

Third Quarter 2014 Review and Update

November 21st 2014



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- ➔ Revenues gained 8.2% QoQ to \$195.2 million
- ➔ Module shipments rose 10% QoQ to a record 373.2 MW
- ➔ ASP declined 10% with higher China volumes
- ➔ COGS/W declined 3.4% QoQ
- ➔ Gross margins fell to 6.8% reflecting lower ASP
- ➔ QoQ shift in net FX negative \$18 million
- ➔ Working capital management improved with lower DSO's and inventory day's

- ➔ Capacity expansion on plan
 - Cell and module to 1.5 GW and 2.0 GW, respectively by year end
 - 230 MW Korea module plant in 1H 2015

- ➔ Shift to module automation completed by early 2015

- ➔ Began commercial production of next generation S Series Module

- ➔ COGS/W reduced 3.4% QoQ to \$0.57/W
 - Higher utilization at ingot/wafer plant
 - Lower poly prices
 - Lower-cost S Series Module
 - Targeting COGS/W of \$0.52-53/W by year end



Japan

- Recognised brand, quality and bankability
- Price competition intensifies including domestic producers
- ASPs decreasing in Dollar terms due to devaluation of the Yen



Europe

- Price undertaking mechanism provides challenge
- Pull-in demand expected in the UK through 1Q15
- Markets transitioning from ground mounted to rooftop
- Leveraging historical EPC customer relationships into emerging markets



US

- Currently supply with Chinese made product under 2012 tariff rules
- Korean manufacturing in 2015 provides option to circumvent tariffs
- 300 ~ 400 MW shipment potential in 2015

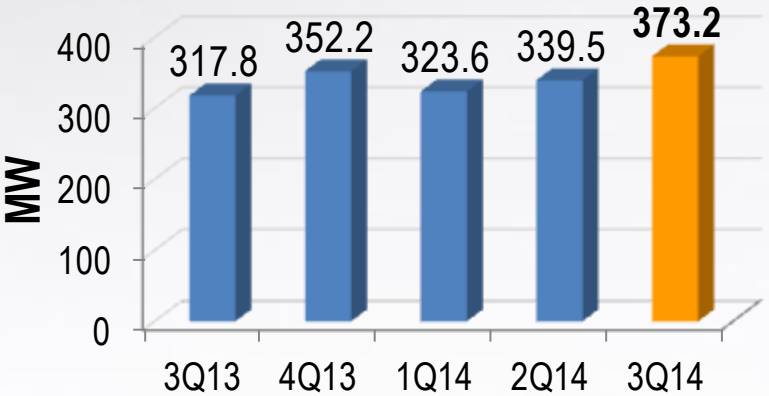


China

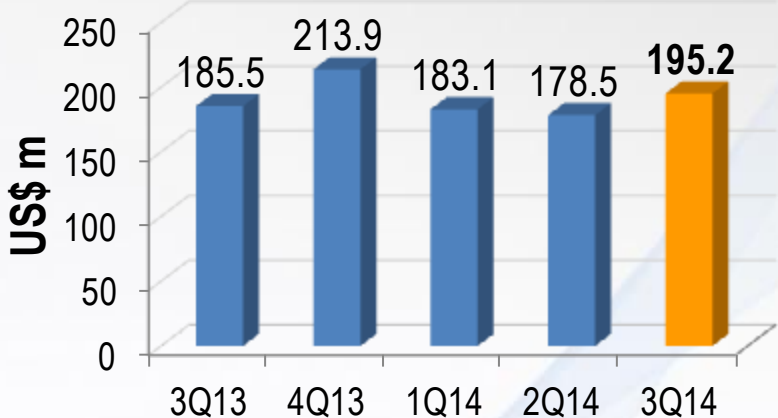
- Increased focus following policy changes, better pricing and reduced credit risk
- Signed two agreements with Baotou (Module) and Yantai (IPP) totaling 200 MW
- First IPP project under development with 70~100 MW IPP target for 2015

Categories	Third Quarter 2014
Revenue	\$195.2 million (+8.2%) Q/Q
Shipments	373.2 MW (+9.9%) Q/Q
ASP	\$0.61 (-10.0%)
Gross Margin	6.8%
Net Loss	\$38.2 million
GAAP Earnings per Basic ADS	(\$0.42)

Module Shipment



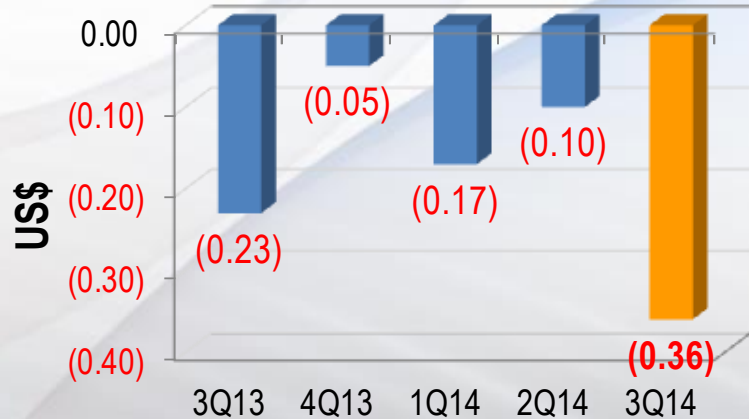
Revenues



Gross Margin

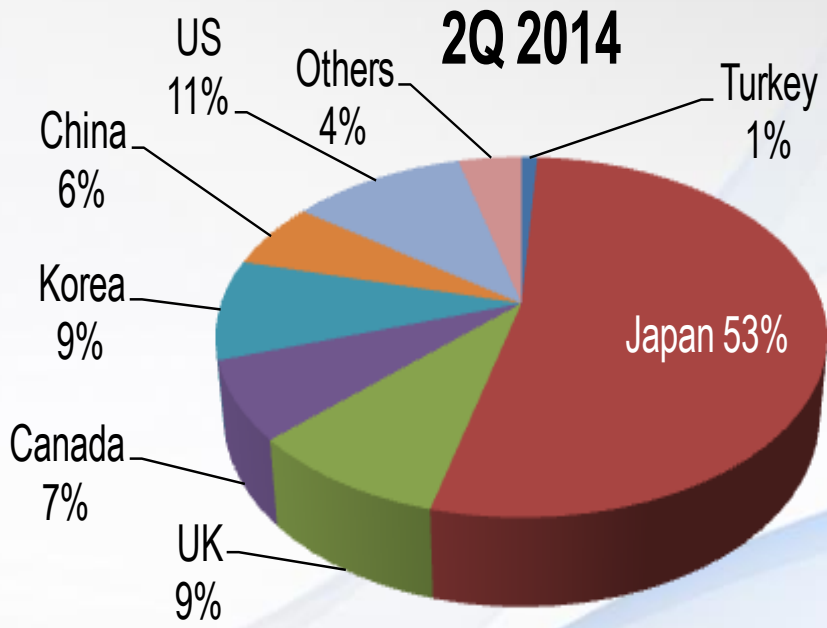
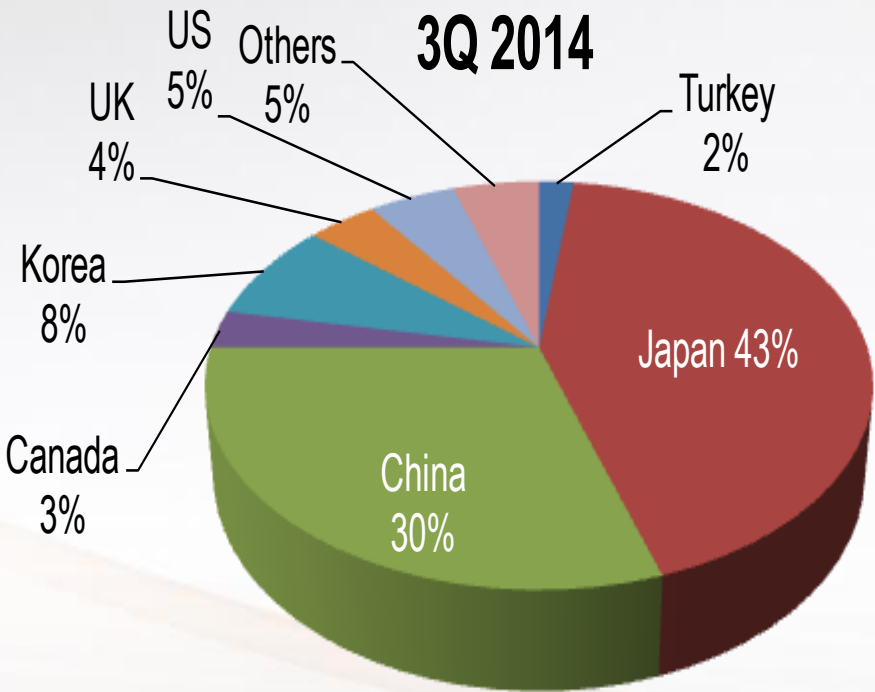


Non-GAAP Earnings / Basic ADS¹



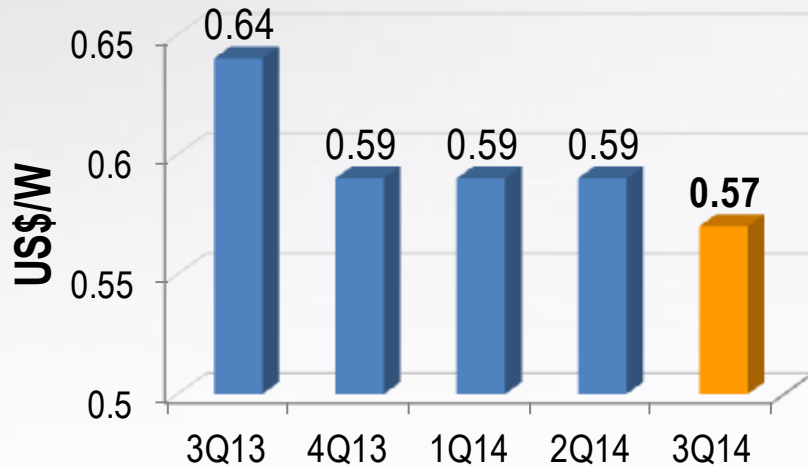
Note:

¹ All non-GAAP numbers exclude the accounting impact from the adoption of ASC 815-40, which relates to the accounting treatment for the convertible bonds. Non-GAAP financial results for prior quarters have been adjusted for comparability with the current quarter.



- Shipments to AP accounted for 83% ,EA contributed 9% and NA 8%
- Maintained strong position in Japan (43%)
- China shipments increased greater than 400% to 30% of total
- US and EU impacted by regulatory environment
- Global footprint expanded with shipments to 25 countries

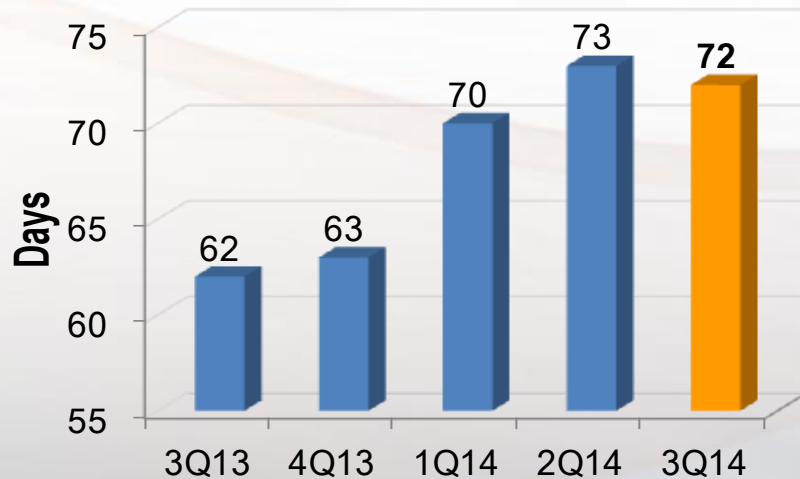
COGS/W



Operating Expenses as % of Revenue¹



Days Inventory Outstanding



Days Sales Outstanding



Notes:

1 4Q13 figures excludes non-cash charges

**FY
2014**

Shipments	Q4 2014	400 – 425 MW
	2014	1.43~1.46GW
Capital Expenditure	2014	\$80 million



Thank You