

ENERGIZING LIFE TOGETHER



SECOND QUARTER 2015

AUGUST 3, 2015

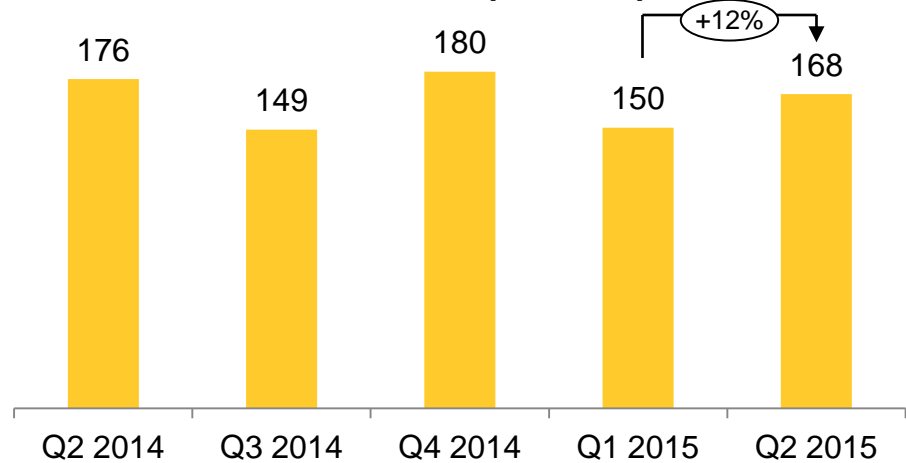


Major highlights from Q2 2015



- Module revenues of USD 168m, up 12%
- Significant shipment volumes of 130 MW to U.S. based on succeeded major long-term supply agreements, up 44%
- Increased solar footprint in APAC: 45 MW, up 150%, due to shipments to Thailand
- Successful balance of declining Europe by booming U.S., demonstrating REC's excellent global presence
- Based on Altman-Z score by Bloomberg New Energy Finance, REC again confirmed as most financially stable solar panel manufacturer
- Intersolar Award for new TwinPeak panel, plus new floating application for renowned Peak Energy Series
- Announcement of transaction closing: REC to join forces with Norway-based Elkem Group

Revenues (USD m)

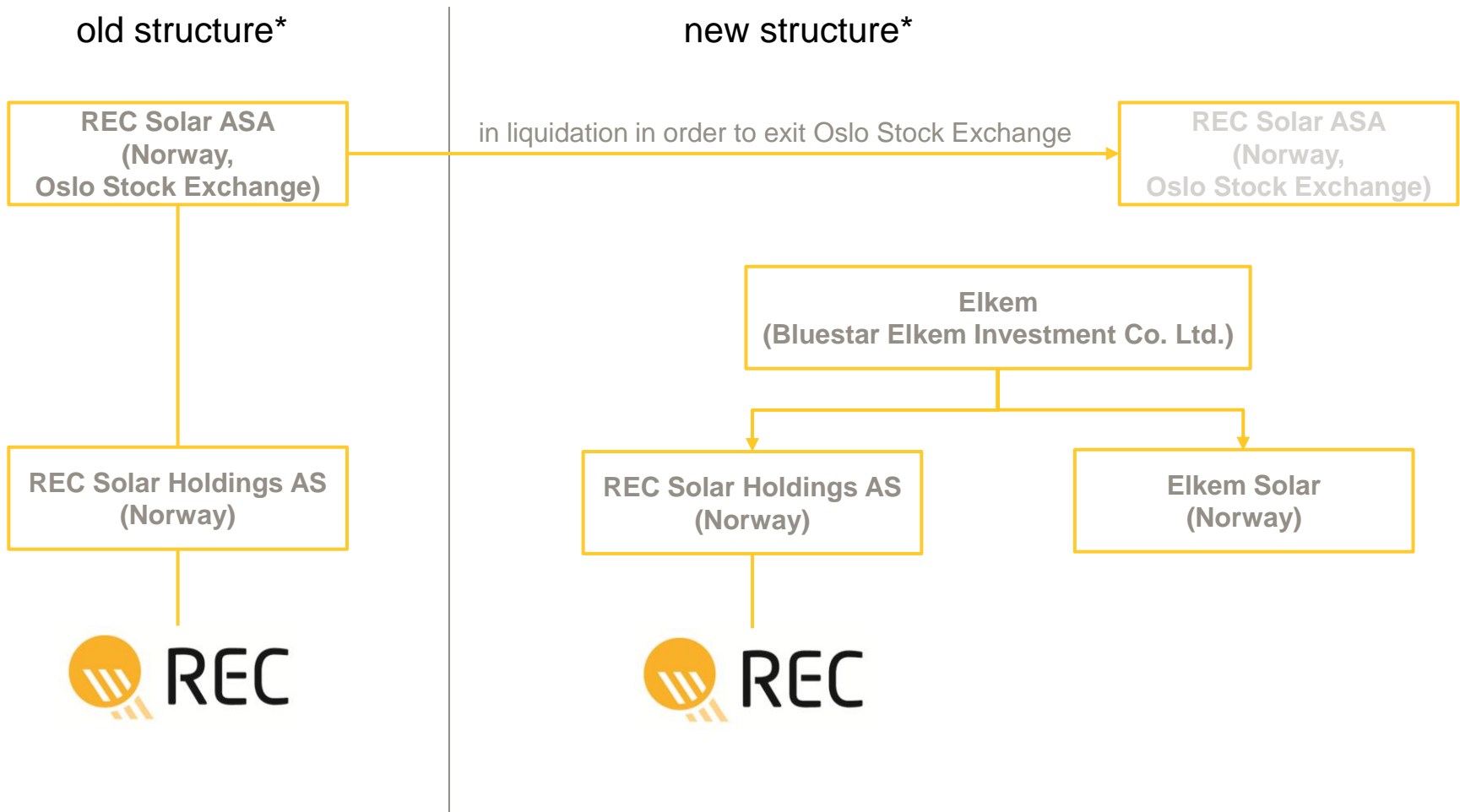


Transaction update



- As of May 13, 2015, REC – the largest European brand of solar panels – is part of the Elkem Group. Ambition is to establish a leading integrated PV player in a highly fragmented solar market.
- For customers and partners of REC this means business as usual at REC, with added strengths and new opportunities going forward.
- Elkem looks forward to contribute to the development of the existing organization of REC and to invest in its further growth as a leading global brand in the solar industry.
- As part of this, the division Elkem Solar will merge into REC for a further optimized solar value chain.
- Formal procedure: “REC Solar ASA” has sold all assets (production facility, brand, patents, subsidiaries, etc.) of REC to Bluestar Elkem. “REC Solar ASA” is now a separate Norwegian entity and no longer the parent company of REC. “REC Solar ASA” is planning to be de-listed from the Oslo Stock Exchange.
- REC, however, will continue to be headquartered in Norway with operational headquarters in Singapore, producing high-quality solar panels, with plans for further growth and expansion.

Transaction update – old vs. new corporate structure

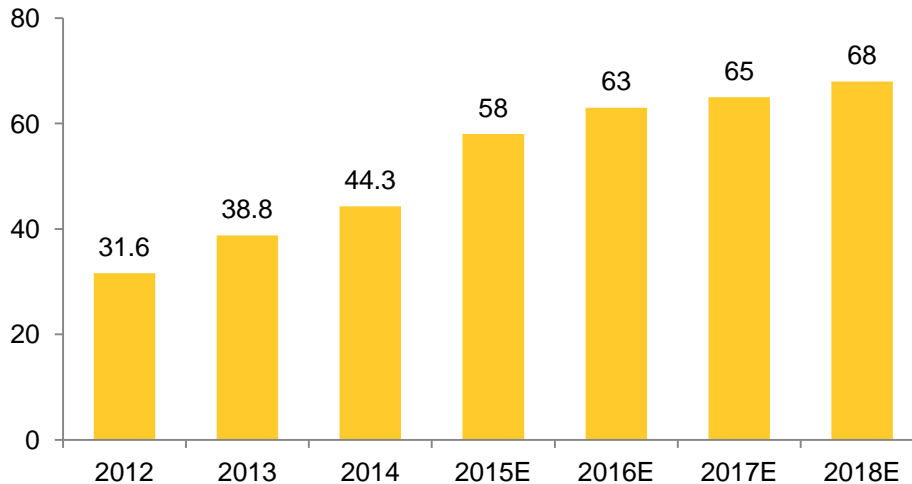


* Simplified for better understanding

Global solar module demand expected to increase by ~30% in 2015



Annual Module Installations Globally (GW)



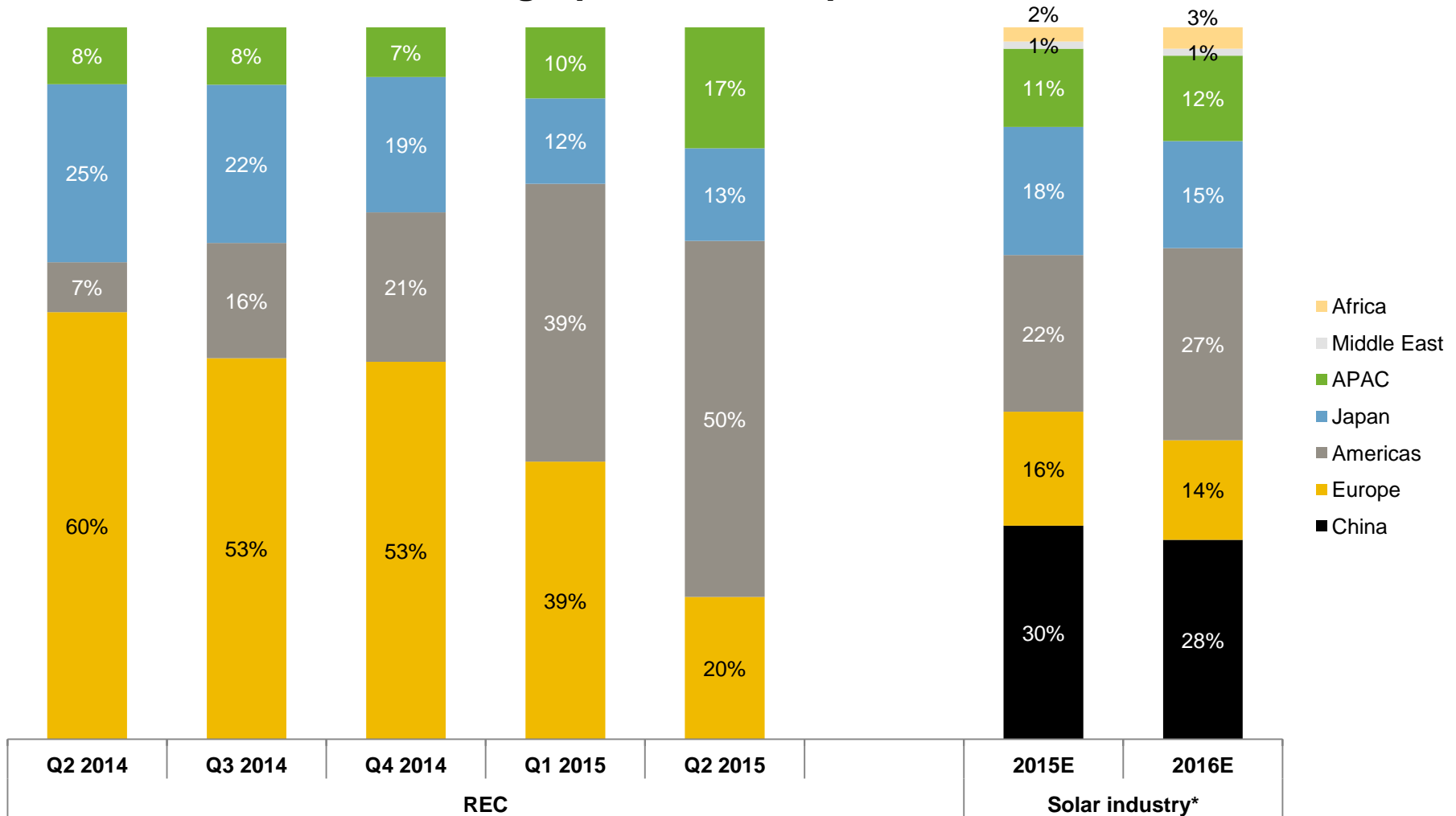
Source: REC forecast

- REC expects annual global module installations to reach around 58 GW in 2015, an increase of 30% from 2014
- REC's outlook for 2016 and 2017 is slightly lower compared to expectations from IHS or BNEF due to lower forecasts for European markets
- China and Japan are forecasted to account for nearly 50% of global installations in 2015, followed by the U.S. as the third biggest market

REC regional sales split vs. solar industry – Global



Geographical sales split of MW

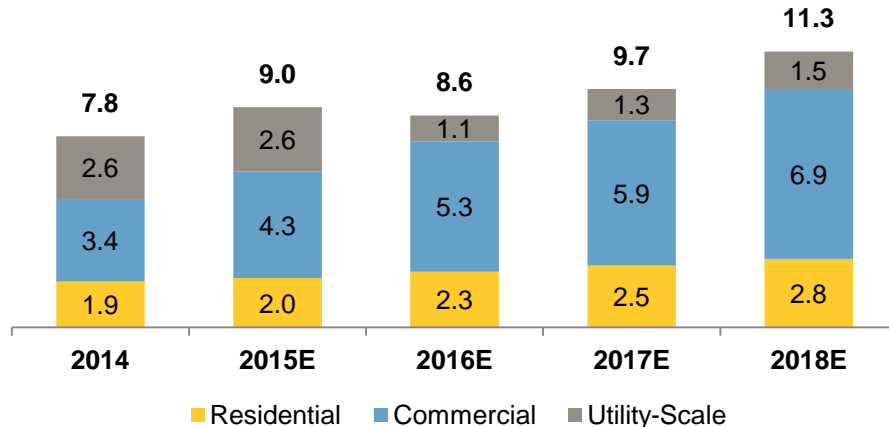


* Source: IHS Integrated PV Market Tracker Q2 2015

REC sales and market development – Europe



Annual module installations Europe (GW)

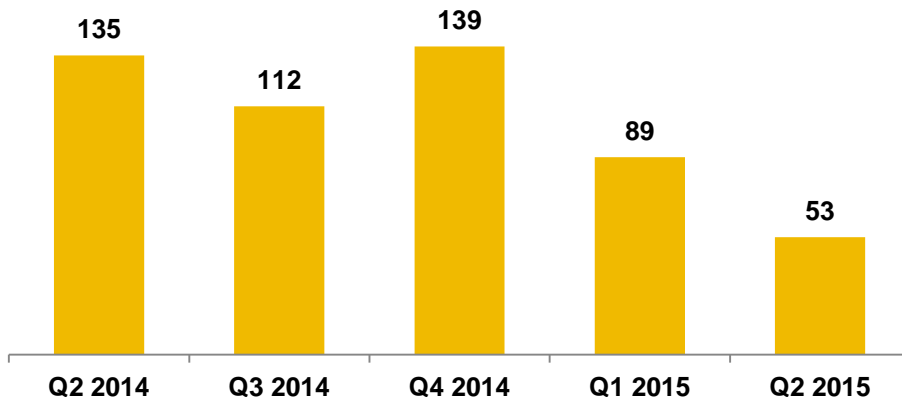


Residential: <10 kW, Commercial: 10 kW–5 MW, Utility: >5 MW

Not included: “Off grid”

Source: IHS Integrated PV Market Tracker Q2 2015

REC sales development Europe (MW)

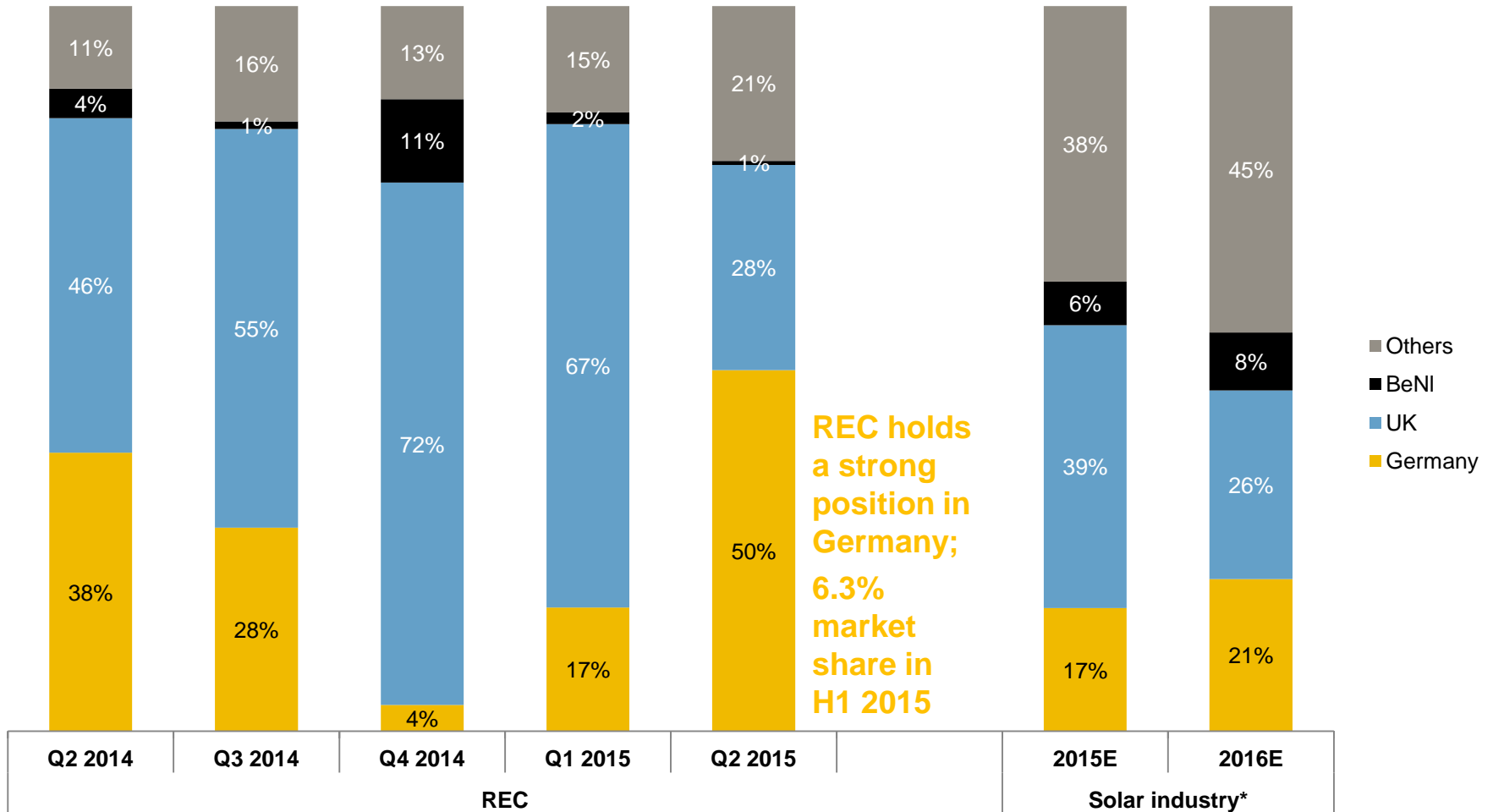


- ➔ REC expects more conservative market developments for 2015/2016 at ~7 GW, mainly in UK and Germany
- ➔ From 2017, increase to 10+ GW annually expected, due to storage opportunities for residential and commercial segments
- ➔ Several announced regulation changes in UK expected to have an impact:
 - No CfD auction in the rest of 2015
 - ROC scheme for projects <5MW will close on April 1, 2016 – a year earlier
 - Grandfathering under ROC removed
 - Pre-accreditation to be removed for installations >50kW; increased uncertainty over FiT due to further reviews by DECC
- ➔ REC will seek to penetrate new markets within Africa region

REC country sales split vs. solar industry – Europe



Percentage of regional MW sales in Europe



* Source: IHS Integrated PV Market Tracker Q2 2015, REC

Europe: MIP expected to continue through 2016

Prosun will trigger a new investigation in EU, leading to an extension of MIP

Facts:

- Anti-dumping (AD) tariff was decided by EU in May 2013: between 37% and 68% (e.g. Jinko: 41%, JA Solar: 51%, Renesola: 43%, Yingli Solar: 35%, Trina Solar: 44%)
- AD became effective Dec. 5, 2013 for a period of 2 years
- Undertaking and MIP agreed between EU and CCCMW for a period of 2 years as of Dec. 7, 2013

Prosun (SolarWorld)

- May 6, 2015: EU confirmed start investigation of MIP mechanism (results expected Aug. 2016)
- Sep. 2015: plan to request for further investigation (duration: max. 15 months)

AFASE integrated since Oct 2013 in SETI

- No new statement, but against actions of Prosun

SolarPower Europe (EPIA)

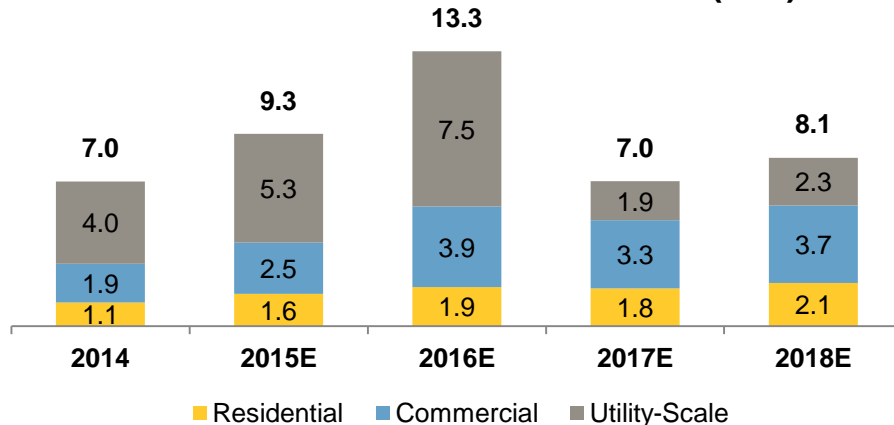
- Announced April 27, 2015 during SNEC that they would like to have a free trade (i.e. without barriers) of solar in EU after MIP ends on Dec. 7, 2015

→ Opposition not organized anymore

REC sales and market development – U.S.

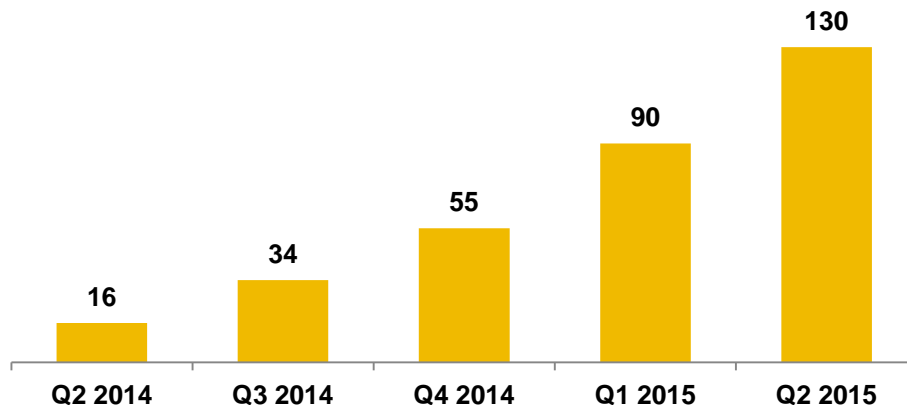


Annual module installations USA (GW)



Residential: <10 kW, Commercial: 10 kW–5 MW, Utility: >5 MW
 Not included: “Off grid”
 Source: IHS Integrated PV Market Tracker Q2 2015

REC sales development USA (MW)

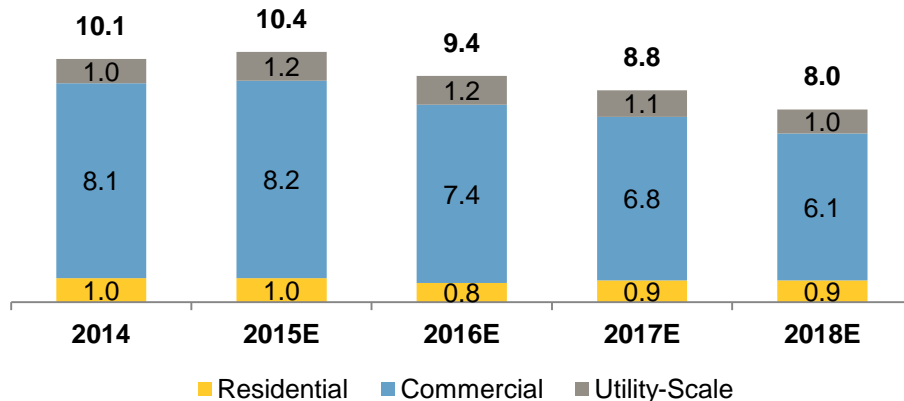


- The U.S. market is expected to grow by ~50% from 2014 to year 2016
- A reduction in the investment tax credit in 2017 is expected to reduce installations in utility and large commercial segments
- Stable progress for residential and small/mid-scale commercial expected
- Adjusted AD/CVD tariffs by DoC could exceed 250% for Chinese manufacturers and are expected to have only a short-term effect on PV system costs
- REC has strengthened its position in the U.S. through several long-term supply agreements
- 818 MW are planned for delivery in 2015/2016, to among others SolarCity and Sunrun
- 50% of REC’s total sales in Q2 2015 are to the U.S.

REC sales and market development – Japan



Annual module installations Japan (GW)

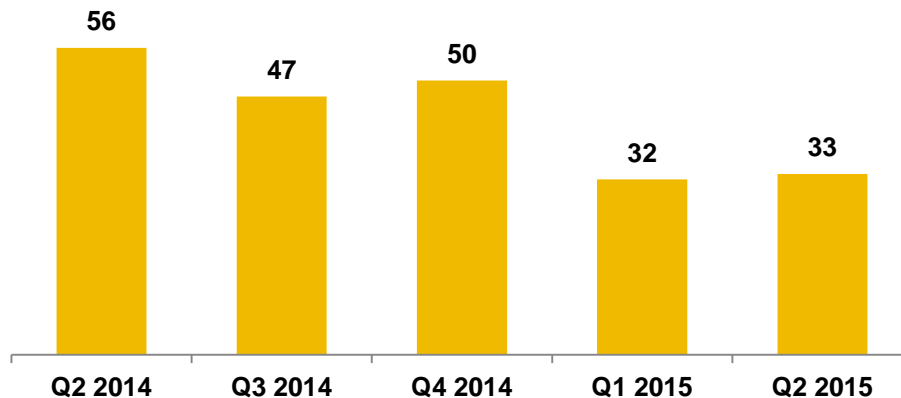


Residential: <10 kW, Commercial: 10 kW–5 MW, Utility: >5 MW

Not included: “Off grid”

Source: IHS Integrated PV Market Tracker Q2 2015

REC sales development Japan (MW)

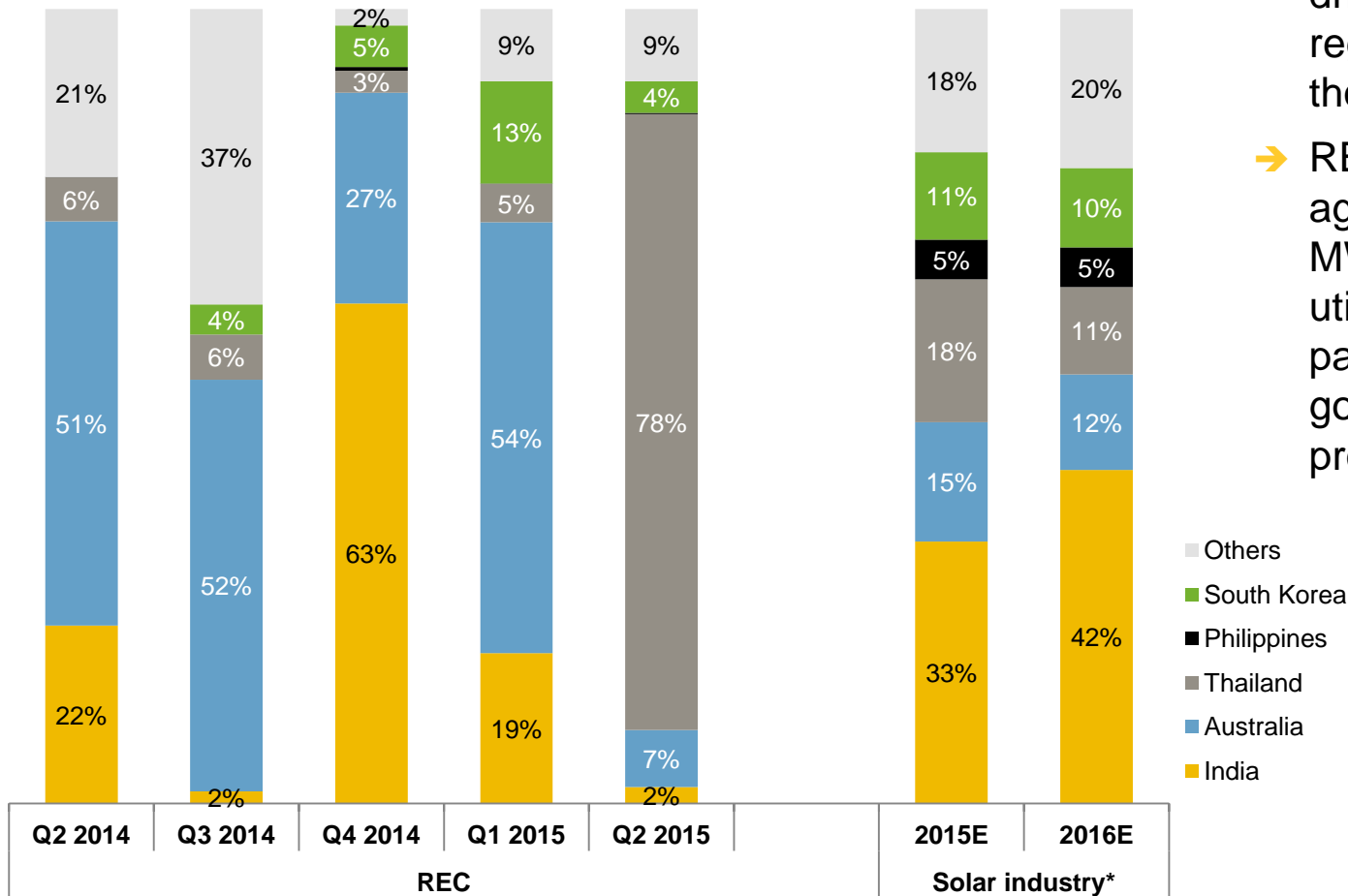


- ➔ Japan will be the second largest market in 2015, with forecast to install 10.4 GW
- ➔ Mega-solar installations (>1 MW) expected at around 4.6 GW in 2015
- ➔ Commercial installations with 10-50 kW expected at 3.7 GW in 2015
- ➔ Although new FiT for residential systems reduced by 5.5%, continually declining system prices can maintain project ROI - residential installations expected relative stable at around 1GW
- ➔ REC is valued as a premium supplier, especially in quality conscious residential and small/mid-scale commercial segments
- ➔ Therefore, REC is targeting stronger business focus and enlarged customer portfolio for projects <1 MW
- ➔ Despite increased competition by cheaper Chinese suppliers in large-scale markets, REC secured its position for approved project pipeline by METI

REC country sales split vs. solar industry – APAC



Percentage of regional MW sales in APAC



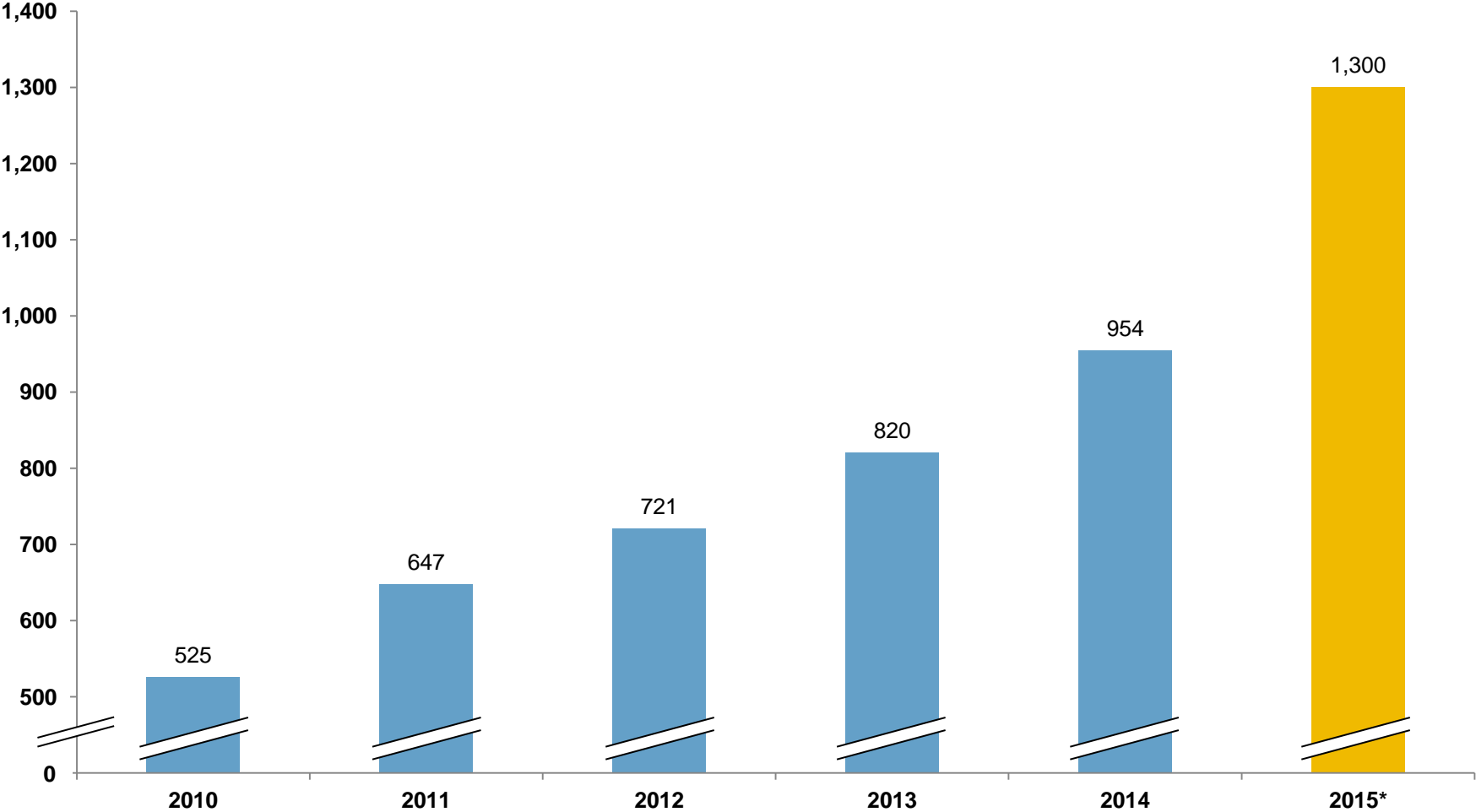
- APAC is a very opportunistic region, driven by political regulations, such as those in Thailand
- REC secured supply agreements of 35 MW in Q2 2015 for utility scale projects part of a new governmental program

* Source: IHS Integrated PV Market Tracker Q2 2015

Capacity expansion to 1.3 GW on schedule



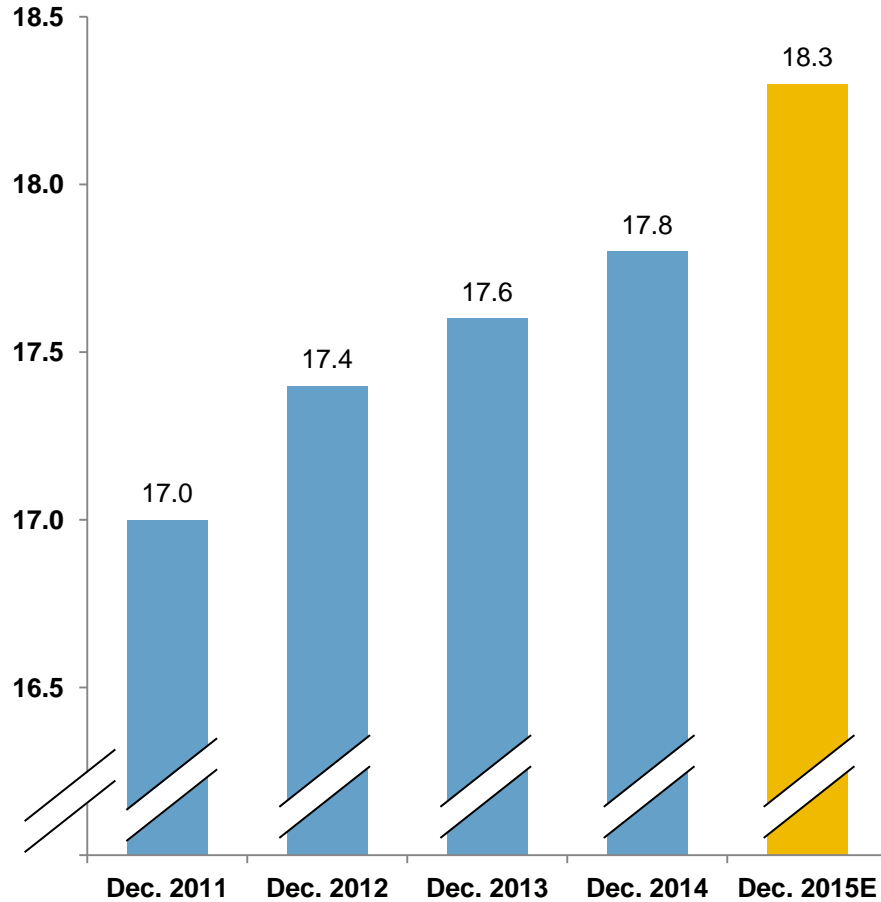
REC annual solar module production (MW)



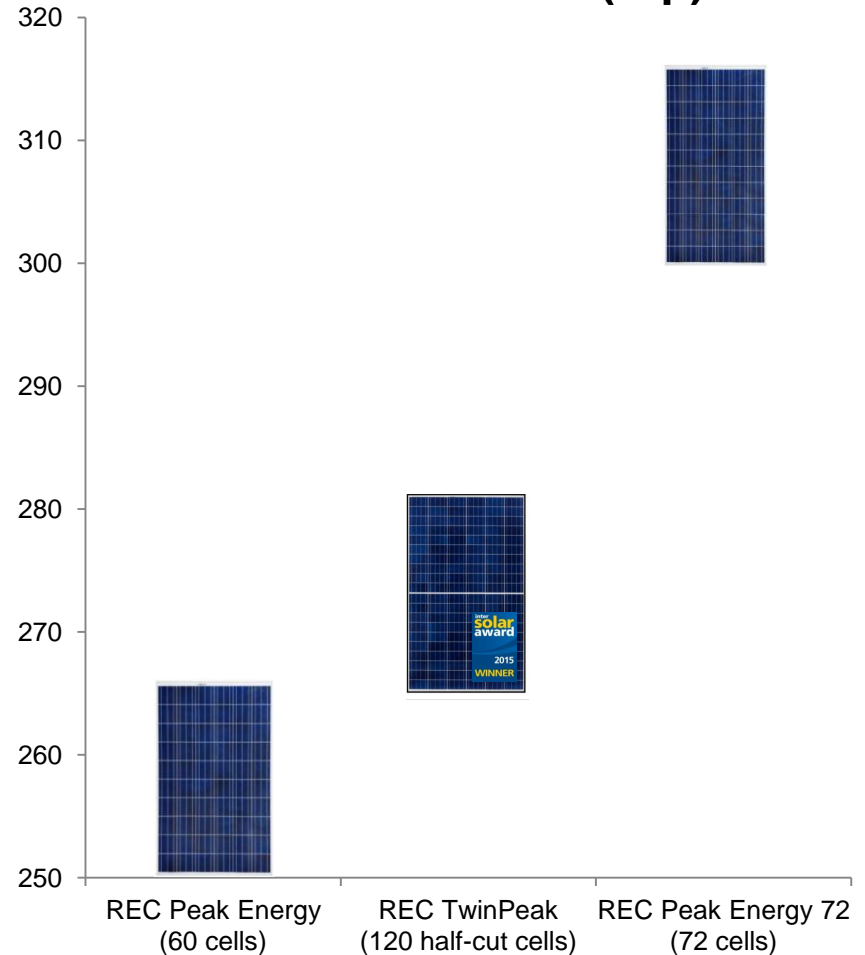
* To achieve by year end

REC cell efficiency and module power continue to improve

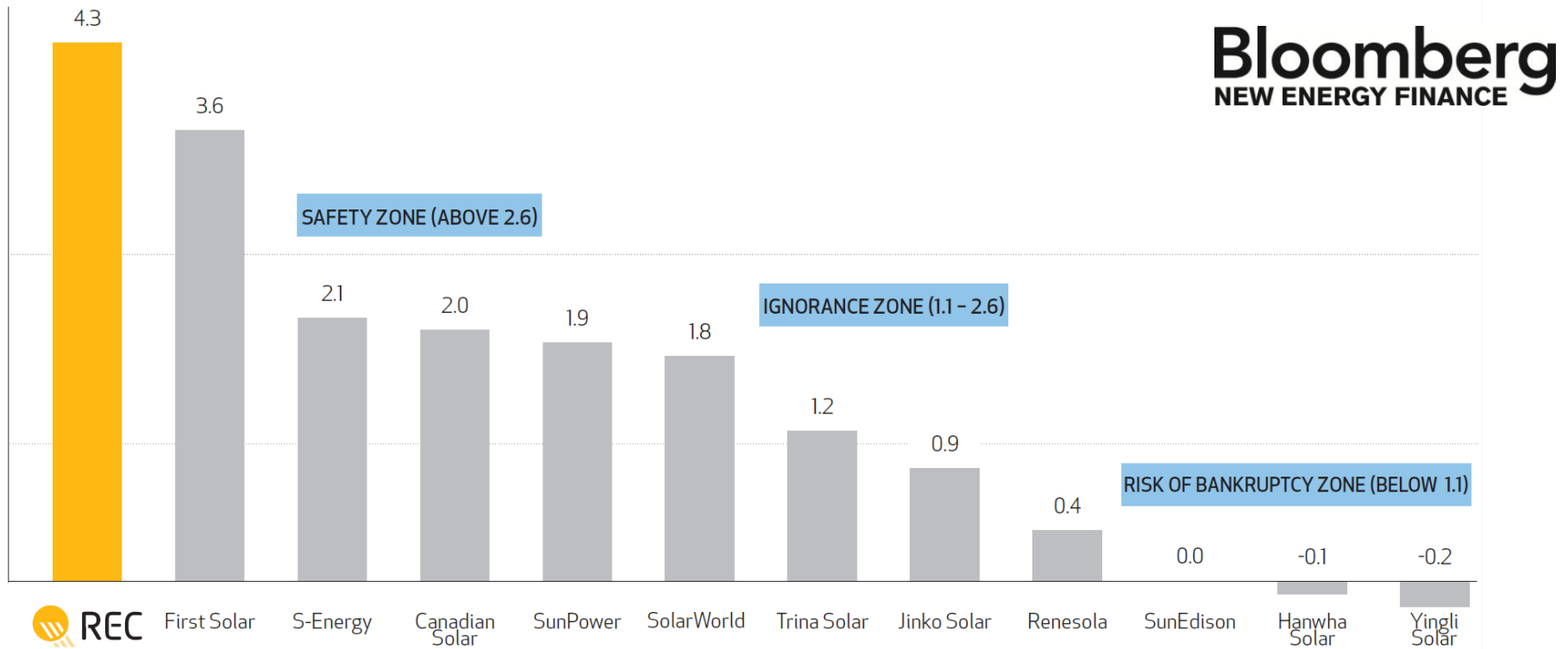
Average cell efficiency (%)



Module watt class distribution 2015 (Wp)



REC has the best rating in regards to financial health and bankability according to Bloomberg's Altman-Z



Altman-Z scores of solar companies (as of Q2 2015)

Source: Bloomberg New Energy Finance

Developed by Edward Altman in 1968, the Altman-Z score predicts the probability of business failure leading to bankruptcy. It is a function of tangible assets, working capital, retained earnings, EBIT, market value of equity, total liabilities, and historical revenue.

Global market outlook 2015

- Industry analysts are expecting a strong pick up of ~30% in global demand in 2015, especially in China, Japan and the U.S.
- REC expects favorable market conditions in the U.S. in 2015 and more conservative progress in Europe
- PV system costs continue to decrease, resulting in ~30 countries at grid parity, including U.S., Japan, and Germany
 - Central LCOE global in H1 2015 = USD cents 12.9
 - Central utility-scale LCOE in China in 2015 = USD cents 8-12
 - Central utility-scale LCOE in U.S. in 2015 = USD cents 10.1-18.1
 - Central utility-scale LCOE in Europe in 2015 = USD cents 8.8-17.7

REC strategy outlook 2015

- Manufacturing capacity expansion from 954 MW at end of 2014 to 1,300 MW by the end of 2015 on track
- Secure further long-term supply agreements in the U.S.
- Explore new business models, e.g. Power Purchase Agreement (PPA) in Singapore
- Expand product portfolio to better address various customer needs:
 - Introduction of REC Peak Energy BLK2 Series with black frame and a black backsheet for improved aesthetics
 - Peak Energy Series approved for floating installations on fresh water bodies, under same product guarantees and performance warranties