RENEWABLE ENERGY CORPORATION ASA

FOURTH QUARTER RESULTS

President and CEO Ole Enger
Oslo, February 10, 2010

REC SILICON | REC WAFER | REC SOLAR

Agenda

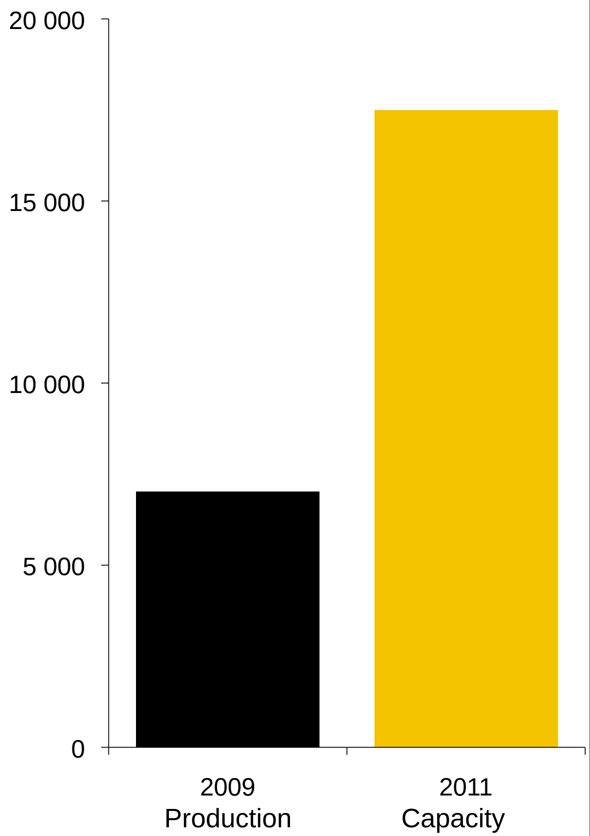
- **Highlights and operational review:** Ole Enger
- **Financial review:** Bjørn Brenna
- **Reflections on 2009 and outlook:** Ole Enger

REC

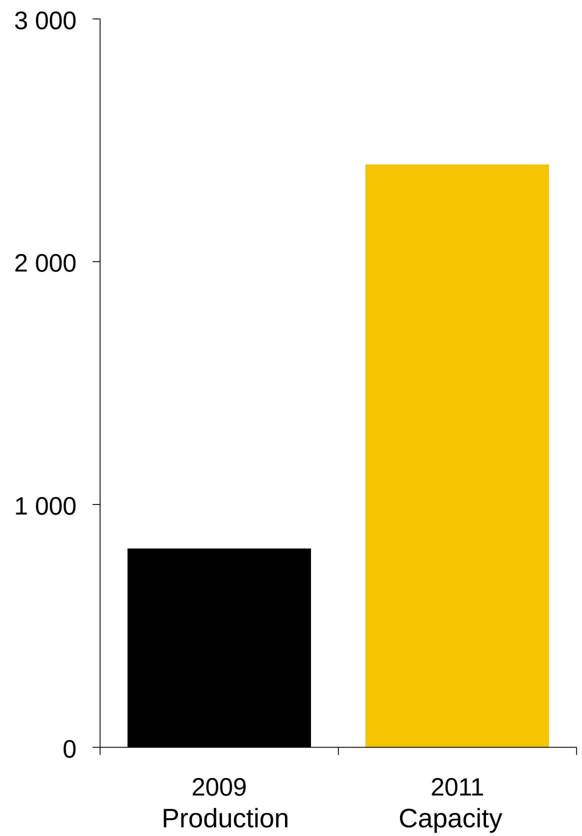
Doubling the size of the company

FOURTH QUARTER 2009

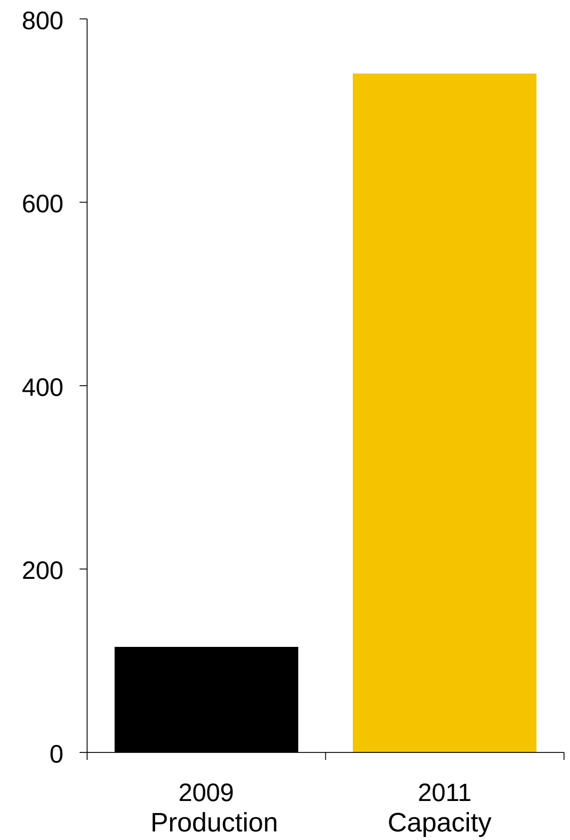
REC Silicon:
MT



REC Wafer:
MW



REC Solar:
MW (modules)



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HIGHLIGHTS AND OPERATIONAL REVIEW

REC

Q4 2009: Highlights

FOURTH QUARTER 2009

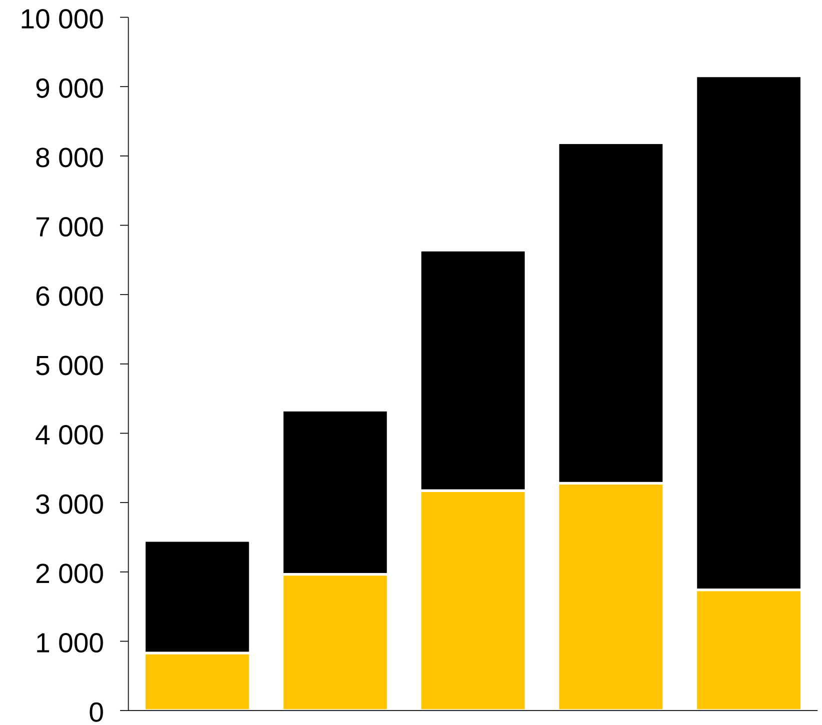
- Revenue of NOK 2,676 million, growth of 12 percent from Q4'08 and 24 percent from Q3'09
  - Higher capacity utilization but lower average selling prices for all products
- EBITDA of NOK 567 million, 21 percent margin
  - Reduced prices
  - Continued negative margin contribution from ramp-up of new plants
- EBIT of NOK -1,364 million
  - Includes impairment charges of 1,485 million primarily related to the mono wafer plant in Glomfjord, Sovello and REC ScanModule

2009: Full year financial review

FOURTH QUARTER 2009

- Revenue of NOK 9,156 million, growth of 12 percent from 2008
  - Increased production but lower average selling prices in all segments
- EBITDA of NOK 1,741 million, 19 percent margin
- EBIT of NOK -1,824 million
  - Includes impairment charges of NOK 2,214 million

Revenues and EBITDA
NOK million

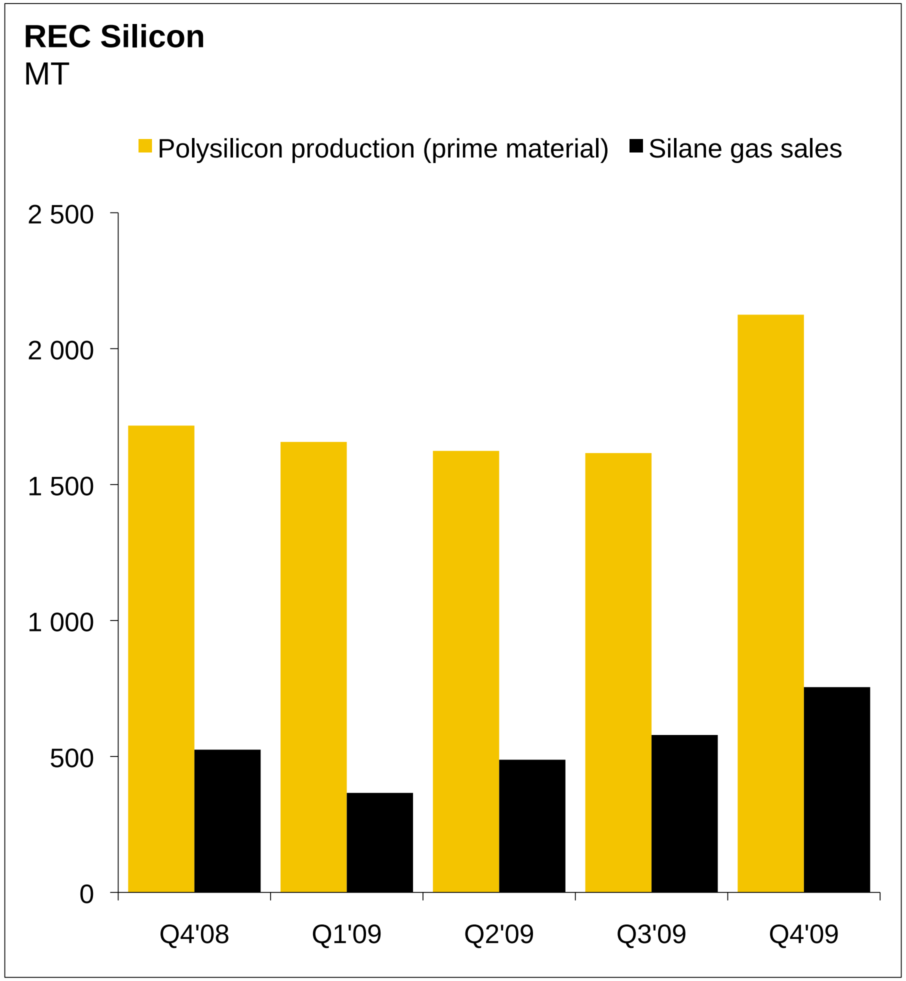


	2005	2006	2007	2008	2009
Revenues	2 454	4 334	6 642	8 191	9 156
EBITDA	830	1 965	3 172	3 279	1 741

REC Silicon: Strong growth in FBR production

FOURTH QUARTER 2009

- Polysilicon production in Q4’09 of 2,621 MT of which 2,125 MT of prime material
- Production increased 49 percent from Q4’08 and 27 percent from Q3’09
- Granular FBR material doubled from Q3’09 to 1,026 MT in Q4’09
- Silane gas sales up 30 percent from Q3’09



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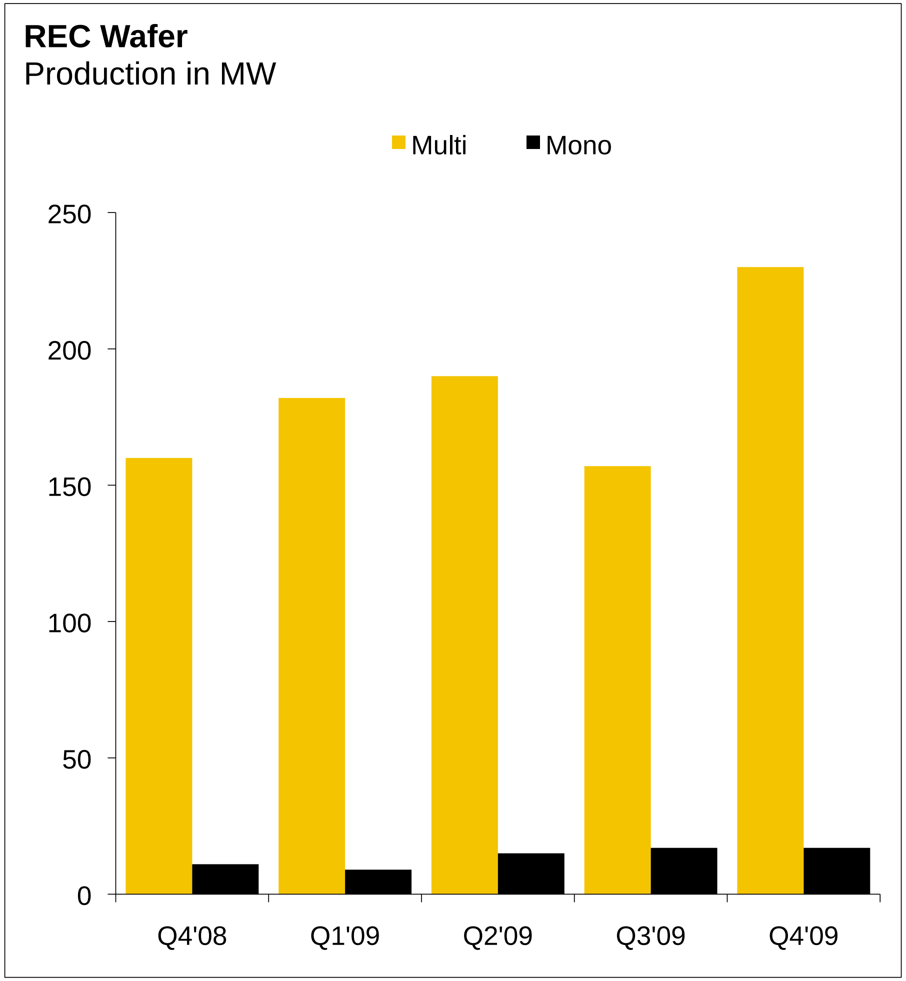
REC Wafer: Higher capacity utilization and revised contract prices

FOURTH QUARTER 2009

- 248 MW multi and mono wafers
- Production increased 45 percent from Q4'08, and 43 percent from Q3'09
- Reflects capacity increase and higher utilization



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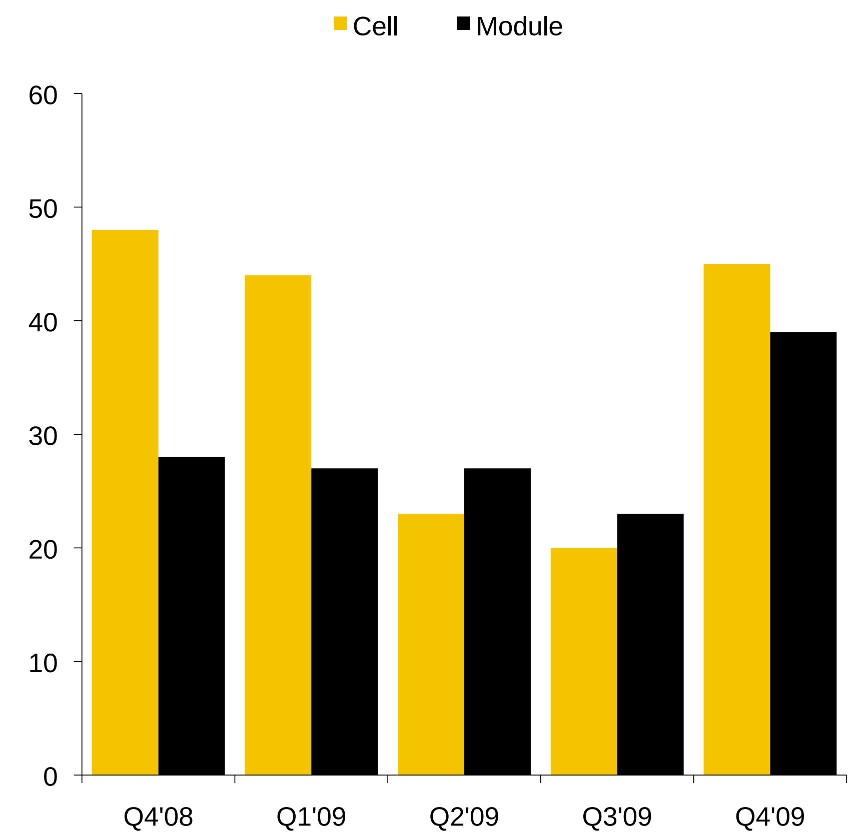
REC Solar: Stronger demand, but continued price pressure

- 39 MW module production
- Production increased 39 percent from Q4’08 and 70 percent from Q3’09
- Module and cell plant running at capacity

REC Solar
Production in MW



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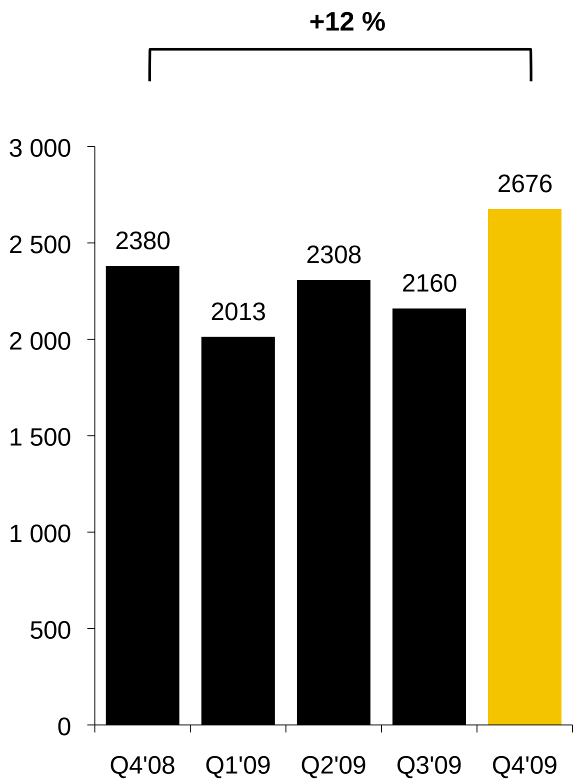
FINANCIAL REVIEW

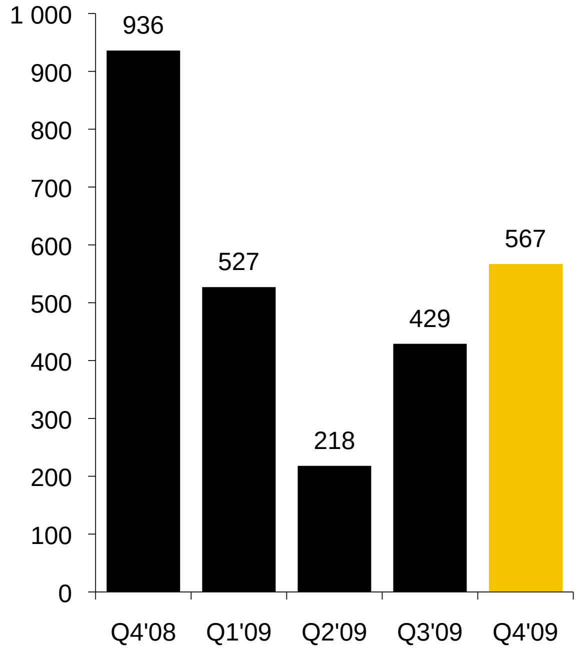
REC Group: Financial Highlights

Revenues
NOK million

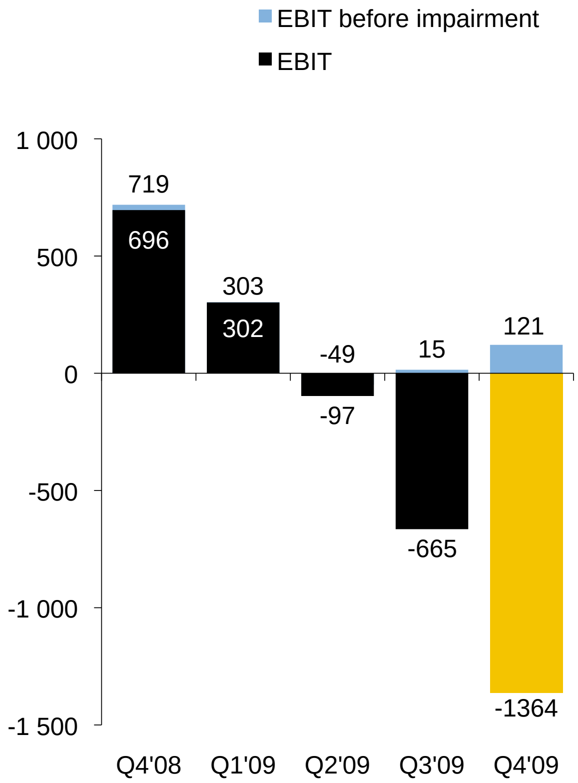


EBITDA
NOK million

Margin: 21 %



EBIT
NOK million



REC Group: Condensed Income Statement

(NOK million)	Q4'09	Q4'08	Change	2009	2008	Change
Revenues	**2,676**	**2,380**	+12%	**9,156**	**8,191**	+12%
EBITDA	**567**	**936**	-39%	**1,741**	**3,279**	-47%
EBITDA-margin	*21%*	*39%*		*19%*	*40%*	
Depreciation	-430	-209	+106%	-1,293	-678	+91%
Amortization	-16	-9	+88%	-58	-36	+60%
Impairment	-1,485	-23	N/M	-2,214	-35	N/M
EBIT excluding impairments	**121**	**719**	N/M	**390**	**2,565**	N/M
EBIT	**-1,364**	**696**	N/M	**-1,824**	**2,529**	N/M
EBIT-margin	*N/M*	*29%*		*N/M*	*31%*	
Net financial items	146	885	-83%	-658	1,850	N/M
Profit/loss before tax	**-1,218**	**1,582**	N/M	**-2,482**	**4,379**	N/M

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Impairment of fixed assets of NOK 1.5 billion

FOURTH QUARTER 2009

- In an impairment test, asset values are tested against the highest of the expected future cash flows or sales for each cash generating unit in the group
- The impairment test gave rise to charges and provisions of NOK 1.5 billion (*)
  - Wafer Mono: ~ NOK 990 million
  - ScanModule: ~ NOK 240 million
  - Sovello: ~ NOK 180 million
  - Mainstream: ~ NOK 60 million
- These impairment charges represents about 5 percent of REC's total assets
- Stand-still until mid-March agreed with Sovello's banks, negotiations with Sovello's banks, the Government and other parties to restructure the company
- Additional provisions of NOK 90 million made for guarantees provided to Sovello

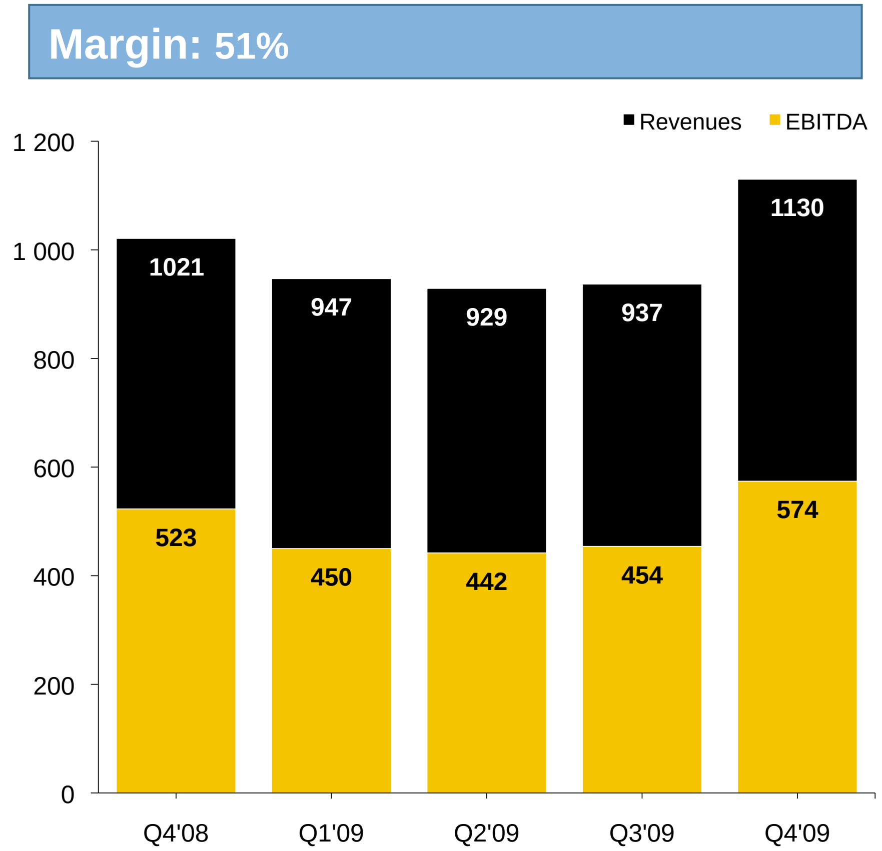
(*) Related to plant, propety, equipment, goodwill and intangibles

REC

REC Silicon: Strong margins

- Revenues up 11 percent from Q4'08 and 21 percent from Q3'09
  - Lower prices reflecting change in product mix and lower market prices
- EBITDA up 10 percent from Q4'08 and up 26 percent from Q3'09
  - Silicon III still in ramp-up, but is starting to contribute positively
  - Negative currency translation effects of NOK 58 million
- REC Silicon awarded US Tax Credit of up to USD 155 million

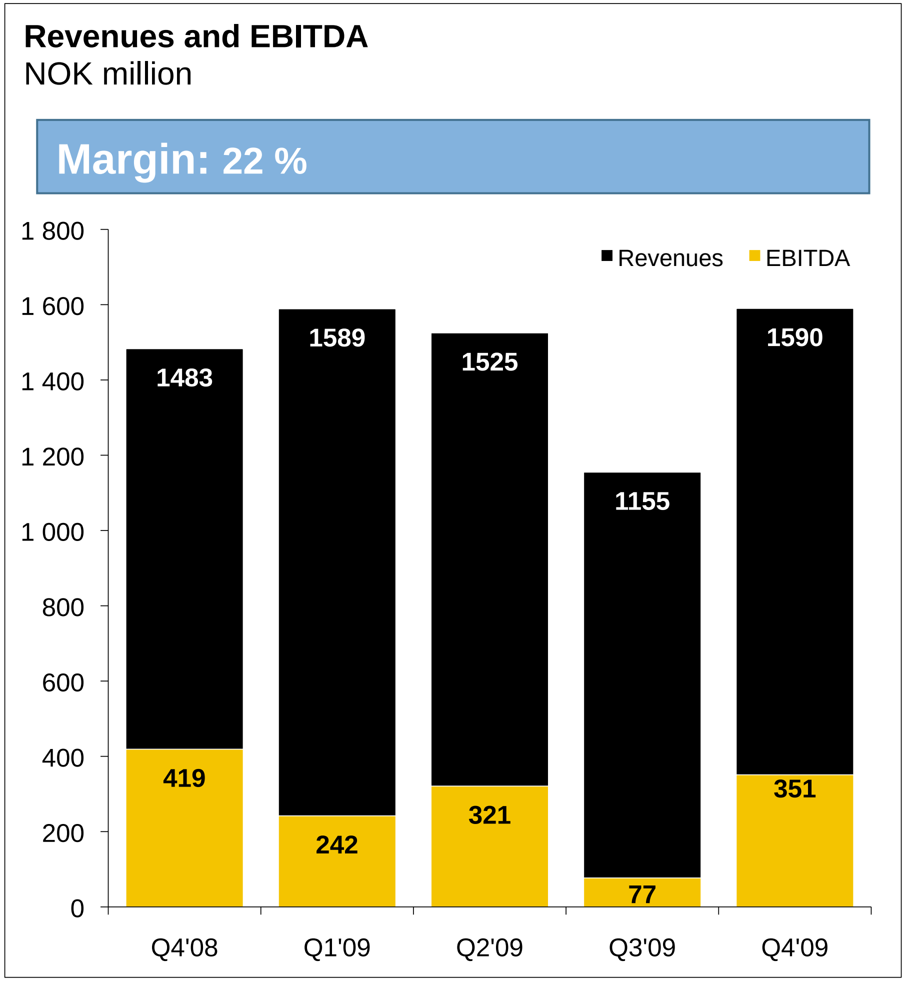
Revenues and EBITDA
NOK million



REC Wafer: Volume rebound

FOURTH QUARTER 2009

- Revenues up 7 percent from Q4'08, and up 38 percent from Q3'09
  - Higher production and sales from plants under ramp-up
  - Average Selling Prices ~13 percent below Q3'09
  - Reflects changes in customer mix and adjustments to pre-defined prices in long-term contracts
- EBITDA down 16 percent from Q4'08 but up from Q3'09



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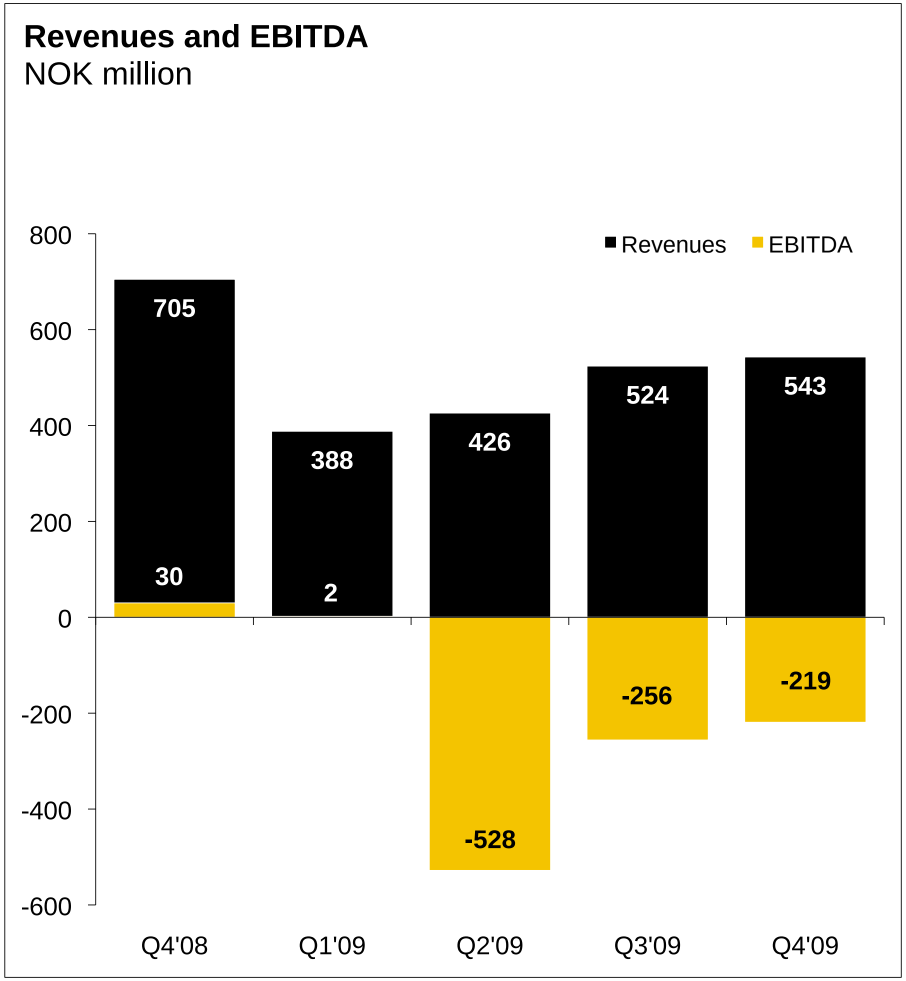
REC Solar: Non-sustainable results

FOURTH QUARTER 2009

- Revenues down 23 percent from Q4'08, but up 4 percent from Q3'09
  - Increased module sales
  - Average Selling Prices in Q4'09 were 9 percent below Q3'09
  - Negatively affected by sales volumes to the US
- EBITDA of negative NOK 219 million
  - Write-downs of inventories of NOK 80 million



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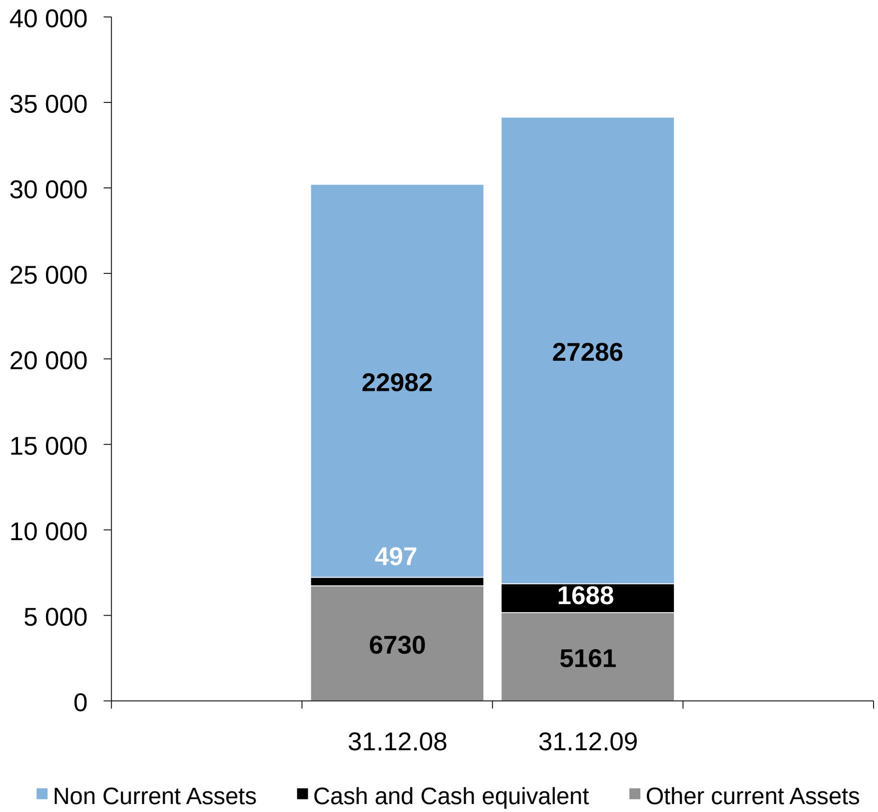
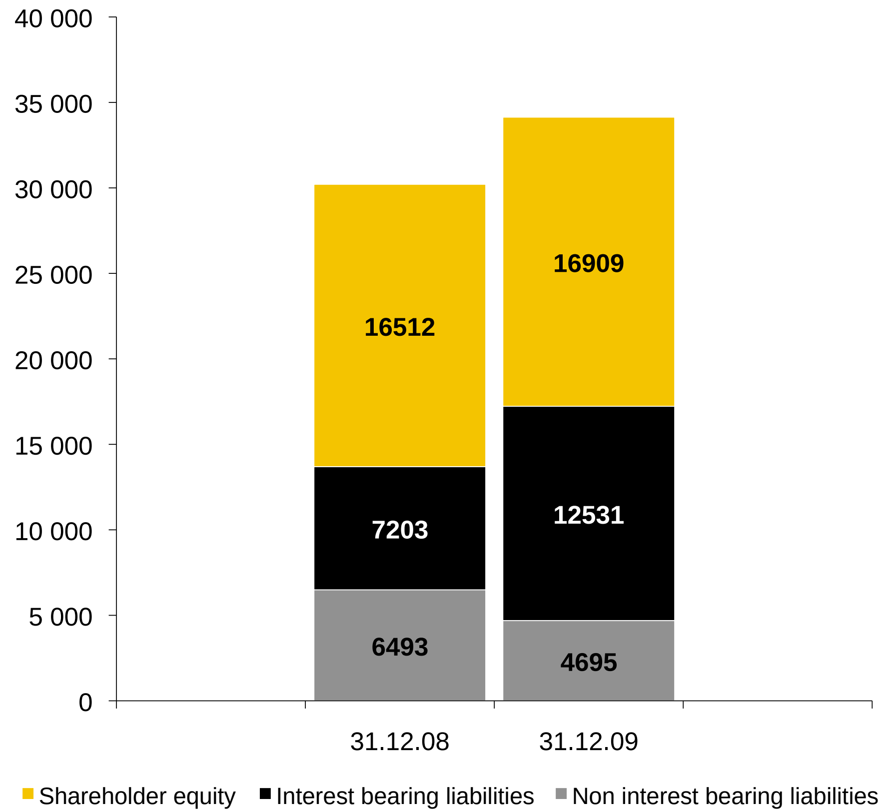
REC Group: Capital structure

FOURTH QUARTER 2009

Assets
NOK million



Equity and liability
NOK million



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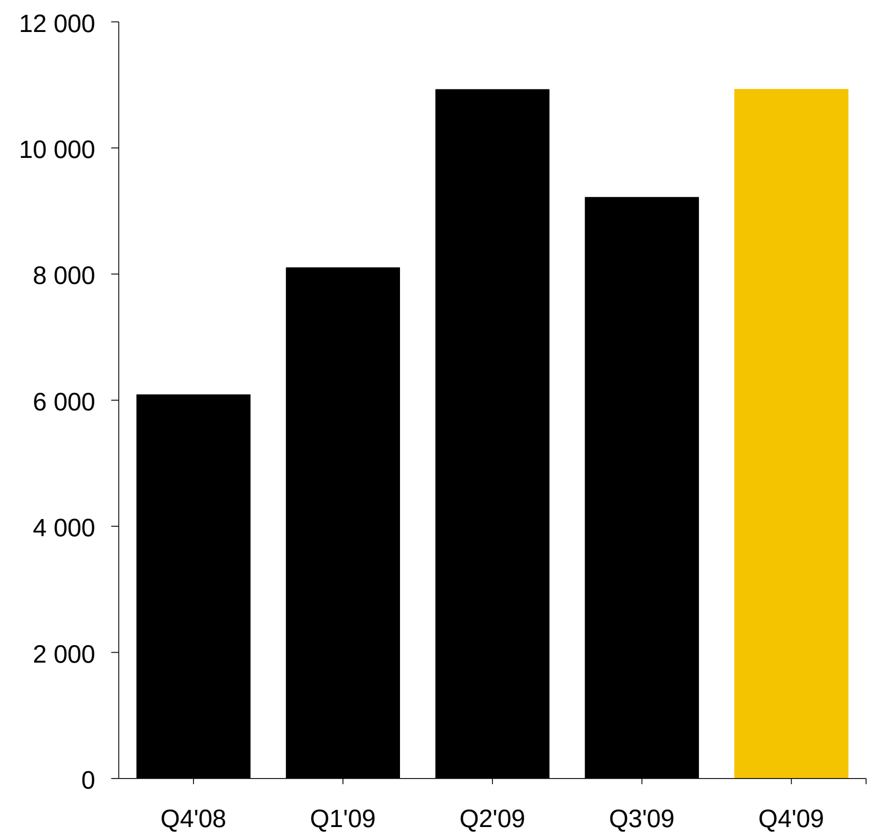
Net debt and funding

- Net debt up by NOK 1.6 billion in Q4’09 to NOK 10.3 billion at Year-End
- Convertible bond subordinated, and treated as equity in gearing ratio calculation
- Approved investment program funded, remaining approved investments of NOK 4.5 billion
- Q1’10 results expected to be significantly weaker than Q1’09
- Likely that financial covenants will fall outside currently agreed limits
- REC working with banks to ensure amendments to loan facilties

Net debt
NOK million



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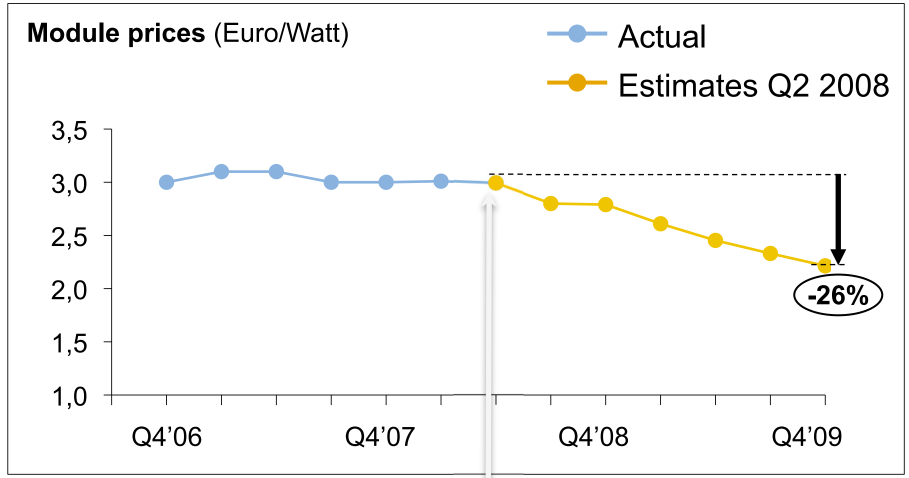
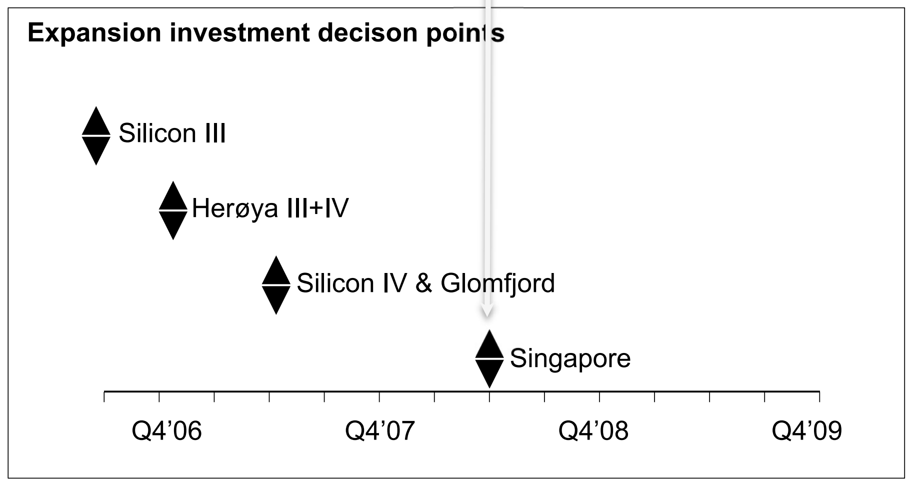
REFLECTIONS AND OUTLOOK

An aggressive investment program

Investments of NOK ~24 billion driven by

- 60 % annual market growth
- 40-50 % EBITDA margins
- Access to polysilicon
- Long term wafer contracts secured by bank guarantees
- Manageable price decline for modules expected



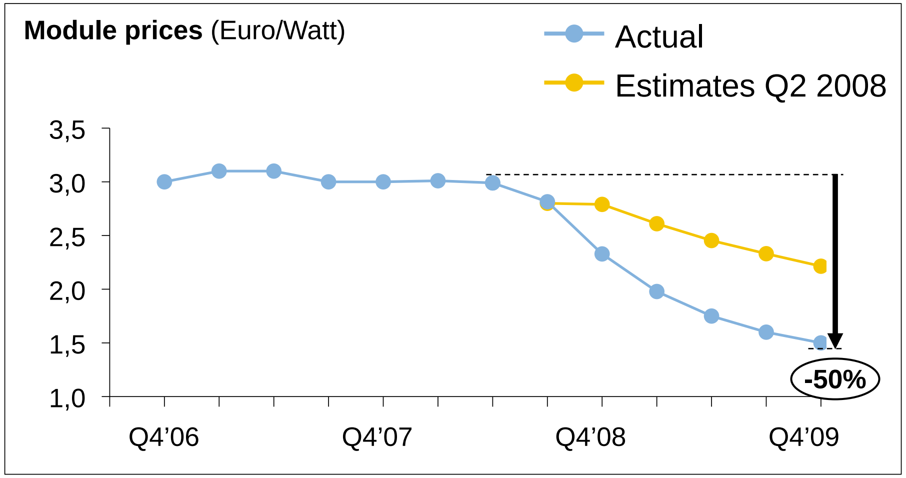


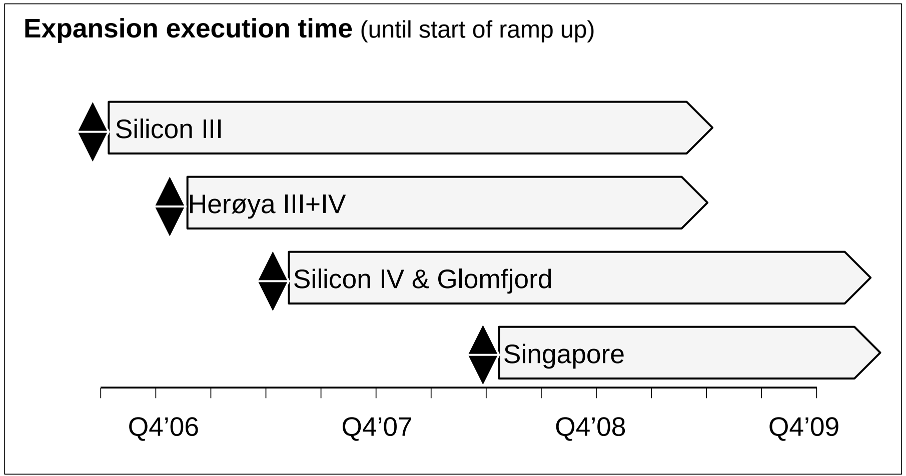
Source: REC estimates

Long term contracts did not offer full protection against dramatic market price decline

FOURTH QUARTER 2009

- No market growth in 2009, after 60% annual growth in previous years
- Oversupply and price pressure continuing into 2010
- REC agreed to re-negotiate long-term contracts with significant impact on margins





Source: REC estimates

Improved project execution in the Singapore project

FOURTH QUARTER 2009

Project	Initial CAPEX (NOK)	CAPEX overun (+) / underspend (-) (NOK)	Deviation	Start up
Silicon III (1)	3,600 million	2,400 million	67%	Project delay and slower ramp up
Silicon IV (1)	2,910 million	(*) 1,290 million	44%	On schedule with revised scope
Herøya III, IV	2,500 million	100 million	4%	Slower ramp up
Glomfj. mono	1,350 million	500 million	37%	Project delay
Singapore (1)	14,070 million	-3,150 million	-22 %	On schedule
Total	**23,710 million**	**1,140 million**	**5 %**	

- Stretched project management capabilities, Singapore first major expansion with project organization fully in place
- Singapore expansion compensates for most of the capex overruns on the other projects
- Delays have also significantly impacted revenues and results, with Singapore being the first project that is on the original schedule
- Of the total estimated CAPEX of NOK 24.9 billion, NOK 4.5 billion remains to be invested

(1) 6.0 USD/NOK rate used for Silicon III and IV and 4.2 SGD/NOK rate used for Singapore (*) Change of scope
Note: Initial CAPEX as reported at investment decision point, revised capex at completion as per end of 2009

REC

Silicon in 2010: Continued ramp of FBR, focus on broadening product and customer portfolio

- FBR: Focus on ramping volume and improving solar grade yield. Silicon IV to start at production mid-year
- Siemens: Increased Float Zone and electronic grade material
- Silane: Continue to defend strong market position
- Prices trending downwards. Higher discounts for lower grade material
- Operational targets:
  - Polysilicon production ~12,000 MT
  - Silane sales volume ~2,400 MT

Photo: REC production plant Moses Lake

REC

Wafer in 2010: Re-establish a competitive position on cost and product quality

- Targeting volumes to increase by 60-70% and growing market share
- Contract prices settled for Q1'10, approximately 20 percent lower average selling prices compared to Q4'09
- Significant potential for cost improvements, but with limited effect in 2010
- Mono plant in Glomfjord started ramp-up, target production >100 MW in 2010

Photo: Singapore wafer plant, January 2010

REC

Solar in 2010: Focus on Singapore plant to improve competitive position

FOURTH QUARTER 2009

- ➔ Singapore to improve competitive position
- ➔ If market allows, close to fourfold increase of production volumes
- ➔ Strengthened customer base and development of new market channels
- ➔ Continued difficult cost position for Scandinavian operations

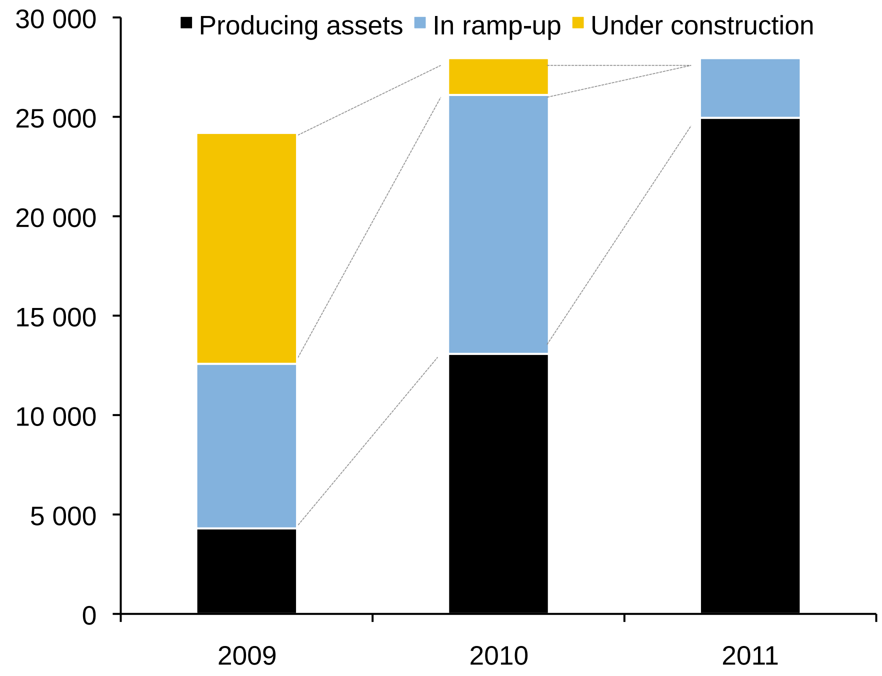
Photo: REC production plant Singapore

REC

2010 is as 2009 a year of ramping up capacity

- Significant negative price development since point of investment decision
- Large share of assets in ramp-up or under construction not contributing positively to EBITDA
- Young and inexperienced organization stretched to its limits
- Recents positive developments:
  - Singapore below budget and on schedule
  - FBR demonstrated
  - Professional organization in Singapore

Book value of PP&E
NOK million

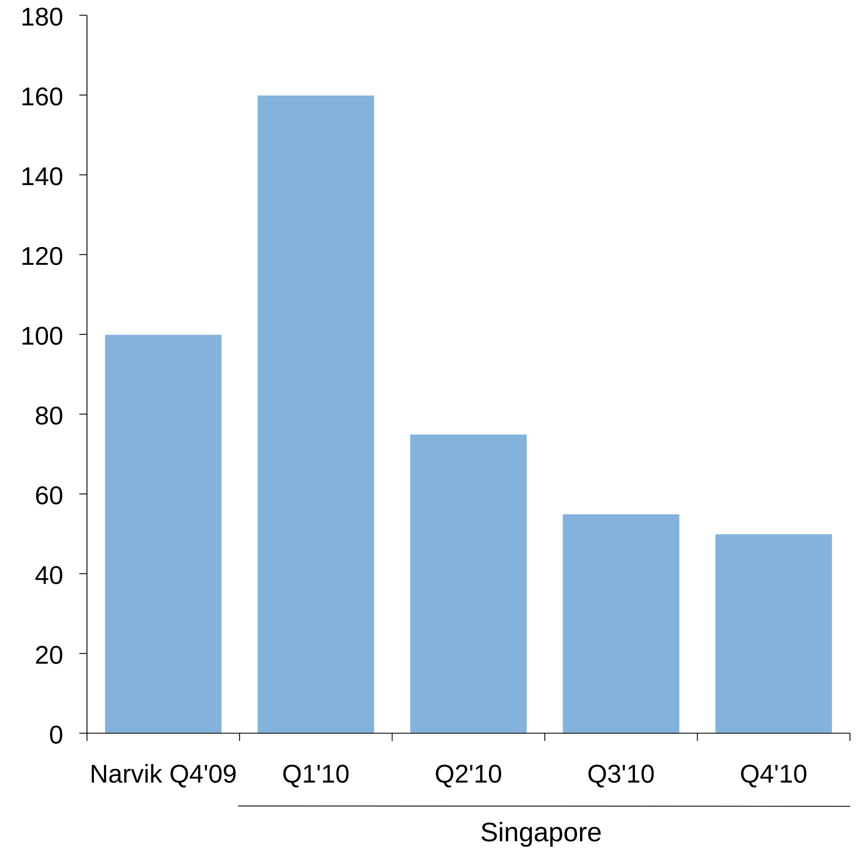


2009 EBITDA contribution of NOK ~2,150 million from producing assets. Negative 2009 EBITDA contribution of NOK ~400 million from assets in ramp-up and under construction

Solid long-term position from 2011

- From mid 2011, all assets in full production
- Singapore, Silicon in the US and Wafer Norway will form a solid base for future competitiveness
- Market growth expected to return – overcapacity in 2010, but easing of downward price pressure

Cell conversion cost development (example)
Indexed



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