O&M/insurance – interest expense – debt principal repayment | | | |
| Depreciation | (0.08) | (Construction cost – cash grant)/30 years | CoGS | - | PP&E/Equity |
| Y1-Y20, Pre-tax profit | 0.10 | Recurring pre-tax cash flow + debt principal repayment – depreciation | | | |
| Total Economics (Y1-Y20) | | | | | |
| Project pre-tax profit | 2.00 | Recurring pre-tax profit x 20 years | | | |
| NPV pre-tax CF (@10%) | 0.64 | Pre-tax cash flow (all years) discounted at 10% | | | |

Forward-Looking Statements

Certain matters discussed in this presentation are forward-looking statements, including that for the first quarter 2012: semiconductor cycle trough in Q1 2012, with 10% - 15% lower revenue expected in Q1 2012 vs. Q4 2011 and orders picking up for Q2 2012; solar energy systems interconnection volume of less than 100 MW, with approximately 50 MW recognized for non-GAAP revenue and 45 MW of balance sheet projects; solar energy systems average pricing of approximately \$4.25/watt; operating expenses less than \$110 million; capital spending less than \$50 million; interest / other expense less than \$25 million; non-GAAP tax rate of approximately 30%; For the full year 2012: semiconductor revenue flat year-over-year, with revenue in second half 2012 stronger than in first half 2012; solar energy systems sales volume greater than 400 MW; solar energy systems average pricing of approximately \$3.75/watt; operating expenses less than \$375 million; capital spending less than \$175 million; interest / other expense less than \$100 million; and non-GAAP tax rate of approximately 30%. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include concentrated project development risks related to large scale solar projects; the availability of attractive project finance and other capital for SunEdison projects; changes to accounting interpretations or accounting rules; changes in the pricing environment for silicon wafers and polysilicon, as well as solar power systems; market demand for our products and services; the availability and size of government and economic incentives to adopt solar power, including tax policy and credits and renewable portfolio standards; the ability to effectuate the savings from the restructuring plan; our ability to maintain adequate liquidity and compliance with our debt covenants; the need to impair long lived assets or other intangible assets due to changes in the carrying value or realizability of such assets; the effect of any antidumping or countervailing duties imposed on photovoltaic cells and/or modules in connection with any trade complaints in the United States or elsewhere; existing or new regulations and policies governing the electric utility industry; our ability to convert SunEdison pipeline into completed projects in accordance with our current expectations; dependence on single and limited source suppliers; utilization of our manufacturing volume and capacity, including the successful ramping of production at our Ipoh facility; the terms of any potential future amendments to or terminations of our long-term agreements with our solar wafer customers; general economic conditions, including interest rates, the ability of our customers to pay their debts as they become due; our ability to realize the benefits of any announced or future facility closings and/or restructurings; changes in the composition of worldwide taxable income and applicable tax laws and regulations, including our ability to utilize any net operating losses; failure of third-party subcontractors to construct and install our solar energy systems; seasonality or quarterly fluctuations in our SunEdison business; the impact of competitive products and technologies; inventory levels of our customers; supply chain difficulties or problems; interruption of production; outcome of pending and future litigation matters; good working order of our manufacturing facilities; our ability to reduce manufacturing and operating costs; assumptions underlying management's financial estimates; delays in the restructuring of our manufacturing operations across different plants; actions by competitors, customers and suppliers; changes in the retail industry; changes in federal or state laws governing utilities; damage to our brand; acquisitions of pipeline in our Solar Energy segment; changes in product specifications and manufacturing processes; changes in financial market conditions; changes in foreign economic and political conditions; changes in technology; changes in currency exchange rates and other risks described in the company's filings with the Securities and Exchange Commission. These forward-looking statements represent the company's judgment as of the date of this press release. The company disclaims, however, any intent or obligation to update these forward-looking statements.