



First Solar Corporate Overview

Q3 2011



Forward-Looking Statements

During the course of this presentation the company will make projections and other statements that are forward-looking statements within the meaning of the federal securities laws. The forward-looking statements in this presentation are based on current information and expectations, are subject to uncertainties and changes in circumstances, and do not constitute guarantees of future performance. Those statements involve a number of factors that could cause actual results to differ materially from those statements, including the risks as described in the company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and other filings with the Securities and Exchange Commission. First Solar assumes no obligation to update any forward-looking information contained in this presentation or with respect to the announcements described herein.

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Introduction to First Solar



Overview



- **Formed in 1999 and launched production in 2002**
- **Largest thin-film module manufacturer in the world**
 - Announced capacity of 2.8 GW by 2012
- **Lowest cost PV manufacturer in the world**
 - \$0.74/watt in 2011 Q3
- **Smallest carbon footprint and fastest energy payback**
- **First PV manufacturer to offer prefunded collection and recycling**
- **Produced over 66 million solar modules that generate over 5GW of power**



First Solar Headquarters, Tempe, AZ

Robust Track Record Built on Clear Vision and State of Art Technology



Our Mission

To create enduring value by enabling a world powered by clean, affordable solar electricity.



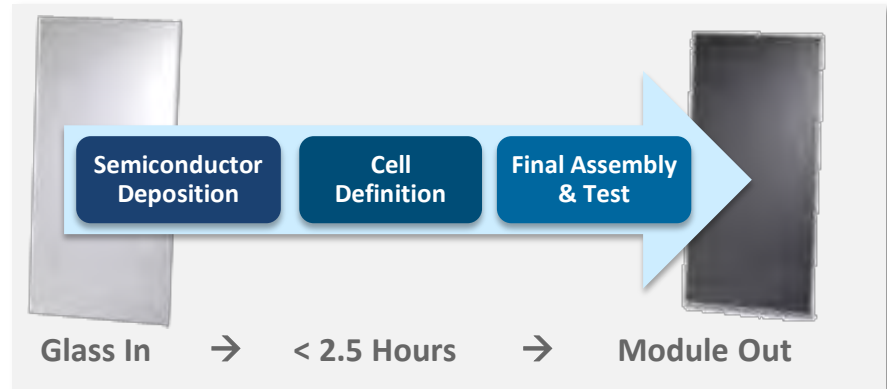
Our Strategic Objectives



- Reduce solar electricity costs to sustainable levels through technology development, operational excellence, and scale
- Use price, adaptive business models, and partnerships to expand markets
- Migrate from subsidized markets to non-subsidized markets by leveraging economies of scale—become “subsidy independent”
- Own and develop the technologies necessary to be the low-cost provider of solar electricity
- Maintain financial discipline that assures superior returns on invested capital
- Reduce dependence on scarce natural resources and curtail greenhouse gas emissions to improve our environment

Module Manufacturing

- Breakthrough thin-film process technology
- Fully integrated, continuous process
- Continuous cost reduction driven by productivity and technology improvements

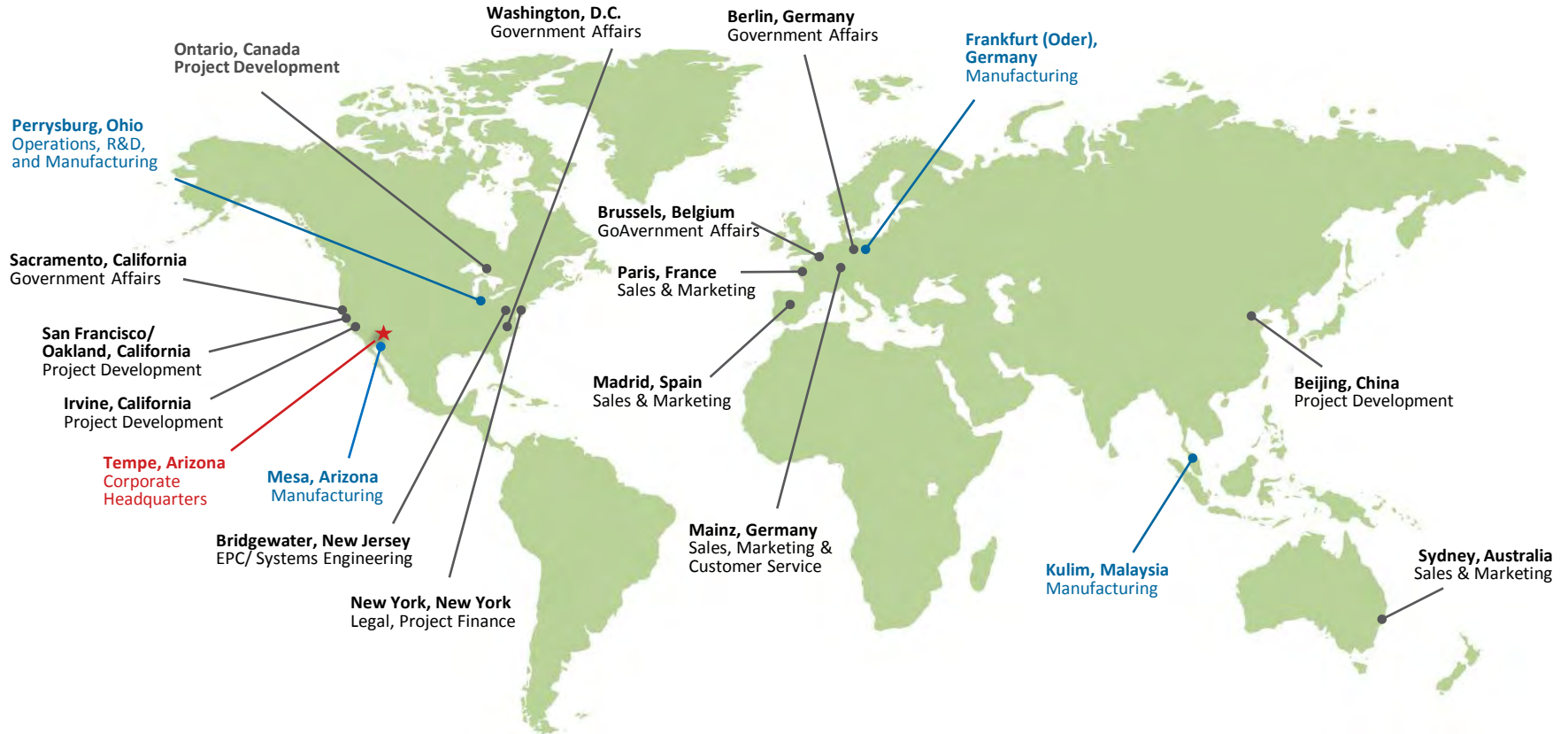


Systems Solutions

- Utility-scale PV systems
- Project and site development capabilities
- Rooftop and commercial and industrial solutions
- Engineering, procurement, and construction capabilities (turnkey solution)
- Monitoring and maintenance program—predictable lifetime expenses



Worldwide Presence



Worldwide Associates 6500+

Sales Channels



- Sell modules to developers and IPPs under multi-year agreements
 - Project developers design and develop turnkey commercial solar power plants
- Develop solar PV project sites in transition markets
- Provide EPC and operating monitoring services to create and maintain PV power plants

Europe / Asia



U.S. / North America



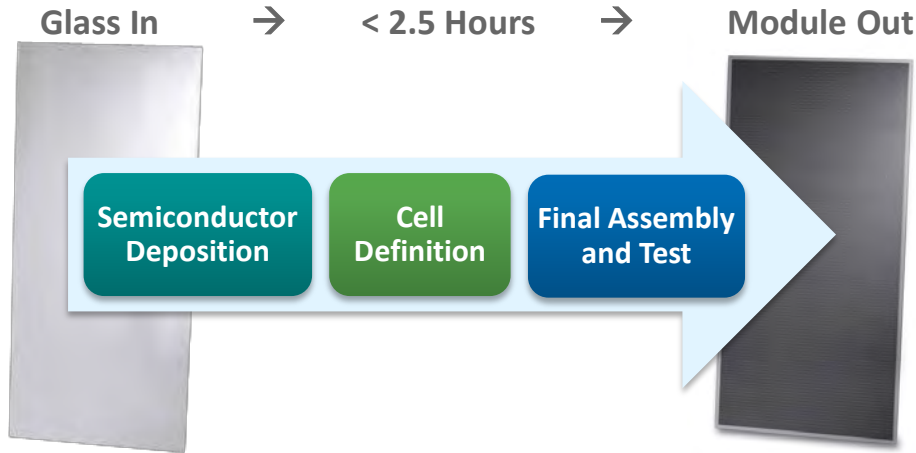


Module Technology



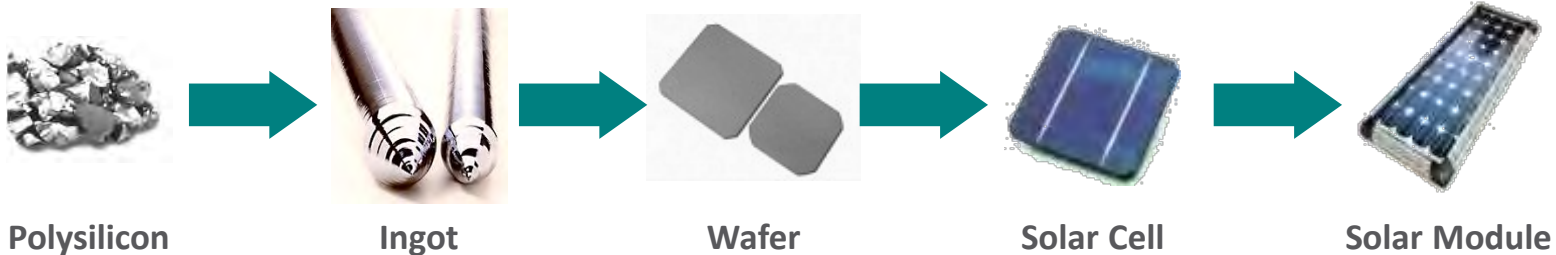
PV Module and Manufacturing Technology

First Solar Fully Integrated, Automated and Continuous Thin Film Process



- 98-99% reduction in semiconductor material
- Fully integrated, continuous process vs. batch processing
- Large 60 x 120cm (2' x 4') substrate vs. 6" wafers

Conventional Crystalline Silicon Batch Technology



First Solar Series 3 Module



- Building upon industry-leading Series 2 module platform, Series 3 delivers:
 - Higher efficiencies: New 85W and 87W modules exclusively available on Series 3 platform
 - Continued energy yield advantages vs. c-Si
 - Same -0.25%/C temperature coefficient
 - Lower voltages: 32% reduction
 - Greater power density
 - Improved reliability, safety and ease-of-install with new locking connector
 - BoS Savings
 - More Watts/String reduces DC BoS costs
- Platform enables First Solar's efficiency and cost roadmaps
- Same proven semiconductor, form factor, and basic construction as Series 2

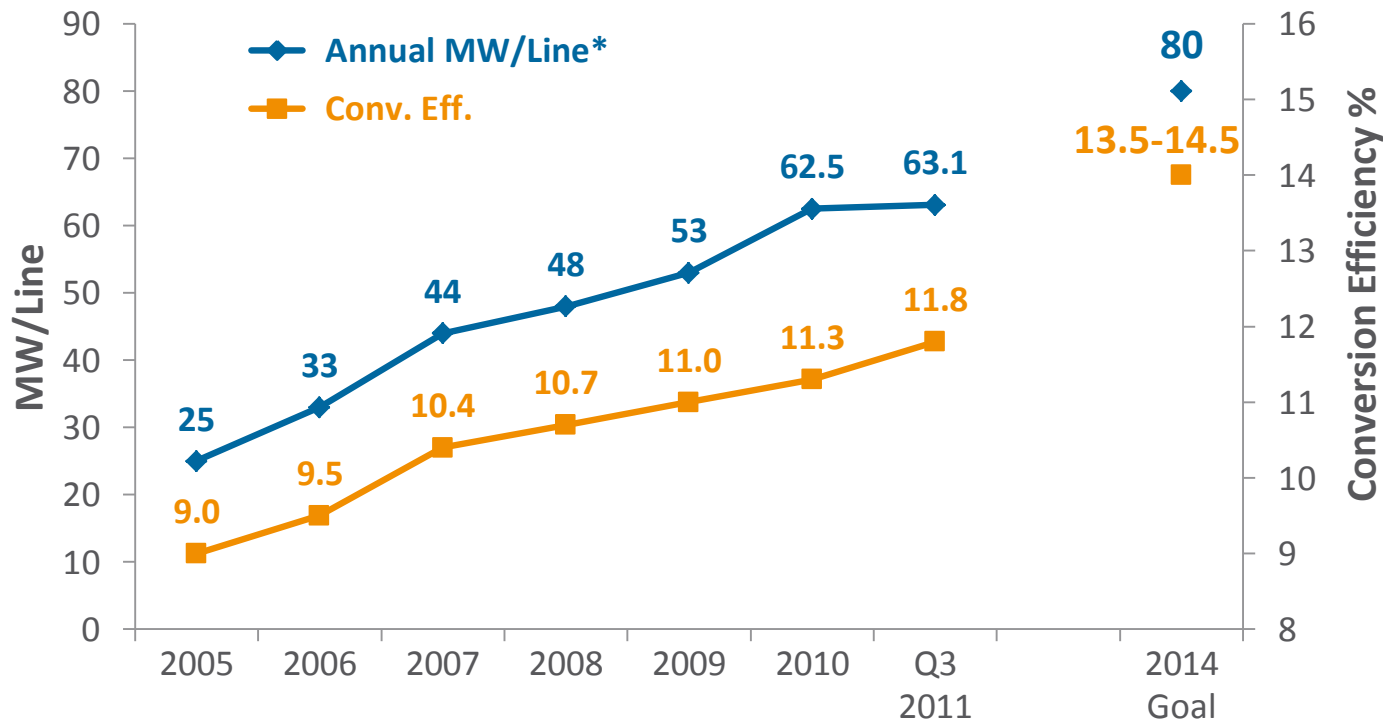


FS Series 3 now commercially available

Focused on 2014 Goals to Achieve Sustainability Target



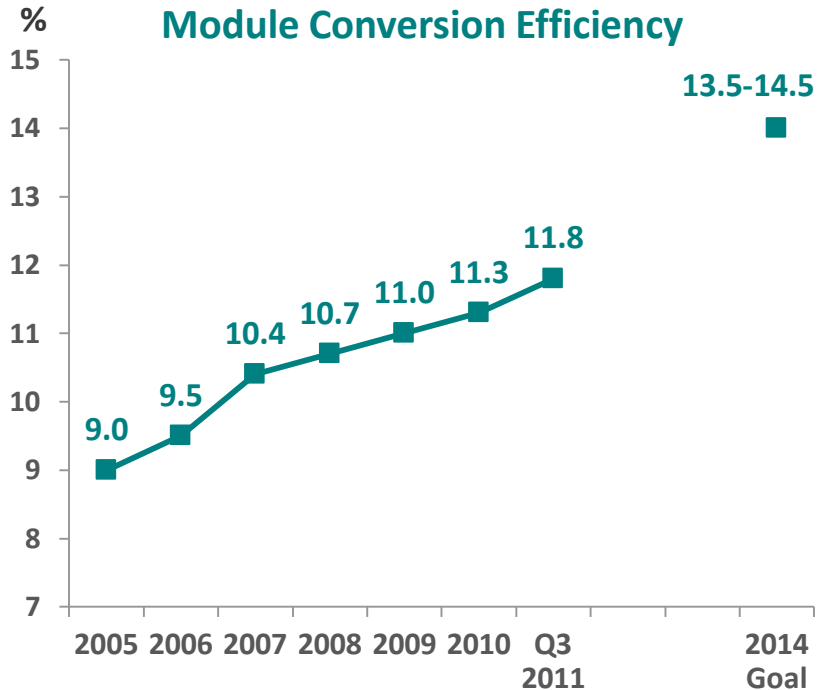
- Goal of 13.5 to 14.5% conversion efficiency drives line improvement and lower cost
- NREL confirmed FSLR test cell efficiency 17.3% Q2 '11, provides confidence in roadmap



* Line run rate based on actual production days in each quarter.

Record 17.3% Cell Efficiency Provides Confidence in Our Roadmap

- Cells constructed using only full-scale manufacturing processes with commercial materials that we believe can be reproduced economically



Record 17.3% CdTe thin-film cell confirmed by NREL

Proven Energy Yield Advantage vs. c-Si

Data from the Field: juwi Project Survey

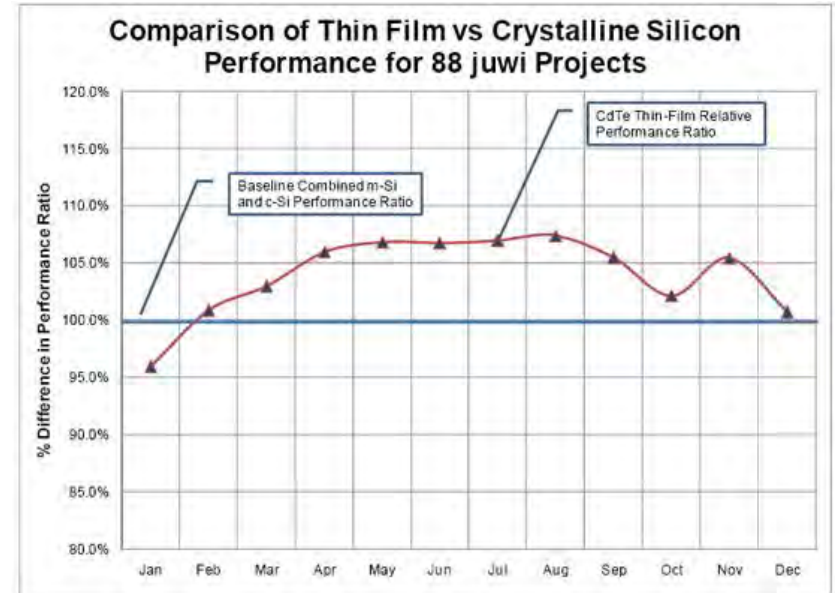
Survey of 88 juwi projects

- 37 thin film (CdTe)
- 51 Crystalline Silicon (c-Si)
- Mix of roof top and free-field projects
- Over 70MW of projects installed from 2002-2009
- Located throughout Europe

On average thin films achieve a 5.4% higher annual performance ratio

- Greater for rooftop applications
- Greatest during summer months

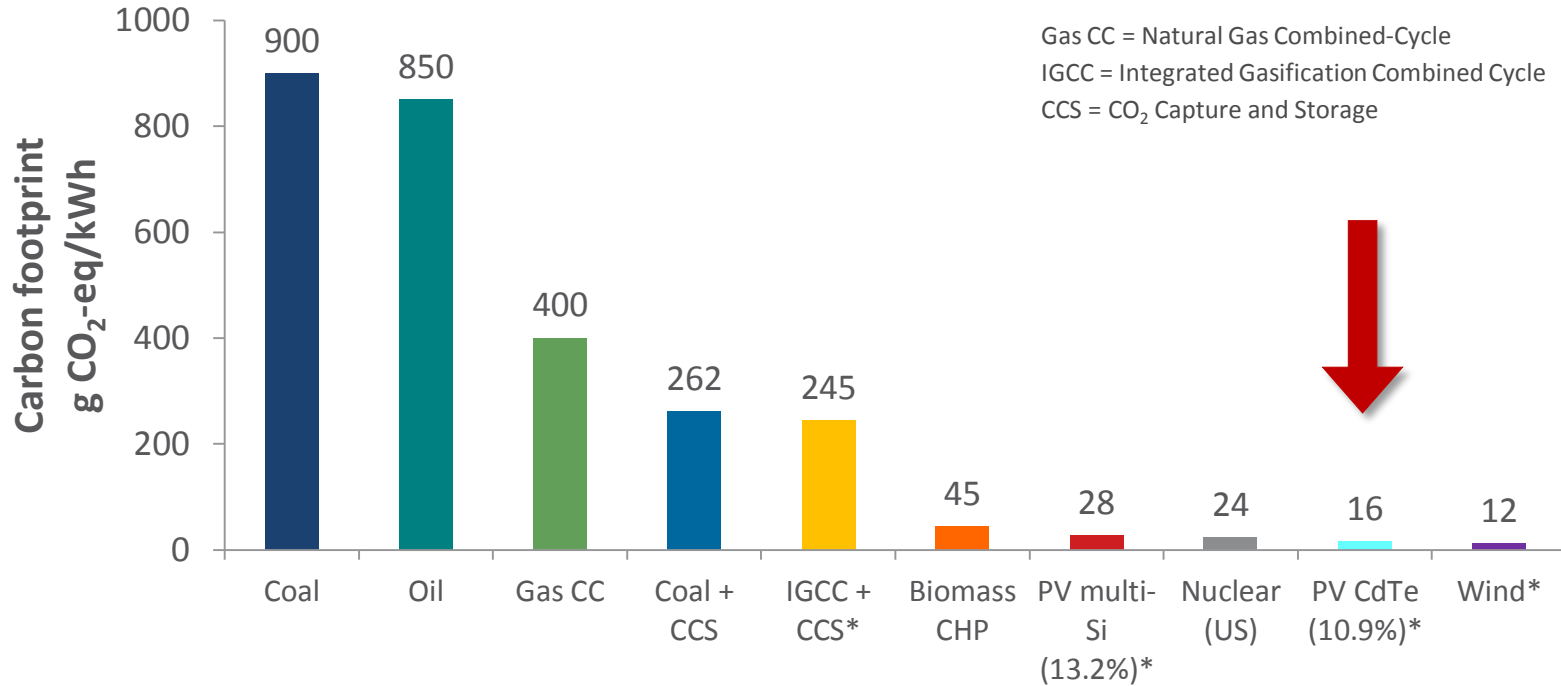
Thin Film Performance: Project Survey



Intersolar North America

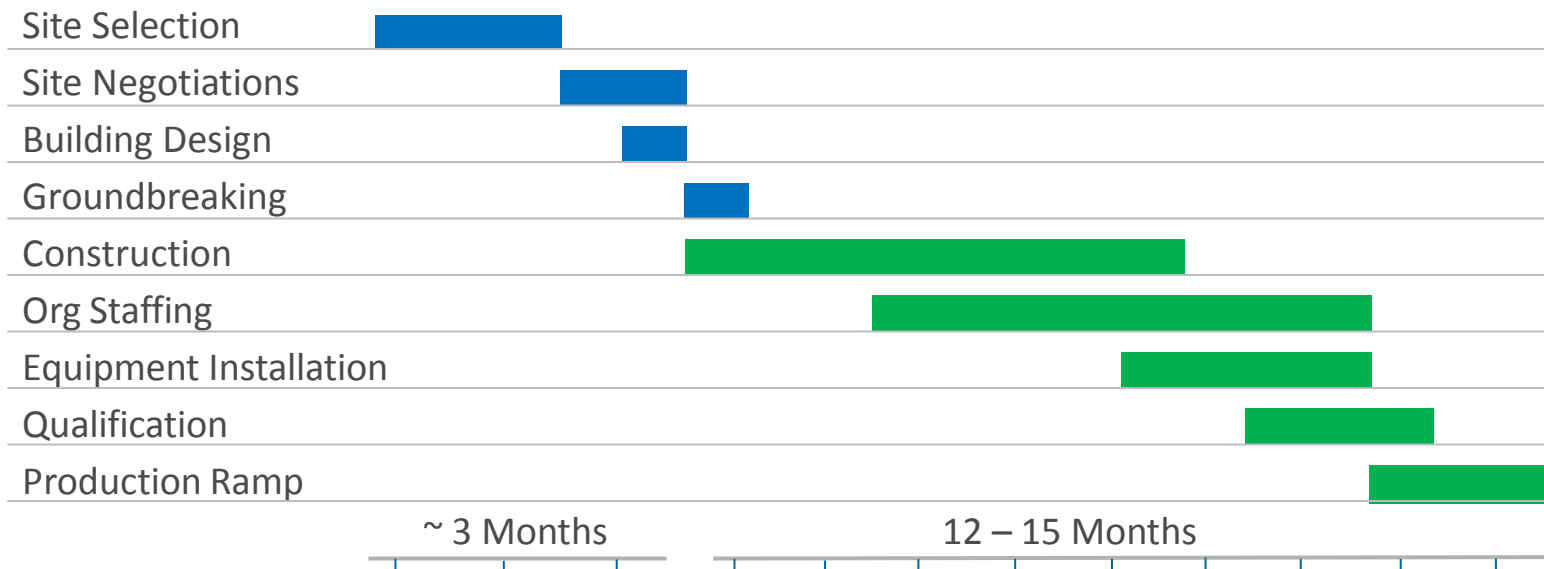
“Data from existing juwi projects has shown, depending on the location and system design, a **3.2-5.7% increase in annual generation** using CdTe thin film modules when compared to similar crystalline installations.”

Carbon Footprint is a Fraction of Conventional Sources



*de Wild-Scholten, M., 'Life Cycle Assessment of Photovoltaics: from cradle to cradle,' presented at the 1st International Conference on PV Module Recycling, Berlin, January 2010. Both PV technologies use irradiation of 1700 kWh/m². All other data from ExternE project, 2003; Kim and Dale, 2005; Fthenakis and Kim, 2006; Fthenakis and Alsema, 2006; Fthenakis and Kim, in press.

Factory Replication Process



- Established sites can typically be built out in 12 to 15 months
- Greenfield sites require additional work and time
- Pre-positioning sites and building shell can shorten overall project time

2.8GW of Capacity in Operation or Under Construction^[5]

- | | |
|----------------------------------|--|
| Perrysburg, Ohio, U.S.A. | <ul style="list-style-type: none"> • Scaled 1st production line to steady state volume in 2005 • 4 lines in full production in 2010 |
| Frankfurt (Oder), Germany | <ul style="list-style-type: none"> • 4 production lines reached full capacity in the 3rd quarter of 2007 • 4 additional lines ramped in Q3 2011 |
| Kulim, Malaysia | <ul style="list-style-type: none"> • 16 production lines reached full capacity in the 2nd quarter of 2009 • 4 production lines ramped in Q1 2011 • 4 additional lines ramped in Q2 2011 |
| Mesa, Arizona | <ul style="list-style-type: none"> • 4 production lines to ramp in Q3 2012 |

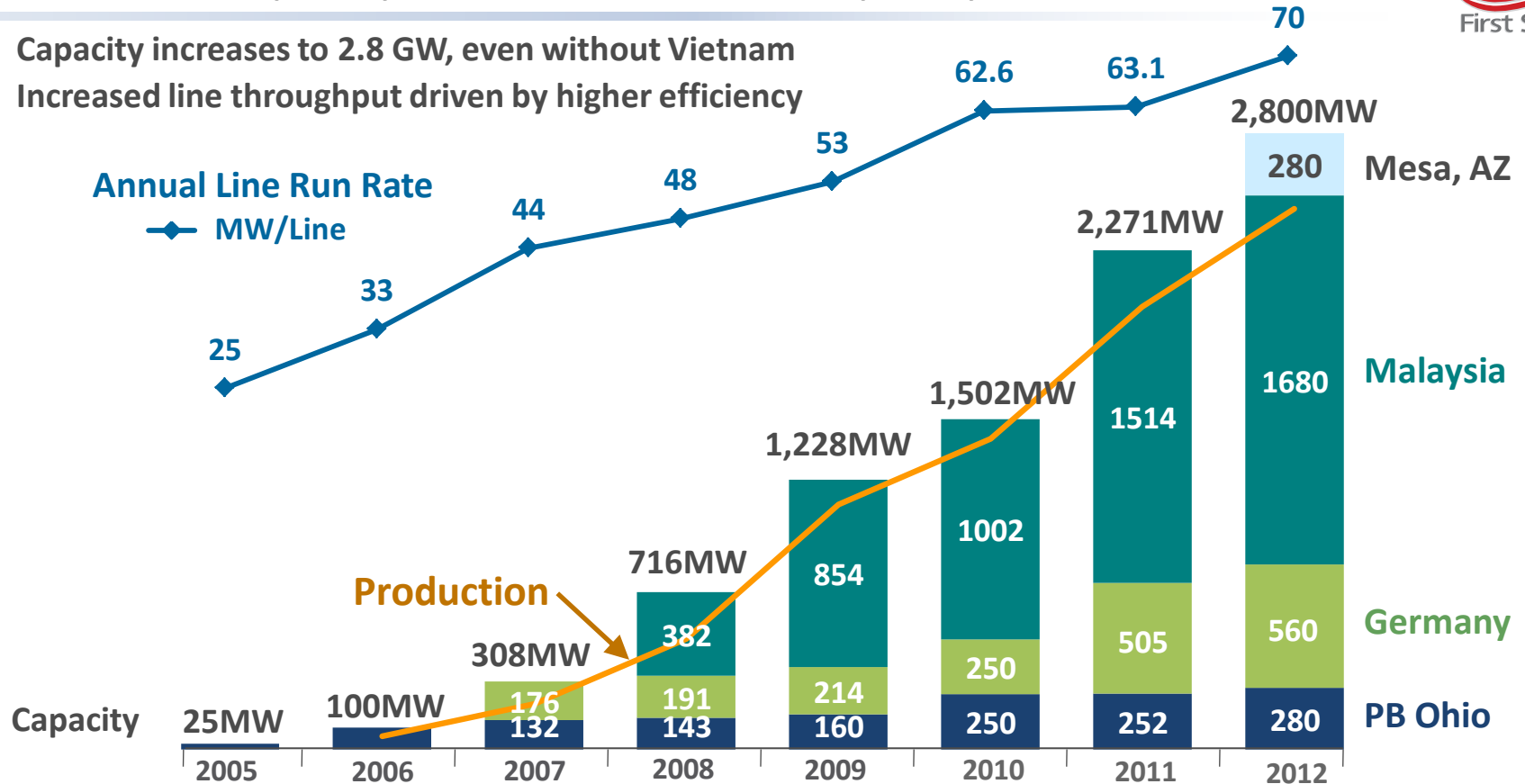
Capacity Expansion Timeline

	2006	2008	2010	2011	2012
Total Manufacturing Lines	3	15	24	36	40
Year-end Capacity	~100MW ^[2]	716MW ^[3]	1,502MW ^[1]	2, 271MW ^[4]	2,800MW ^[5]

[1] Based on Q1 11 run rate of 64. 1MW per line; [2] Based on Q4 06 run rate of 32.9MW per line; [3] Based on Q4 08 run rate of 47.7MW per line ; [4] Based on Q3 11 run rate of 63.1MW per line; [5] Based on estimated run rate of 70MW for Q4 2012

Production Capacity Growth (Year-end Capacity)

- Capacity increases to 2.8 GW, even without Vietnam
- Increased line throughput driven by higher efficiency



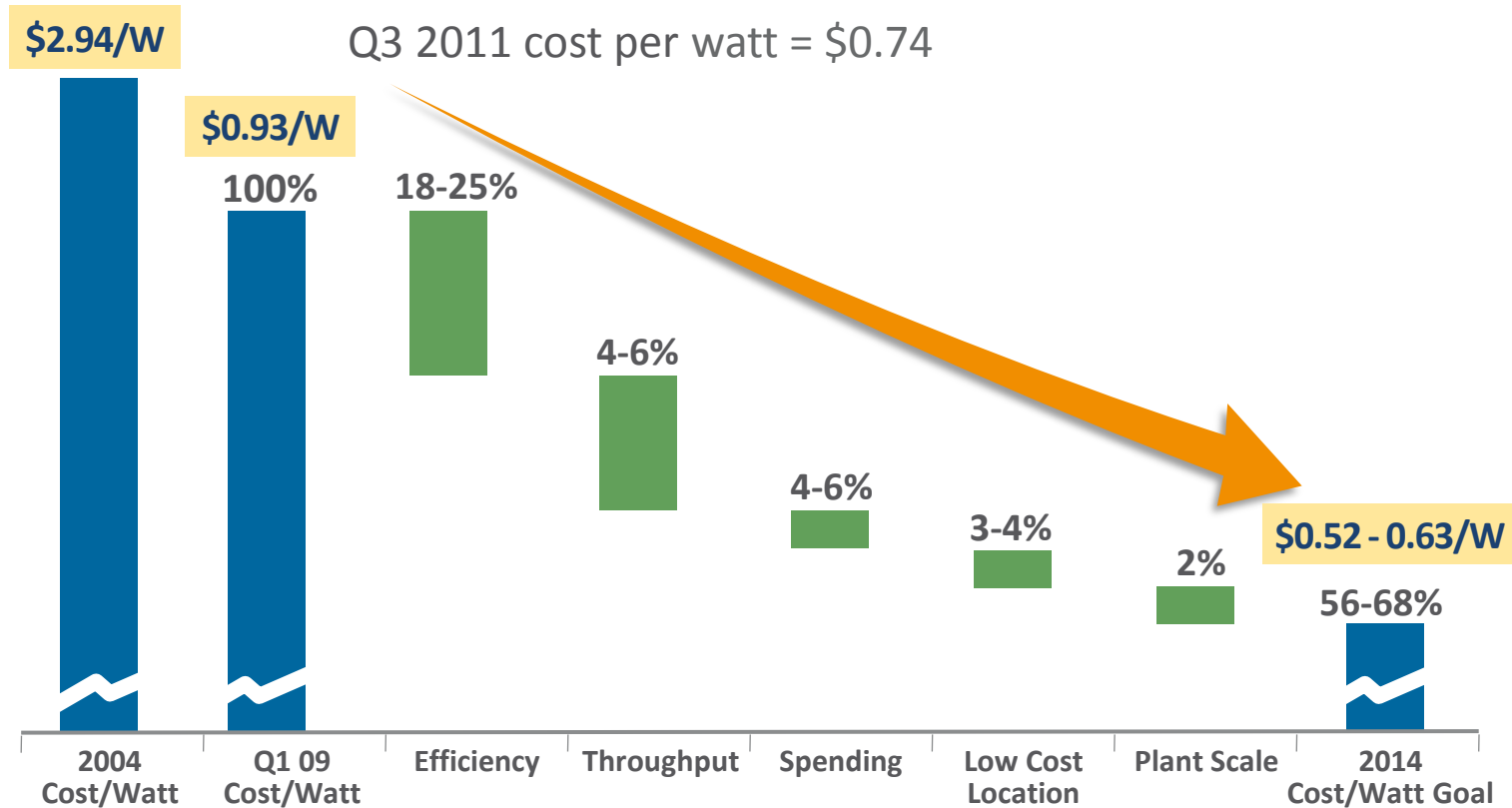
Representation of year-end capacity. 2005 & 2006 based on 4Q 2006 run rate; 2007-2010 based on run rate of Q4 of that year. 2011 based on Q3 2011 run rate. 2012 based on estimated run rate for Q4 2012. Line run rate based on actual production days in each quarter.

Module Manufacturing Cost per Watt Trend

- Efficiency and through-put improvements are the primary driver to target
- In-process efficiency improvements and FX temporarily slowed '11 cost reductions



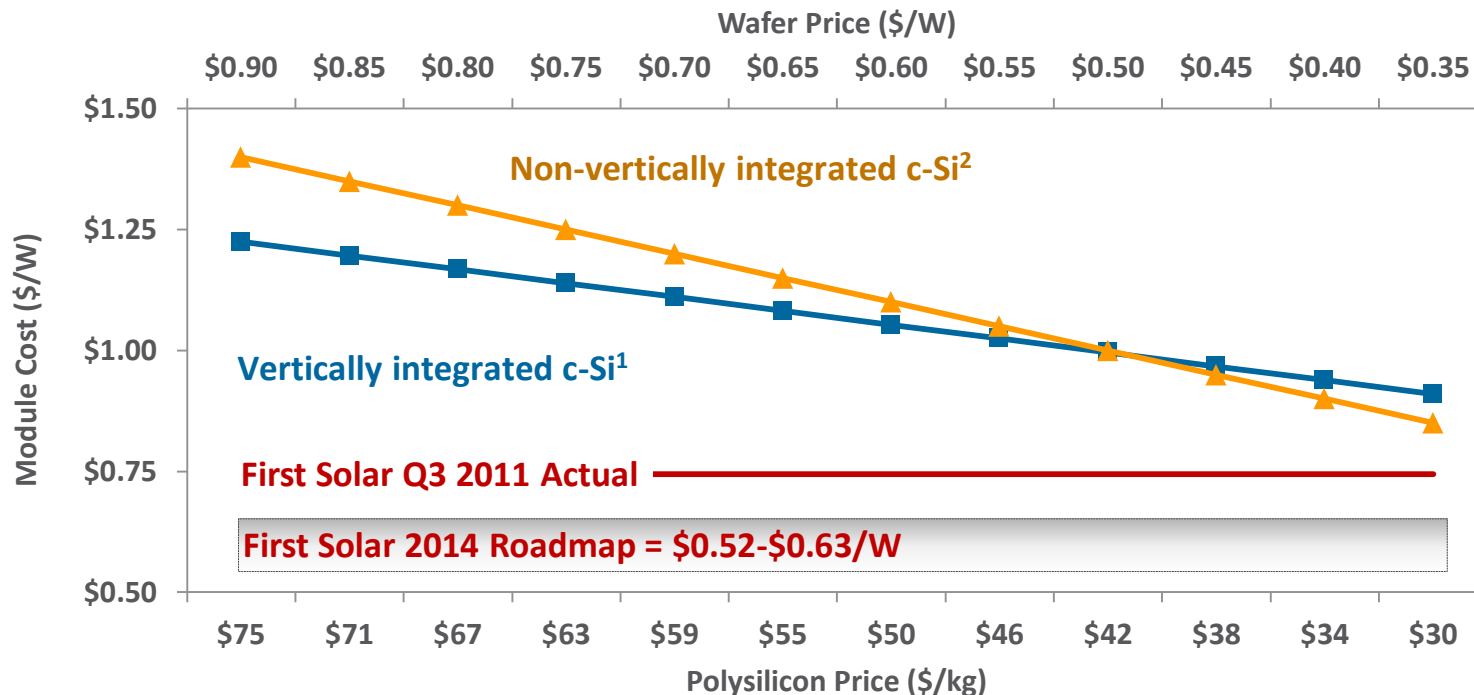
Module Manufacturing Cost Reduction Roadmap



Competitive Cost Environment



Gap between vertically and non-vertically integrated c-Si declining with ramp of GCL and further proliferation of low-cost wafers



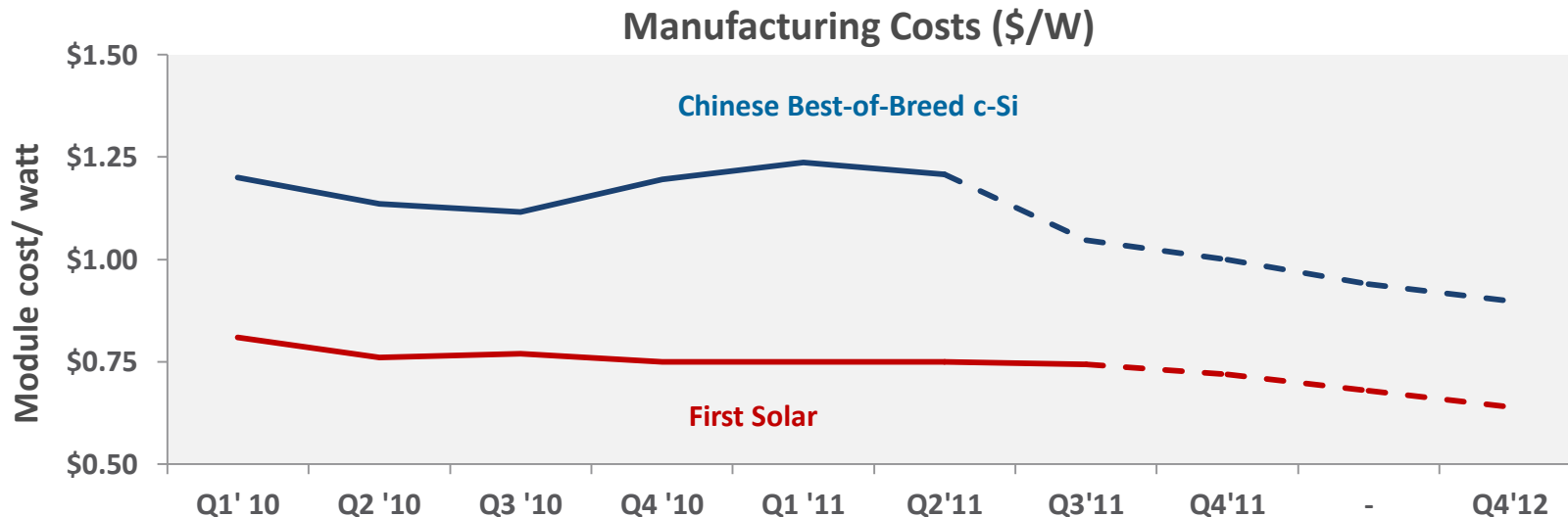
(1) Assumes best of breed c-Si competitors at \$0.70 per watt non-polysilicon processing costs (wafer-module) and 7.0 g/watt of polysilicon.

(2) Assumes best of breed c-Si competitors at \$0.50 per watt non-vertically integrated non-polysilicon processing costs (cell-module).

First Solar Module Maintains Competitive Cost Advantage



- Cost improvements driven by accelerated module conversion efficiency gains
- C-Si cost reductions based on declining poly & wafer prices



Note: Chinese Best-of-Breed c-Si excludes \$0.05/W estimated for shipping, warranty, SBC, and insurance that is reported in SG&A expenses.

Source: Company reports, internal estimates.

Representative Projects – European Rooftops



Site:	Ramstein, Germany
System Size:	2.5MW
Project Developer:	COLEXON Energy AG

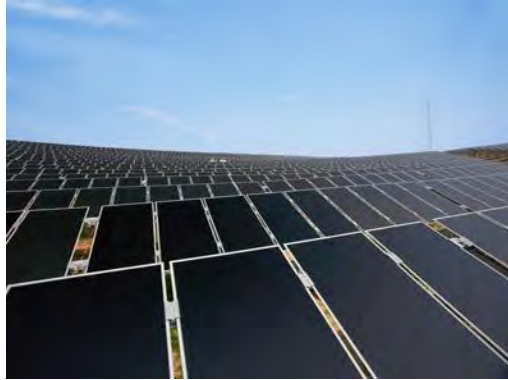


Site:	Margreid, Italy
System Size:	697kW
Project Developer:	juwi Solar GmbH



Site:	Duisburg, Germany
System Size:	1.2MW
Project Developer:	Blitzstrom/ S&F Umwelttechnik

Representative Projects – European Ground Mount



Site:	Trier, Germany
System Size:	8.4MW
Project Developer:	Conergy AG



Site:	Narbonne, France
System Size:	7MW
Project Developer:	EDF Energies Nouvelles



Site:	Bullas, Spain
System Size:	5MW
Project Developer:	Gehrlicher Solar AG



Utility System Solutions



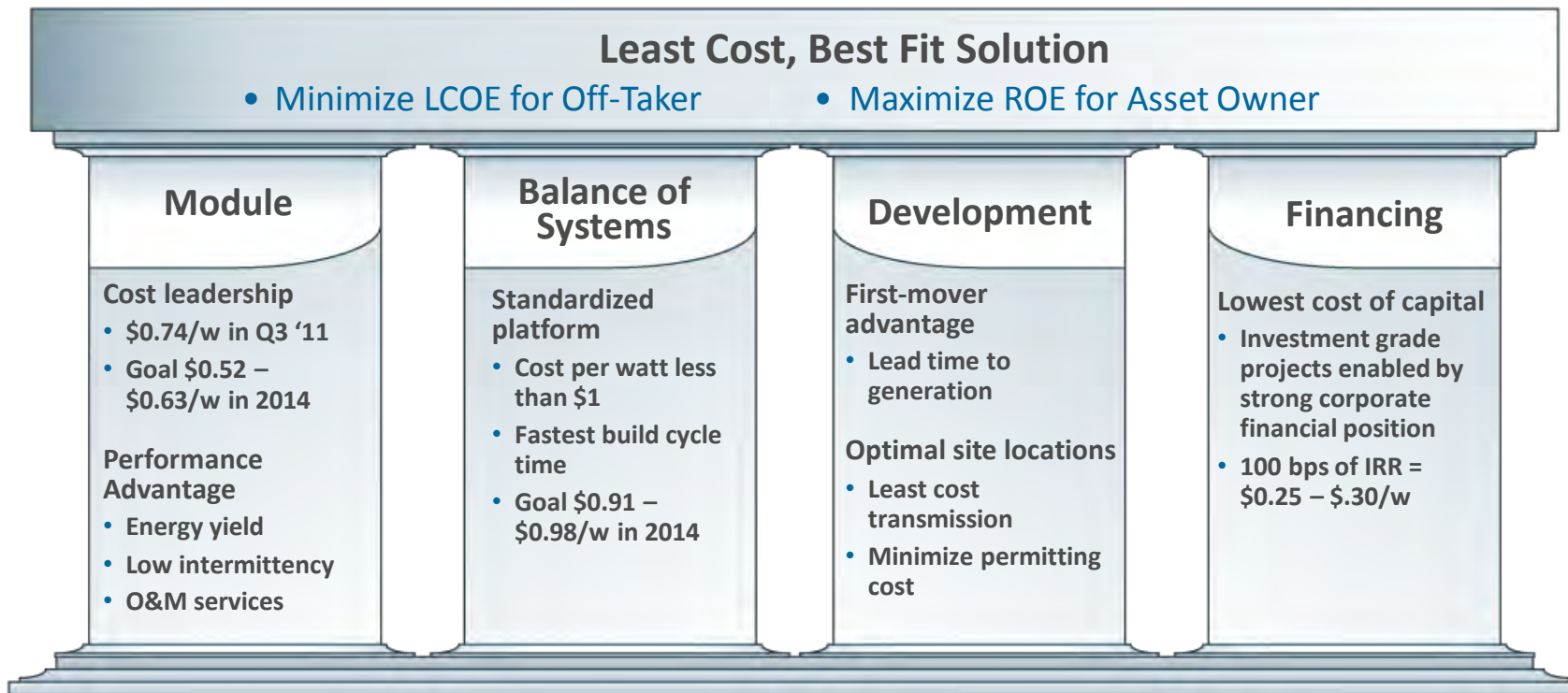
Global Utility Systems Business Mission

Provide an integrated, portfolio-based approach to project economics—from site selection and project development through transmission access, power purchase agreement, and project asset sale.

The group supports First Solar's goal of providing the lowest cost and shortest lead-time PV solutions, to ultimately compete with fossil-fuel generation.



First Solar is Competitively Advantaged in All Four Pillars of Value Creation



First Solar- Developed Projects



Site	Sarnia, Ontario, Canada
Distinction	North America's largest PV Project
System Size	80MW AC
Project Developer	First Solar, Inc.
EPC Contract	First Solar, Inc.
Owner	Enbridge Inc.

Partner-Developed/ First Solar EPC Projects



Site	El Dorado/Copper Mountain, Nevada, USA
Distinction	Largest PV project in U.S.
System Size	58MW AC
Project Developer	Sempra Energy
EPC Contract	First Solar, Inc.
Owner	Sempra Energy

Yuma County, Arizona, USA (Agua Caliente)



System Size:	290MW
Status:	Construction
Expected Completion:	2014
Owner:	NRG Energy
Developer:	First Solar

The Agua Caliente project is expected to create approximately 400 construction jobs during its multi-year build out. Once operational, the project will feature nearly five million modules and generate enough clean solar energy to serve the needs of about 100,000 average homes per year.



~2.7 GW(AC) Contracted Pipeline



Projects Sold/Under Contract

Project/Location	MW AC	PPA	Owner/Purchaser
Agua Caliente, AZ	290	PG&E	NRG
Sunlight, California	300	PG&E	NextEra/GE
Sunlight, California	250	SCE	NextEra/GE
AV Solar Ranch One	230	PG&E	Exelon
Copper Mtn. 2, NV	150	PG&E	Sempra ¹
Imperial Energy Center S.	130	SDG&E	Tenaska ¹
Alpine, California	66	PG&E	NRG ¹
St Clair, Ontario	40	OPA ³	NextEra
PNM 5, New Mexico	5	UOG ²	PNM
Walpole, Ontario	20	OPA ³	GE/Plutonic
Belmont, Ontario	20	OPA ³	GE/Plutonic
Mount St. Mary's	16	UOG ²	Constellation
Amherstburg 1, Ontario	10	OPA ³	GE/Plutonic
Greenough River, Australia	10	WA Water	Verve/GE ¹

Green Font = Project execution has begun

Red Font = Projects added in 2011

¹EPC contract or partner developed project

²UOG = Utility Owned Generation

³OPA = Ontario Power Authority RESOP program

⁴Delivered in Q1 2011

⁵Delivered in Q2 2011

⁶Delivered in Q3 2011

Delivered in 2011

Project/Location	MW AC	PPA	Owner
Santa Teresa, New Mexico	20	El Paso	NRG ^{1,6}
Amherstburg 2, Ontario	15	OPA ^{3,6}	Enbridge
Tilbury, Ontario	5	OPA ^{3,4}	Enbridge
PNM 1-4, New Mexico	17	UOG ^{2,5,6}	PNM
Paloma, Gila Bend, AZ	17	UOG ²	APS

2011 Not Sold






Project/Location	MW AC	PPA	Owner
Silver State North, NV	50	NV Energy	

In Development/PPA





Project/Location	MW AC	PPA	Owner
Topaz, California	550	PG&E	
Stateline, California	300	SCE	
Silver State South, NV	250	SCE	

Utility Scale Customers (AC)




First became a customer in 2011

 <ul style="list-style-type: none"> Walpole, 20, '11 Belmont, 20, '11 Amherstburg I, 10 '11 	 <ul style="list-style-type: none"> Paloma, 17, '11 	 <ul style="list-style-type: none"> Mount St. Mary's, 16, '11 	 <ul style="list-style-type: none"> Imperial Energy Center, 130, '11 	 <ul style="list-style-type: none"> AVSR 1, 230, '11
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2010

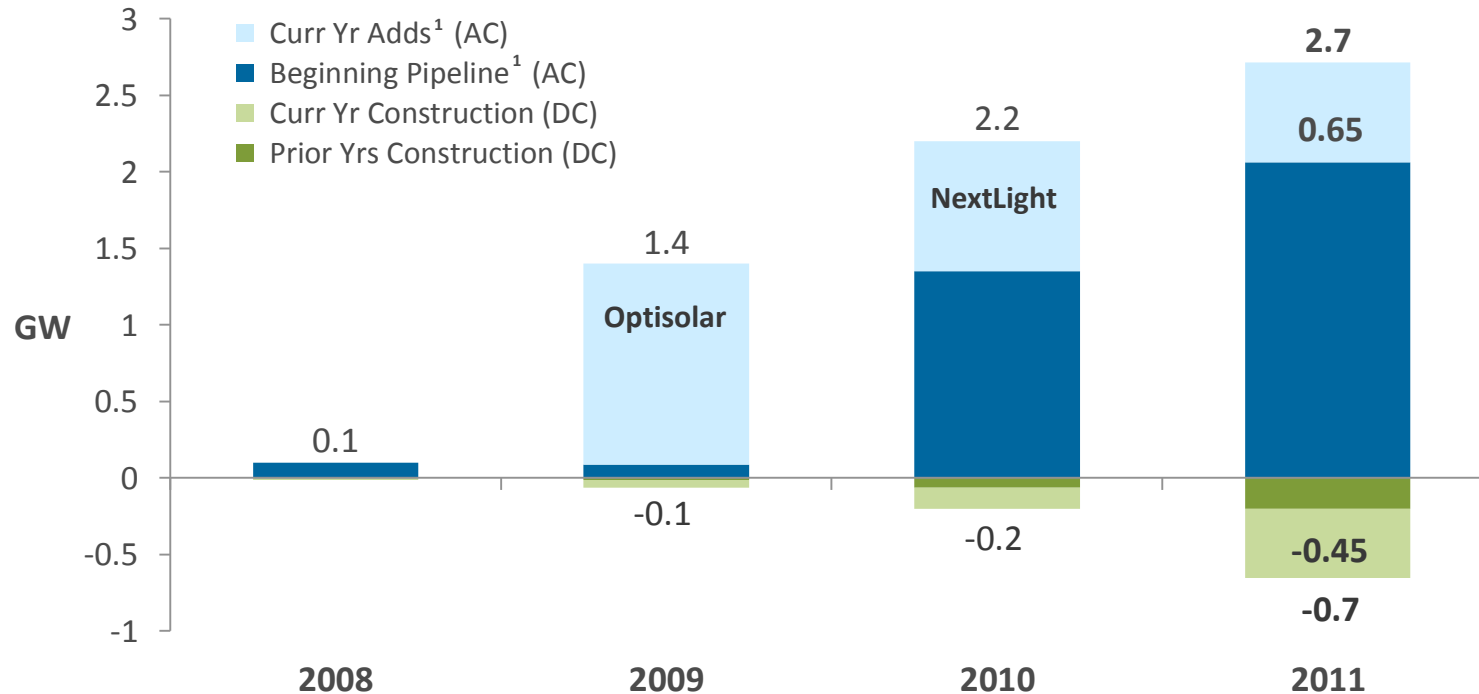
 <ul style="list-style-type: none"> Cimarron, 30, '10 	 <ul style="list-style-type: none"> 5 Projects, 22, '10 	 <ul style="list-style-type: none"> St. Clair, 40, '10 	 <ul style="list-style-type: none"> Sunlight, 550, '11¹
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2008/2009

 <ul style="list-style-type: none"> El Dorado, 10, '08 Copper, 48, '09 Copper 2, 150, '11 	 <ul style="list-style-type: none"> Sarnia 1, 20, '09 Sarnia 2, 60, '09 Amherstburg II, 15, '11 Tilbury, 5, '11 	 <ul style="list-style-type: none"> Blythe, 21, '09 Agua Caliente, 290, '10 Santa Teresa, 20, '10
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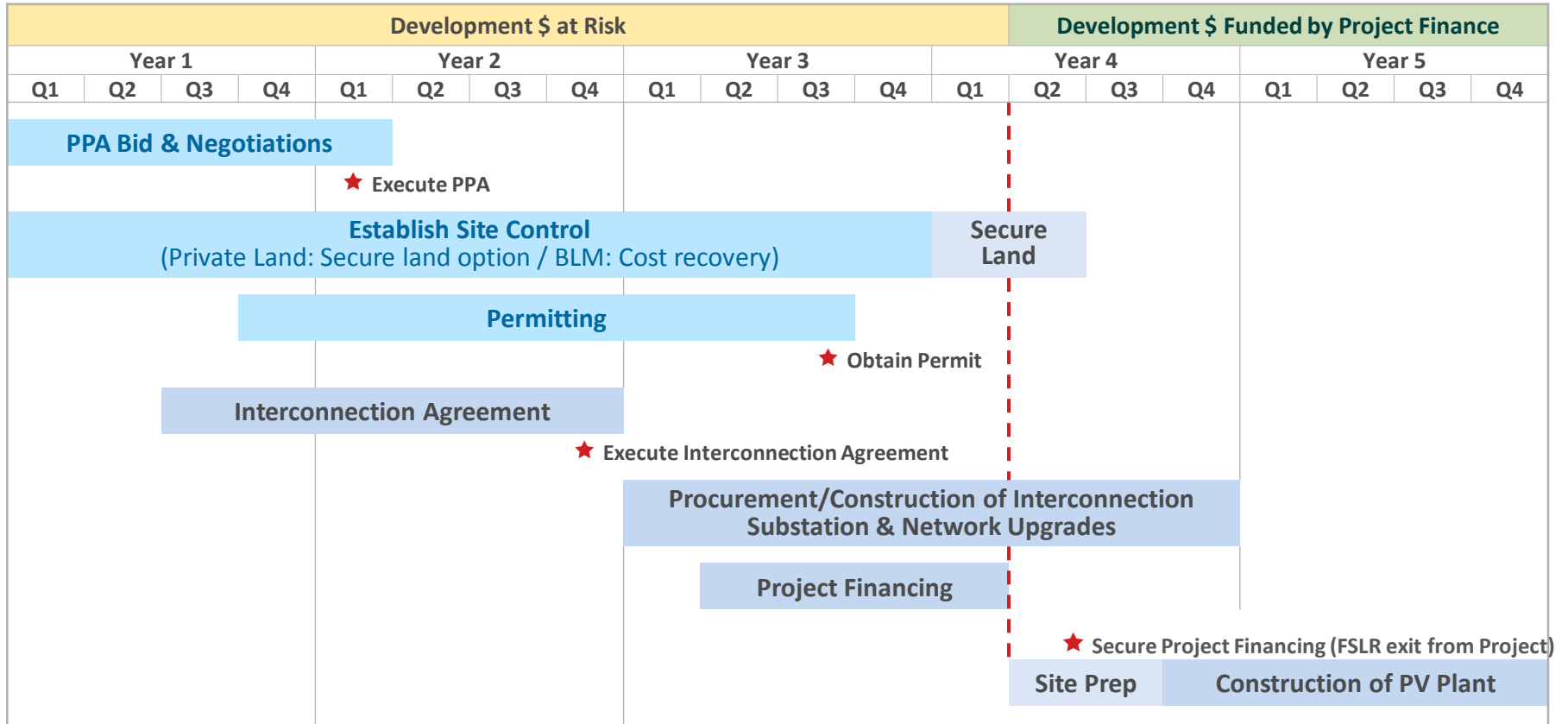
Utility Scale Pipeline and Construction

- Added 654 MW AC of pipeline YTD and will construct 450 MW DC in 2011
- Result pipeline grew to 2.7 GW

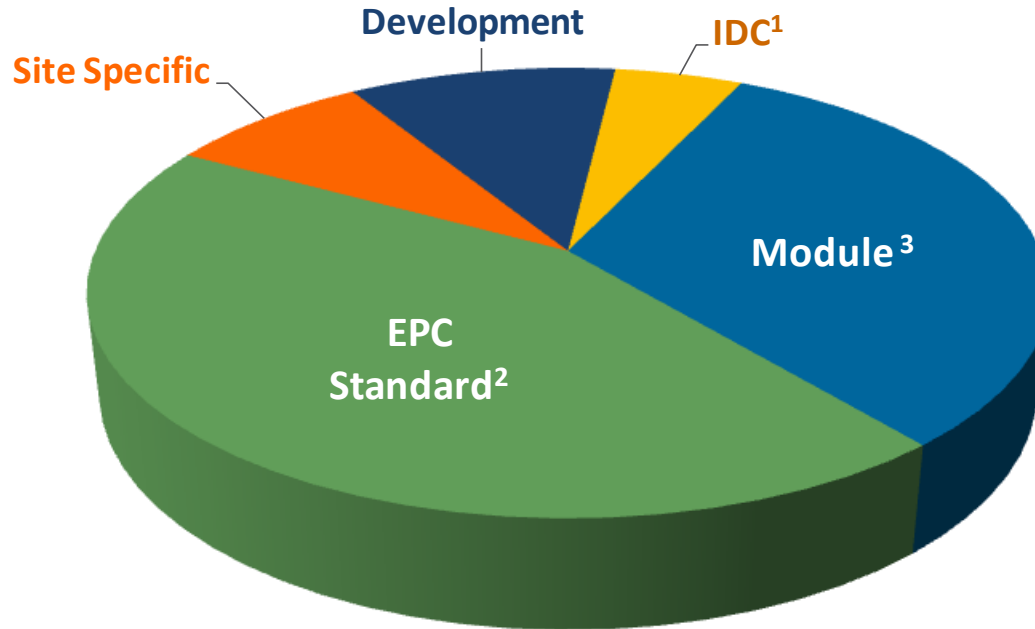


¹Pipeline consists of contracted PPAs, RESOP and EPC agreements, including current year construction

Solar PV Project Development Timeline



Systems Project Cost Structure

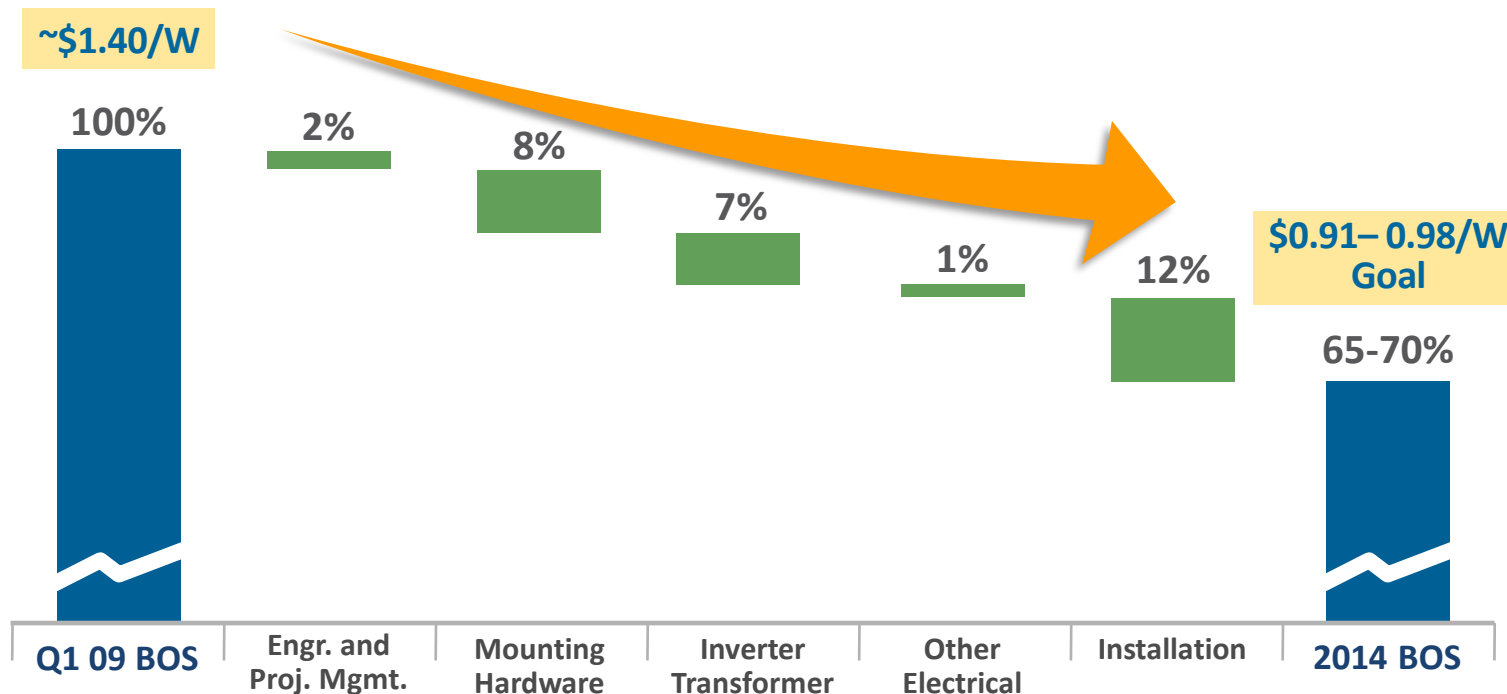


¹ IDC = interest during construction

² EPC Standard Costs = balance of system costs (inverters, electrical, mounting hardware, project management and engineering, and installation labor) + overhead

³ Module = module cost (excluding profit)

Balance of System* Cost Reduction Roadmap

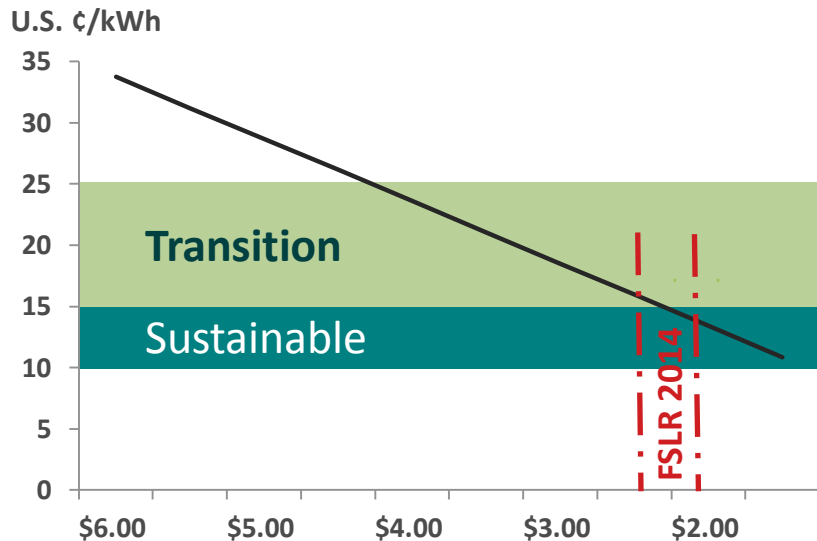


* Includes standard EPC costs; excludes site-specific and development costs, as well as interest during construction.

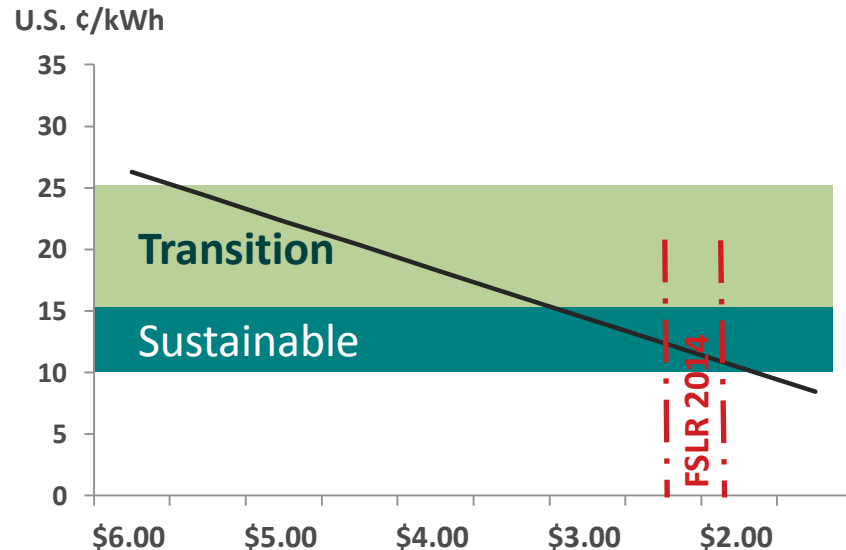
Cost Reduction—Solar Electricity (LCOE)



Medium Resource — 1400 hours



High Resource — 1800 hours



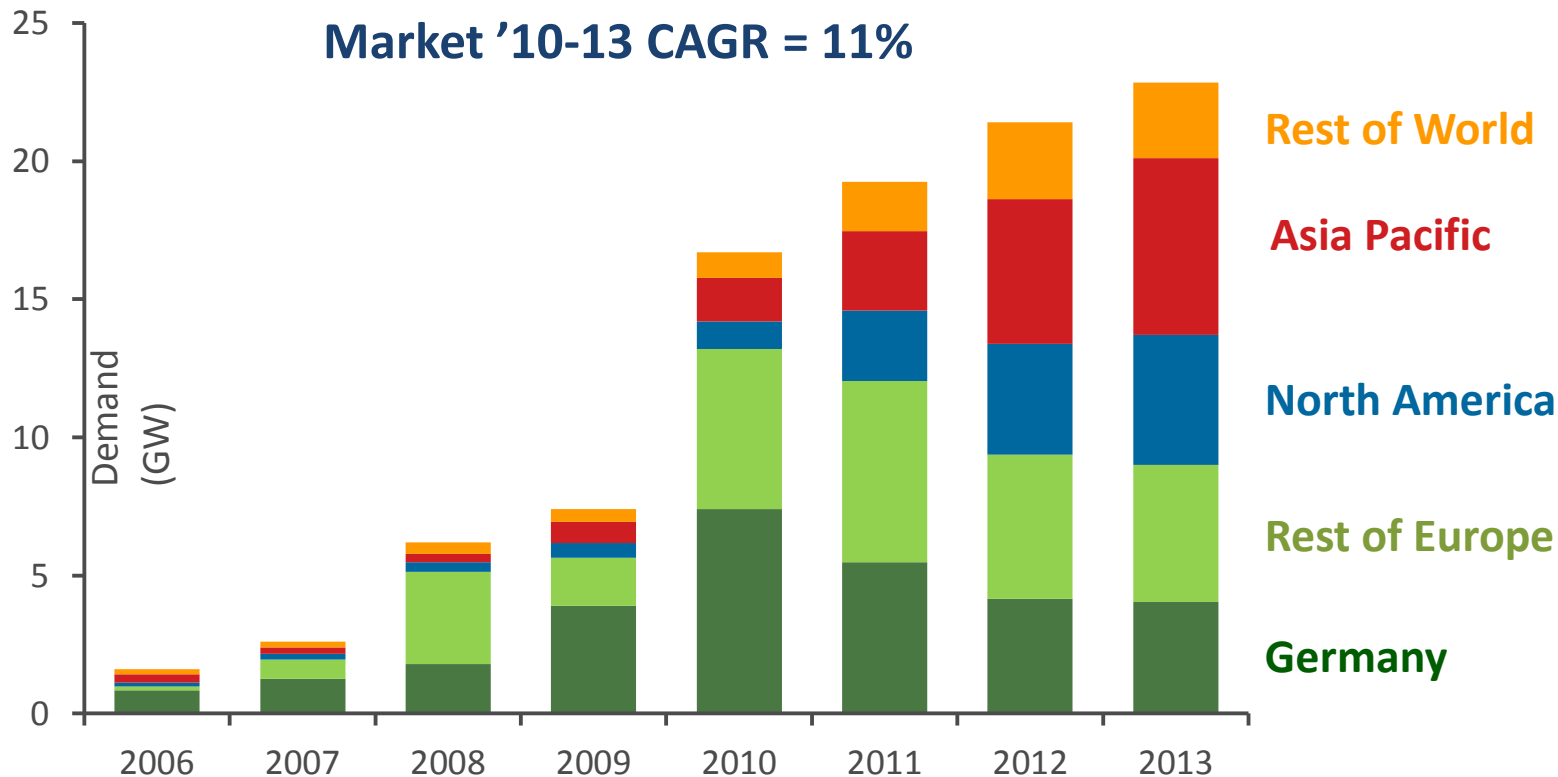
Note: Assumes 7.5% unlevered IRR, 10% ITC, 2.5% electricity power price escalator, FSLR panels, utility scale plant, install labor and site specific cost estimates. Includes owner development costs, financing costs and O&M.



Market Opportunity



Consensus for Global PV Demand* - Markets Diversifying

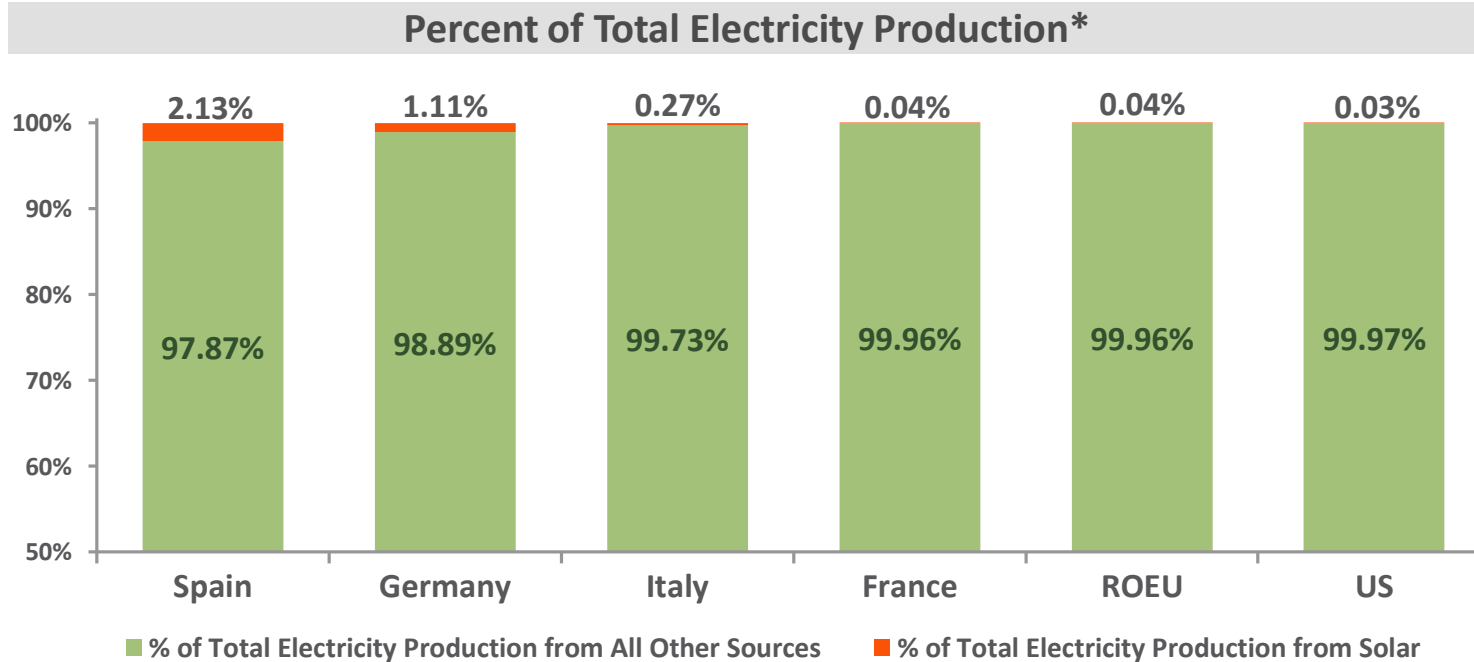


*Forecasts as of 10/21/11 from BofA/ML, Citi, CLSA, Credit Suisse, Goldman Sachs, Lazard, Morgan Stanley, RW Baird, and UBS. 2006 through 2010 historical data from EPIA.

Solar: A Small Portion of Total Energy Production



Solar represents a small percentage of total energy production, even in the most mature solar markets, but the growth potential is significant.

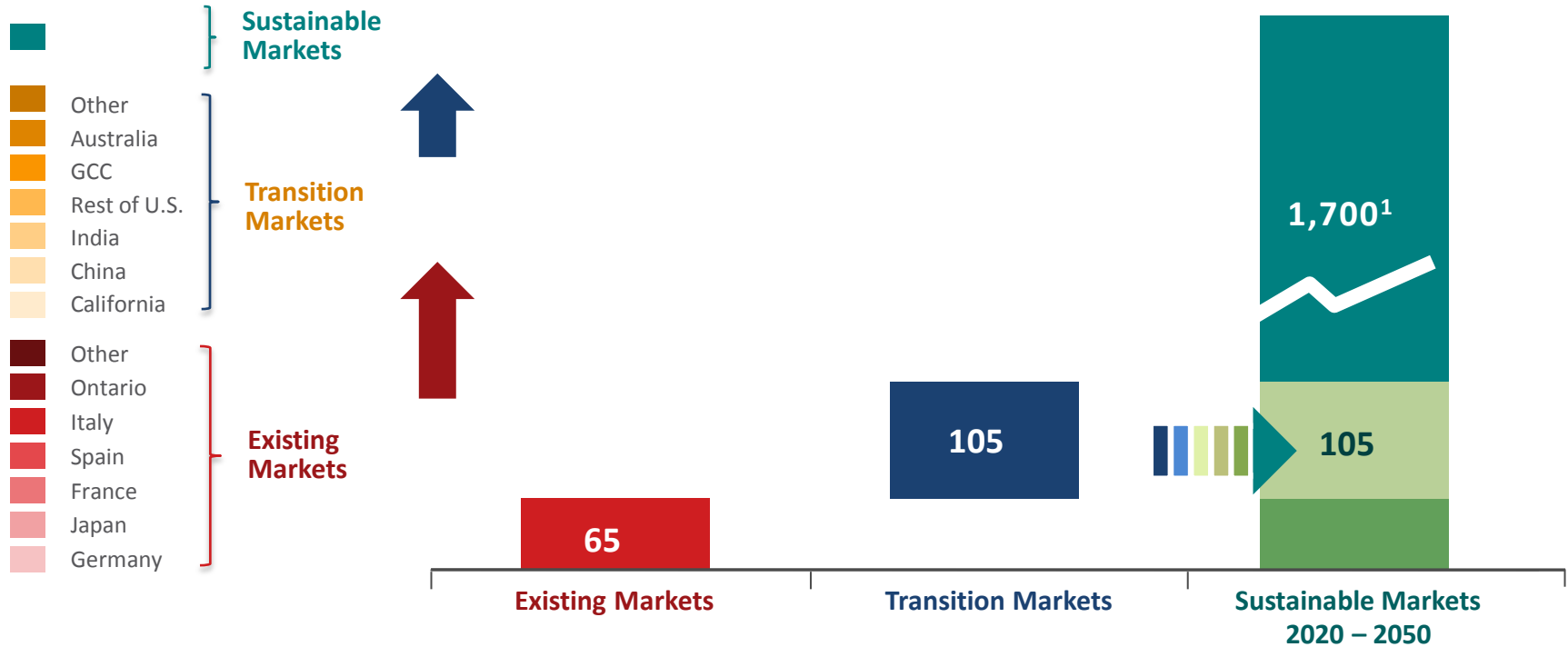


Note: *Solar includes both Solar PV & Solar Thermal generation. 2009 data for EU; 2009 US estimate extrapolated from 2008 EIA data based solar capacity added in 2009. Source: Eurostat: Electricity Statistics, Provisional Data 2009; EIA; Marketbuzz.

Long Term Growth Opportunities



Potential PV Capacity by Region (GW) – Assuming Regulatory Targets and Macro Factor Growth



¹Assumes potential solar capacity equal to 6% of total electricity consumption in identified solar markets

Source: Market analyst estimates; First Solar analysis. Assumes base case scenario.

Growth Strategy Unchanged



Mission: Enable a world powered by clean, affordable solar electricity.

- LCOE at peak electricity price parity of \$.10-.12/kwh
- Acceptable ROE for Asset Owner
- RONA goal (5% > WACC)

Existing Markets:

- Subsidy dependent
- Finite markets
- FiT digressions

Transition Markets:

- FiT digression towards parity
- Gov. policy incentives
- Geographic diversification
- Price elasticity

- Minimize LCOE and max energy yield
- Add solutions/technology/capacity
- Technology adoption
- Grid infrastructure and institutional development

**FSLR
Leadership
Strategy**

- Scale volumes to reduce cost
- Price to enable throughput
- Long-term contracts
- Grow penetration

Sustainable Markets: >1 TW¹

- Fossil fuel peak price parity
- Minimal subsidy
- Grid integration/stability
- Environmental sustainability
- Price to access peak electricity mkt
- Leverage technology/solution cost declines and sustainability
- Add capacity to satisfy demand

¹Long-term market size. Sustainable assumes potential solar capacity equal to 5% of total electricity consumption in solar markets
Source: Market analyst estimates; First Solar analysis. Assumes base case scenario.

Subsidized vs. Transition Market Economics



Long term economics are superior in transition markets

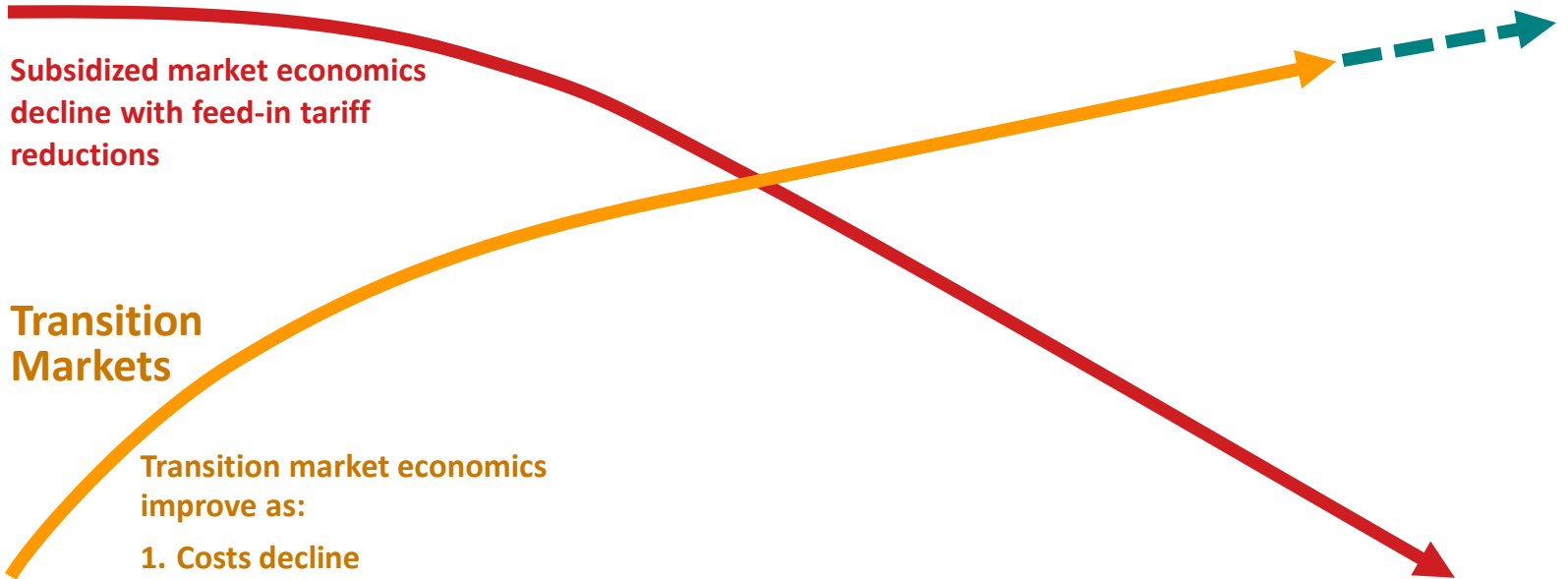
Subsidized Markets

Subsidized market economics decline with feed-in tariff reductions

Transition Markets

- Transition market economics improve as:
1. Costs decline
 2. Energy costs rise over time

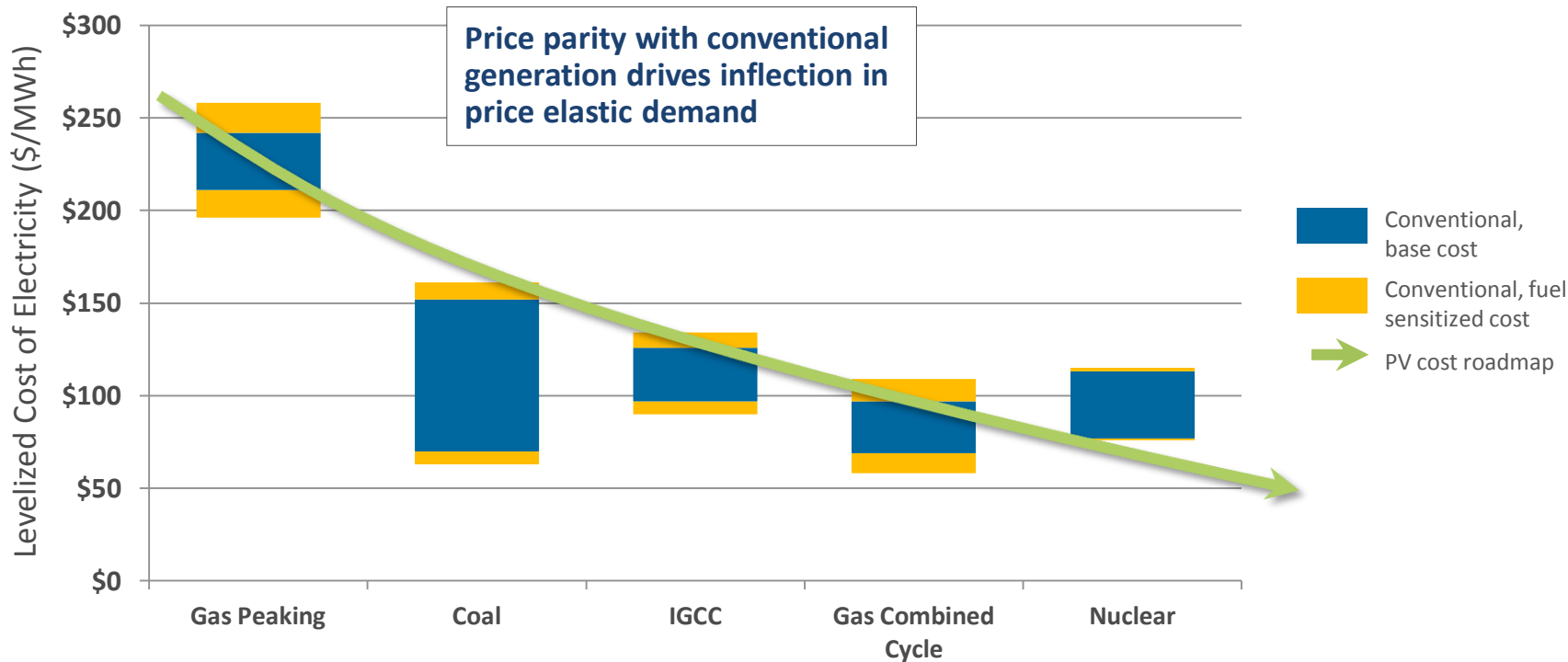
Sustainable Markets



Crossing Over to Sustainable Markets



Conventional generation based on Lazard LCOE Analysis v 5.0; June 2011. Assumes coal price of \$2.50/MMBtu and natural gas price of \$5.50/MMBtu. High end of coal and IGCC costs incorporates 90% carbon capture. Fuel sensitivity assumes +/- 25% fuel cost. Nuclear does not reflect decommissioning costs.





Financials



Key Quarterly Income Statement Data

(\$ in millions, except gross profit and net income per share data)

(Unaudited)

	Q3'11	Y/Y	Q/Q
Net sales	\$ 1,005.8	26%	89%
Gross profit %	37.7%	-2.6%	1.1%
Research and development	38.2	78%	15%
Selling, general and administrative	112.7	33%	30%
Production start-up	5.5	45%	-47%
Operating income	222.7	5%	245%
Income tax expense	26.3	-27%	144%
Net income	\$ 196.5	11%	222%
Share count - Diluted	87.2	1%	0%
Net income per share - Diluted	\$ 2.25	10%	221%
RONA (1)	12.8%	-7.6%	-0.3%

(1) RONA = 4 quarter rolling NOPAT / 4 quarter rolling NET ASSETS (where NET ASSETS = Assets - Non interest bearing liabilities).

Balance Sheet and Cash Flow



Key Quarterly Balance Sheet and Cash Flow Data	Q3'11	Q2'11	Q/Q
(\$ in millions)			
(Unaudited)			
Assets & Liabilities			
Cash and marketable securities	\$ 795	\$ 515	\$ 280
Accounts receivable, trade	\$ 482	\$ 542	\$ (60)
Accounts receivable, unbilled	\$ 326	\$ 64	\$ 262
Inventories	\$ 433	\$ 323	\$ 110
Balance of systems parts	\$ 43	\$ 34	\$ 9
Project assets — current and noncurrent	\$ 283	\$ 455	\$ (172)
Inventories — noncurrent	\$ 48	\$ 43	\$ 5
Long-term debt — current and noncurrent	\$ 608	\$ 361	\$ 247
Cash Flow ¹			
Net cash provided by (used in) operating activities	\$ 203	\$ (203)	\$ 406
Free cash flow	\$ 42	\$ (408)	\$ 450

¹ Free cash flow is a non-GAAP measure; see slide at end of presentation for reconciliation to operating cash flow.

2011 Guidance as of 11/3/11



	All Modules	EPC/Project Development ¹	Consolidated
Net Sales \$B	\$2.2 – 2.5 B	\$0.8 B	\$3.0 – 3.3 B
Factory ramp costs (COGS)	\$10-12 M		\$10-12 M
Start up Expense	\$35-40 M		\$35-40 M
Stock Based Compensation	\$90-95 M	\$20-25 M	\$110-120 M
Operating Income	\$650-760 M		\$650 - 760 M
Annual Tax Rate			13-14%
Diluted Share Count (year-end)			87-88 M
EPS			\$6.50 - \$7.50
Capex			\$800 – 850 M
Operating Cash Flow			(\$200) – \$0 M

¹Excludes modules sold into systems projects, which are included in the “All Modules” segment

Summary: First Solar Differentiation



First Solar has a sustainable winning growth platform in the electricity industry

- Proprietary technology provides lowest LCOE¹ and highest system value
- Proven performance and reliability; >5GW of modules produced
- Proven ability to scale production; ~2.3GW of capacity²
- European system integrators and IPP partners, and growing U.S utility relationships
- EPC and project development experience
- The largest U.S. and Canadian utility-scale project development pipeline
- Industry's first comprehensive, prefunded collection and recycling program
- Strong balance sheet and cash flow generation enable low cost financing of projects



Superior growth, flexible business model, RONA, cash flow, and net cash position

¹ LCOE = levelized cost of electricity.

² Based on Q3 2011 run rate

Key Quarterly Financial Data



	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q3'11 Y/Y	Q3'11 Q/Q
Key Quarterly Financial Data							
(\$ in millions, except gross profit and net income per share data) (Unaudited)							
Net sales	\$ 797.9	\$ 609.8	\$ 567.3	\$ 532.8	\$ 1,005.8	26%	89%
Gross profit %	40.3%	48.7%	45.8%	36.6%	37.7%	-2.6%	1.1%
Research and development	21.5	27.6	31.4	33.1	38.2	78%	15%
Selling, general and administrative	85.0	91.3	87.0	86.9	112.7	33%	30%
Production start-up	3.8	12.2	11.9	10.3	5.5	45%	-47%
Operating income	211.6	165.7	129.4	64.5	222.7	5%	245%
Income tax expense	36.0	17.4	17.0	10.8	26.3	-27%	144%
Net income	\$ 176.9	\$ 155.9	\$ 116.0	\$ 61.1	\$ 196.5	11%	222%
Share count - Diluted	86.6	86.8	87.1	87.1	87.2	1%	0%
Net income per share - Diluted	\$ 2.04	\$ 1.80	\$ 1.33	\$ 0.70	\$ 2.25	10%	221%
RONA (1)	20.4%	19.5%	16.9%	13.1%	12.8%	-7.6%	-0.3%
Share-based compensation expense	26.2	28.9	25.6	31.3	28.7	10%	-8%
Capital expenditures	137.6	211.8	169.0	221.0	223.9	63%	1%
Cash, cash equivalents, marketable securities, and investments	\$ 997.0	\$ 1,113.8	\$ 713.0	\$ 515.4	\$ 794.8	-20%	54%
See also Notes to our Consolidated Financial Statements							
Supplemental Data							
(Unaudited)							
Average foreign spot exchange rate (€/USD)	1.28	1.36	1.37	1.44	1.42	11%	-1%
Net cash provided by (used in) operating activities	\$ 248.1	\$ 349.8	\$ (43.8)	\$ (203.0)	\$ 202.6	-18%	200%
+ Excess tax benefits from share-based compensation arrangements (2)	102.4	(33.0)	-	16.5	63.2	-38%	283%
- Purchases of solar module collection and recycling restricted investment	-	-	(62.7)	-	-	0%	0%
- Purchases of property, plant and equipment	(137.6)	(211.8)	(169.0)	(221.0)	(223.9)	63%	1%
= Free cash flow	\$ 212.9	\$ 105.0	\$ (275.5)	\$ (407.5)	\$ 41.9	-80%	110%
MW Produced	350.2	395.2	407.2	482.9	551.0	57%	14%
Line run rate	59.6	62.6	64.1	62.1	63.1	6%	2%
Conversion efficiency	11.3%	11.6%	11.7%	11.7%	11.8%	0.5%	0.1%
Core cost per watt produced	\$ 0.75	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	-3%	0%
Share-based payment cost per watt (manufacturing) (3)	\$ 0.02	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.01	-50%	0%
Ramp penalty (cost per watt) (4)	\$ -	\$ -	\$ 0.01	\$ 0.01	\$ -	0%	-100%
Total cost per watt produced	\$ 0.77	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.74	-4%	-1%

(1) RONA = 4 quarter rolling NOPAT / 4 quarter rolling NET ASSETS (where NET ASSETS = Assets - Non interest bearing liabilities).

(2) During the three months ended September 25, 2010, we realized \$102.4 million of excess tax benefits related to share-based compensation arrangements from the utilization of net operating loss carryforwards comprised of excess tax deductions primarily as a result of our decision to repatriate approximately \$300 million of earnings from our foreign subsidiaries. During the three months ended December 31, 2010, we adjusted the manner in which we repatriated the earnings. As a result, we adjusted our previously recorded excess tax benefits by \$33.0 million.

(3) Represents share-based payment costs associated with factory labor.

(4) Ramp penalty start-up costs consist primarily of fixed production labor and overhead spending associated with production below normal capacity utilization in a new production facility.

Use of Non-GAAP Financial Measure – Free Cash Flow



\$M

This presentation includes information regarding Free Cash Flow, which is a financial measure not prepared in accordance with U.S. generally accepted accounting principles (GAAP).

Free Cash Flow is defined as Net Cash Provided by Operating Activities plus Excess tax benefits from share-based compensation arrangements minus Solar module collection and recycling restricted investment purchases and Capital expenditures (purchases of property, plant and equipment). The Company uses Free Cash Flow to evaluate its businesses, and this measure is considered an important indicator of the Company's liquidity and ability to pursue opportunities to enhance shareholder value, including its ability to reduce debt and make strategic investments. A general limitation of a Free Cash Flow measure is that it is not prepared in accordance with GAAP and thus may not be comparable to similarly titled measures of other companies due to differences in methods of calculation and excluded items.

Actual Data

	Years Ended				
	2006	2007	2008	2009	2010
Net cash provided by (used in) operating activities	(0.6)	206.0	463.1	675.2	705.5
+ Excess tax benefits from share-based compensation arrangements	-	-	-	-	69.4
- Purchases of solar module collection and recycling restricted investment	-	-	-	(7.5)	(43.1)
- Purchases of property, plant and equipment	(153.2)	(242.4)	(459.3)	(279.9)	(588.9)
= Free cash flow	(153.8)	(36.4)	3.8	387.8	142.9

	Quarters Ended											
	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	
Net cash provided by (used in) operating activities	63.7	19.1	178.6	413.8	31.3	76.3	248.1	349.8	(43.8)	(203.0)	202.6	
+ Excess tax benefits from share-based compensation arrangements	-	-	-	-	-	-	102.4	(33.0)	-	16.5	63.2	
- Purchases of solar module collection and recycling restricted investment	-	(7.5)	-	-	(43.4)	0.3	-	-	(62.7)	-	-	
- Purchases of property, plant and equipment	(86.3)	(59.6)	(64.8)	(69.2)	(106.0)	(133.5)	(137.6)	(211.8)	(169.0)	(221.0)	(223.9)	
= Free cash flow	(22.6)	(48.0)	113.8	344.6	(118.1)	(56.9)	212.9	105.0	(275.5)	(407.5)	41.9	

Forecast Data

	High FY'11 Guidance	Low FY'11 Guidance
Net cash provided by operating activities	0	(200)
+ Excess tax benefits from share-based compensation arrangements	80	80
- Purchases/(Sales) of restricted investment	(63)	(63)
-Purchases of property, plant and equipment	(800)	(800)
= Free cash flow	(783)	(983)



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