

Historical Reconciliation – Above Market Polysilicon Costs

SUNPOWER CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES
(In thousands, except percentages and per share data)
(Unaudited)

Adjustments to Net income (loss):

	THREE MONTHS ENDED								
	Apr. 2, 2017	Jan. 1, 2017	Oct. 2, 2016	Jul. 3, 2016	Apr. 3, 2016	Jan. 3, 2016	Sep. 27, 2015	Jun. 28, 2015	Mar. 29, 2015
GAAP net loss attributable to stockholders	\$ (134,479)	\$ (275,118)	\$ (40,545)	\$ (69,992)	\$ (85,409)	\$ (127,621)	\$ (56,326)	\$ 6,509	\$ (9,581)
Adjustments based on IFRS:									
8point3	8,101	6,301	19,320	18,039	10,719	394,097	19,371	(4,688)	-
Utility and power plant projects	27,174	2,542	47	4,128	3,557	13,079	(516)	(4,328)	(11,251)
Sale of operating lease assets	-	(10,086)	2,098	2,979	3,120	2,000	-	-	-
Sale-leaseback transactions	(1,842)	8,435	277	2,988	-	-	-	-	-
Other adjustments:									
Stock-based compensation expense	7,375	12,596	15,907	16,475	16,520	16,476	14,898	14,040	13,546
Amortization of intangible assets	3,026	3,018	3,018	3,168	8,165	2,623	1,098	497	499
Non-cash interest expense	35	94	308	309	346	416	517	571	4,680
Goodwill impairment	-	-	57,765	-	-	-	-	-	-
Restructuring expense	9,790	175,774	31,202	117	96	335	726	1,749	3,581
Arbitration ruling	-	-	-	(5,852)	-	-	(7,500)	(4,370)	5,411
IPO-related costs	114	(339)	-	35	-	1,669	1,233	15,231	9,900
Cost of above-market polysilicon	29,815	92,235	27,415	15,901	12,714	55,860	14,260	13,303	15,077
Other	-	-	(20)	(12)	1	(13)	16	160	(1)
Tax effect	513	(12,200)	7,655	(2,454)	1,684	(32,663)	46,959	1,797	2,940
Non-GAAP net income (loss) attributable to stockholders	<u>\$ (50,378)</u>	<u>\$ 3,252</u>	<u>\$ 124,447</u>	<u>\$ (14,171)</u>	<u>\$ (28,487)</u>	<u>\$ 326,258</u>	<u>\$ 34,736</u>	<u>\$ 40,471</u>	<u>\$ 34,801</u>

Adjusted EBITDA:

	THREE MONTHS ENDED								
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Sale of operating lease assets	-	(10,086)	2,098	2,979	3,120	2,000	-	-	-
Sale-leaseback transactions	(1,842)	8,435	277	2,988	-	-	-	-	-
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Goodwill impairment	-	-	57,765	-	-	-	-	-	-
Restructuring expense	9,790	175,774	31,202	117	96	335	726	1,749	3,581
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Other	-	-	(20)	(12)	1	(13)	16	160	(1)
Cash interest expense, net of interest income	18,529	17,416	14,990	13,144	12,184	10,180	8,348	8,023	11,092
Provision for (benefit from) income taxes	2,031	(9,559)	7,049	6,648	3,181	28,778	36,224	(659)	2,351
Depreciation	38,932	48,099	36,809	37,730	33,826	37,890	36,142	30,820	28,604
Adjusted EBITDA	<u>\$ 8,601</u>	<u>\$ 71,408</u>	<u>\$ 175,640</u>	<u>\$ 45,805</u>	<u>\$ 19,020</u>	<u>\$ 435,769</u>	<u>\$ 68,491</u>	<u>\$ 76,858</u>	<u>\$ 73,908</u>