

# First Quarter 2016 Earnings Call

May 19, 2016

# Disclaimer

The market and industry information contained in this presentation has not been independently verified. No representation or warranty, whether express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. Neither Hanwha Q CELLS Co., Ltd. ("the Company") nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation contains statements that reflect the Company's beliefs and expectations about the future. These statements constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the quotations from management in this press release and the Company's operations and business outlook, contain forward-looking statements. These forward-looking statements also include 2Q16, 2H16 and full-year 2016 estimates for PV product shipments, production capacities and other results of operations. Forward-looking statements involve inherent risks and uncertainties and actual results may differ materially from such estimates depending on future events and other changes in business climate and market conditions. Further information regarding these and other risks is included in the Company's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

No part of this presentation may be reproduced, photocopied, redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization/firm) or published, in whole or in part, for any purpose. No part of this presentation may be distributed, reproduced, taken or transmitted into the United States, Canada or Japan.

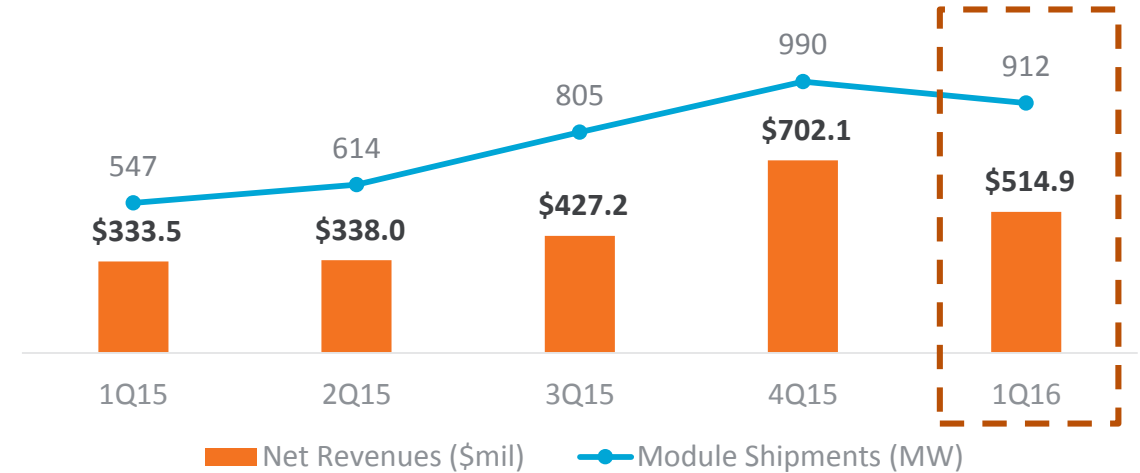
This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, Canada or Japan or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company.

# Key 1Q16 Highlights

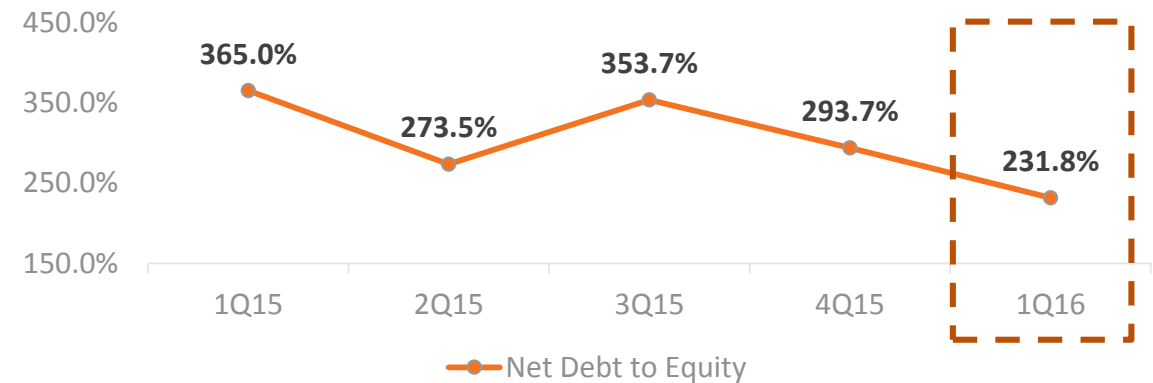
	1Q16	4Q15	1Q15
Total Module Shipments (MW)	912	990	547
Net Revenues (\$mil)	514.9	702.1	333.5
Gross Margin (%)	21.2%	19.1%	14.5%
Operating Margin (%)	11.0%	7.7%	-5.2%
Net Margin (%)	5.3%	3.7%	(6.1%)
Earnings (Loss) per ADS (\$, fully diluted)	0.33	0.31	(0.25)

- Solid execution exceeding guidance
- Continuing manufacturing cost reduction with improved operational efficiency
- Improved financial leverage: Net debt to Equity ratio now under 250%
- Well positioned for robust 2H16 with high visibility

## Net Revenues & Total Module Shipments



## Net Debt to Equity Ratio (%)

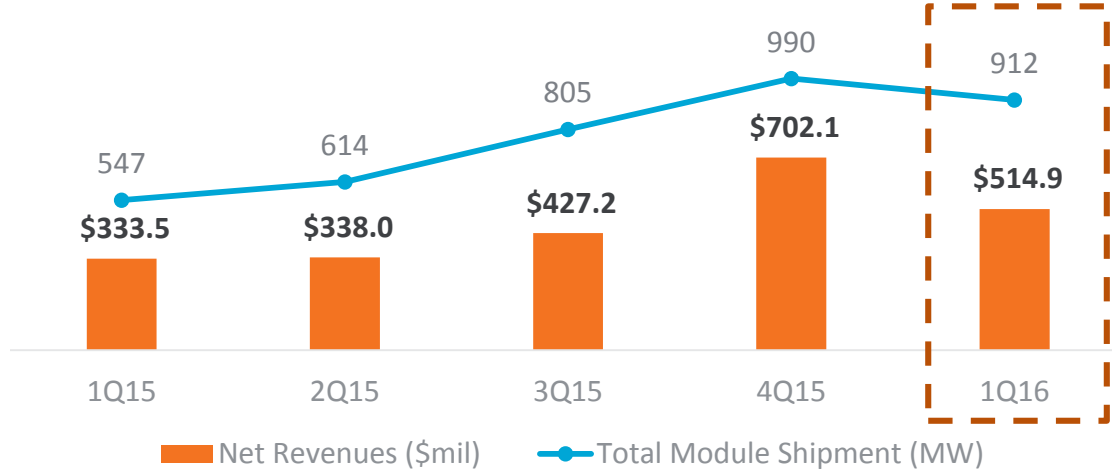


# Divestiture of Module Fab in Korea

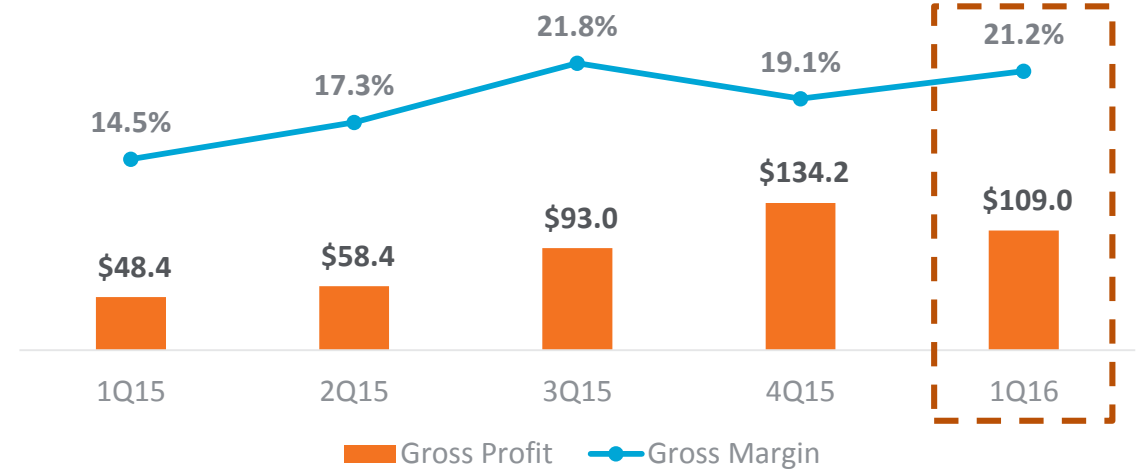
Parties	<ul style="list-style-type: none"><li>▪ Seller: Hanwha Q CELLS, Co., Ltd. (“HQCL”)</li><li>▪ Purchaser: Hanwha Q CELLS Korea Corporation (“HQCKR”)</li></ul>
Disposed Asset	<ul style="list-style-type: none"><li>▪ Module Fab (“Eumseong Fab”), located in Eumseong, Korea, wholly owned by HQCL</li></ul>
Transaction Structure	<ul style="list-style-type: none"><li>▪ HQCL will sell 100% of equity interest of Eumseong Fab</li><li>▪ HQCKR will pay approximately \$57 million in cash and assume all outstanding assets and liabilities of Eumseong Fab</li></ul>
Conditions & Timing	<ul style="list-style-type: none"><li>▪ Subject to final approval by a special committee of the Board of Directors comprised of independent directors of HQCL</li><li>▪ Expected closing by the end of 2Q 2016</li></ul>
Deal Rationale	<ul style="list-style-type: none"><li>▪ <b>Full optimization of manufacturing cost structure</b> and operational efficiency by combining closely related cell and module manufacturing operations</li><li>▪ <b>Improved liquidity and cash proceeds will be used to fund the Company’s key strategic initiatives</b> to further strengthen its core competencies including R&amp;D investment and global expansion of sales and marketing operations</li></ul>

# Financial Performance Overview

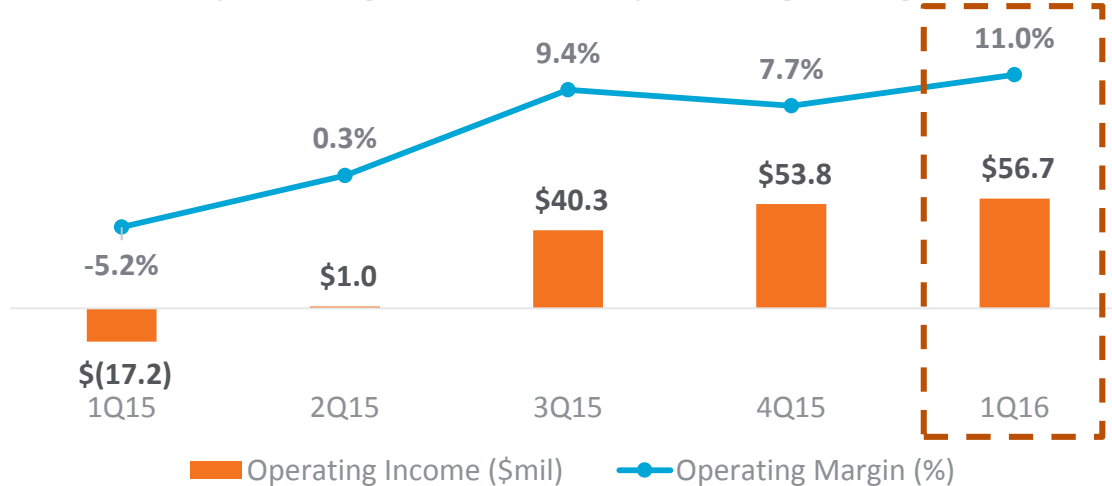
## Net Revenues & Module Shipment



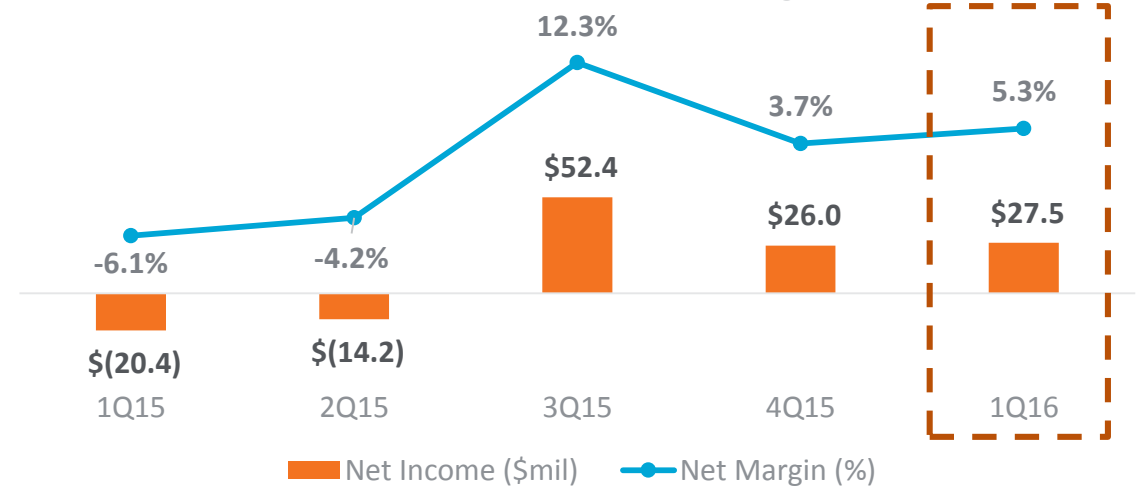
## Gross Profit & Gross Margin



## Operating Income & Operating Margin

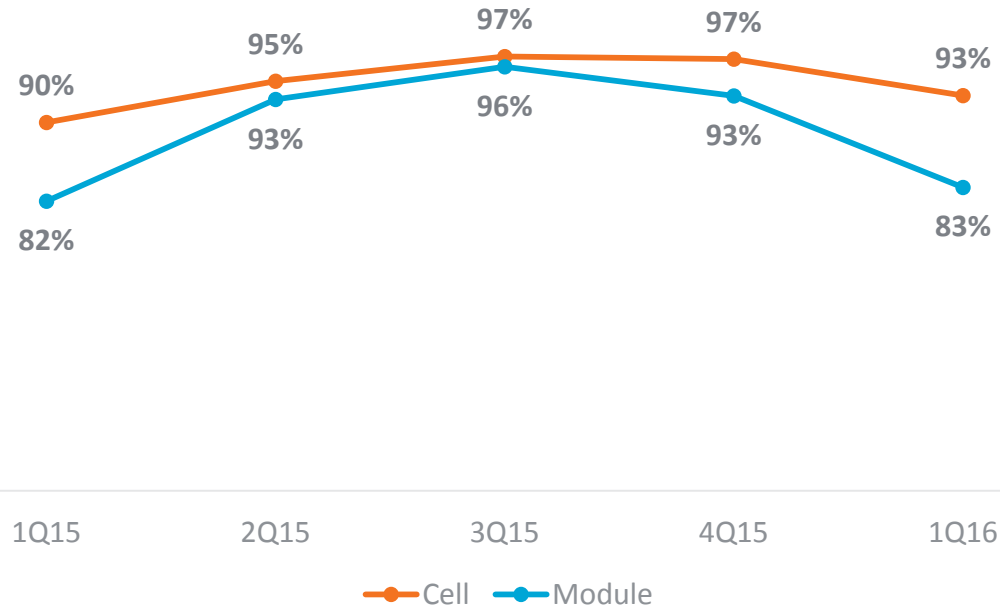


## Net Income & Net Margin



# 1Q16 Manufacturing Operation Overview

Quarterly Utilization Rate<sup>1</sup> (%)



Manufacturing Annual Capacity<sup>1</sup> (Annual)

in MW	As of 4Q15	As of 1Q16	As of 2Q16 (Est.)
Module	4,300	4,800	5,200
Cell	4,300	4,850	5,200
Wafer	900	900	900
Ingot	1,400	1,400	1,500

- In 1Q16, 500MW of new module capacity added in Korea, lowering quarterly module utilization rate.
- Excluding ramp-up effects in Malaysia and Korea, production capacity at near full utilization

- New capacity expansion on schedule to reach 5.2 GW by mid 2016
- Approximately 55% of total module output is from manufacturing locations in Korea and Malaysia, not subject to AD/CVD in the US and EU

1. Includes cell production capacity from the facility operated by Hanwha Q CELLS Korea Corporation, an affiliate of HQCL

# Module Business Highlights

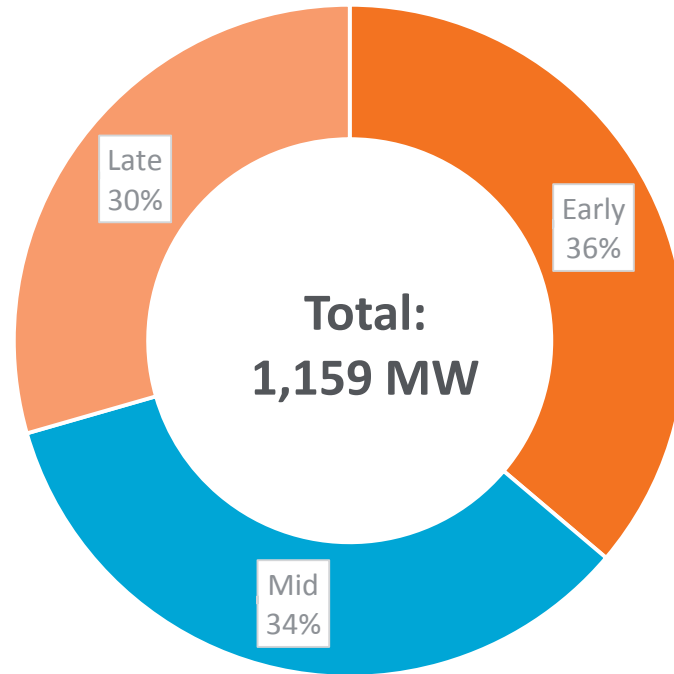
Rev Recognized Business	1Q16	4Q15	1Q15
Total Shipments (MW)	912	990	547
Revenue-Recognized Shipments (MW)	899	911	513
ASP (\$/W)	0.56	0.57	0.59
Total (\$mil)	<u>501.6</u>	<u>519.4</u>	<u>302.2</u>
North America	50.6%	35.8%	20.0%
Japan	15.2%	22.1%	24.4%
Europe	2.1%	9.1%	32.7%
ROW	32.1%	33.1%	22.9%

## Highlights:

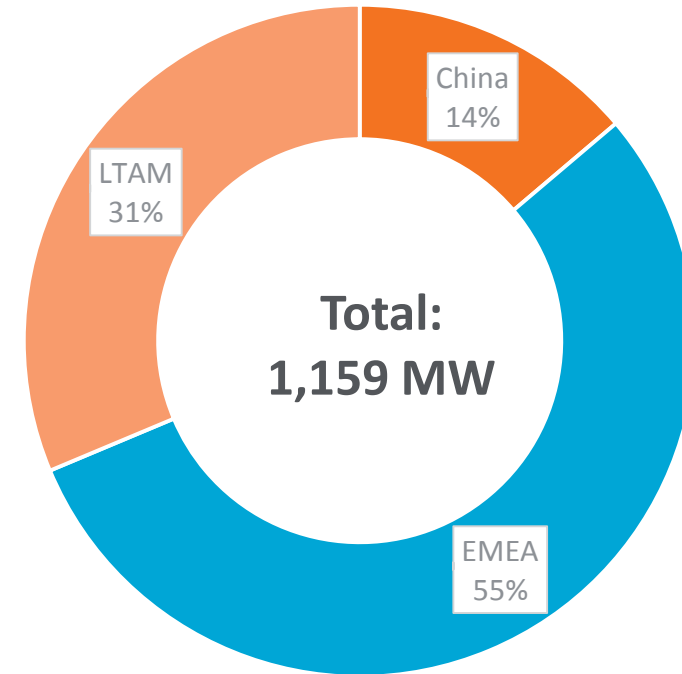
- Well-balanced geographical mix in both OECD countries and emerging markets
- US and Japan continue to be two largest end-markets by revenues
- Within ROW, approximately 2/3 of revenues from India and Turkey combined

# Downstream Business Highlights

1Q16 Pipeline by Stage:



1Q16 Pipeline by Stage:



**Highlights:**

- Active pipeline increased by 22.5% to 1,159 MW largely due to new pipeline addition of 142 MW in Turkey and 112 MW in China
- Active pipeline controlled by other Hanwha affiliates increased to 3.3 GW in 1Q16 compared with 2.6 GW in 4Q15



## Q2 2016 and FY 2016 Guidance

	2Q 2016	FY 2016	
Total Module Shipments	1,100 to 1,150 MW	4,800 to 5,000 MW	Raise from previous guidance range of 4,500 to 4,700 MW
Revenue-recognized shipments	1,080 to 1,130 MW	4,600 to 4,800 MW	new guidance
Gross Margin	19% to 20%	n/a	
CAPEX	n/a	\$180 mil	unchanged

# Balance Sheet Summary

(in \$mm)	March 31, 2016	December 31, 2015	Q/Q
Cash & Cash Equivalents, & Restricted Cash	485.9	372.2	113.7
Account and Notes Receivable (Inc. Related Party) , net	475.8	651.2	(175.4)
Inventories	463.9	406.1	57.8
Fixed Assets, net	906.2	877.3	28.9
<b>Total Assets</b>	<b>2,571.7</b>	<b>2,547.5</b>	<b>24.2</b>
Accounts and Notes Payable (Inc. Related Party)	513.5	556.5	(43.0)
Deferred Revenue	378.5	402.1	(23.6)
Short-term Debt (Inc. current portion of long-term debt)	450.7	416.7	34.0
Long-term Debt	648.0	653.5	(5.5)
<b>Total Liabilities</b>	<b>2,181.6</b>	<b>2,207.3</b>	<b>(25.7)</b>
<b>Total Equity</b>	<b>390.1</b>	<b>340.2</b>	<b>49.9</b>

# Income Statement Summary

(in \$mm, except for margin and share data)	2016 1Q	2015 4Q	2015 1Q
Net Sales	514.9	702.1	333.5
Gross Profit	109.0	134.2	48.4
Gross Margin (%)	21.2%	19.1%	14.5%
Total Operating Expenses	52.3	80.4	65.6
<b>Operating Income (Loss)</b>	<b>56.7</b>	<b>53.8</b>	<b>(17.2)</b>
Operating Margin (%)	11.0%	7.7%	-5.2%
Other Income (Expenses)	(24.6)	(23.2)	(0.9)
Income Tax Benefit (Expenses)	(4.6)	(4.6)	(2.3)
<b>Net Income (Loss)</b>	<b>27.5</b>	<b>26.0</b>	<b>(20.4)</b>
Net Margin (%)	5.3%	3.7%	-6.1%
Earnings(Loss) per ADS – Diluted	\$0.33	\$0.31	(\$0.25)

**Thank You**