

SunPower Update Call

December 7, 2016

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding: (a) our positioning for future success, long-term profitability, competitive advantage, and our ability to successfully navigate current market conditions and succeed in the next phase of industry growth; (b) our expectations for the solar industry and the markets we serve, including near-term market conditions, the long-term fundamentals for solar power, and prospects for long-term industry growth; (c) our long-term strategy, including investment allocations and operational focus, and our exposure to market disruptions; (d) our restructuring and cost reduction plans; (e) our expectations for the timing, success and financial impact of our restructuring and other initiatives, including impact on our balance sheet, long-term cash flow, annual operating and other expenses, and our ability to structure our business to achieve expanded margins and profitability; (f) our ability to maximize cash flow and manage our cash position, appropriately size our manufacturing capacity to match expected demand, reduce costs, improve liquidity and fund our strategic plans, and to meet any of our goals in respect of any of the foregoing measures; (g) our ability to beneficially expand our cooperation with Total in key areas; (h) our plans for technology development, including our ability to maintain industry-leading performance while reducing panel costs; (i) anticipated restructuring and other accounting charges; and (j) key financial metrics for fiscal year 2017, including GAAP and non-GAAP revenue, operational expenses, capital expenditures and gigawatts deployed. These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: (1) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (2) our liquidity, substantial indebtedness, and ability to obtain additional financing for our projects and customers; (3) regulatory changes and the availability of economic incentives promoting use of solar energy; (4) challenges inherent in constructing certain of our large projects; (5) the success of our ongoing research and development efforts and our ability to commercialize new products and services, including products and services developed through strategic partnerships; (6) fluctuations in our operating results; (7) appropriately sizing our manufacturing capacity and containing manufacturing difficulties that could arise; (8) challenges managing our joint ventures and partnerships; (9) challenges executing on our HoldCo and YieldCo strategies, including the risk that 8point3 Energy Partners may be unsuccessful; (10) fluctuations or declines in the performance of our solar panels and other products and solutions; (11) our ability to identify and successfully implement concrete actions to meet our cost reduction targets, reduce capital expenditures, and implement our planned restructuring initiatives, including the planned realignment of our manufacturing operations and power plant segment; and (12) the outcomes of previously disclosed litigation. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the Securities and Exchange Commission (SEC) from time to time, including our most recent reports on Form 10-K and Form 10-Q, particularly under the heading “Risk Factors.” Copies of these filings are available online from the SEC or on the SEC Filings section of our Investor Relations website at investors.sunpower.com. All forward-looking statements in this press release are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

Agenda

- **Strategic position**
- **Upstream technology advantage**
- **Restructuring / cost reduction**
- **Summary**
- **2017 guidance**

Strategic Position

- **Committed to diversified model – geography / segment / technology**
- **Continuing technology investment**
 - Upstream - next gen IBC, P-Series
 - Downstream – complete solution approach (Equinox, Helix, Oasis)
 - Future - Smart Energy / storage
- **Focus on cash flow through 2017 – de-lever balance sheet**
 - Capacity realignment / cost reduction / restructuring
- **Structure business for long term margin expansion, profitability**
- **Leverage Total partnership for international market growth / R+D collaboration**
- **Utilize 8point3 as a strategic asset for project ownership**

Panel Technology

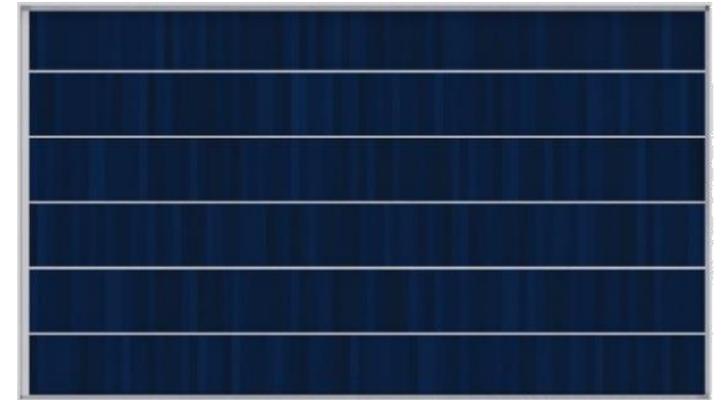
IBC Technology

- Industry's highest efficiency solar cells and panels
- 25% cells, 23% panels in high-volume production
- 2 fabs, > 1.2 GW capacity – maximize X-Series production
- Developing low cost NextGen process



P-Series Technology

- Proprietary panel processes, equipment
- Leverages 3rd party cells to reduce costs
- Capital-light, < 5 ¢/w equipment capex
- Flexibility to adjust to market demand – 6 month ramp
- Expect to deploy 400-MW in 2017



Cost Reduction

- **Closure of Fab 2 - ~700-MW of older, higher cost technology capacity**
- **COGS - accelerate cost roadmaps / address above market poly / inventory reduction**
- **Opex - reducing annual run rate opex to less than \$350 million**
- **Capex - >50% reduction in 2017 / leverage P-Series for low cost volume flexibility**
- **Positive cash flow from operations in 2017 / exit year with ~\$300 million in cash**
- **Global workforce reduction of 2,500 or 25% of total workforce – 75% Fab 2, 25% corporate**
- **Restructuring charges through end of 2017 - \$225 - \$275 million / ~30% cash**

Summary

- **Committed to diversified model – geographic / segment / technology**
- **Increasing technology investment in key growth areas – upstream / downstream**
- **Right sizing cost structure for current market / investing for future growth**
- **Focus on cash flow through 2017 – de-lever balance sheet**
- **Structuring business for long term margin expansion, profitability**
- **Leverage Total partnership for international market growth / R+D collaboration**
- **Utilize 8point3 as a strategic asset for project ownership**

FY 2017 Financial Guidance

	FY'17
GAAP Revenue	<i>\$1,800 – \$2,300 million</i>
Non-GAAP Revenue	<i>\$2,100 – \$2,600 million</i>
Non-GAAP Opex	<i>\$330 – \$350 million</i>
Operating Cash Flow	<i>Positive</i>
Capital Expenditures	<i>\$90 – \$110 million</i>
MW Deployed	<i>1.3 – 1.6 GW</i>
Restructuring Charges	<i>\$75 – \$125 million</i>

* Please see the press release dated December 7, 2016 for additional information regarding the company's fiscal year 2017 guidance

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