
FIRST QUARTER
2014



RECSILICON

Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for REC Silicon ASA (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for REC Silicon ASA's businesses, energy prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the presentation. Although REC Silicon ASA believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation. REC Silicon ASA makes no representations or warranties, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither REC Silicon ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

This presentation was prepared for the first quarter 2014 results presentation on May 9, 2014. Information contained herein will not be updated. The following slides should be read and considered in connection with the information given orally during the presentation.

REC Silicon ASA shares have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act.

Agenda

REC Q1 Results

T. Torvund, CEO

Market Overview

- Capacity expansion announcements
- U.S. / China Solar Trade Issues

Financial Overview

J. May, CFO

Yulin JV Update

T. Torvund

Guidance – Q2 and 2014

T. Torvund

Q & A

REC Silicon ASA First Quarter Highlights

Revenues: USD 113.4 million

EBITDA: USD 17.5 million

- EBITDA for Silicon Segment USD 19.5 million

Yulin Joint Venture in China

- Planned 19,000 MT polysilicon capacity
- Upfront payment of USD 99 million received in March

Increased average sales price

- ~10% polysilicon price increase

Strong silicon gas sales

- Volumes in line with Q4' 13, but seasonally strong

Planned outage lowered production

- Silane IV planned outage was extended due to unexpected repair
- Identified and made permanent repair to component within the silane process

REC Silicon ASA Q1 2014 Key Metrics

Financials

Revenue	\$113.4 M
EBITDA	\$17.5 M
EBITDA Margin	15%

FBR Production

Actual	3,322 MT
Guidance*	3,700 MT
Change	-10.2%

FBR Cash Cost

Actual	\$13.60/kg
Guidance*	\$12.80/kg
Change	+6.5%

Total Polysilicon Production

Actual	3,979 MT
Guidance*	4,340 MT
Change	-8.3%

Semiconductor Production

Actual	376 MT
Guidance*	380 MT
Change	- 1%

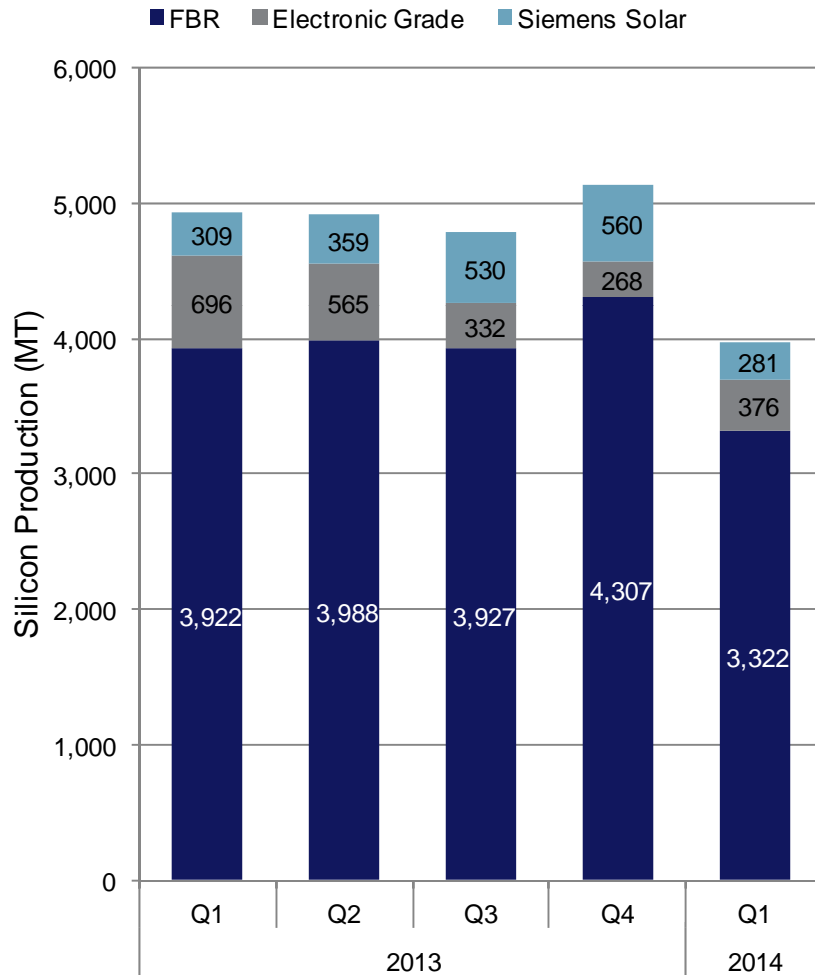
Silicon Gases Sales Vol.

Actual	783 MT
Guidance*	700 MT
Change	+11.8%

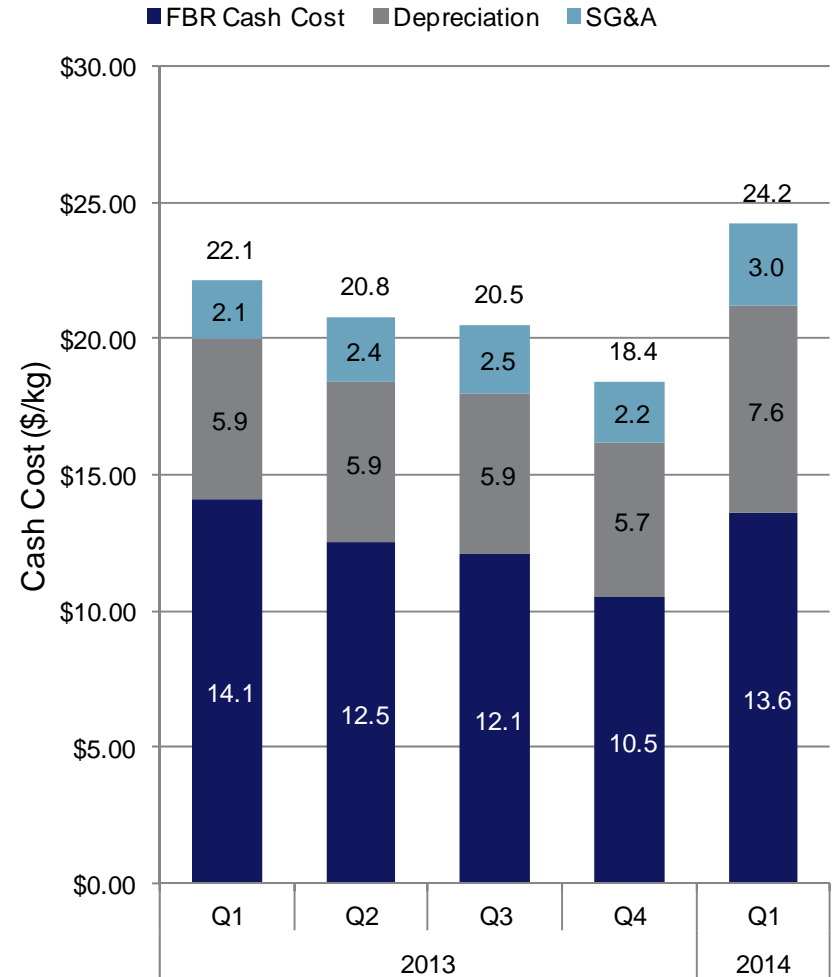
* Guidance presented Feb 12, 2014

Polysilicon Production and FBR Cash Cost

Polysilicon Production



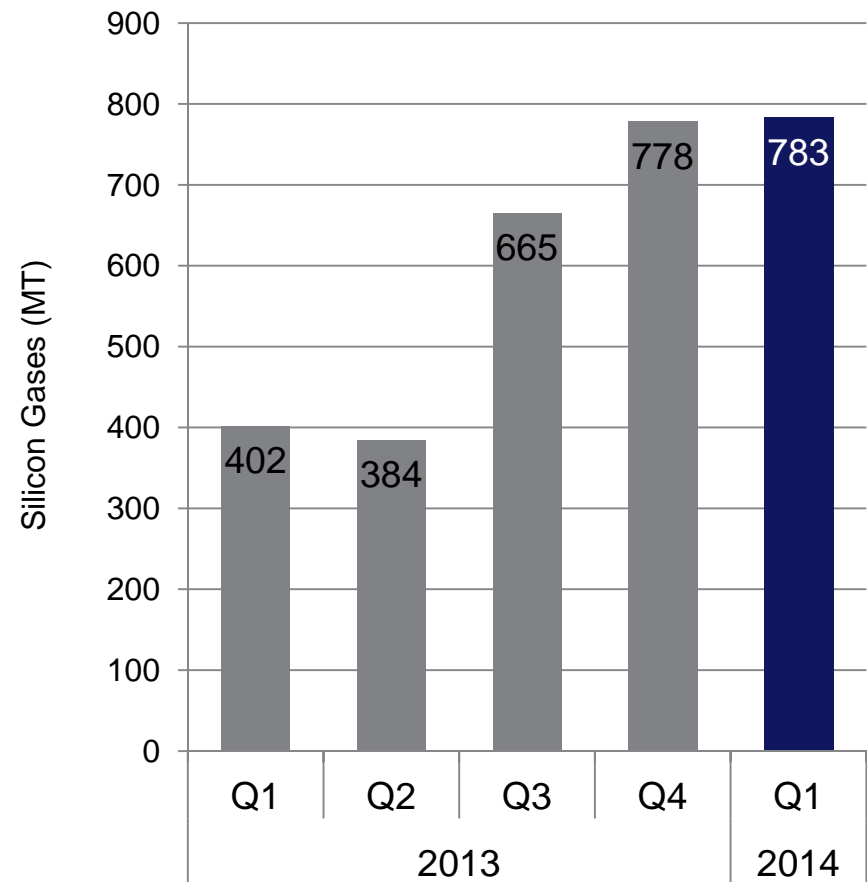
FBR Cash Cost



Q1 2014 Silicon Gas Sales: Continued Market Leadership

- › Volumes in line with Q4 '13 but seasonally strong
- › PV, TFT, and Semiconductor demand and low inventory driving volumes
- › Gains can also be attributed to competitive capacity currently offline
- › Sales volumes anticipated through Q3

Silicon Gas Volume





Polysilicon Market Landscape

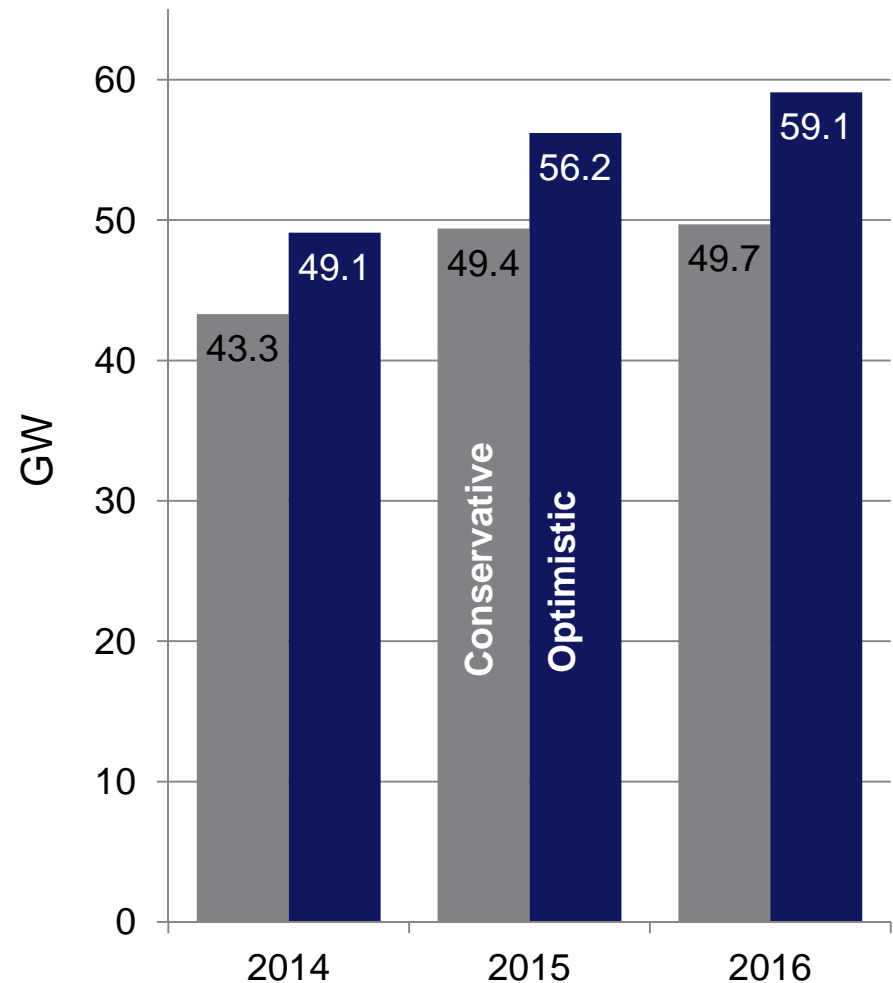
Polysilicon – Q2 Market Outlook

› PV

- Market demand to remain inline with Q1
- Prices expected to hold steady in Q2
- Limited inventory in the value chain

› Semiconductor

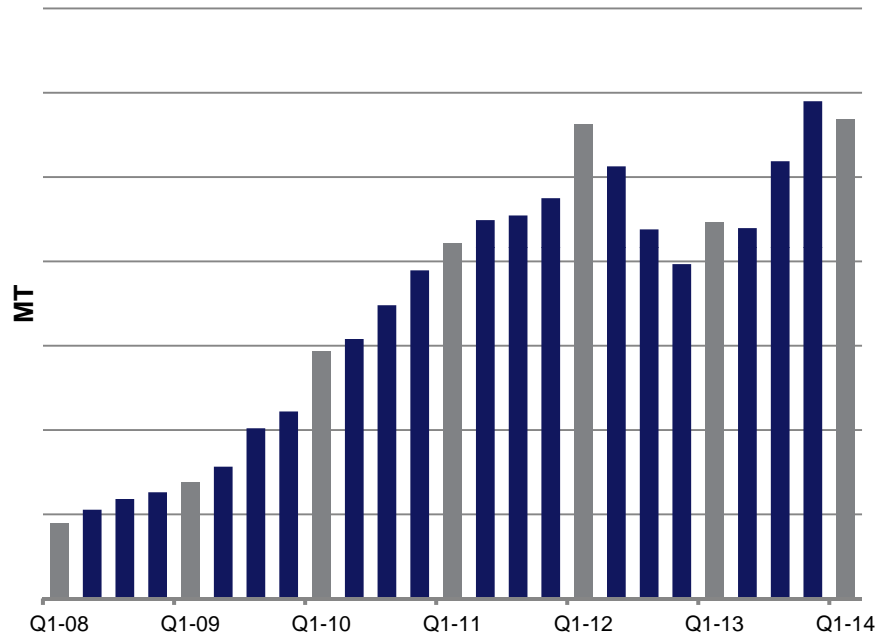
- Demand remains flat with little price elasticity
- Potential end-market demand improvement will reduce inventory but may not lead to increased sales



Source: Q1 2014 PV Market Outlook (Bloomberg New Energy Finance, Feb 2014).

Polysilicon Shipment and Price History

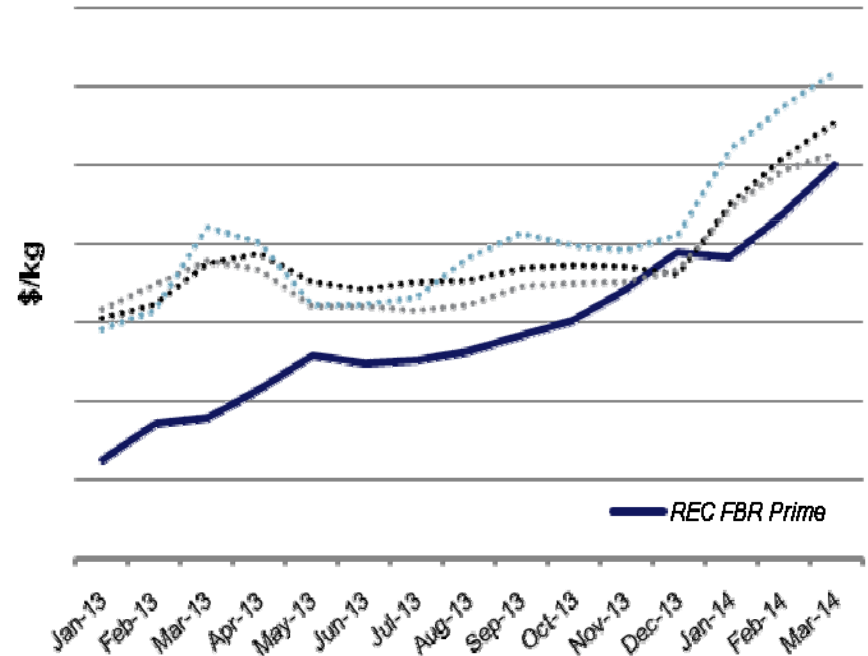
Tier 1 Shipment estimates



- Q1 shipments slightly below Q4, but remain the strongest Q1 on record

Source: SEMI & REC Silicon internal model.

FBR ASPs vs. PV Spot Indices

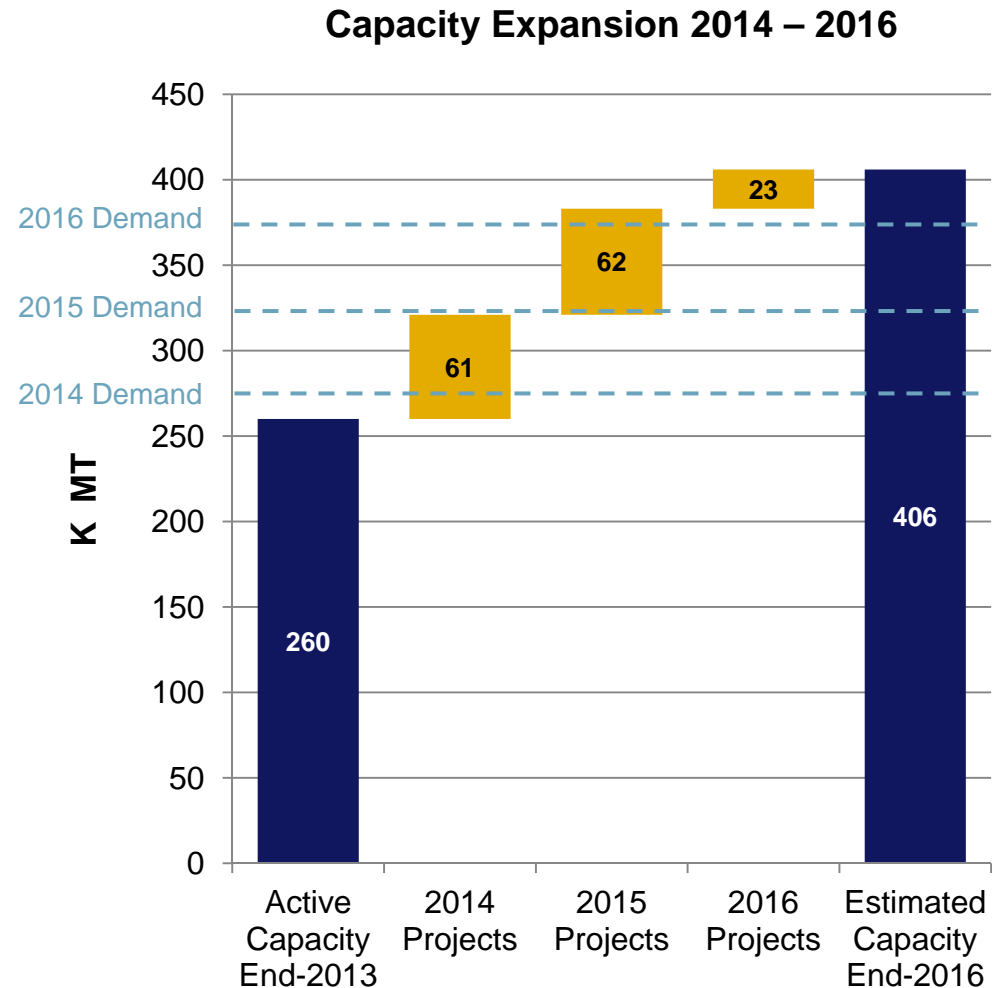


- ASPs up ~10% in Q1

Note: REC FBR ASP's benchmarked against spot indices from BNEF, EnergyTrend & PV Insights.

REC Estimates: Most Likely Capacity Expansion 2014 – 2016

- › Market improvement
 - Spurring plant re-starts
 - Expansion announcements
- › Most likely expansions
 - Some replacing older lines/plants
 - Full capacity not realized until following year
- › Polysilicon market balance will depend on PV demand



Note: Supply data via REC Silicon internal model. Yellow bars represent polysilicon projects likely to come online. Estimated portion of new capacity coming online on the 2nd half of each year: 2014–27K MTY; 2015–46K MTY; & 2016–23K MTY.



U.S. / China Trade Update

May 8, 2014

RECSiLICON

US/China Solar Trade Issues

- › US imposed AD and CVD orders against Chinese solar panel companies exporting to the US in 2011/2012
- › China then issued Preliminary AD (July 2013) and CVD Orders (Sep 2013) against US polysilicon producers
- › Final Determination issued on January 20, 2014
 - 57% AD tariff and 0% CVD tariff imposed on REC
- › REC is continuing to sell its solar grade polysilicon into China by working with customers to utilize available options under existing laws, including current “Process in Trade,” under China Customs laws
- › New US trade cases filed at the end of 2013 against China and Taiwan could potentially escalate US/China solar trade issues and preliminary tariff determinations on these are scheduled in June/July 2014.
- › Political and diplomatic negotiations between the US and China are underway to resolve but outcome and timing are uncertain



Financial Review

RECSiLICON

Financial Results – Total and Continuing Operations

(USD million)	Q1 2014			Q4 2013		
	<u>Revenues</u>	<u>EBITDA</u>	<u>EBIT</u>	<u>Revenues</u>	<u>EBITDA</u>	<u>EBIT</u>
REC Silicon	113.3	19.5	(13.9)	124.8	31.3	(6.1)
Other & eliminations	<u>0.1</u>	<u>(2.0)</u>	<u>(2.0)</u>	<u>(1.5)</u>	<u>(2.1)</u>	<u>(2.1)</u>
REC Silicon & Other	113.4	17.5	(15.9)	123.4	29.2	(8.2)
REC Solar	-	-	-	-	4.5	1.9
Gain/Loss on disposal of disc. oper.	-	(1.5)	(1.5)	51.0	(175.4)	8.5
Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.4</u>	<u>0.4</u>
Total Operations	113.4	16.0	(17.4)	174.3	(141.4)	2.6
Discontinued operations	<u>-</u>	<u>1.5</u>	<u>1.5</u>	<u>(51.0)</u>	<u>169.0</u>	<u>(12.3)</u>
Continuing Operations	<u>113.4</u>	<u>17.5</u>	<u>(15.9)</u>	<u>123.4</u>	<u>27.7</u>	<u>(9.7)</u>

› REC Silicon & Other

- The continuing operations

› Change Reporting Currency to USD

- Ongoing operations almost exclusively USD Based
- Comparable historic periods have been restated

REC Silicon & Other

Key Financial Results

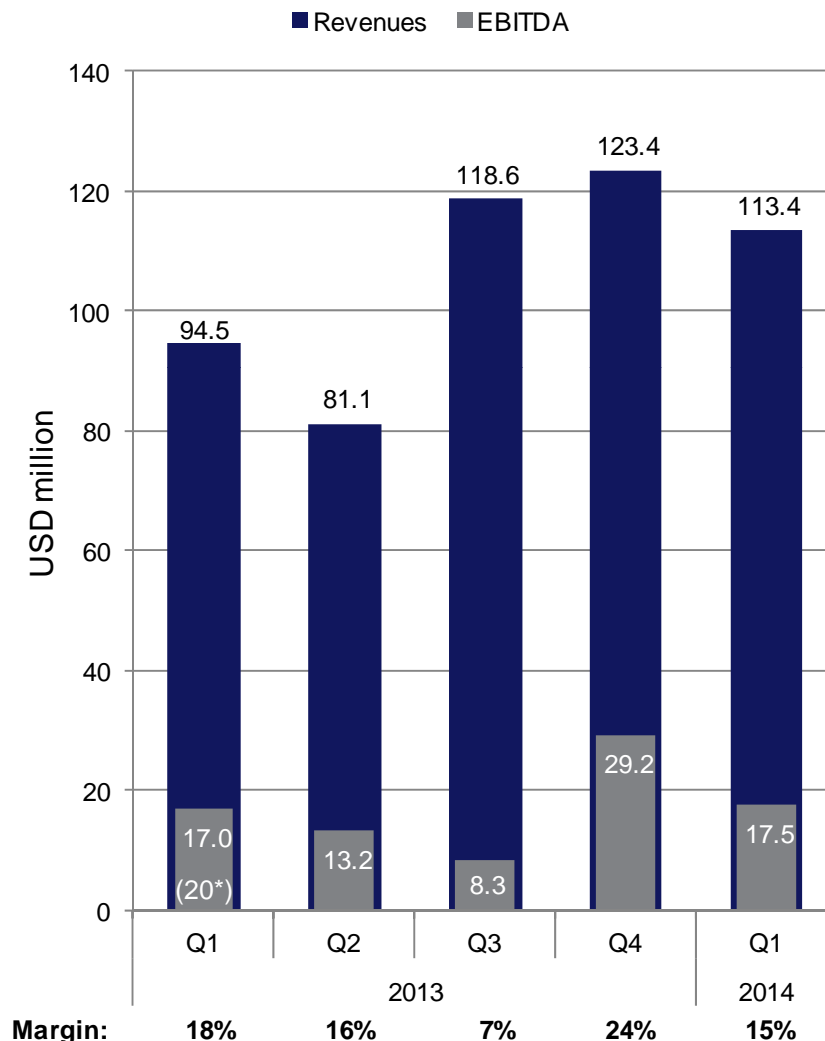
Revenues - USD 113.4 million

- › Increased polysilicon ASP
 - ~10% Price increase from Q4' 13
- › Continued strong silicon gas volume
 - High spot market sales due to offline competitive capacity

EBITDA - USD 17.5 million

- 40% decrease from Q4' 13
- Extended maintenance outage Silane IV
- Increased polysilicon unit cost due to lower production volumes

* Q1' 13 EBITDA Includes special items of USD 20 million associated with the cancelation of a sales contract



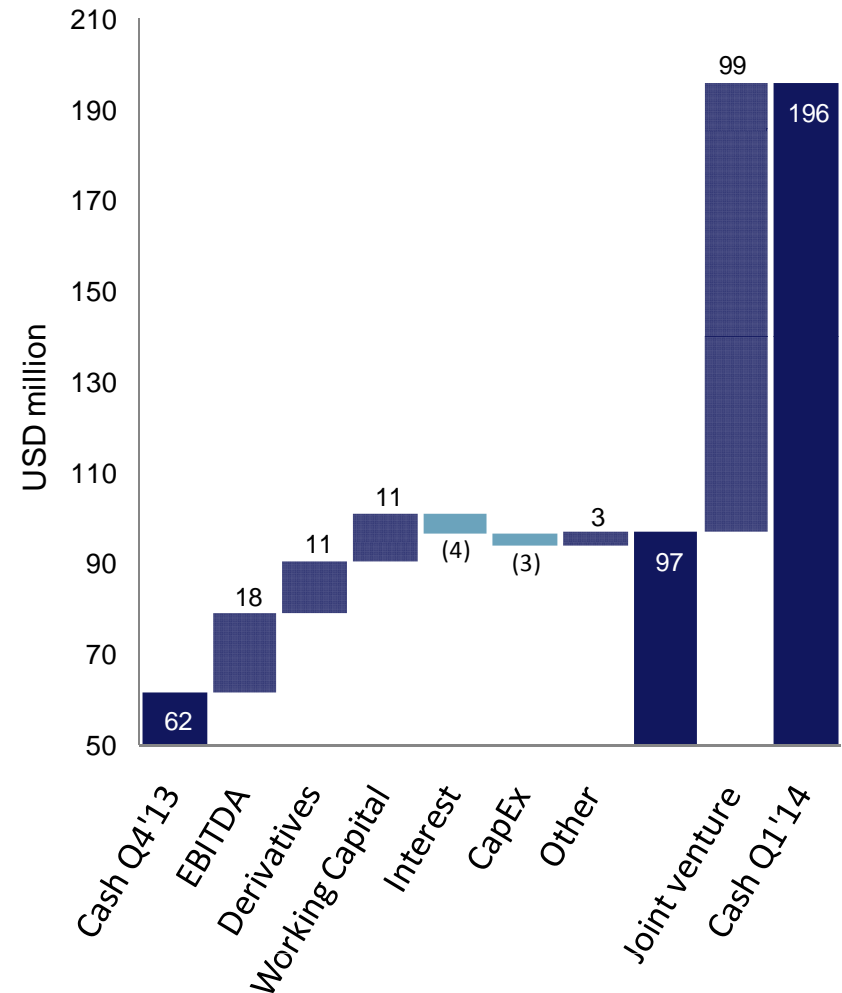
Q1 2014 Cash Flows

Operations - USD 35.1 million

- › Settlement of derivatives
- › Working capital change due primarily to lower accounts receivable

Joint Venture - USD 99.0 million

- › Received first upfront payment in March
- › Not reflected in income until technology transfer complete



Debt Maturity Profile

Nominal Net Debt - USD 182 million

- › Reduced by USD 131 million from Q4' 13

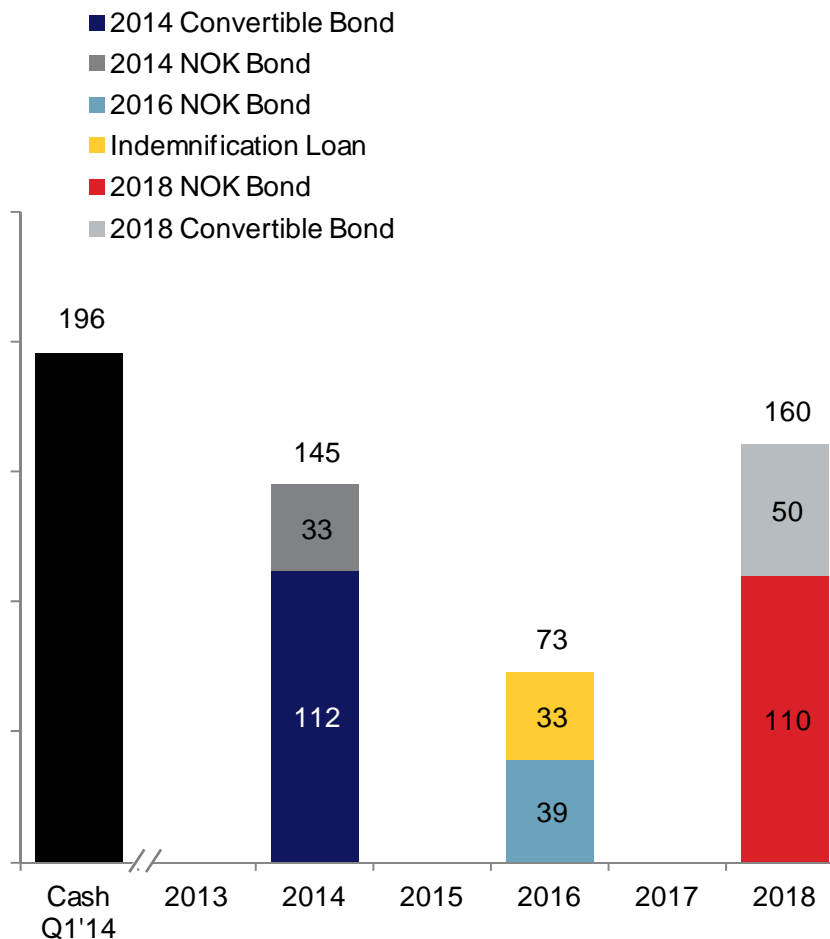
Nominal Debt - USD 377 million

- › No change from Q4' 13

Liquidity improvement

- › Cash available for 2014 debt maturities

USD million





Yulin JV:
Shaanxi Non-ferrous (SNF)
&
REC Silicon

Strong JV Partner: Established SOE with Operational Experience and Financial Strength

› Youser (SNF Parent Company)

- Major business: metals mining, refining, and alloy (Moly, Ti, Al, coal, etc.)
- 2012 group revenue USD 14 billion, total assets USD 17 billion
- Polysilicon subsidiary: 4,250 MT TCS Siemens plant in Xian
- 30,000 employees

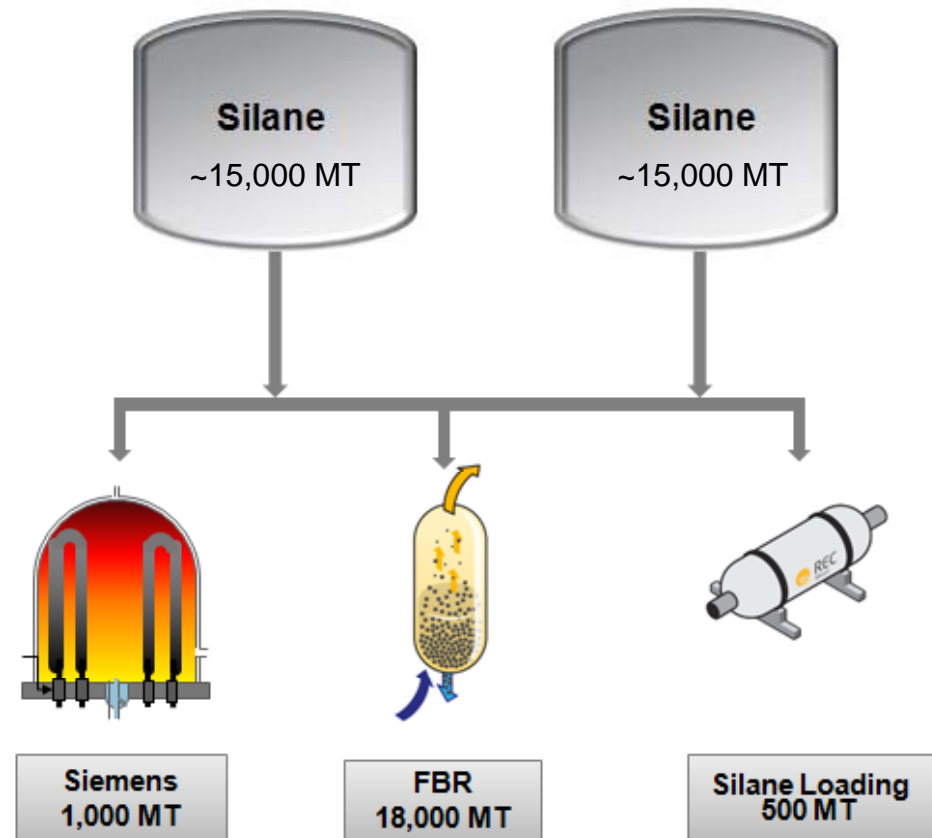
› Shaanxi Non-Ferrous Tian Hong New Energy Co., Ltd. (SNF)

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



Significant Step for REC in Reaching Critical Markets

- › Anticipated total investment USD 1.4 billion (including cost of technology transfer)
- › 35% Fixed Registered Capital
 - › REC – USD 244 million
 - › SNF – USD 254 million
- › REC to receive USD 198 million for Technology Transfer
- › Next generation (FBR-B) technology to be used
- › Technology to be used in China and Taiwan only



Early Technology Payment / Late Capital Contribution

First
Technology
Payment
\$99M
Mar 2014



Second
Technology
Payment
\$99M
Aug 2014



Agreement
signed

REC
Initiated
FEED

JV
Business
License
Issued

SNF Joins
FEED

2 years
after JV
established

3 years
after JV
established



REC
1st equity
contribution
\$75M
Sep 2014



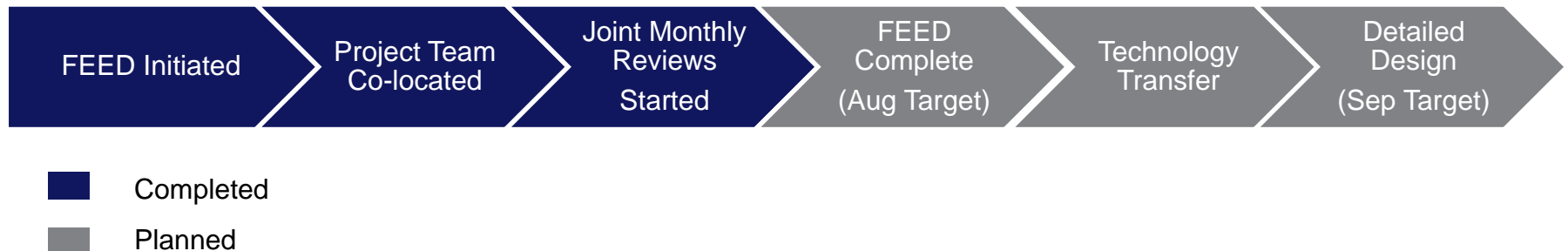
REC
2nd equity
contribution
\$15M
Aug 2016



REC -
3rd equity
contribution
\$154
Aug 2017

Yulin JV - Q1 2014 Activities

- › FEED (Front End Engineering and Design) activities
 - Dedicated REC team mobilized and co-located with Fluor in Aliso Viejo, California
 - On target to meet August 2014 deadline
- › SNF has begun the business license approval process
 - On track to meet August 2014 deadline
- › FSR (Feasibility Study Report) submitted to approval authorities
 - Joint effort between SNF and REC
 - Contains preliminary technical details



2014 Yulin JV Activities Moving Forward

Q2 Activities:

- REC and Fluor continue FEED
- SNF continues approval process toward business license

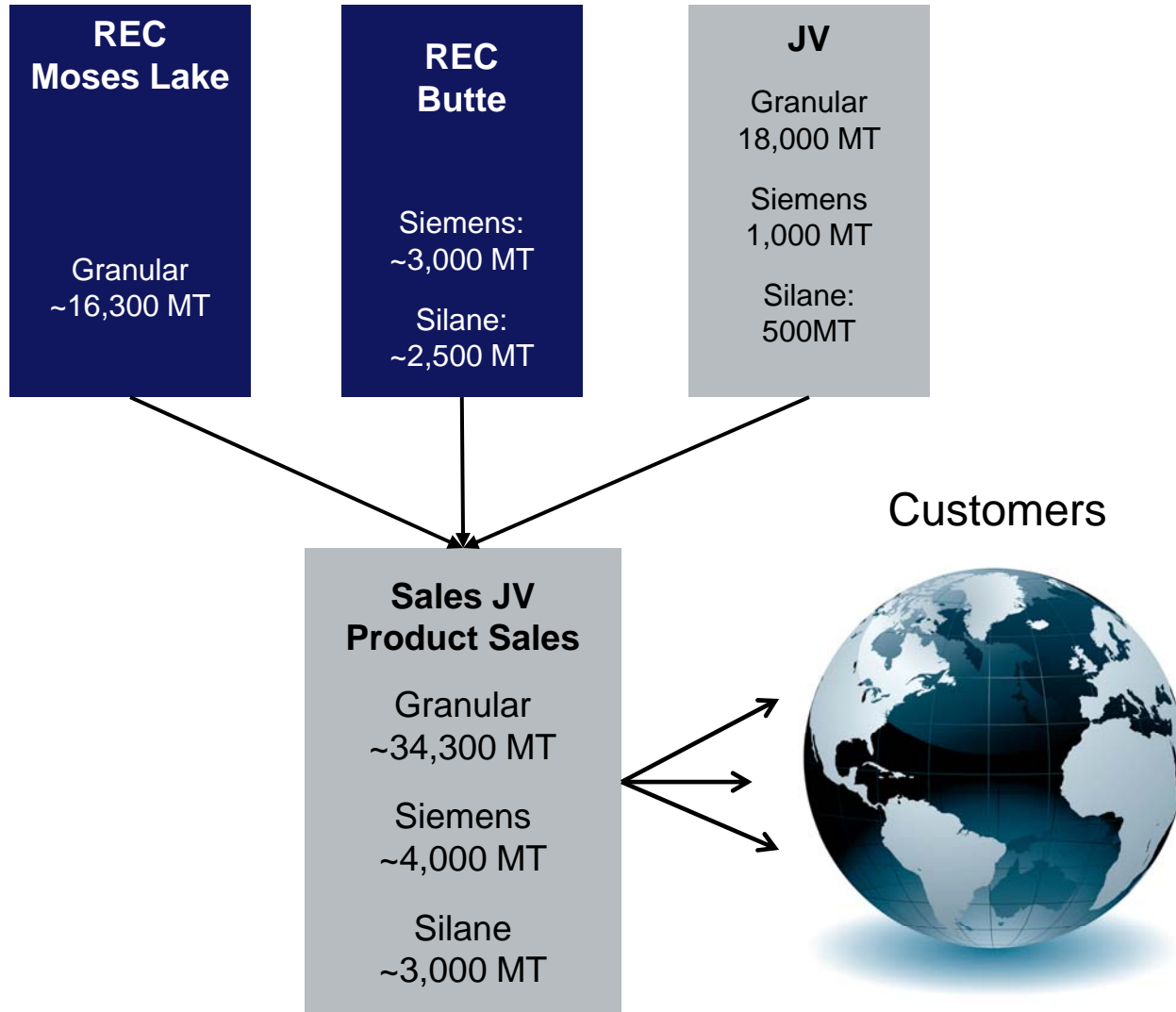
› Q3 Activities:

- Business License and establishment of Yulin JV company
- Completion of FEED in the U.S., Project to move to Xian
- Second \$99 Million Technology Payment
- SNF and REC make first capital contributions

› Q4 Activities:

- Yulin JV begins detailed engineering activities in China

Sales JV to be Established Q2 2016





Q4 and 2014 Outlook

Key Performance Metrics – Q2 2014

FBR Production

Q2	3,600 MT
----	----------

FBR Cash Cost

Q2	\$13.40/kg
----	------------

Silicon Gas Sales

Q2	800 MT
----	--------

Semiconductor Production

Q2	430 MT
----	--------

Total Polysilicon Production

Q2	4,350 MT
----	----------

CapEx

2014	\$25 M
------	--------

* Change from 2014 guidance presented Feb 12, 2014



Thank you
Welcome back July 18, 2014