

Fourth Quarter and Full Year 2010 Earnings Conference Call

Presentation Material & Supplemental Data

February 1, 2011



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, including its 2009 Form 10-K and Form 10-Qs for each of the first, second and third quarters of 2010, in addition to the risks and uncertainties described on page 13 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.

2010 Q4 Summary Results

<u>\$MM</u>	Semiconductor Materials	Solar Materials	Solar Energy (Sun Edison)	Corporate	MEMC GAAP	Non-GAAP Adjustments	MEMC Non-GAAP
Net Sales	262.6	279.9	307.6	-	850.1	99.4	949.5
Gross Profit					124.0	67.5	191.5
Gross Profit%					14.6%		20.2%
Operating Expense					103.1		103.1
Operating Income / (Loss)	25.6	38.1	(8.2)	(34.6)	20.9	67.5	88.4
Decline / (Increase) FMV of Warrants	-	-	-	2.1	2.1	-	2.1
Other Expense / (Income)	0.5	(0.4)	5.4	1.0	6.5	-	6.5
Profit / (Loss) Before Tax	25.1	38.5	(13.6)	(37.7)	12.3	67.5	79.8
Income Taxes					(9.8)	20.7	10.9
Minority Interest / (Equity Earnings)					10.7		10.7
Net Income					11.4	46.8	58.2
Diluted EPS (\$)					\$ 0.05	\$ 0.20	\$ 0.25

Note: unaudited

Q4 Variance (Non-GAAP)

<u>\$MM</u>	<u>Q4 2010</u>	<u>Q3 2010</u>	<u>vs Prior Quarter</u>		<u>Q4 2009</u>	<u>vs Prior Year</u>	
	<u>Non-GAAP</u>	<u>Non-GAAP</u>	<u>\$ Variance</u>	<u>% Variance</u>	<u>GAAP⁽¹⁾</u>	<u>\$ Variance</u>	<u>% Variance</u>
Net Sales	949.5	550.8	398.7	72%	356.7	592.8	166%
Gross Margin	191.5	91.7	99.8	109%	53.0	138.5	261%
Gross Margin %	20%	17%		352bps	15%		531bps
Operating Expense	103.1	75.0	28.1	37%	64.0	39.1	61%
Operating Income	88.4	16.7	71.7	429%	(11.0)	99.4	903%
Operating Income %	9%	3%		628bps	-3%		1240bps
Net Income	58.2	22.0	36.2	165%	(7.1)	65.3	920%
Earnings per Share (\$)	0.25	0.10	0.15	150%	(0.03)	0.28	933%

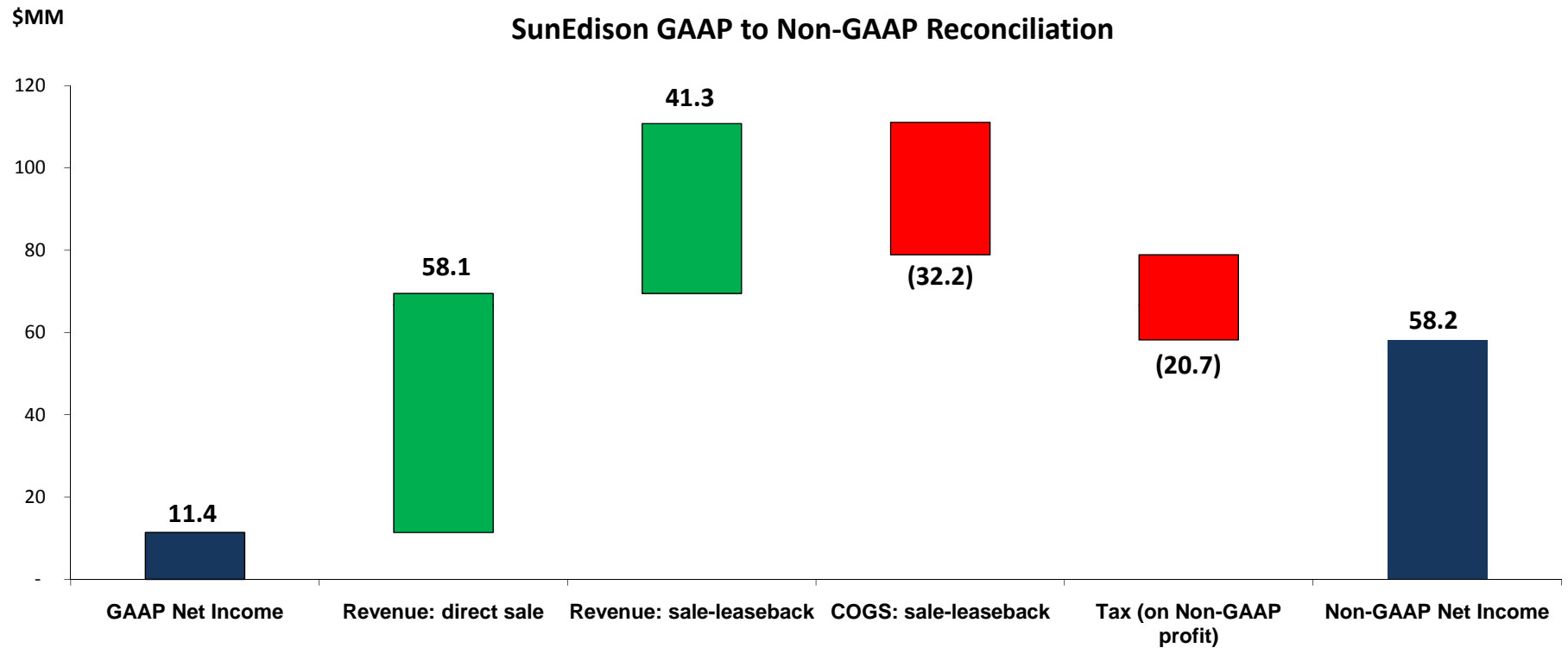
(1) Non-GAAP measure not in place in 2009

Note: unaudited

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MEMC
TECHNOLOGY IS BUILT ON US

Q4 GAAP to Non-GAAP Reconciliation



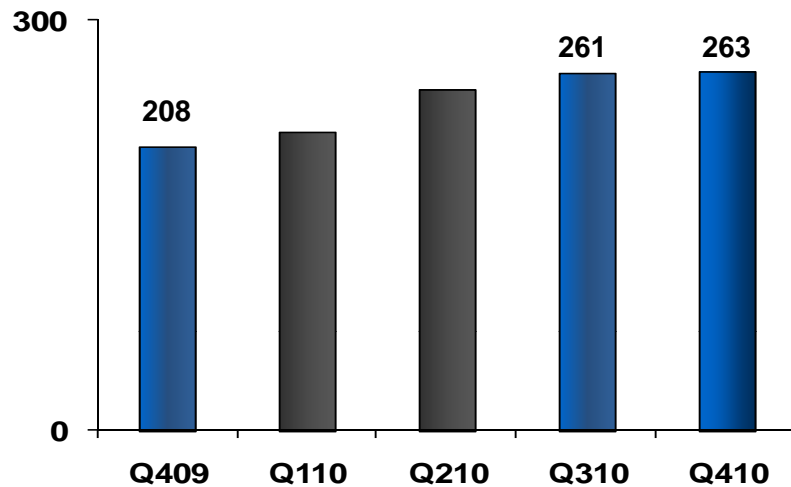
Note: Adjustment for cost of goods sold on direct sales are minimal since most costs are recognized under GAAP real estate accounting

Non-GAAP Adjustments Better Reflect Project Economics

Note: unaudited

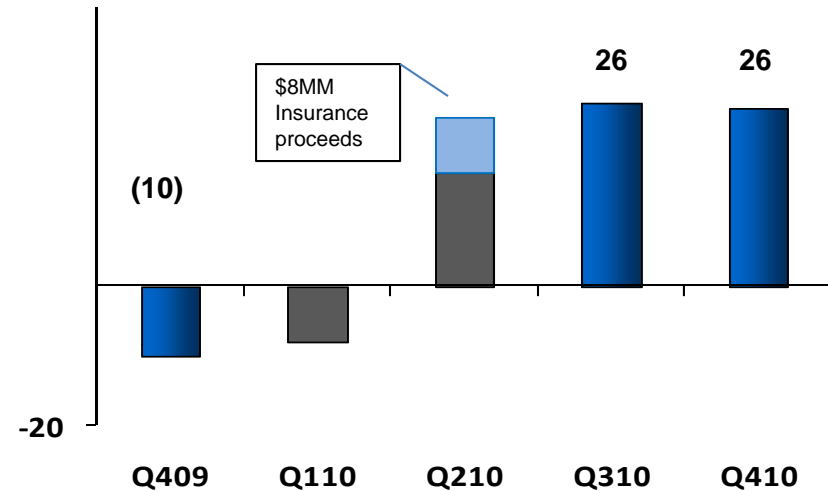
Q4 : Semiconductor Materials

Net Sales (\$MM)



- Sequential increase 1%
 - Higher pricing and market share gains
 - Lower volumes from seasonal effects
- YOY increase 26%
 - Increase in wafer volumes
 - Double digit price increase

Segment Margin (\$MM)



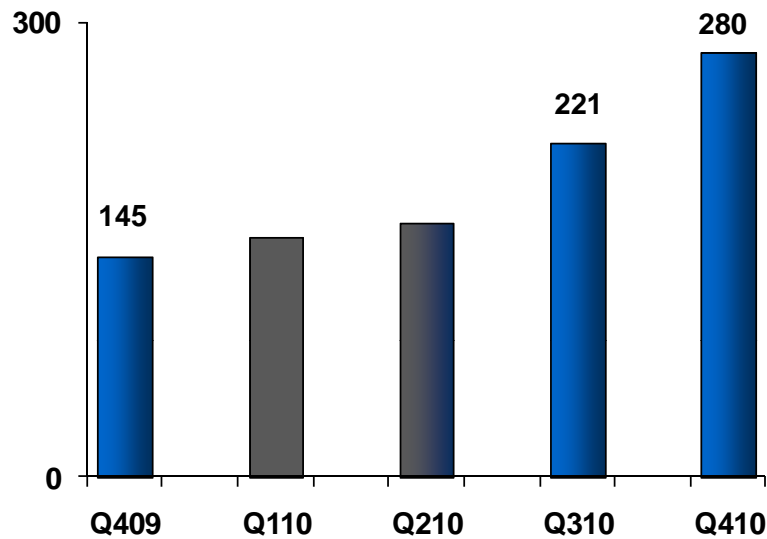
- Sequential decrease of 2%
 - Currency effects and lower volume partially offset by higher pricing
- YOY increase \$36MM
 - Higher pricing
 - Higher volume and improved productivity

Share Gains and Stable Pricing

Note: unaudited

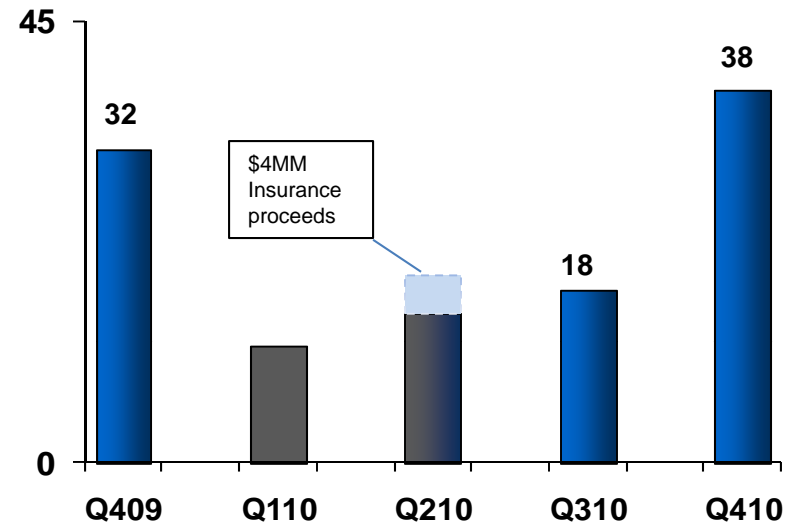
Q4: Solar Materials

Net Sales (\$MM)



- Sequential increase 27%
 - 20%+ higher volume
 - Modestly higher pricing
- YOY increase 93%
 - 85%+ higher wafer volumes
 - Modestly higher pricing

Segment Margin (\$MM)



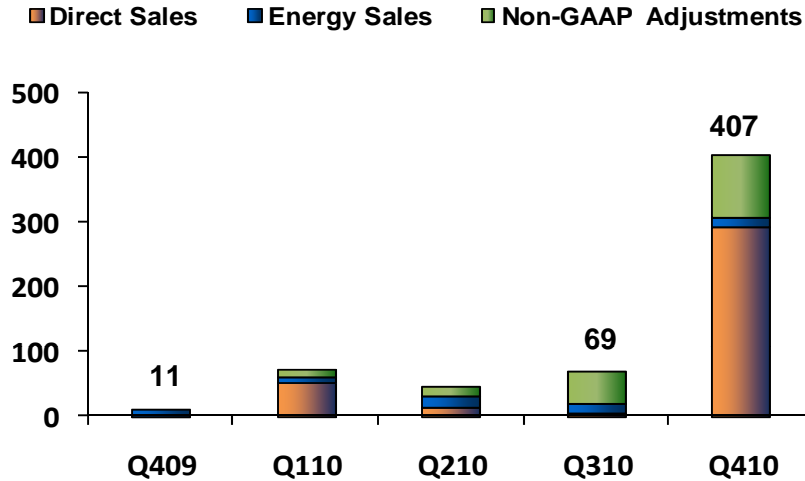
- Sequential increase of \$20MM
 - Higher pricing and improved cost position
- YOY increase by \$6MM
 - Significantly higher wafer volumes and higher pricing partially offset by higher tolling costs and costs associated with ramping Solaicx

Record Wafer Shipment Volume and Improving Productivity

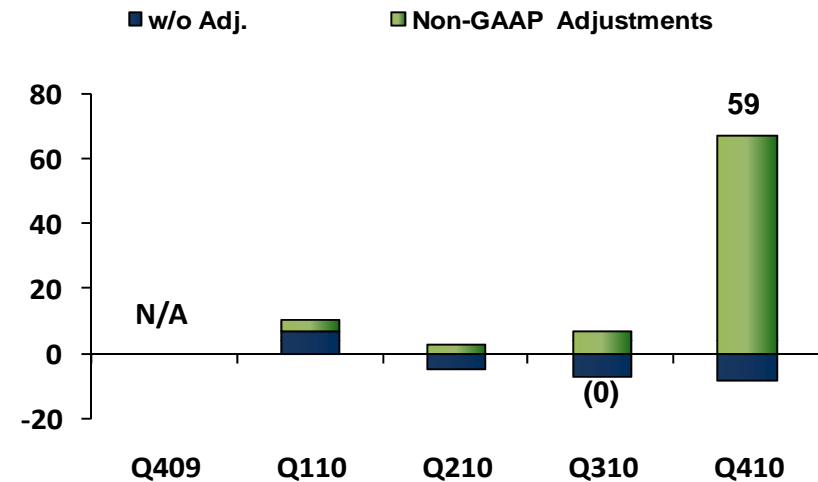
Note: unaudited

Q4: SunEdison

Net Sales (Non-GAAP) (\$MM)



Segment Margin (Non-GAAP) (\$MM)



Vol (MW)	1Q10	2Q10	3Q10	4Q10	FY10
Total Interconnected	11	5	11	140	167
Under Construction	32	11	155	87	

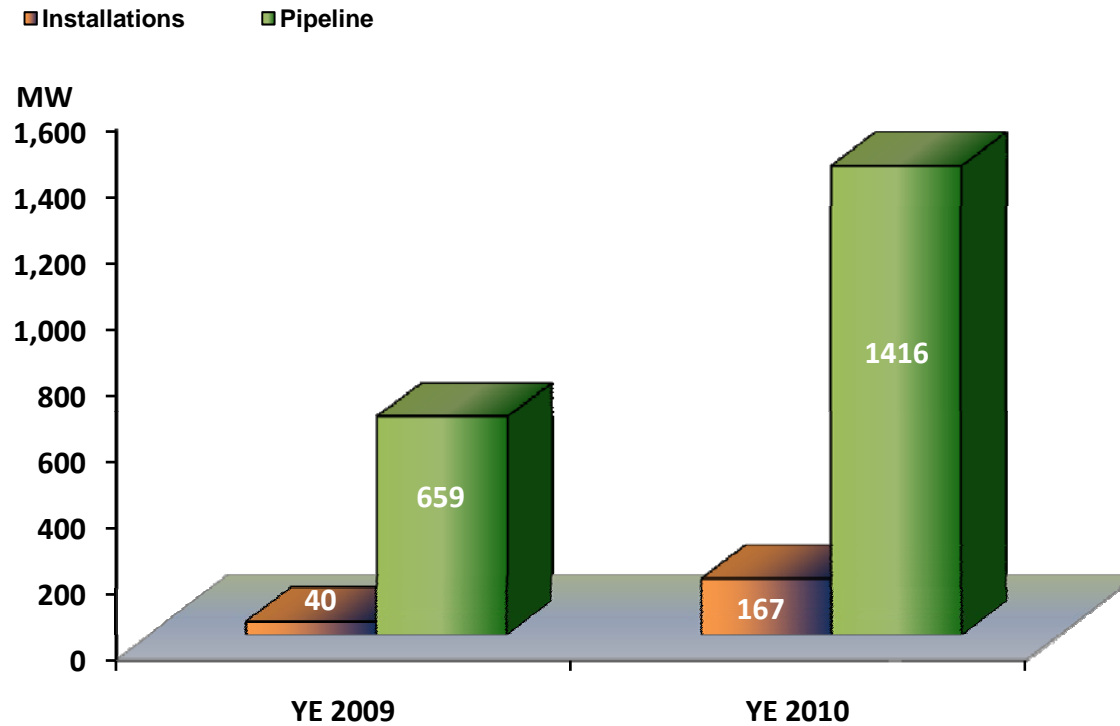
- Revenue increased by \$338MM sequentially including Non-GAAP adjustments of \$99MM
 - Direct sales: \$58MM
 - Sale leasebacks: \$41MM

- Margins increased by \$59MM sequentially including non-GAAP adjustments of \$67MM
 - Real estate accounting: \$58MM
 - Sale leasebacks: \$9MM

Rovigo Completed ... 87MW under Construction Exiting 2010

Note: unaudited

SunEdison Pipeline & Installations



- Grew pipeline 38% in Q4 2010
- Increasing geographic diversification in the pipeline portfolio

4x installations and 2x pipeline growth in 2010....strong pipeline going into 2011

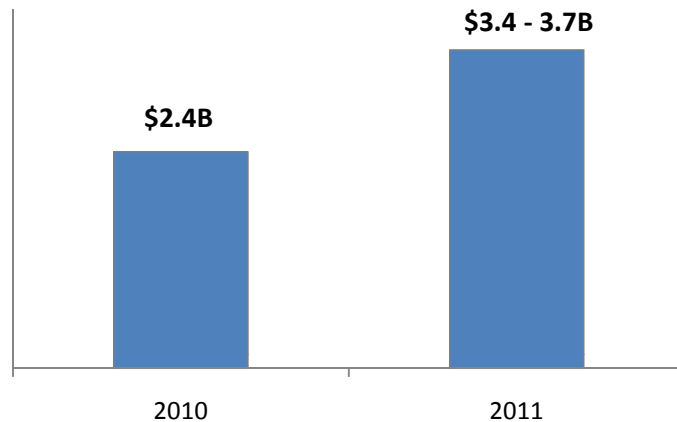
2010 Full Year Summary Results

<u>\$MM</u>	Semiconductor Materials	Solar Materials	Solar Energy (Sun Edison)	Corporate	MEMC GAAP	Non-GAAP Adjustments	MEMC Non-GAAP
Net Sales	992.6	826.1	420.5	-	2,239.2	176.8	2,416.0
Gross Profit					345.1	80.9	426.0
Gross Profit%					15.4%		17.6%
Operating Expense					326.3		326.3
Operating Income / (Loss)	68.2	86.9	(13.0)	(123.3)	18.8	80.9	99.7
Decline / (Increase) FMV of Warrants	-	-	-	14.0	14.0	-	14.0
Other Expense / (Income)	3.2	(0.8)	26.4	(9.5)	19.3	-	19.3
Profit / (Loss) Before Tax	65.0	87.7	(39.4)	(127.8)	(14.5)	80.9	66.4
Income Taxes					(54.1)	25.4	(28.7)
Minority Interest / (Equity Earnings)					6.4		6.4
Net Income					33.2	55.5	88.7
Diluted EPS (\$)					\$ 0.15	\$ 0.24	\$ 0.39

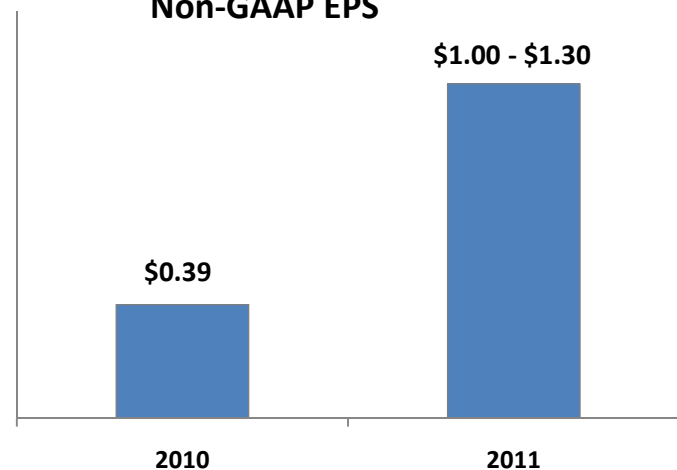
Note: unaudited

2011 Non-GAAP Guidance

Non-GAAP Revenue



Non-GAAP EPS



Outlook Assumptions

- Semi growth in line with industry msi forecasts; stable semi wafer pricing
- Solar PV end market growth >20%; anticipate potential supply chain price weakness
- SunEdison installation growth more than double 2010 MW levels, with a 2H11 loaded profile
- Overall revenue and EPS weighted to 2H11
- Capital expenditures increase on investments in (1) solar wafer production, (2) 300mm semi wafer manufacturing, and (3) productivity projects
- Estimated tax rate of 15%

Outlook Risks

- Slower end market growth or uneven demand
- Weaker pricing environment from supply and/or demand factors
- Macroeconomic factors including interest rates and currency
- Public policy risks (i.e. solar PV incentives)

Appendix: SunEdison Non-GAAP Accounting Adjustments

❑ Real Estate Accounting for Direct Sales

Condition:

When the system is considered integral to the site on which it was built:

Deferral of maximum contractual exposure for power production and system uptime guarantees offered to direct sale customers.

GAAP Application:

P&L:

Revenue and profit deferred for between 2-20 years; 100% cost recognition

Balance Sheet:

Deferred revenue or other liabilities

Cash Flow:

Receipt of sale price, typically in operating cash

Non-GAAP Adjustments:

⇒ Revenue and profit recognized 100%

❑ 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.

GAAP Application:

P&L:

Revenue is never recognized and profit deferred for between 20-25 years; Gain on extinguishment of debt

Balance Sheet:

Cash proceeds recorded as debt

Cash Flow:

Receipt of system development margin, typically in financing cash

Non-GAAP Adjustments:

⇒ Revenue and profit recognized 100%

⇒ Nil

⇒ Included in free cash flow

Forward-Looking Statements

Certain matters discussed in this presentation are forward-looking statements, including that for the full year of 2011, we expect non-GAAP sales in the range of \$3.4 – 3.7 billion and non-GAAP earnings per share of \$1.00 to \$1.30; that we expect semiconductor market growth to be in line with industry msi forecasts; that we expect stable semi wafer pricing and Solar PV end market growth in excess of 20%; that we anticipate solar supply chain price weakness; that we expect SunEdison installation growth to more than double 2010 MW levels, with a 2H11 loaded profile; that we expect overall revenue and EPS to be weighted to 2H11; that we expect capital expenditures to increase on investments in (1) solar wafer production, (2) 300mm semi wafer manufacturing and (3) productivity projects; and that we expect an estimated tax rate of 15% for 2011. 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; changes to accounting interpretations or accounting rules; market demand for our products and services; 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 availability of attractive project finance and other capital for SunEdison projects; existing or new regulations and policies governing the electric utility industry; historical conversion rates for SunEdison of pipeline into completed projects will not be achieved; dependence on single and limited source suppliers; utilization of our manufacturing volume and capacity; the terms of any potential future amendments to our long-term agreements with our solar wafer customers; general economic conditions, including 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; our ability to maintain future growth; failure of third-party subcontractors to construct and install our solar energy systems; customer acceptance of our new products; 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 capacity expansion and 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; the integration of the SunEdison acquisition, the Solaicx acquisition or any future acquisitions; changes in product specifications and manufacturing processes; changes in financial market conditions; changes in foreign economic and political conditions; changes in the composition of worldwide taxable income and applicable tax laws and regulations; changes in technology; the impact of competitive products and technologies; changes in interest and 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.