



Swedbank Nordic Energy Summit

Tore Torvund

20, March 2014

RECSILICON

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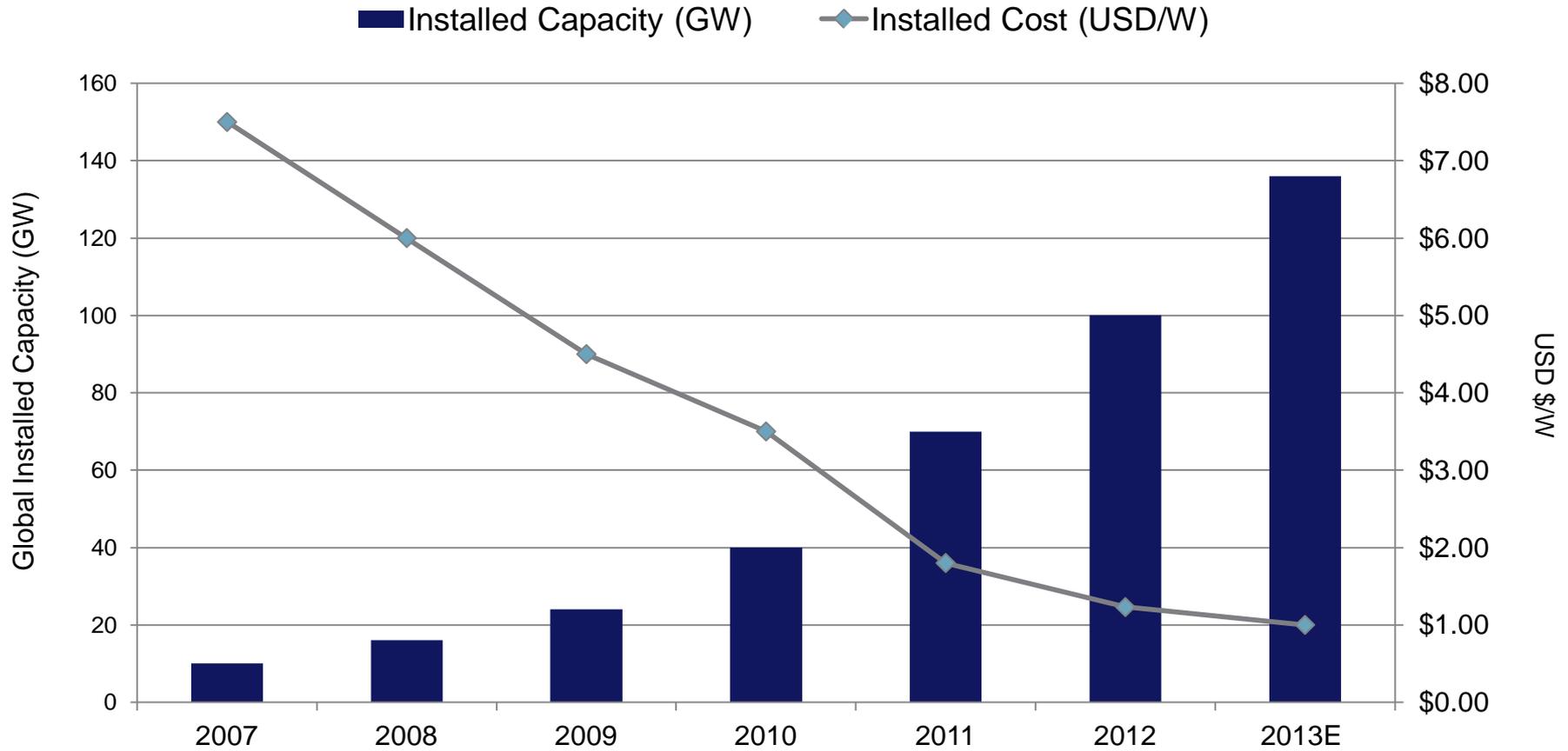
Cities 700 Miles Apart: Same View (Beijing and Xian)



“Smog pushes emigration. 70% cite pollution as primary reason for leaving China.”



Solar Installed Capacity Cost

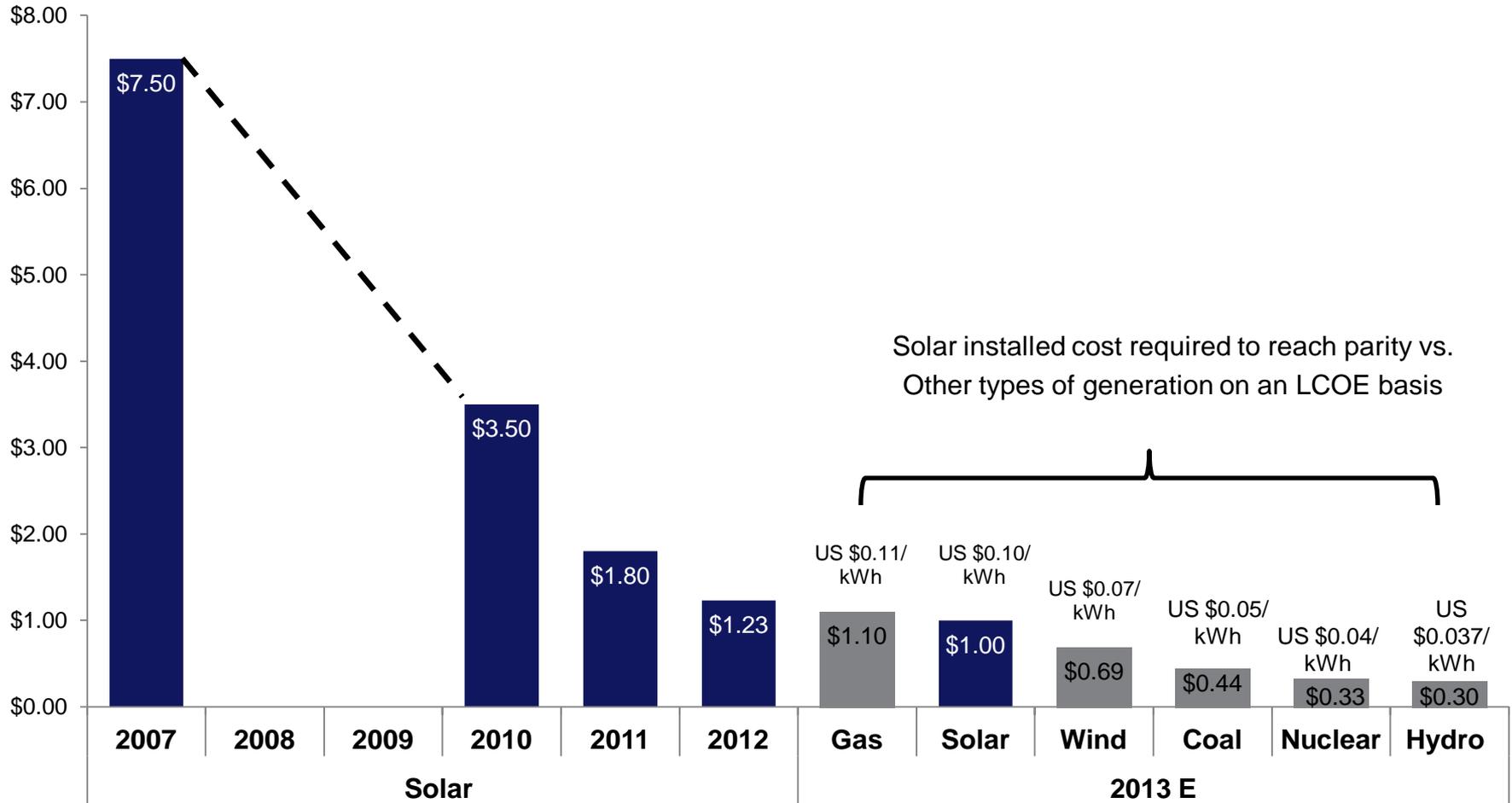


Source: Bernstein Research, September 2013

Solar and the Next Energy Revolution: Beginning to See the Light.

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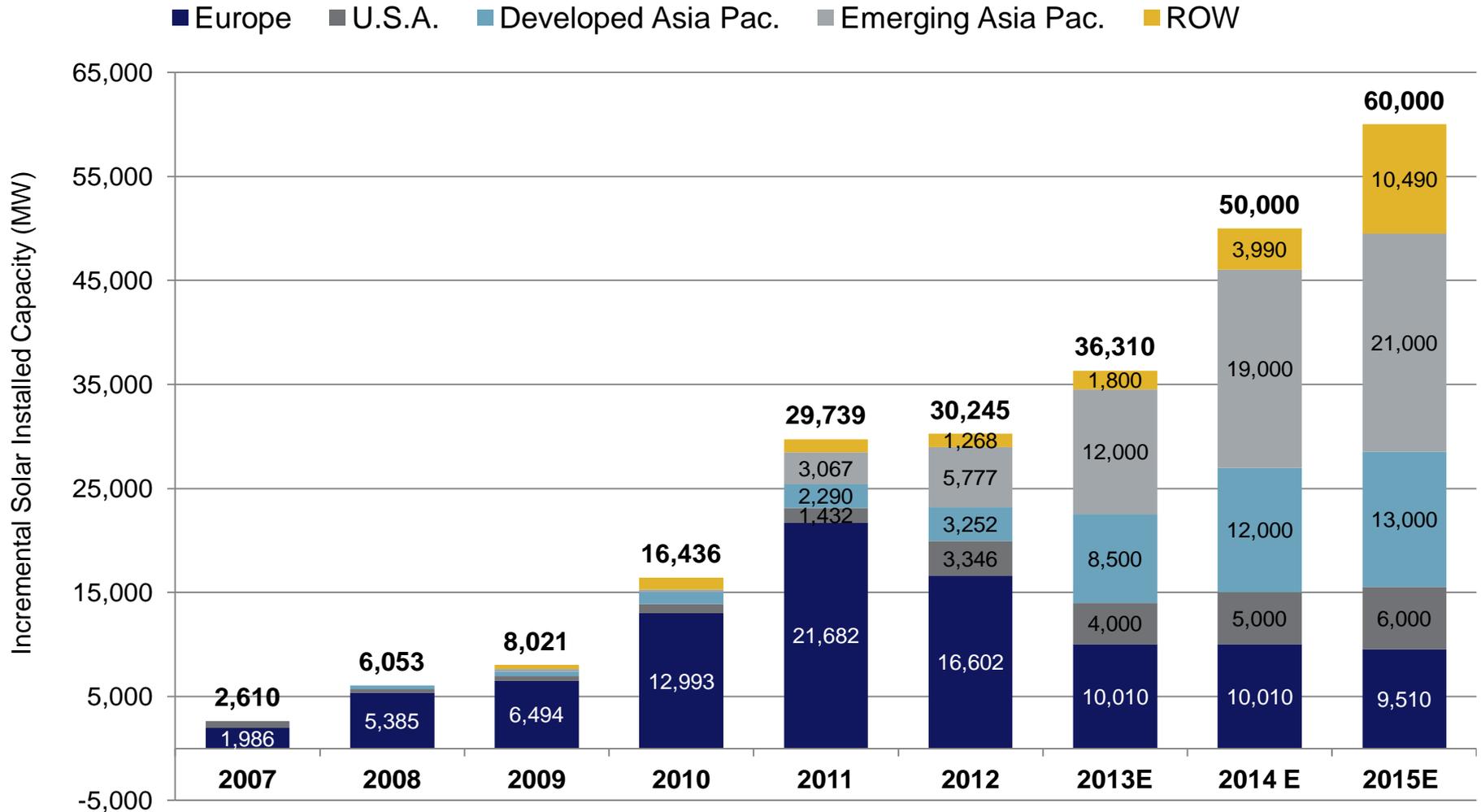
Solar Installed Cost Required to Reach Parity in China



Source: Bernstein Research, September 2013

Solar and the Next Energy Revolution: Beginning to See the Light.

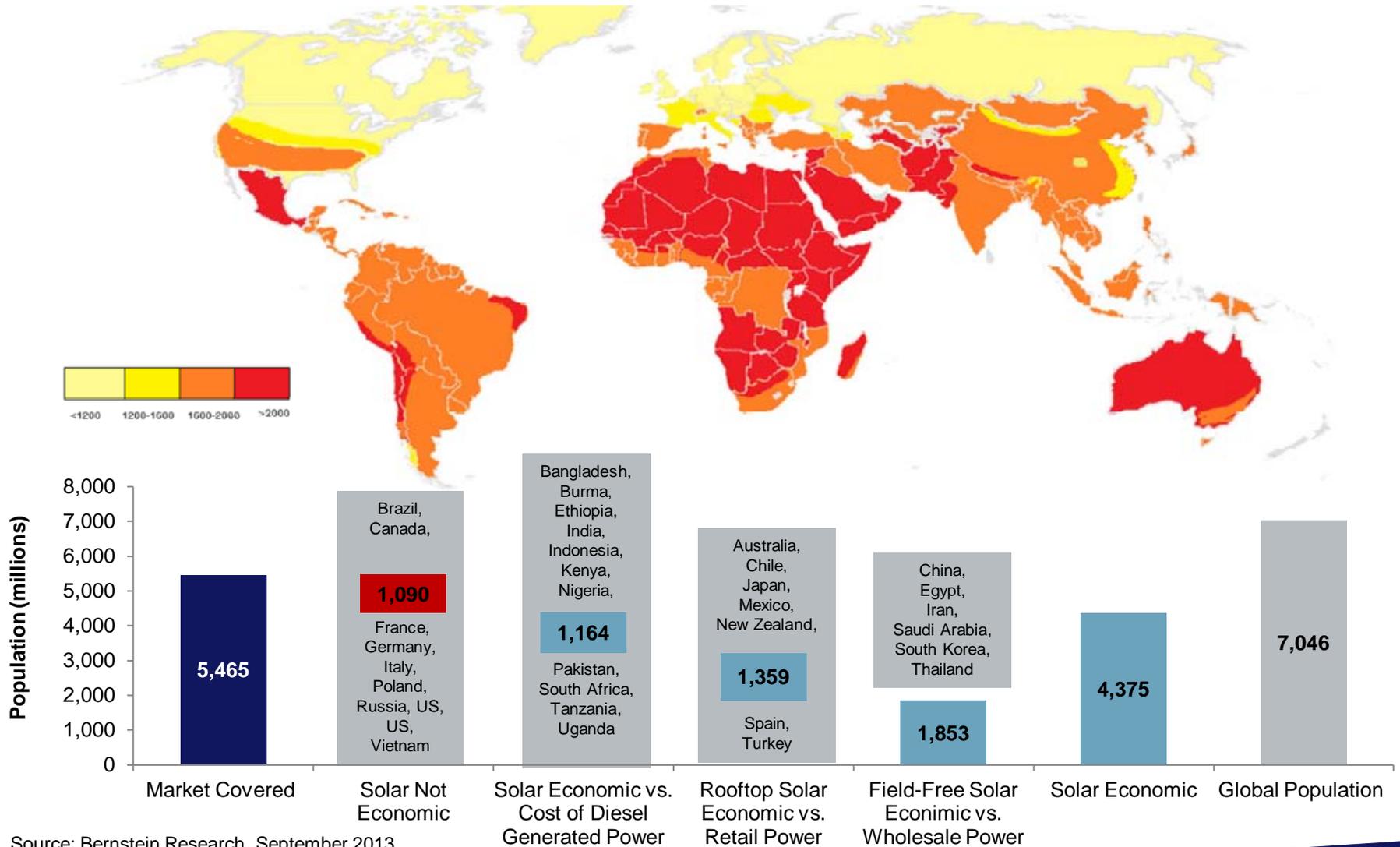
Incremental Solar Installed Capacity



Source: Bernstein Research, September 2013

Solar and the Next Energy Revolution: Beginning to See the Light.

PV: Economic Benefit for 4.3 Billion... Today



Source: Bernstein Research, September 2013

Solar and the Next Energy Revolution: Beginning to See the Light.

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Renewable Impact Globally Evident

THE
WALL STREET
JOURNAL

California policy makers impose energy storage regulation on Top 3 utilities, totaling 1,325MW by 2024, to replace intermittent gas-fired use to balance supply and demand when using wind and solar.

“Nationally, renewables accounted for 37% of the new generating capacity added in 2013.”
(66% of which was Solar)



FINANCIAL
TIMES

“GDF Suez writes off €14.9bn as value of power plants fall. 50,000MW of gas-fired capacity closed or mothballed amid weak demand and challenge from renewable energy.”

RECSiLICON

ADVANCING MATERIALS, ADVANCING TECHNOLOGY.

World's largest producer of Granular (NextSi™) polysilicon
World's largest producer of Silane gas

Recognized as a technology and cost leader



Moses Lake
460 Employees

Silicon III, IV
FBR

Silane gas: 22,000 MT
Granular silicon: 16,300 MT

Butte
280 Employees

Silicon II

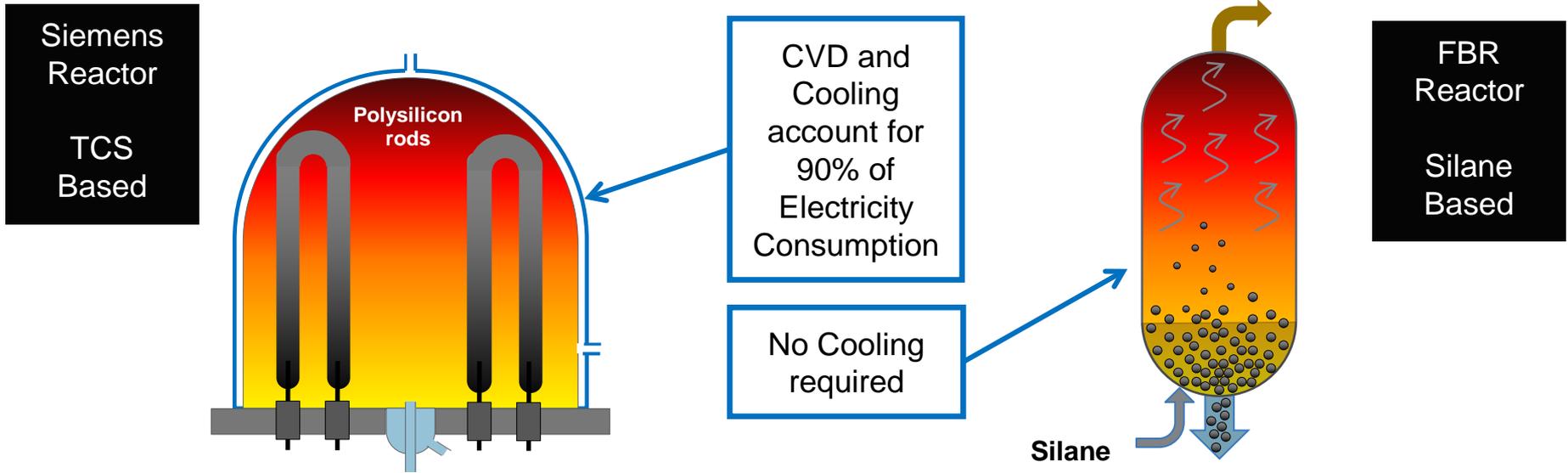
Silane gas: 7,000 MT
Siemens: 3,600 MT

REC: Driven by Silane for 30 years

- › Our Polysilicon plant consists of two separate units working seamlessly together
- › FBR is dependant on Silane availability
- › REC is the only company currently producing silane on a large-scale
- › All Tier 1 peers are TCS-based Siemens producers



FBR Low Energy Consumption and Continuous Process



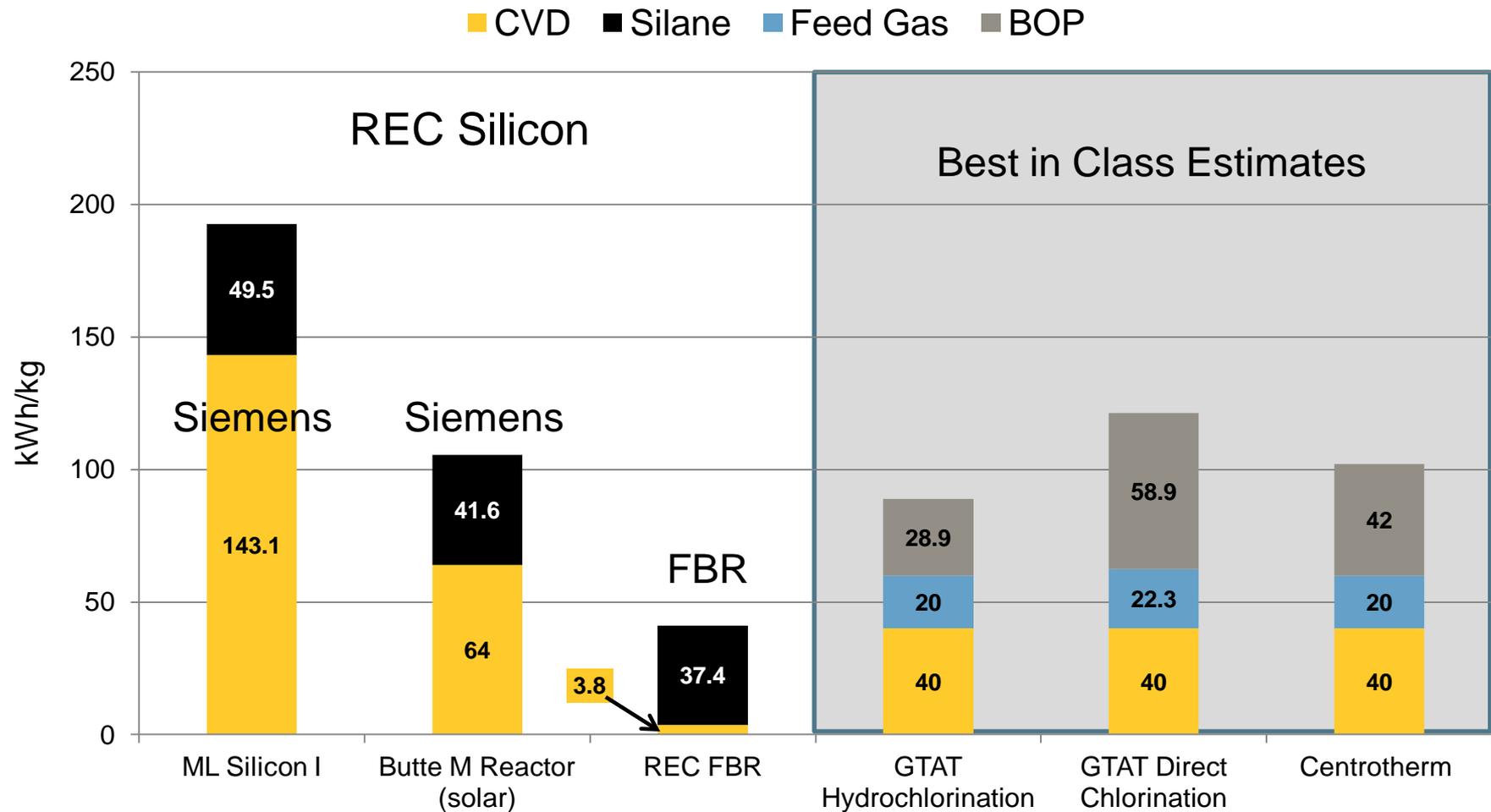
Siemens Technology:

- 40 year old technology
- Batch process
- Requires post processing
- High cash cost

FBR Technology:

- Proprietary REC technology
- Most energy efficient
- Continuous production
- Lowest cash cost

Electricity Consumption: FBR 10% of TCS Siemens

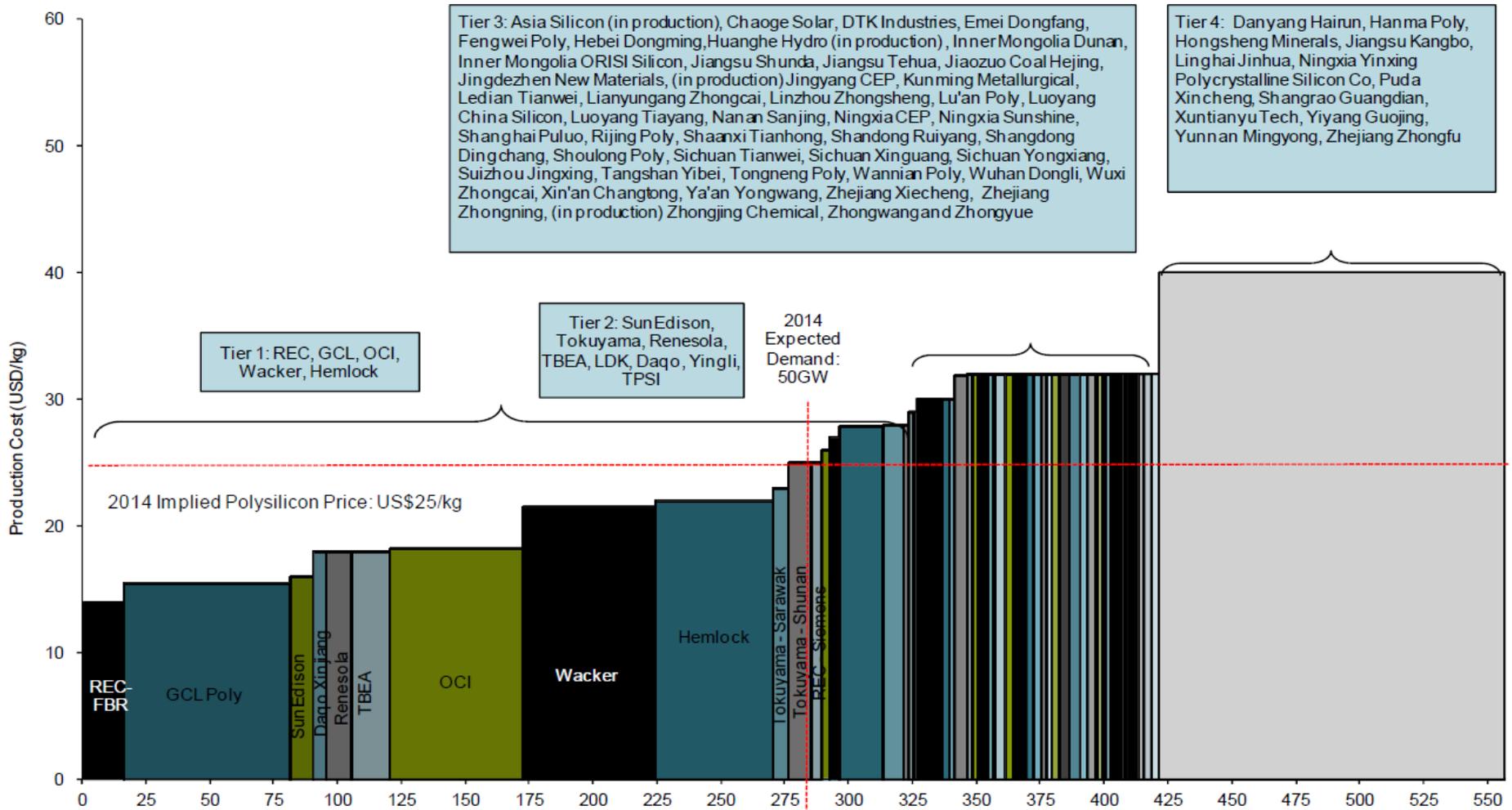


*REC Silane includes Nat. Gas/Electricity used for hydrogenation, distillation, silane storage, utilities & office buildings.
 NOTE: Assumes all silane from Silane I to Poly I and all silane from Silane III & IV to FBR. YTD 2013 actual production numbers and energy usage used in calculations



Polysilicon Market Landscape

2014 Polysilicon Supply/Demand/Price Curve

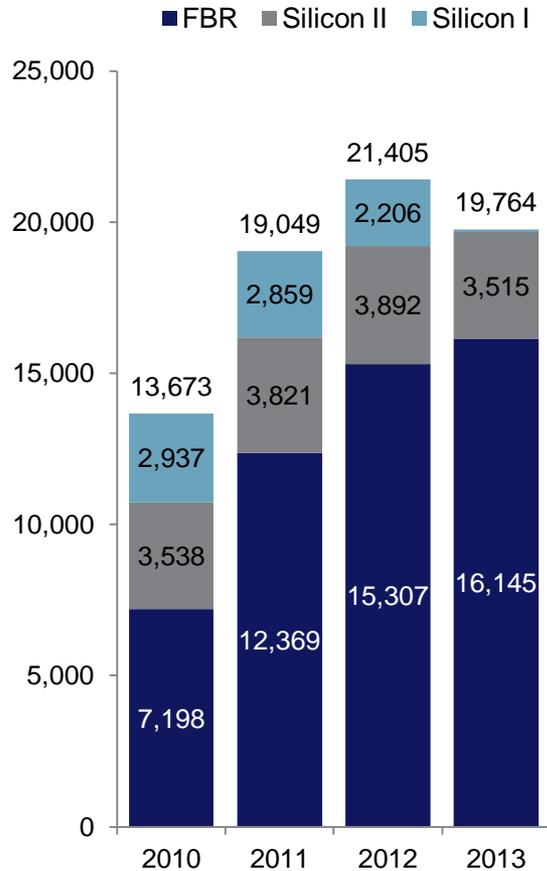


Source: Bernstein Research, September 2013

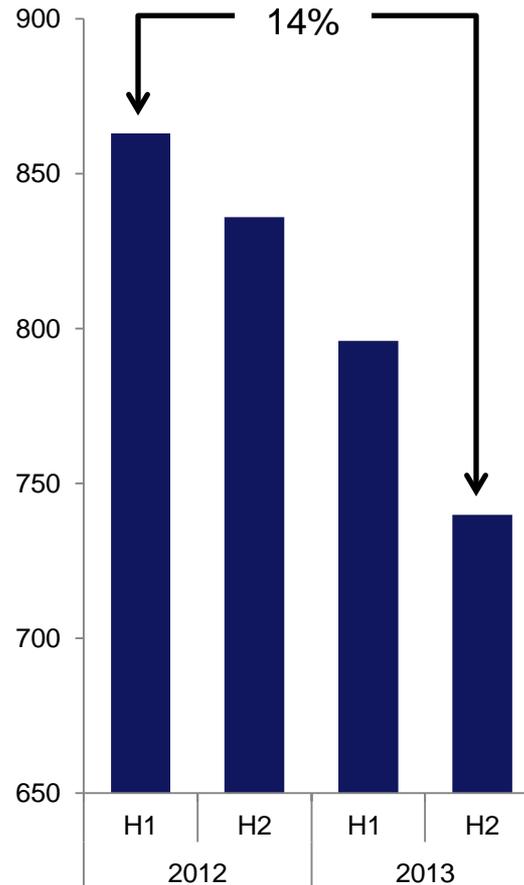
Solar and the Next Energy Revolution: Beginning to See the Light.

Continued Improvement: Production & Cost Reduction

Polysilicon Production (MT)



Resource Alignment (Headcount)



FBR Cash Cost (USD/kg)





Expansion Options

- 1. Moses Lake
- 2. Yulin JV in China

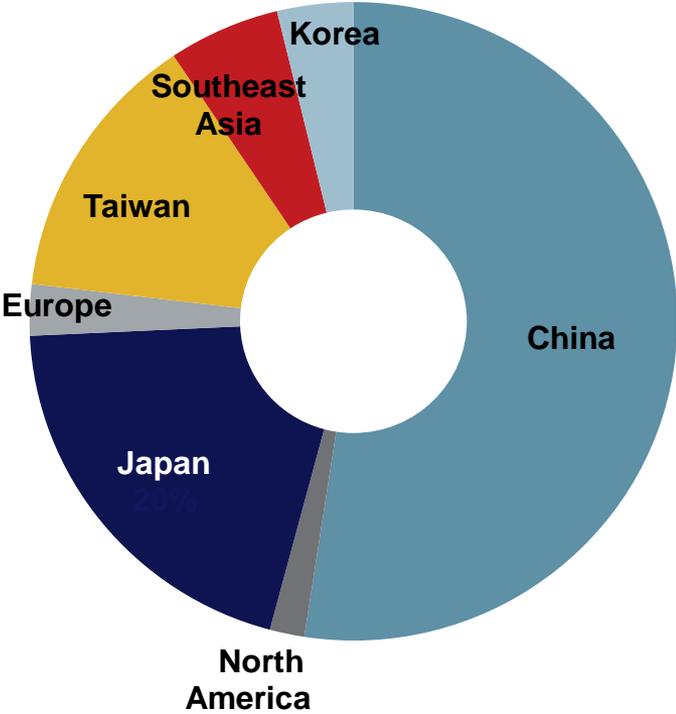
Brownfield Expansion in Moses Lake

- › Rx 25 & 26 expansion - 2,500 MT of polysilicon
 - Develop next generation (FBR-B) on commercial scale reactor
- › Restoration of Silane I
 - 3,000MT of Silane
- › FEED package to be completed in August
- › Estimated Cost US\$100 million
- › Final decision to be made July – August 2014

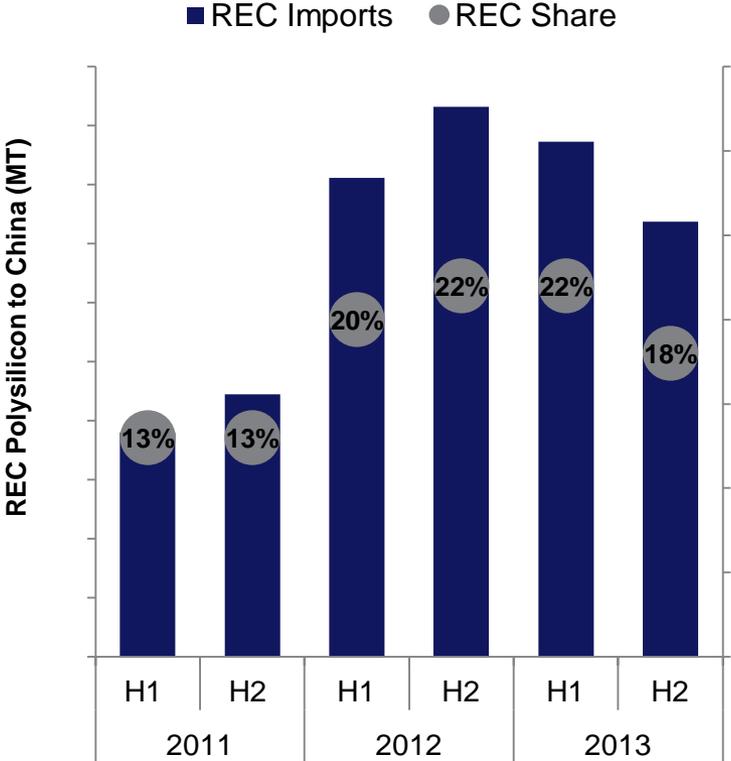


China, Japan, Taiwan are Key Markets

2013 Revenue by Region



REC Silicon Imports to China



JV Partner: Financially and Operationally Strong SOE

› Shaanxi Non-ferrous Metals Holding Group Co., Ltd (SNF Tianhong New Energy parent company)

- Major business: metals mining, refining, and alloy (Moly, Ti, Al, coal, etc.)
- 2012 group revenue US \$14 billion, total assets US \$17 billion
- Polysilicon subsidiary (Tianhong Silicon Material) 4,250 MT TCS Siemens plant in Xian
- First to achieve microelectronic grade

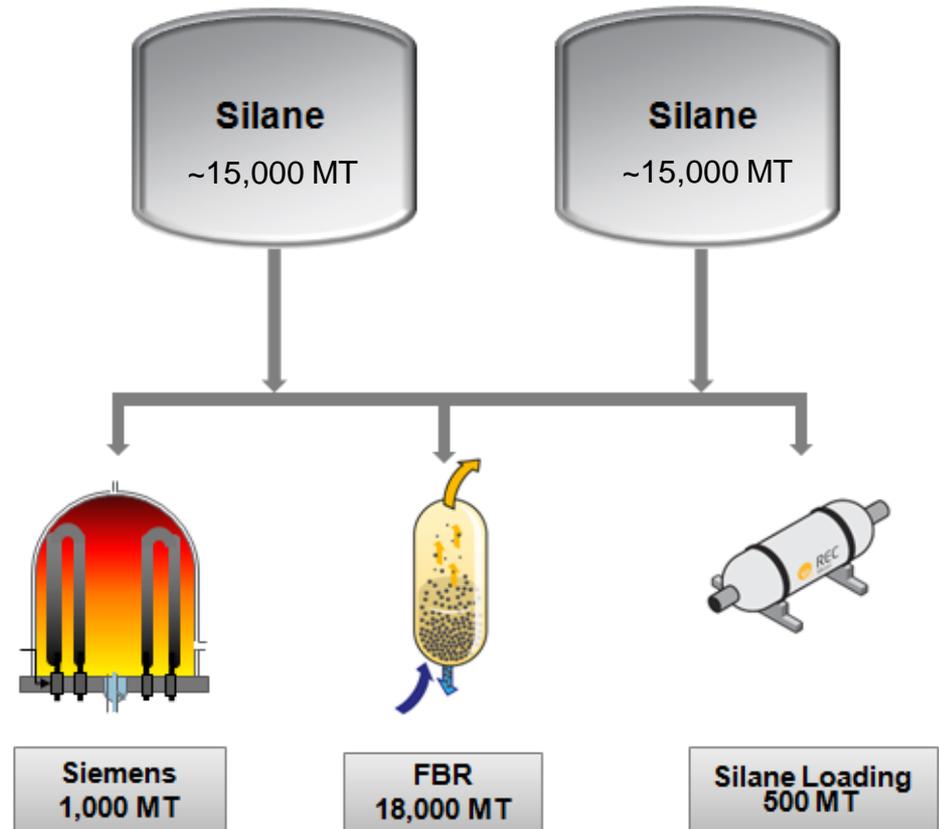
› Shaanxi Non-ferrous Tianhong New Energy (SNF)

- Established to carry out polysilicon investment in Yulin, Shaanxi Province
- Majority of SNF's Engineering team are from Tianhong Silicon Materials in Xian

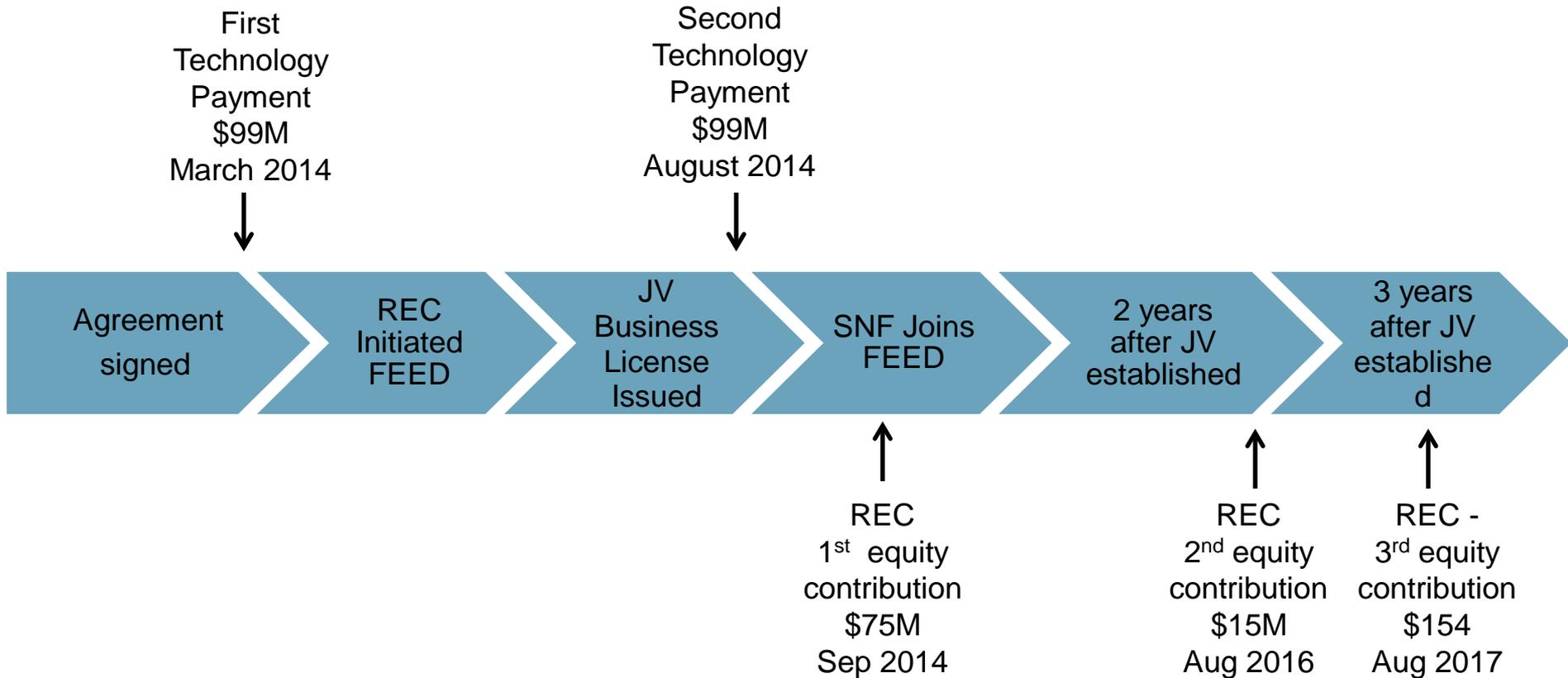


Significant Step for REC in Reaching Critical Markets

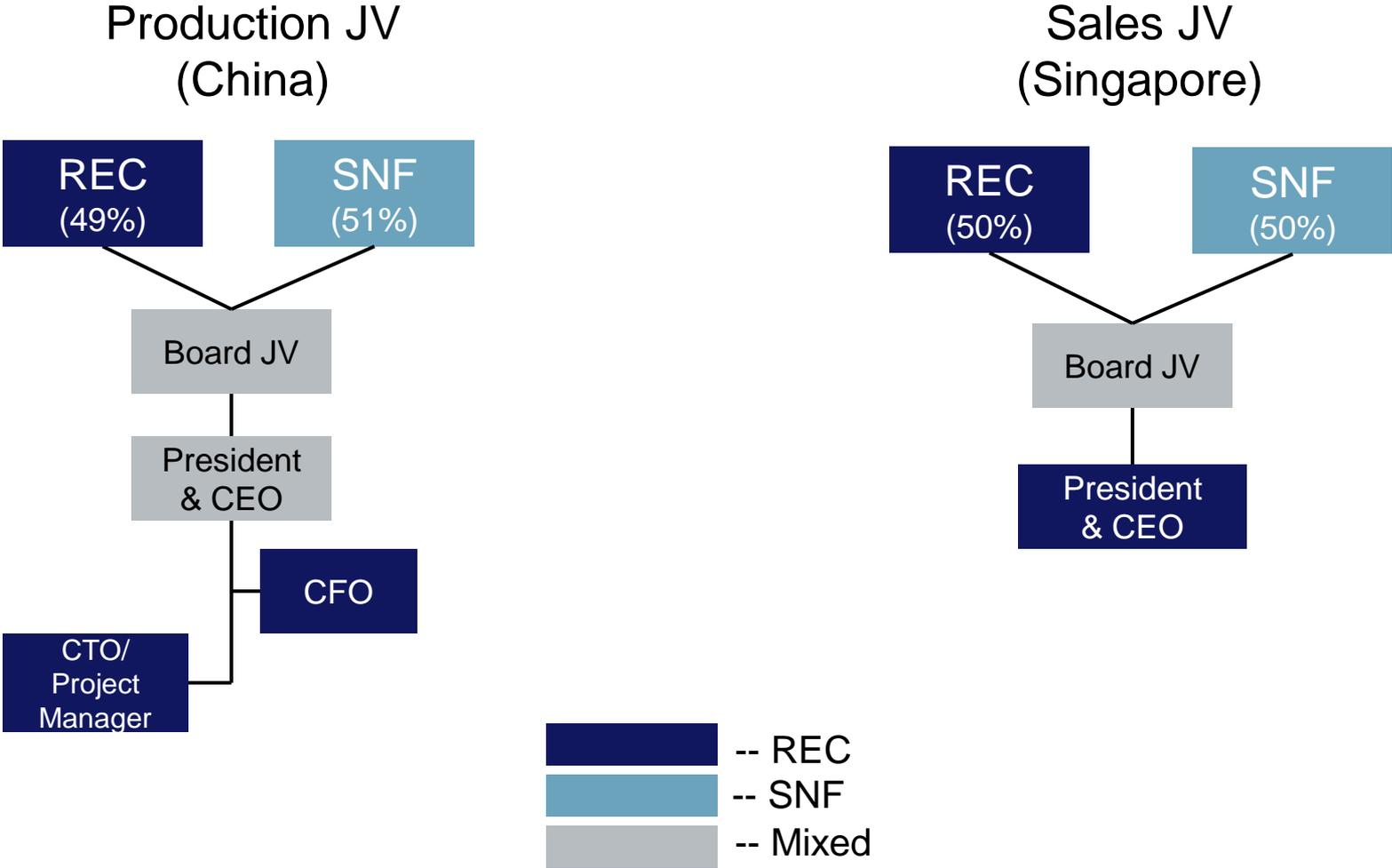
- › Anticipated total investment \$1.429 BUSD (including cost of technology transfer)
- › 35% Fixed Registered Capital
 - › REC - \$244 MUSD
 - › SNF - \$254 MUSD
- › REC to receive \$198 MUSD for Technology Transfer
- › Next Generation (FBR-B) technology to be used
- › Technology to be used in China and Taiwan only
- › FEED has started, with Fluor in California



Early Technology Payment / Late Capital Contribution

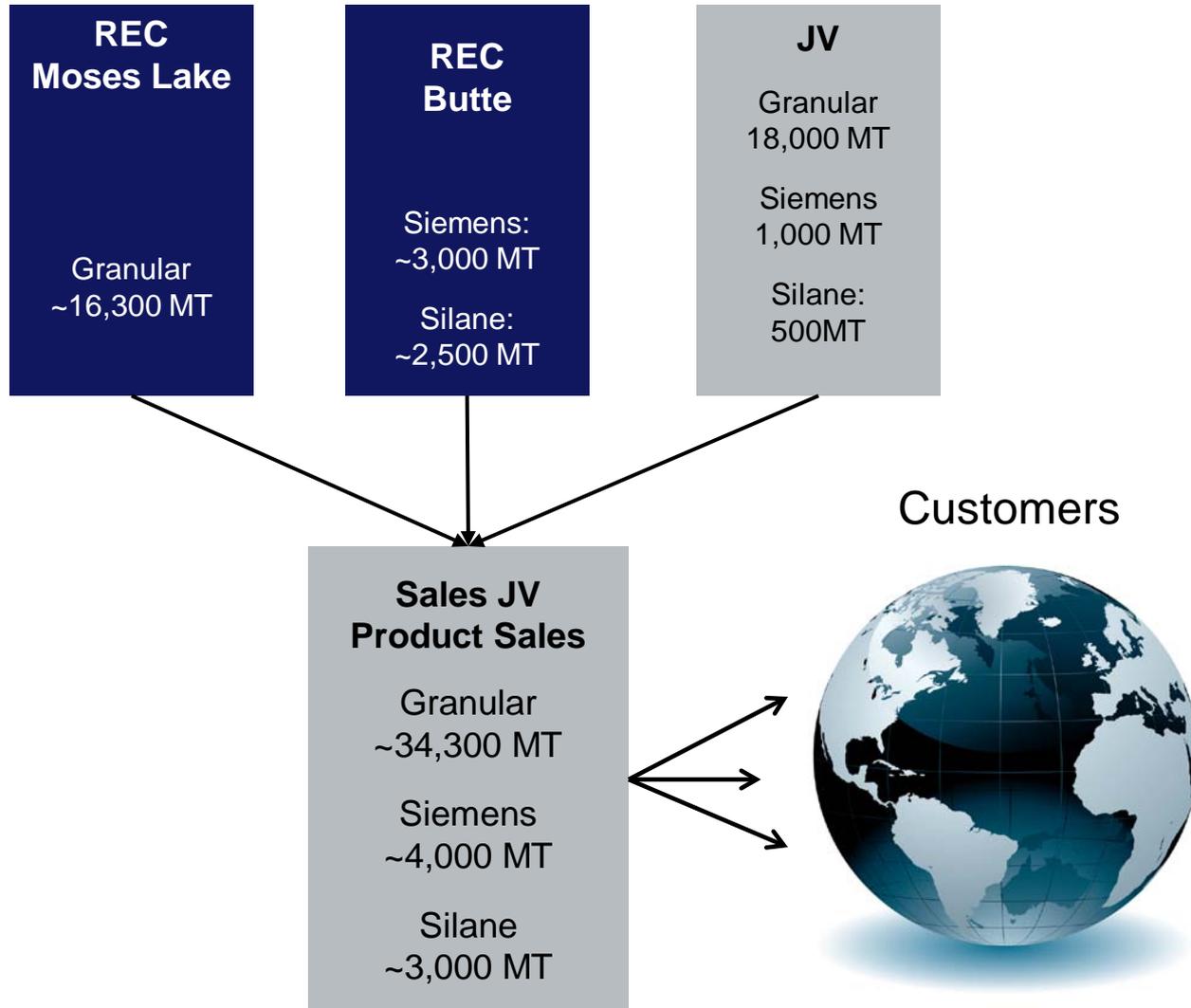


Balanced Governance Structure with Our JV Partner*



* Note: Applies to the initial 3 years

Increased Market Presence for REC Product Line



REC Conclusion

- › Continuous demand growth for Polysilicon anticipated due to increased competitiveness of PV
- › Silane based FBR significantly more efficient than legacy TCS based Siemens production
- › As the only major operator of silane-based FBR, REC Silicon is well positioned to expand in Granular marketplace
- › Joint venture with SNF represents unique opportunity to expand in the most important market, with limited capital contribution from REC
- › FBR-B and Silane I restoration represent low-cost expansion opportunities in Moses Lake