

MEMC Electronic Materials

First Quarter 2012 Earnings Conference Call
May 9, 2012

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Agenda

- ❑ Safe Harbor
- ❑ 1Q12 Summary Results
- ❑ Variance
- ❑ 1Q12 Review and Highlights
- ❑ SunEdison Pipeline & Installations
- ❑ Cash Flow
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- ❑ 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, 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.

1Q 2012 Summary Results

(\$ Millions, except per share)	Semiconductor Materials	Solar Energy	Corporate	MEMC GAAP	Non-GAAP Adjustments (Solar Energy)	MEMC Non-GAAP
Net Sales	216.0	303.2	-	519.2	4.6	523.8
Gross Profit				56.7	(4.2)	52.5
<i>Gross Margin%</i>				<i>10.9%</i>		<i>10.0%</i>
Operating Expenses				104.3	-	104.3
Operating Income / (Loss)	(12.5)	(10.5)	(24.6)	(47.6)	(4.2)	(51.8)
<i>Operating Margin %</i>	<i>-5.8%</i>	<i>-3.5%</i>		<i>-9.2%</i>		<i>-9.9%</i>
Other Expense / (Income)				27.1	(7.2)	19.9
Profit / (Loss) Before Tax				(74.7)	3.0	(71.7)
Income Taxes/(Benefit)				17.0	(29.6)	(12.6)
Equity in (Loss) Earnings of JVs/Noncontrolling Interest				(0.3)	-	(0.3)
Net Income (Loss)				(92.0)	32.6	(59.4)
Diluted Earnings (Loss) per Share				\$ (0.40)	\$ 0.14	\$ (0.26)

- 1Q operating loss reflects semiconductor market trough and low solar energy volumes
- Divergence of GAAP and non-GAAP EPS is due to earnings mix of solar energy system projects at various tax rates and deferred tax valuation allowance on sale-leaseback transactions

Note: unaudited

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1Q 2012 Variance

(\$ Millions, except per share)	Q1 2012	Q4 2011	vs. Prior Quarter		Q1 2011	vs. Prior Year	
	Non-GAAP	Non-GAAP	\$ Variance	% Variance	Non-GAAP	\$ Variance	% Variance
Net Sales	523.8	772.1	(248.3)	-32%	832.6	(308.8)	-37%
Gross Profit	52.5	89.2	(36.7)	-41%	149.6	(97.1)	-65%
<i>Gross Margin %</i>	10.0%	11.6%			18.0%		
Operating Expenses	104.3	105.9	(1.6)	-2%	114.2	(9.9)	-9%
Operating Income (Loss)	(51.8)	(16.7)	(35.1)	210%	35.4	(87.2)	-246%
<i>Operating Margin %</i>	-9.9%	-2.2%			4.3%		
Net Income (Loss)	(59.4)	(48.9)	(10.5)	-21%	21.5	(80.9)	-376%
Diluted Earnings (Loss) per Share	(0.26)	(0.21)	(0.05)	-24%	0.09	(0.35)	-389%

Revenue

- Unfavorable variance reflects lower semiconductor wafer volume and pricing, lower solar wafer sales, and lower solar project volumes

EPS

- EPS losses were primarily driven by low volumes and unfavorable semi product and solar project mix
- 1Q12 includes (\$0.02) impact from restructuring related charges

Q4 2011 Adjusted non-GAAP figures exclude restructuring, impairment and other charges

1Q 2012 Review

Key Metrics	1Q 2012 Feb	1Q 2012 Actual
Semiconductor Revenue	Down 10%-15% QoQ	Down 5% QoQ
Solar Energy Systems Vol (sold)	~50MW	49 MW
Solar Energy Systems Avg. Price (\$/W _{dc})	~\$4.25	~\$4.37
Operating Expenses (\$M)	< \$110	\$104
Capex (\$M)	< \$50	\$40
Non-GAAP Interest / Other Expense (\$M)	< \$25	\$20
Non-GAAP Tax Rate	~30%	~18%

Industry Backdrop

- Semi market appears to have bottomed in 1Q12
- Solar materials prices continue to decrease on oversupply, but at a reduced rate

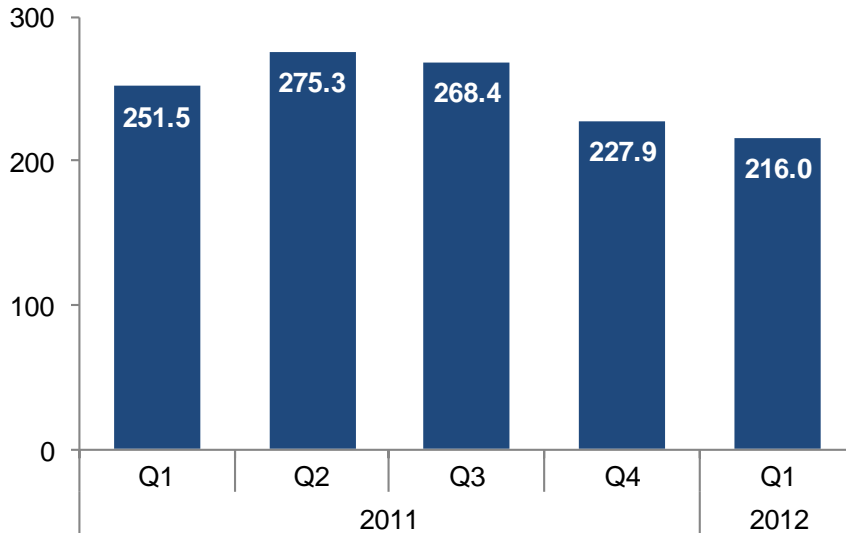
1Q Highlights

- Ended quarter with liquidity of \$637M
- Restructuring on track
 - Merano shuttered
 - Headcount reduction near 20%
 - Cash charges of \$25M and savings of \$13M* within forecasted range
 - Expect 2Q restructuring cash neutral; net 2H cash savings

*Note: savings exclude cost avoidance from shutting down high cost production, including Merano, estimated at over \$25M per quarter

1Q 2012: Semiconductor Materials

Revenue (\$ Millions)



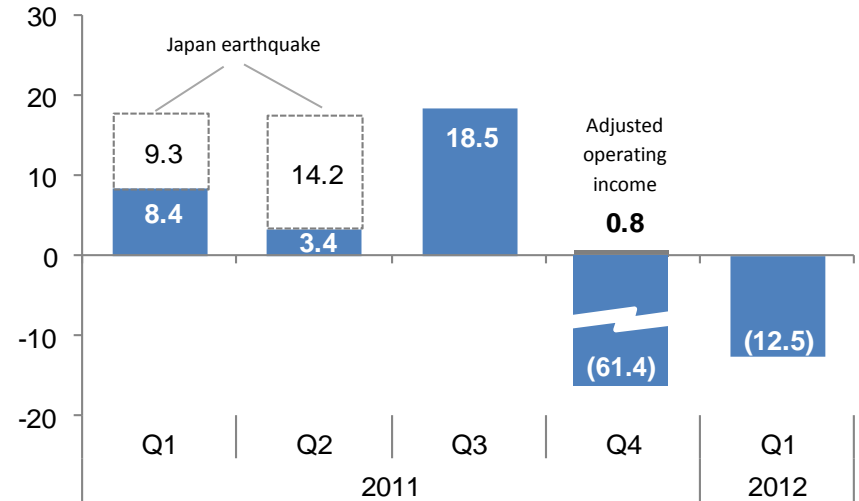
Sequential down \$12M, or 5%

- Volume flat on lower 300mm volume offset by higher volume in smaller diameters
- Lower price across all diameters

YOY down \$36M, or 14%

- 5% volume decline driven by smaller diameters
- Price down approximately 9%

Operating Profit (\$ Millions)



Comparing to adjusted operating profit in Q4'11

Sequential down \$13M

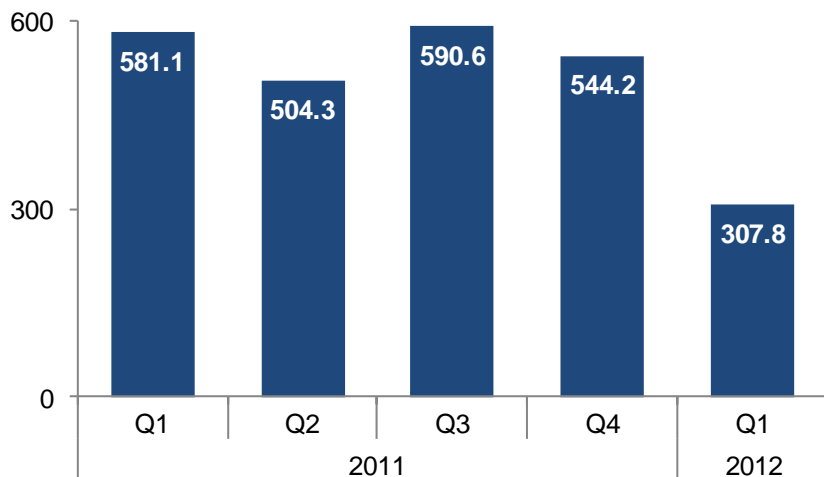
- Lower price and unfavorable mix
- \$5M consulting charges partially offset by insurance claim

YOY down \$21M

- Lower price, lower volume and unfavorable mix
- Flat cost as restructuring savings offset higher costs from lower capacity utilization

1Q 2012: Solar Energy – Non GAAP

Revenue (\$ Millions)



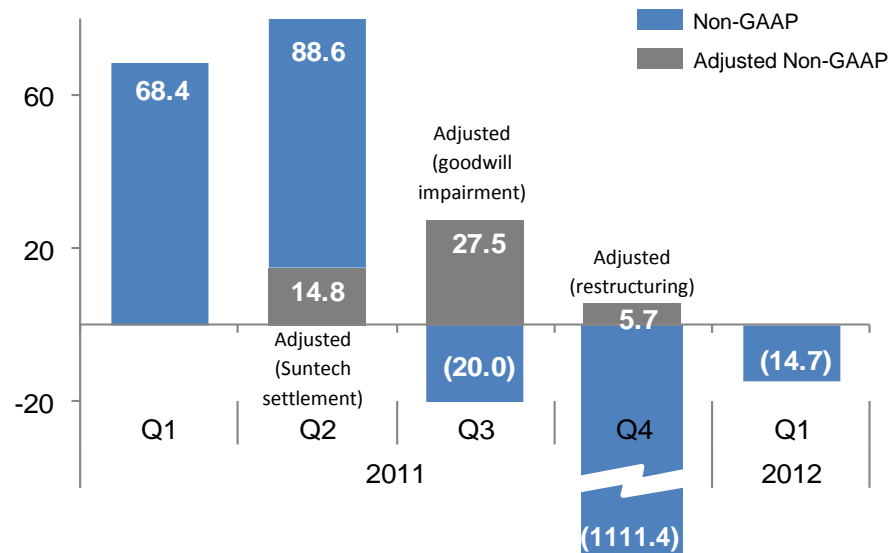
Sequential down \$236M, or 43%

- \$78M lower wafer sales, partially offset by \$40M poly inventory reduction
- Lower system volumes: sold 49MW vs. 109MW in Q4

YOY down \$273M, or 47%

- \$256M lower in solar wafer sales on 82% volume decline and 64% price decline partially offset by poly
- 6MW lower in solar project MW sold

Operating Profit (\$ Millions)



Comparing to adjusted operating profit in prior quarters

Sequential down \$20M

- Breakeven in materials on lower production costs
- Offset by lower system sales

YOY down \$83M

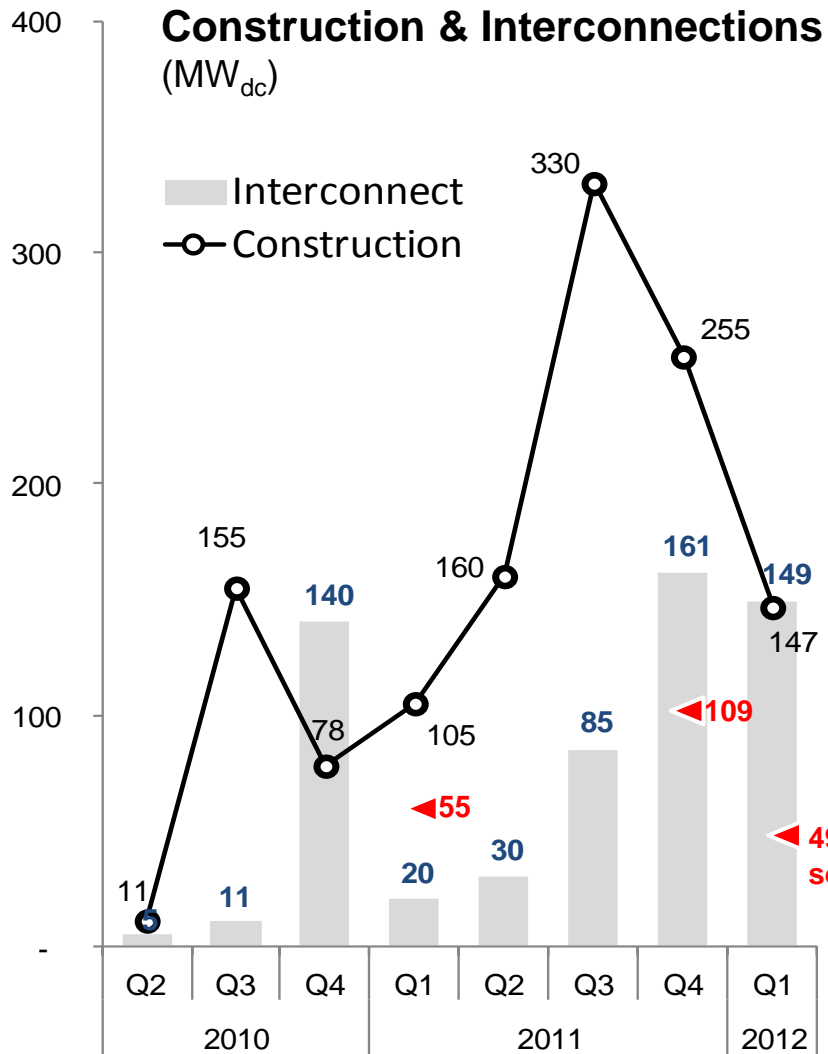
- Down \$39M in materials profits on lower wafer volume and pricing
- Lower solar systems sales on higher opex

Note: unaudited

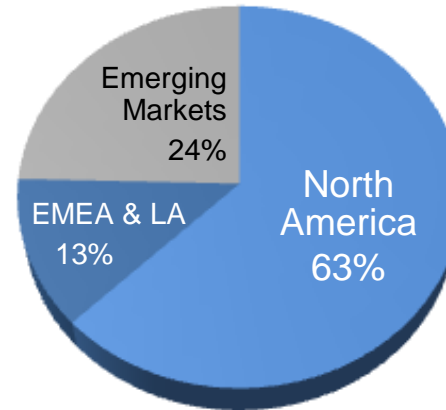
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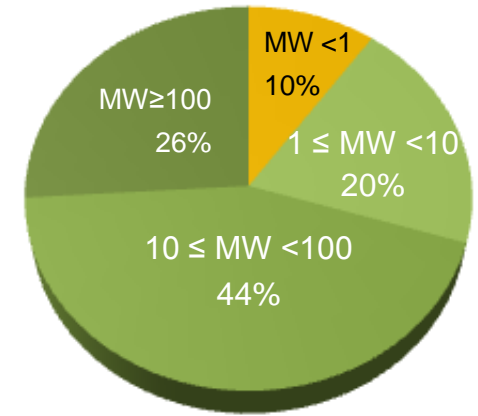
1Q 2012: SunEdison Pipeline & Installations



Pipeline by Region



Pipeline by Size



Pipeline of 2.9GW_{dc}

- Net of 149MW quarterly interconnections and net organic growth

49MW_{dc} recognized as non-GAAP revenue

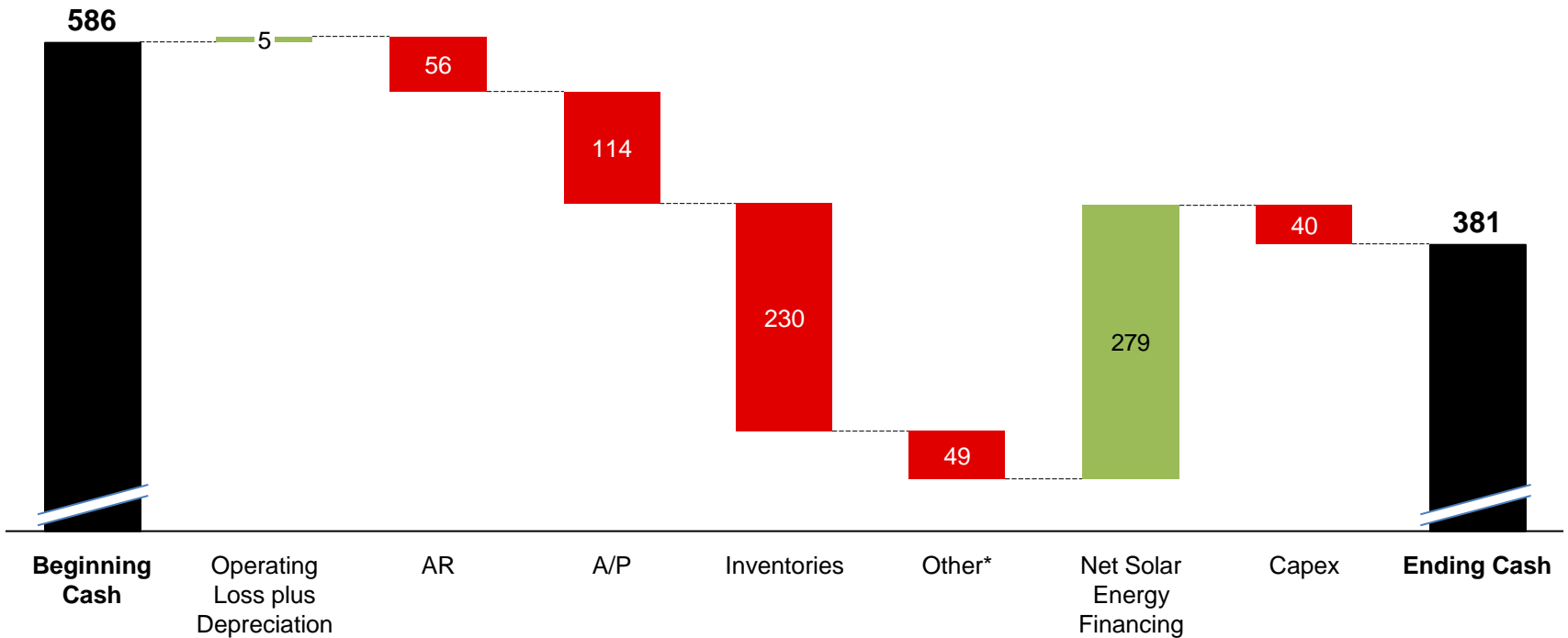
149MW_{dc} interconnected in 1Q 2012

- 60MW Bulgaria project interconnected, debt financed, and equity for sale
- 37MW_{dc} retained projects in India
- Balance majority North America

Note: unaudited

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1Q 2012: Cash Flow

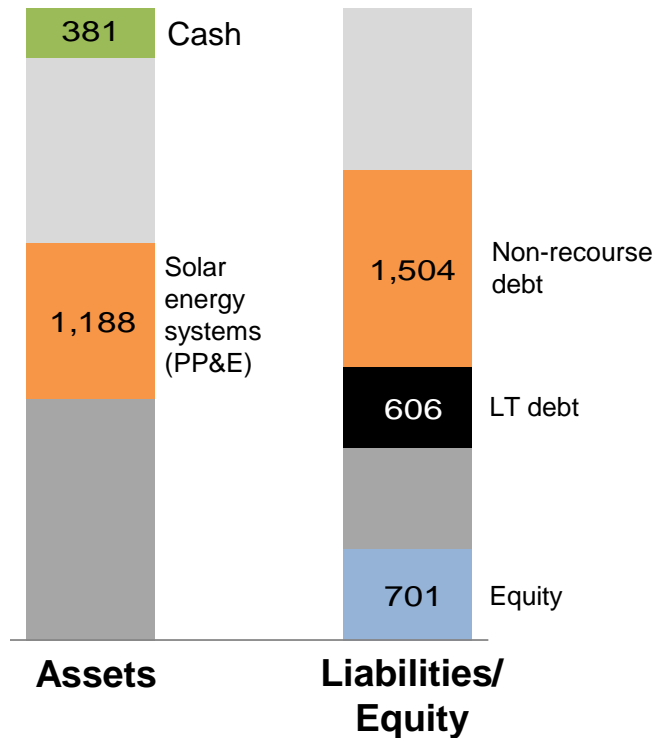


* Largely restructuring and accrued expense payments (~\$30M)

- Cash use driven by working capital effects and capex
- Inventories include materials and solar systems under construction or held for sale

1Q 2012: Balance Sheet and Liquidity

(\$ Millions)



- Continued focus on cash management
- \$637 million in liquidity
 - \$381 million cash/cash equivalents
 - \$256 million unused credit facility
- Non-recourse debt excluded from leverage calculations in covenants

Key Ratios (excl. non-recourse debt)	Q1	Covenant
Debt to TTM EBITDA	1.7	<2.5
Liquidity	\$637M	>\$450M

Note: unaudited

2Q and Full Year Outlook

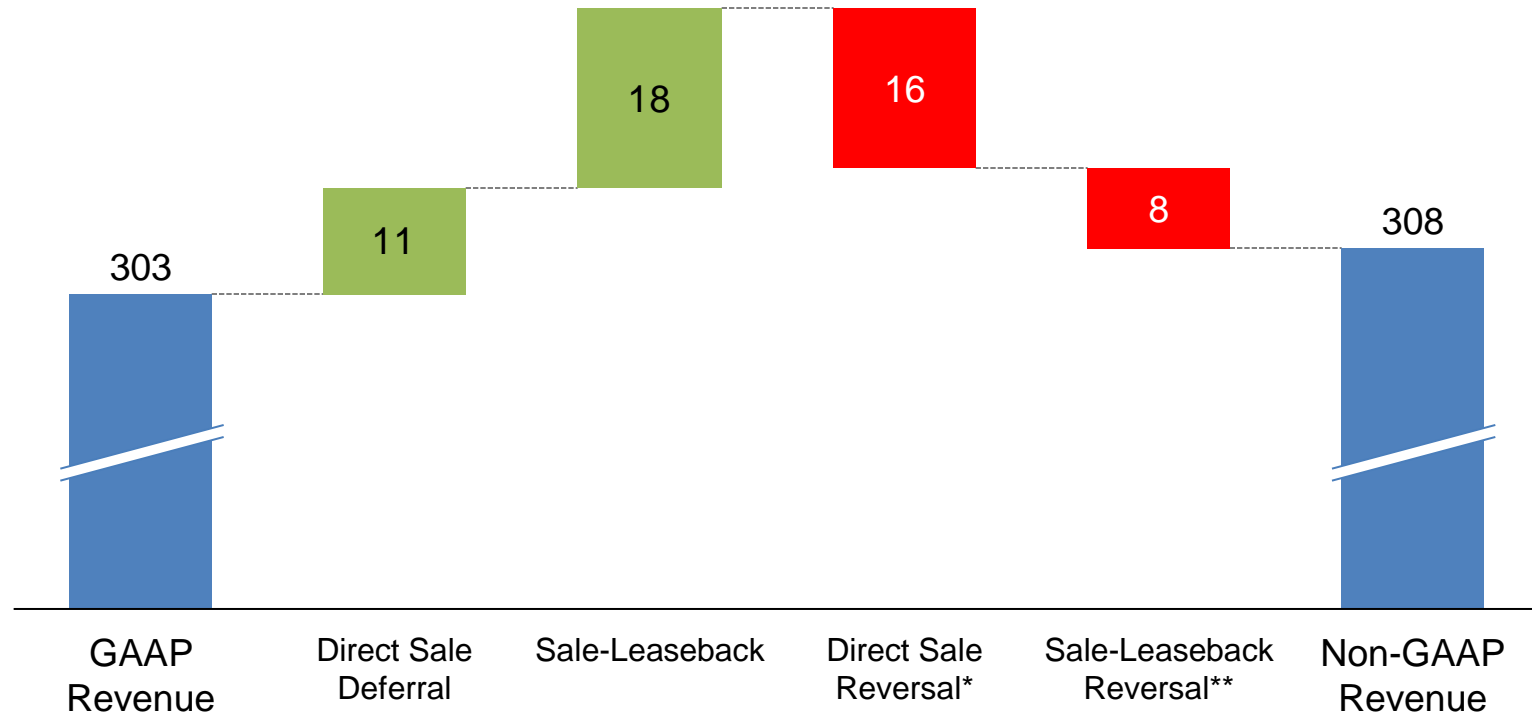
Key Metrics	2Q2012	2012FY	Comments
Semiconductor Revenue	Up 5%-10% QoQ	Down 2%-5%	Volume recovery in 2Q and firming pricing
Solar Energy Systems MW Sold (non-GAAP)	130-170	> 400	2Q sales include projects that were interconnected in prior quarters
Solar Energy Systems Avg. Price (\$/W _{dc})	~ \$3.50	> \$3.50	Lower price in Q2 due to project mix
Operating Expenses (\$M)	< \$110	< \$375	2Q opex includes \$15M one-time items such as FRV earn-out
Capex (\$M)	< \$50	< \$175	Capex trend lower through second half 2012
Non-GAAP Interest / Other Expense (\$M)	< \$25	< \$100	

- Liquidity: expect 2Q cash balance to be lower due in part to vendor payments
- Return to cash generation in 2H through semi market recovery, solar project volumes, cost reductions from restructuring, and lower capex

Appendix

1Q 2012: Solar Energy Revenue Reconciliation

US\$M



* Previous quarters' direct sale deferrals are now being recognized under GAAP – already recognized under Non-GAAP earlier and were adjusted out in the current quarter non-GAAP results

** Post acquisition energy revenue and lease expense excluded from non-GAAP

Note: unaudited

1Q 2012: Cash Flow – Solar Energy

For the Quarter ending Mar. 31, 2012	Solar Energy	Semi & Corp	1Q12
Net Loss	\$ (26.1)	\$ (66.8)	\$ (92.9)
Depreciation & Amortization	19.3	33.5	52.9
Stock Compensation	0.2	7.1	7.3
Accounts Receivable	(41.3)	(15.1)	(56.4)
Inventory/Solar Energy Systems	(149.0)	18.0	(131.0)
Accounts Payable	(92.5)	(21.2)	(113.7)
Deferred Revenue	(17.9)	0.0	(17.9)
Other Operating	(56.0)	6.7	(49.3)
Taxes, net	0.0	14.3	14.3
Operating Cash Flow	(363.3)	(23.4)	(386.7)
Capital Expenditures	(15.5)	(24.5)	(40.0)
Construction of PV Systems	(99.0)	0.0	(99.0)
Financing & Capital Lease Obligations, net	278.8	0.0	278.8
Proceeds from Noncontrolling Interests	6.0	0.0	6.0
Free Cash Flow	(193.1)	(47.9)	(241.0)
Restricted Cash & Other	30.1	5.7	35.7
Total Cash Flow	\$ (163.0)	\$ (42.2)	\$ (205.2)

Note: unaudited

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Forward-Looking Statements

Certain matters discussed in this presentation are forward-looking statements, including that the company expects that cash savings from the restructuring are expected to exceed charges in 2H12 once severance is paid; that for the second quarter of 2012, the company expects semiconductor revenue expected to be up 5%-10% in Q2 2012 vs. Q1 2012, with solar energy systems sold (non-GAAP) of 130-170 MW, solar energy systems average pricing of approximately \$3.50/watt, operating expenses of less than \$110 million and capital spending of less than \$50 million; and that for the full year 2012, the company expects semiconductor revenue to be down 2-5% year-over-year, solar energy systems sales volume (non-GAAP) greater than 400 MW, solar energy systems average pricing of greater than \$3.50/watt, operating expenses less than \$375 million and capital spending less than \$175 million; that the Q2 2012 cash balance is expected to be lower and that the company expects to return to cash generation in the 2012 second half through semiconductor market recovery, solar project volumes, cost reduction from restructuring and lower capex; and that Q2 restructuring cash charges are expected to be neutral with expected net cash savings for the second half of 2012. 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 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 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; 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 press release. The company disclaims, however, any intent or obligation to update these forward-looking statements.