

MEMC Electronic Materials

Third Quarter 2012 Earnings Conference Call
November 7, 2012

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Agenda

- Safe Harbor
- 3Q12 Results Review
- 3Q12 Segment Performance
- SunEdison Pipeline & Installations
- Cash Flow
- Balance Sheet & Liquidity
- Outlook
- Appendix
- Forward-Looking Statements

Safe Harbor

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 2011 Form 10-K, and Q1 2012 and Q2 2012 Form 10-Qs, in addition to the risks and uncertainties described on page 16 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.

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3Q 2012 Results Review

Key Metrics	3Q 2012 Outlook	3Q 2012 Actual
Semiconductor Revenue	Up 3% - 8% QoQ	Up 3%
Solar Energy Systems MW Sold (Non-GAAP)	40 - 60	74
Solar Energy Systems Avg. Price (\$/W _{dc})	> \$3.50	\$3.87
Operating Expenses (\$M)	< \$100	\$86*
Capex (\$M)	< \$30	\$24
Non-GAAP Interest / Other Expense (\$M)	< \$25	\$17

* Pro-forma, after adjustment for \$58.3 million net restructuring benefit from the settlement of a TCS supply contract with Evonik.

3Q Highlights

- Cash of \$425M excluding debt financing exceeded ~\$380M guidance
- Semi restructuring delivering improved operating leverage and profitability
- Solar upstream EBITDA and cash flow positive; downstream near margin targets
- Judicious capital spend

Note: unaudited

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3Q 2012 Summary Results

(\$ Millions, except per share)	Semiconductor Materials	Solar Energy	Corporate	MEMC GAAP	Non-GAAP Adjustments (Solar Energy)	MEMC Non-GAAP
Net Sales	240.3	361.3	-	601.6	107.3	708.9
Gross Profit				86.9	26.3	113.2
<i>Gross Margin%</i>				14.4%		16.0%
Operating Expenses				28.0	-	28.0
Operating Income / (Loss)	8.7	75.8	(25.6)	58.9	26.3	85.2
<i>Operating Margin %</i>	3.6%	21.0%		9.8%		12.0%
Other Expense / (Income)				24.7	(7.8)	16.9
Profit / (Loss) Before Tax				34.2	34.1	68.3
Income Taxes/(Benefit)				(3.3)	1.2	(2.1)
Equity in (Loss) Earnings of JVs/Noncontrolling Interest				(0.5)	0.6	0.1
Net Income (Loss)				37.0	33.5	70.5
Diluted Earnings (Loss) per Share				\$ 0.16	\$ 0.14	\$ 0.30

- 3Q results reflect improved profitability in semi and lower solar project volumes as forecasted
- Revenue and gross profit include \$37.1M Conergy contract termination benefit
- OpEx includes \$58.3M net restructuring benefit largely resulting from a favorable TCS supply settlement with Evonik

Note: unaudited

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Period Comparisons

(\$ Millions, except per share)	3Q 2012	2Q 2012	vs. Prior Quarter		3Q 2011	vs. Prior Year	
	Non-GAAP	Non-GAAP	\$ Variance	% Variance	Non-GAAP	\$ Variance	% Variance
Net Sales	708.9	933.4	(224.5)	-24%	859.0	(150.1)	-17%
Gross Profit	113.2	140.2*	(27.0)	-19%	124.6	(11.4)	-9%
<i>Gross Margin %</i>	16.0%	15.0%			14.5%		
Operating Expenses	28.0	105.7	(77.7)	-74%	162.4	(134.4)	-83%
Operating Income (Loss)	85.2	34.5*	50.7	147%	(37.8)	123.0	325%
<i>Operating Margin %</i>	12.0%	3.7%			-4.4%		
Net Income (Loss)	70.5	17.0*	53.5	315%	(50.3)	120.8	240%
Diluted Earnings (Loss) per Share	\$ 0.30	\$ 0.07*	\$ 0.23	329%	\$ (0.22)	\$ 0.52	236%

Revenue

- Lower 3Q sales due to lower solar project sales as forecasted

EPS

- Performance reflects continued improvement in Semiconductor Materials segment operating leverage and benefit of headcount reduction
- 3Q12 EPS included \$0.40 from Conergy contract termination and a favorable net restructuring benefit; 2Q12 results included \$0.07 non-cash, timing-related inventory adjustments; 3Q11 results included (\$0.25) goodwill impairment charge

* Includes \$16.0M non-cash, timing-related inventory adjustment

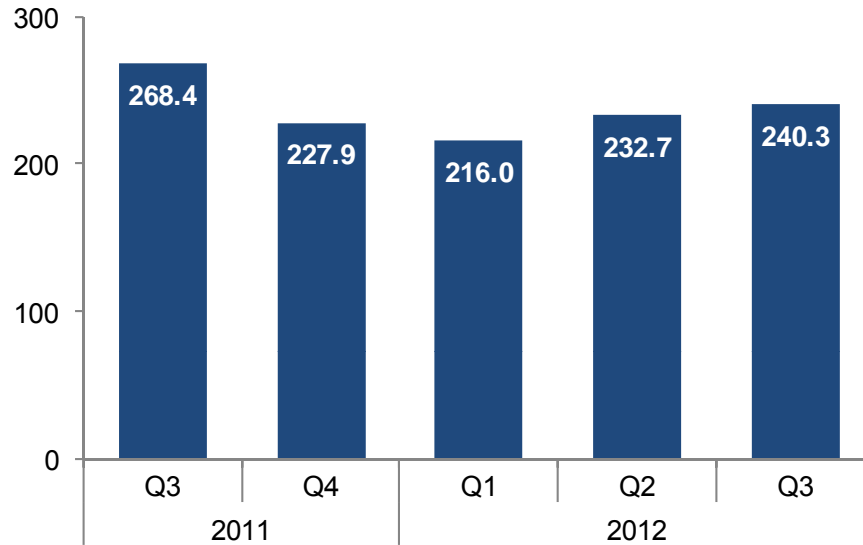
Note: unaudited

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Semiconductor Materials

Revenue (\$ Millions)



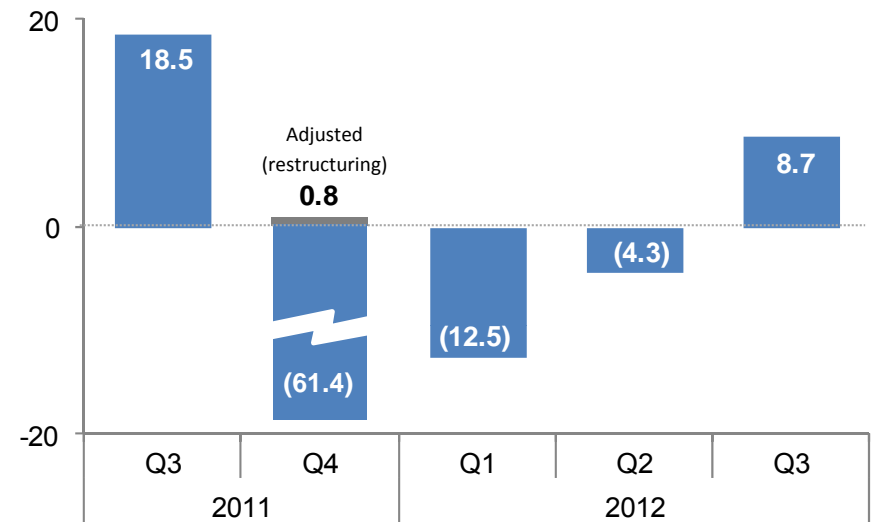
Sequential up \$8M, or 3%

- 3% higher volume mostly in larger diameters
- Flat ASP

YOY down \$28M, or 10%

- Higher 300mm volume, largely offset by smaller diameters
- Average price down approximately 11%

Operating Profit (\$ Millions)



Sequential up \$13M

- Higher gross margin due to higher capacity utilization
- Lower operating expense

YOY down \$10M

- Lower gross margin driven by lower ASP
- Partially offset by lower operating expense from restructuring savings

Improved Operating Leverage Driving Operating Profit

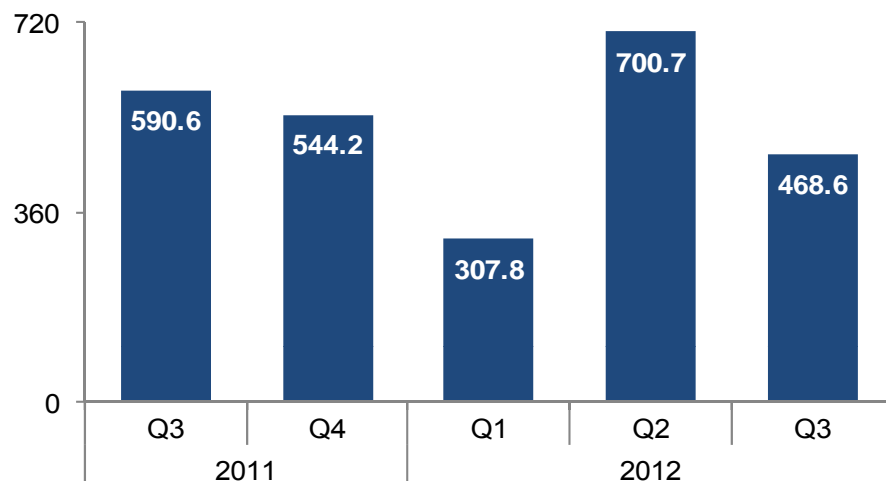
Note: unaudited

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Solar Energy – Non GAAP

Revenue (\$ Millions)



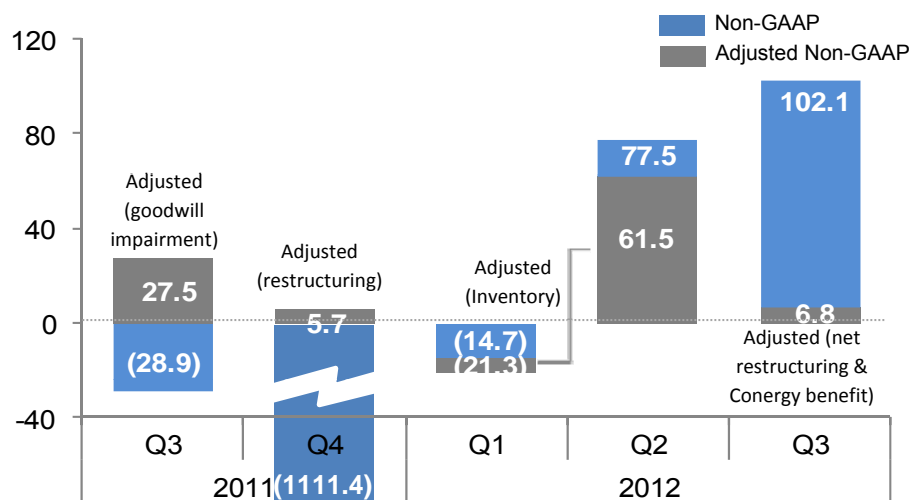
Sequential down \$232M, or 33%

- \$311M lower system sales driven by lower MW sold; partially offset by higher average project ASP
- \$90M higher solar materials revenue driven by opportunistic module sales and Conergy contract termination

YOY down \$122M, or 21%

- Lower project MW sold
- \$158M lower solar wafer sales, partially offset by opportunistic module sales and Conergy

Operating Profit (\$ Millions)



Sequential up \$41M

- Higher margin opportunistic module sales, offset by lower project sales
- Net restructuring benefit, Conergy contract termination and lower operating expense

YOY up \$131M

- Higher margin opportunistic module sales, offset by lower project and wafer sales
- Restructuring benefit and 29% lower operating expense; 3Q11 included \$56M goodwill impairment

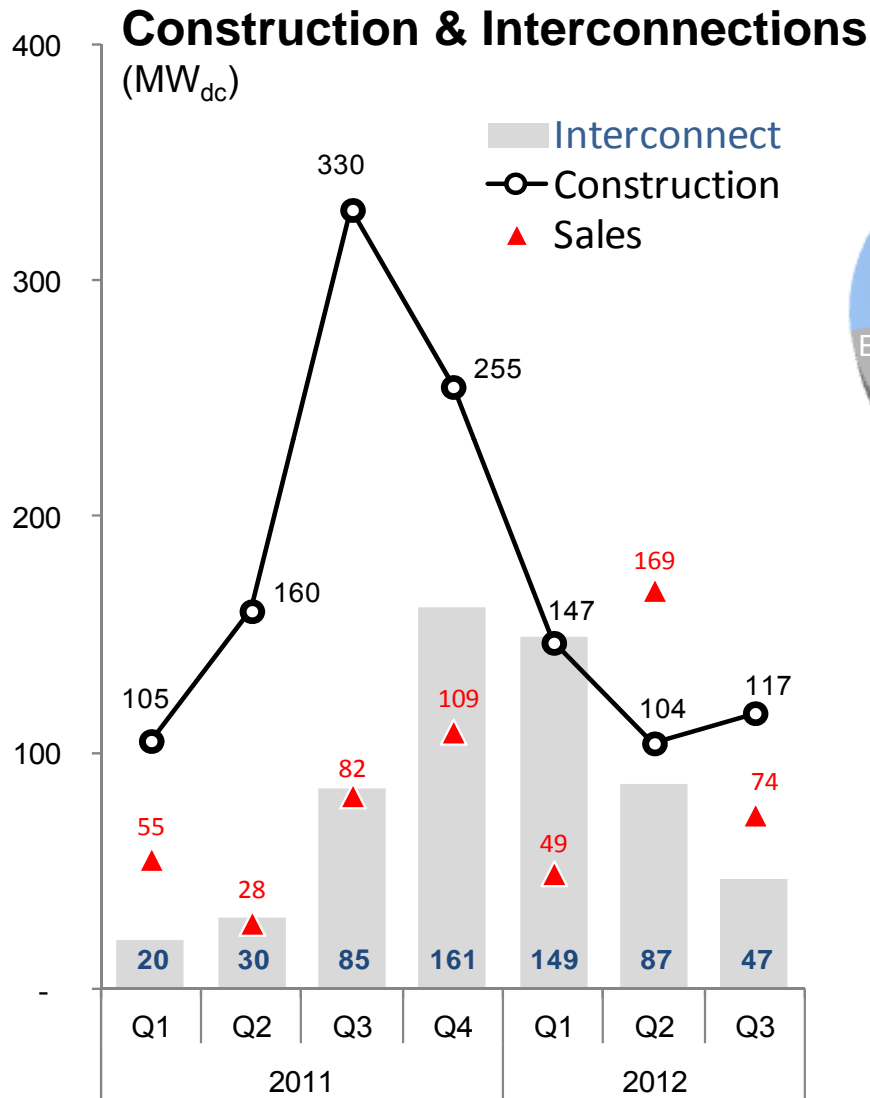
Higher than Forecasted MW Sales; Solar Materials Cash Generation

Note: unaudited

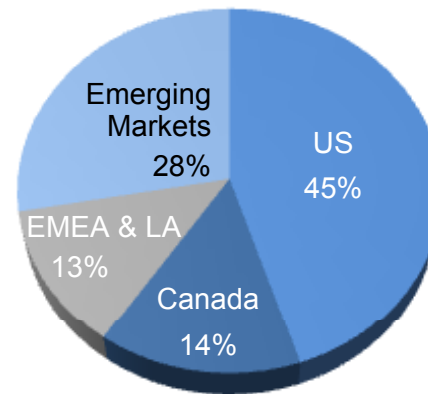
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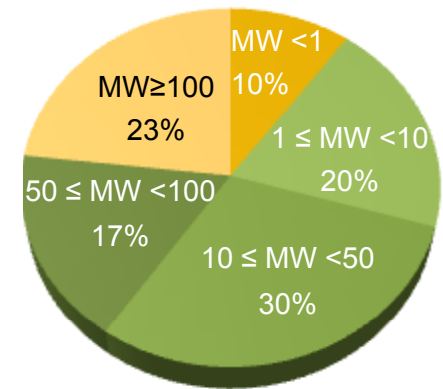
SunEdison Pipeline & Installations



Pipeline by Region



Pipeline by Size



2.9GW_{dc} Pipeline

- Remained flat net of 47MW quarterly interconnections and net organic growth

74MW_{dc} recognized as non-GAAP revenue

- Includes 29MW of previously interconnected or POC projects

47MW_{dc} interconnected in 3Q 2012

- Predominantly North American projects

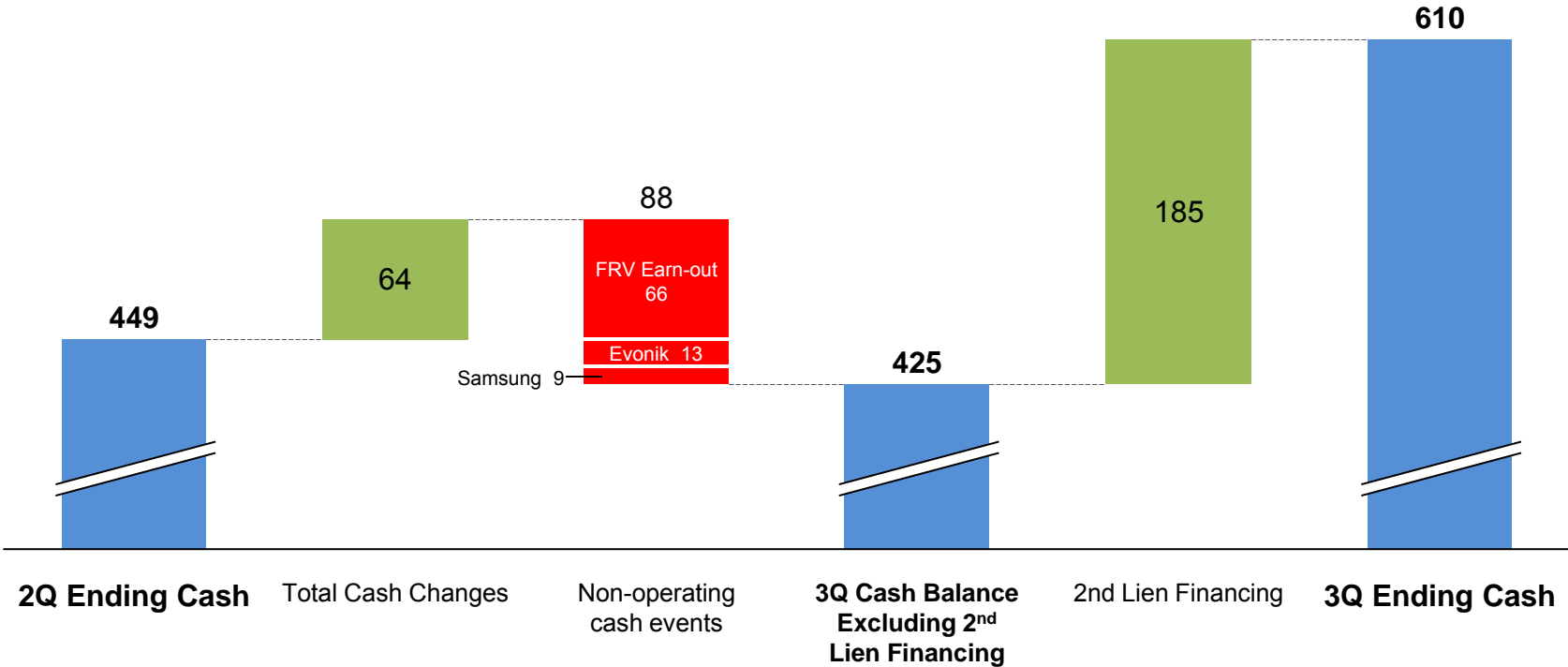
Note: unaudited

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3Q Cash Walk

(\$Millions)



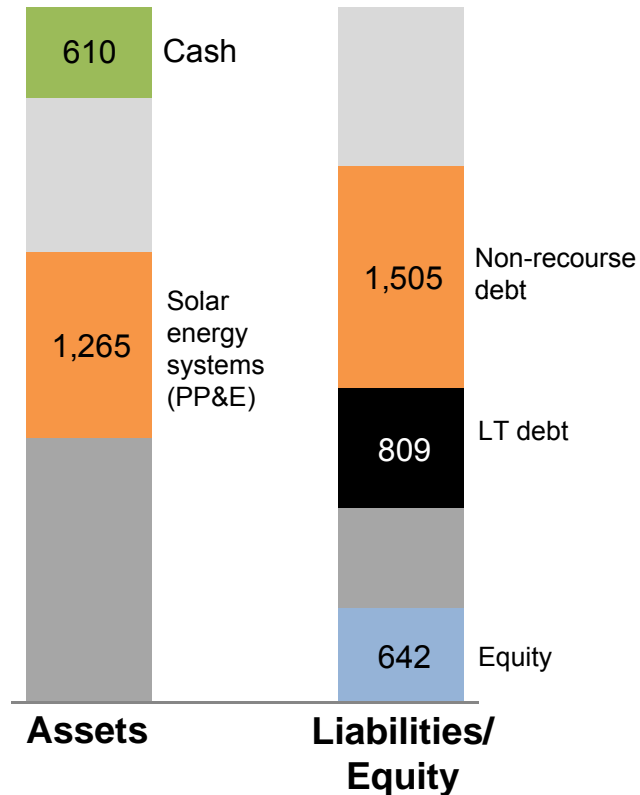
- \$425M cash balance excluding second lien financing
- Also excluding non-operating events during the quarter, cash would have increased by \$64M

Note: unaudited



Balance Sheet and Liquidity

(\$ Millions)



- Improved liquidity position with continued focus on cash management
- \$880.3 million in liquidity
 - \$609.8 million cash/cash equivalents
 - \$270.5 million unused credit facility
- Non-recourse debt excluded from leverage calculations in covenants
- Non-recourse debt (including lease obligations) supported by Solar Energy systems
- No significant debt maturities until 2017

Note: unaudited

Q4 & FY 2012 Outlook

Key Metrics	Prior FY12 Guidance	YTD Actual	4Q12 Outlook	YTD Actual + Q4 Outlook	Comments
Semiconductor Revenue	Y/Y (2% to (5%))	(13%)	Q/Q (4% to (11%))	Y/Y (10% to (12%))	Weaker 2H industry demand and seasonality
Solar Energy Systems MW Sold (non-GAAP)	> 400	292	90 – 120	382 - 412	Includes Totana
Solar Energy Systems Avg. Price (\$/W _{dc})	> \$3.50	\$3.75	> \$3.50	> \$3.50	
Operating Expenses (\$M)	~ \$385	\$296	< \$90	< \$386	In line with 3Q 2012
Capex (\$M)	< \$150	\$100	<\$35	<\$135	Continue to focus on Semi
Non-GAAP Interest Expense (\$M)	< \$100	\$75	~ \$25	~ \$100	

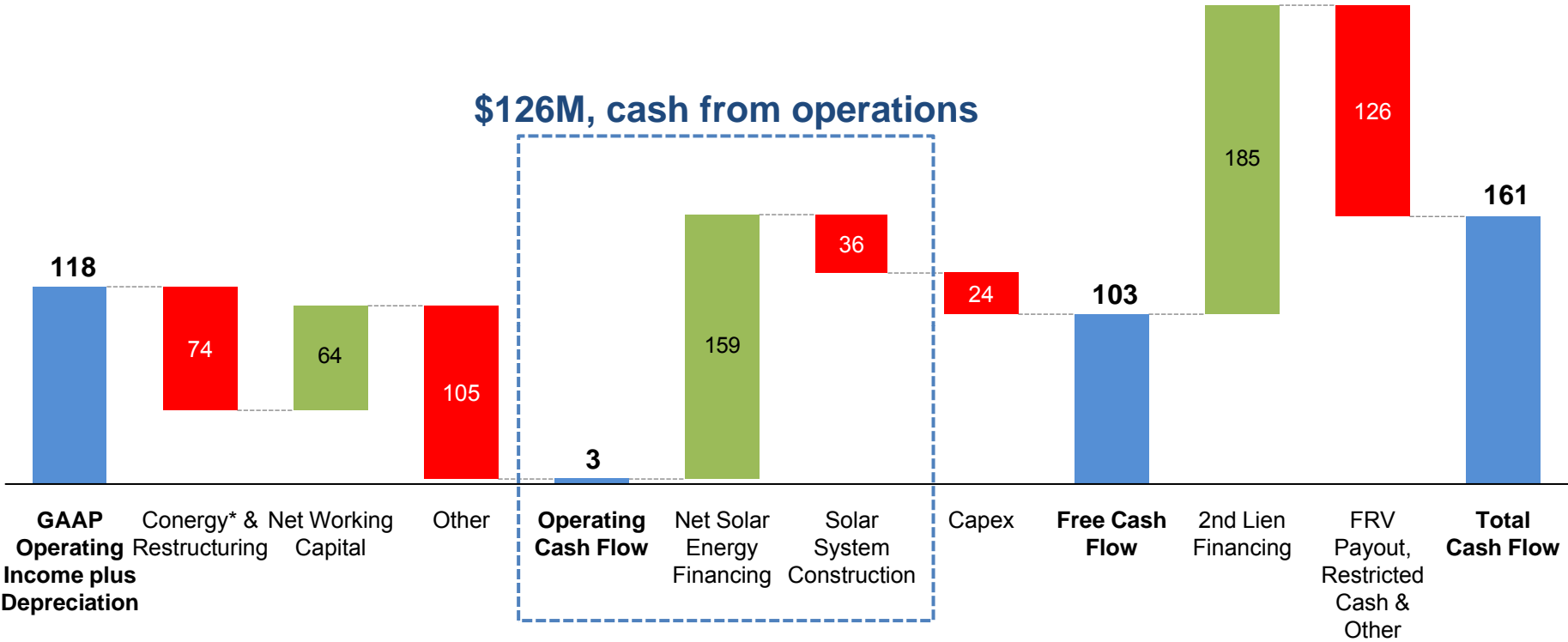
- Semiconductor Materials: Softer 4Q ASP and volume due to weaker 2H demand, especially in 4Q, and exacerbated seasonality effects
- Solar Energy: Mostly North American projects in 4Q
- Cash: Expecting to generate cash

Note: unaudited

Appendix

3Q Cash Flow

(\$Millions)



- Strong 3Q free cash flow driven by improved working capital position and solar financing
- Other operating cash flow largely driven by the 25 MW Apex project, for which revenue was recognized in 3Q but cash was received in 2Q

* \$21M of Conergy settlement went through financing cash flow

Note: unaudited



Segment Cash Flow

For the Quarter ending Sep. 30, 2012	Solar Energy	Semi & Corp	3Q12
Net Income	\$ 62.7	\$ (24.3)	\$ 38.4
Depreciation & Amortization	26.5	32.6	59.1
Stock Compensation	1.8	6.3	8.1
Accounts Receivable	(19.0)	4.1	(14.9)
Inventory/Solar Energy Systems	40.6	(5.2)	35.4
Accounts Payable	32.2	10.9	43.1
Deferred Revenue	(35.0)	0.0	(35.0)
Other Operating	(120.7)	1.6	(119.1)
Taxes, net	0.0	(12.1)	(12.1)
Operating Cash Flow	(10.9)	13.9	3.0
Capital Expenditures	(9.4)	(14.6)	(24.0)
Construction of PV Systems	(35.5)	0.0	(35.5)
Financing & Capital Lease Obligations, net	159.5	0.0	159.5
Return of Investment to Noncontrolling Interest	(0.4)	0.0	(0.4)
Free Cash Flow	103.3	(0.7)	102.6
Restricted Cash & Other	(120.2)	178.8	58.6
Total Cash Flow	\$ (16.9)	\$ 178.1	\$ 161.2

Note: unaudited

Forward-Looking Statements

Certain matters discussed in this presentation are forward-looking statements, including that for the 2012 fourth quarter, the company expects Semiconductor Materials revenue to be down 4% to 11% sequentially, Solar Energy systems non-GAAP sales volume in the range of 90 MW to 120 MW, Solar Energy systems average pricing greater than \$3.50 per watt, operating expenses less than \$90 million and capital spending less than \$35 million, non-GAAP interest expense of about \$25 million. 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; market demand for our products and services; changes to accounting interpretations or accounting rules; changes in the pricing environment for silicon wafers and polysilicon, as well as solar power systems; 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 and realize 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, Europe or elsewhere; the result of any Chinese government investigations of unfair trade practices in connection with polysilicon exported from the United States or South Korea into China; 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; 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; actions by competitors, customers and suppliers; changes in the retail industry; 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 presentation. The company disclaims, however, any intent or obligation to update these forward-looking statements.