

Neo Solar Power Corp. (3576 TT)

Professional maker of **QUALITY** solar cells

600MW – Ready for Take-off

Corporate Presentation

[Http://www.neosolarpower.com](http://www.neosolarpower.com)

2009-12

Safe Harbor Statement



This presentation may contain various forward-looking statements and include assumptions concerning Neo Solar Power Corp. (NSP) operations, future results and prospects. These forward-looking statements are based on current expectations and are subject to risk and uncertainties. NSP provides the following cautionary statement identifying important factors which, among others, could cause the actual results or events to differ materially from those set forth or implied by the forward-looking statements and related assumptions.

Such factors and other risks are discussed in greater detail in the NSP's filings with the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan, R.O.C. and the Taiwan Stock Exchange Corp.

Opening Remarks



- 1. Impact of Economic Downturn**
- 2. Solar Industry Outlook**
- 3. NSP's Competitive Advantage**
- 4. NSP's Growth Plan**
- 5. NSP's Track Record, Financial Performance & Outlook**

NSP Background Information



Founded : 2005
Capital: NT\$2,108.5M (Nov.09)
Capacity : 240MW
Employees : 630
Location : HsinChu, Taiwan



Fab 1: Installed capacity 100 MW



Fab 2: Installed capacity 140MW(Max. 680MW)

Technology Quality Service

Management Team (1/2)



n Dr. Quincy Lin, Chairman and CEO

- n More than 30 years of high-tech management experience**
- n Chairman, Fortune Venture Group IC Fund**
- n Senior Vice President, TSMC**
- n Board directors of two Taiwan public companies**
- n Elected Most Influential 50 Alumni of National Chiao-Tung University**
- n Ph.D. in Business Administration, MBA, BS in Electronic Engineering**

n Dr. Sam Hong, President and COO

- n More than 30 years of experience in photovoltaic solar energy (PV device professional)**
- n Vice President & Plant Director, Sinonar Amorphous Silicon Solar Cell Co.**
- n Director, PV Solar Energy Division, ITRI**
- n Ph.D. Electrical Engineering**

Management Team (2/2)



- n **Gary Yang, Senior Vice President and CFO**
 - n Vice President, Sino-Century Venture Capital and PowerWorld Capital Management
 - n MS Finance, MS Nuclear Science
- n **Andy Shen, Senior VP, Worldwide Sales & Marketing**
 - n Senior Director, TSMC; President, TSMC-Europe
 - n MBA, Santa Clara University; MS Electrical Engineering, Case Western Reserve Univ.
- n **Dr. Alex Wen, Senior VP, Operation**
 - n Specialize in silicon refinery (Si-material professional)
 - n Ph.D, Power Mechanical Engineering, National Tsing-Hua University
- n **Marco Hu, Senior VP, Strategy Development**
 - n Specialize in business and operation development & management (PV module professional)
 - n Bachelor, Communication Engineering, National Chiao Tung University

Milestones

- 2005.12 Company founded
- 2006.12 1st line at FAB 1 reached 100% utilization and **break-even for 2006**
- 2007.10 Broke ground for FAB 2 and Headquarters' building
- 12 **Best 2007 ROE (33.74%) & ROA (22.08%) among Taiwan listed peers**
- 2008.03 Solar cell revenues ranked the 3rd largest in Taiwan
- 06 **1st to set up Audit Committee in the Board before IPO**
- 08 FAB 2 launched mass production; capacity reached 210MW
- 12 Revenues topped NT\$10.176 billion

- 2009.01 **1st to be listed on TSE Main Board in 2009 (2009/1/12)**
- 03 Ranked as the world top-20 cell manufacturers by influential Photon magazine
- 06 Strongest sales rebound among peers (**up 51.8% mom**)
- 07 **1st to return to 100% utilization among peers**
- 09 Best 3Q09 utilization among peers



Awards



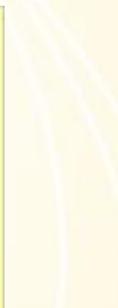
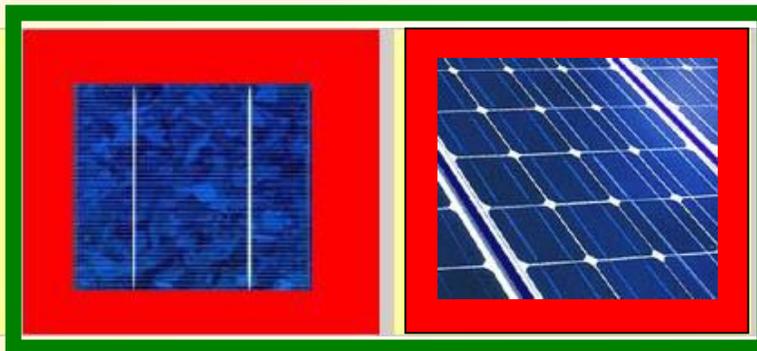
2009.09
Recognized by
Deloitte & Touche
One of Top 10 Deloitte
Technology Fast 500 Asia
Pacific Ranking and CEO
Survey

2008.05
Recognized by
Business Today Magazine
Top 5 in Revenue Growth
Top 6 in Profit Growth
one of top 10 candidates to
be the **highest priced stock**
in Taiwan

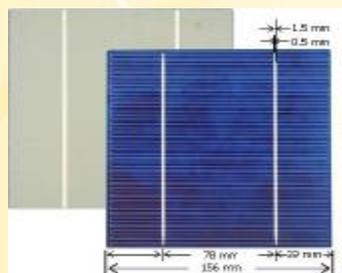
2009.05
Recognized by
CommonWealth Magazine
Top 3 best Growth
Manufacturer
Top 8 in Operation Efficiency
(measured by **revenue & profit**
growth, and ROE)



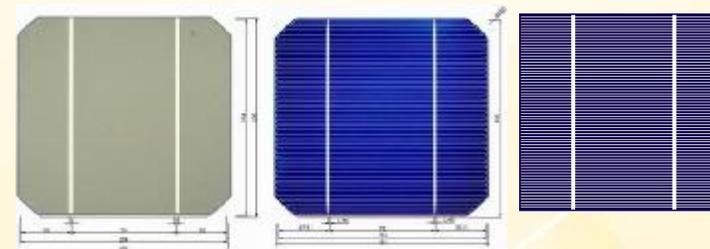
PV Industry Value Chain



NSP



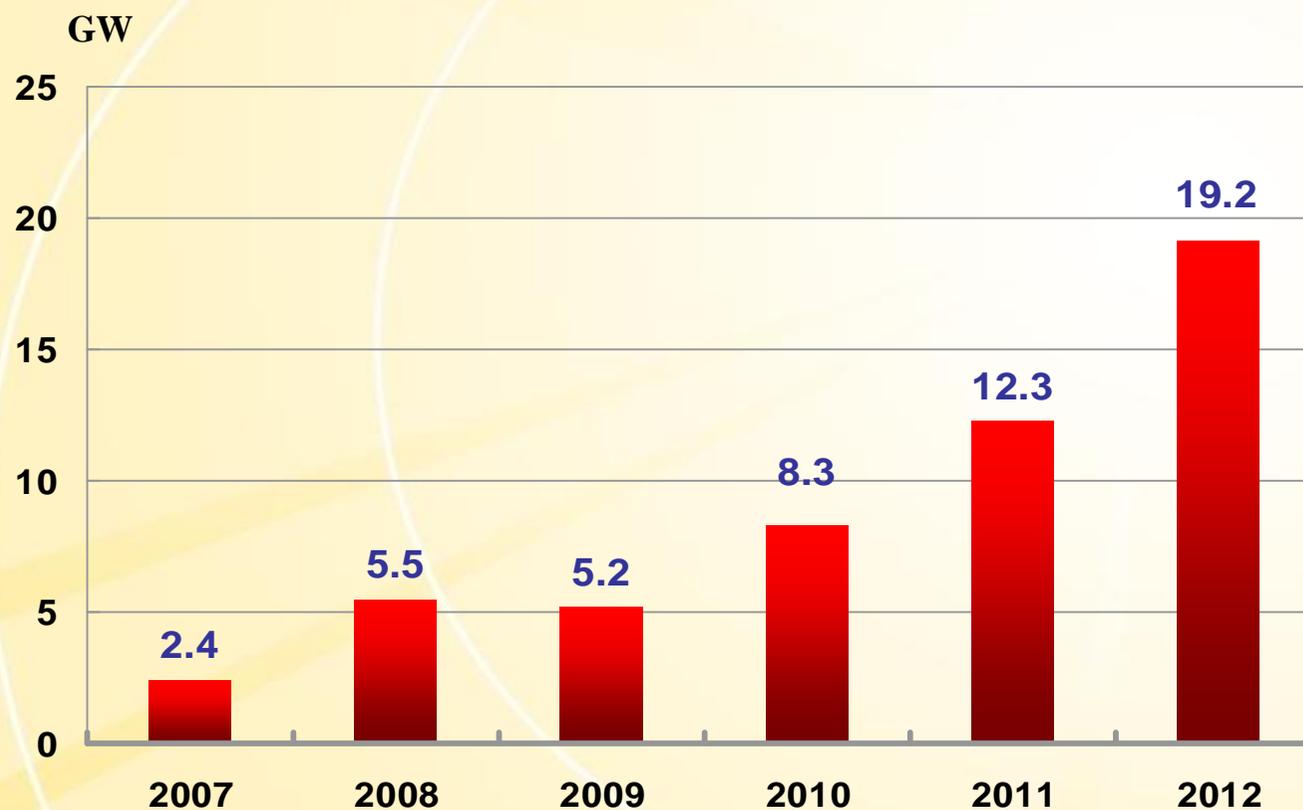
Multi-crystalline silicon solar cells
(156 x 156 mm) or 6"
2-busbar & 3-busbar



Mono-crystalline silicon solar cells
(156 x 156 mm) or 6"
2-busbar & 3-busbar

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Worldwide PV Demand Outlook



Source: NSP Estimates

Technology Quality Service

Continued Growth Momentum



Unit: MW

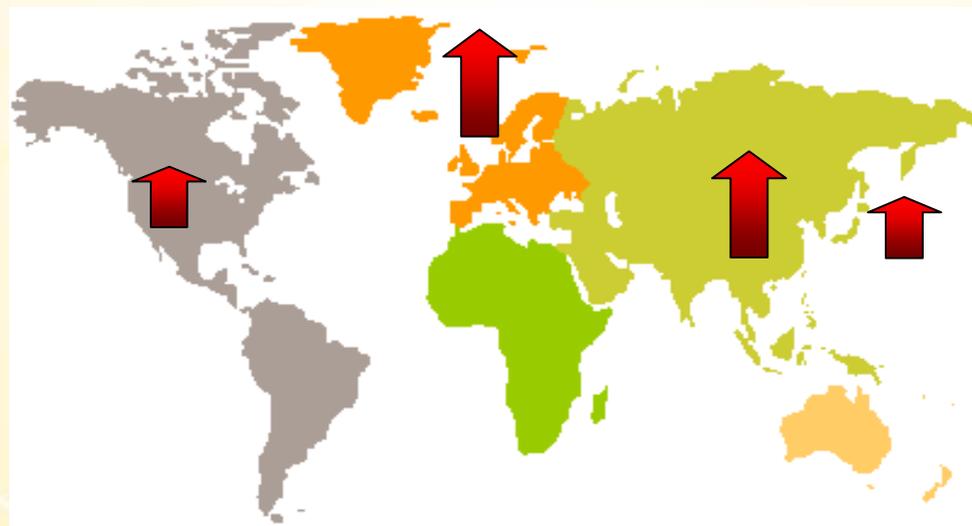
	2009	2010 (est.)	Growth
Germany	2500	3000	20%
Italy	550	900	64%
Spain	300	450	50%
U.S.A.	400	1000	150%
Japan	400	800	100%
China	200	700	250%
ROW	850	1450	70%
Total	5200	8300	60%

Source: NSP Estimates

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NSP Market Strategy

- n Continue to strengthen NSP brand of high quality and high performance
- n Create differentiation and maintain price premium
- n Expand customer base in Europe and Asia
- n Penetrate US and Japan markets
- n Partner with strategic customers and grow together in 2010



NSP Product Strategy



Multi-crystalline



Mono-crystalline



Classic Cells

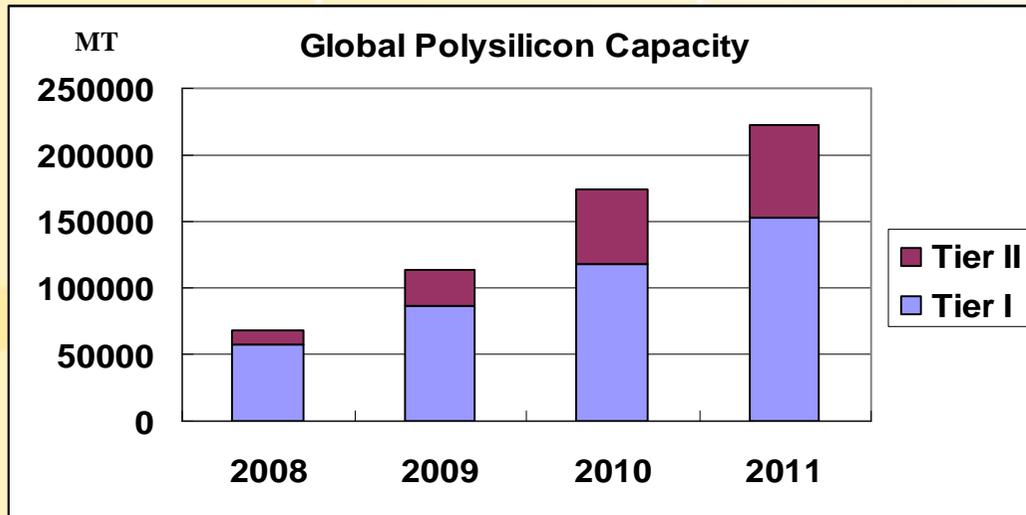
High Performance Market

Mainstream Market

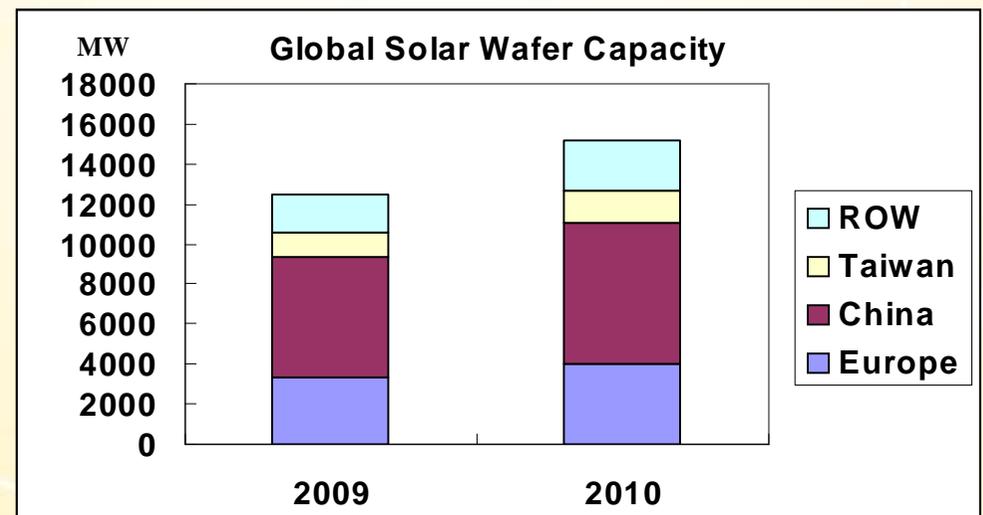
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Polysilicon & Wafer Supply

- n Global polysilicon supply will continue to grow in 2010 which will lead to oversupply situation. \$45~\$50/kg of spot poly price can be expected by 2010/E. Such level of poly price will strongly stimulate the PV demand
- n Over-capacity on wafering still exists in 2010. Consolidation will keep going and low utilization can be observed in non-competitive wafer companies. In contrast, cost-competitive & quality wafer companies can enjoy the growth of the market



Source: NSP Estimates

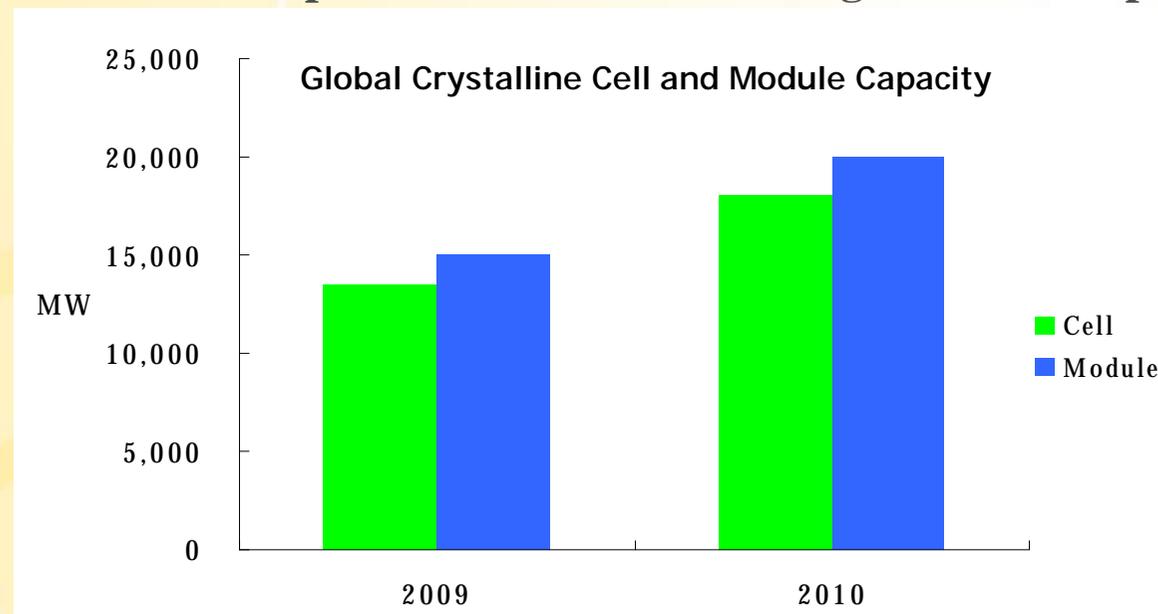


Source: NSP Estimates

Crystalline Cell & Module Supply



- n Global solar cell capacity will continue to grow about 40% in 2010 which will lead to oversupply situation. High performance / low cost cell makers will outpace others. The ASP of solar cell in 2010 is expected to continue decline at moderate rate than that in 2009
- n Over-capacity on PV module sector will still exist in 2010. Consolidation will happen in not-cost-competitive and weak branding module companies



Source: NSP Estimates

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NSP's Competitive Advantages



High **Quality & Reliability**

- Lowest Power Loss
- Lowest Light Induced Degradation
- Low Breakage Rate

Technology Leadership

- Leverage PV device physics & semiconductor process technology
- High conversion efficiency
- New product development

Strong **Customer & Supplier Partnership**

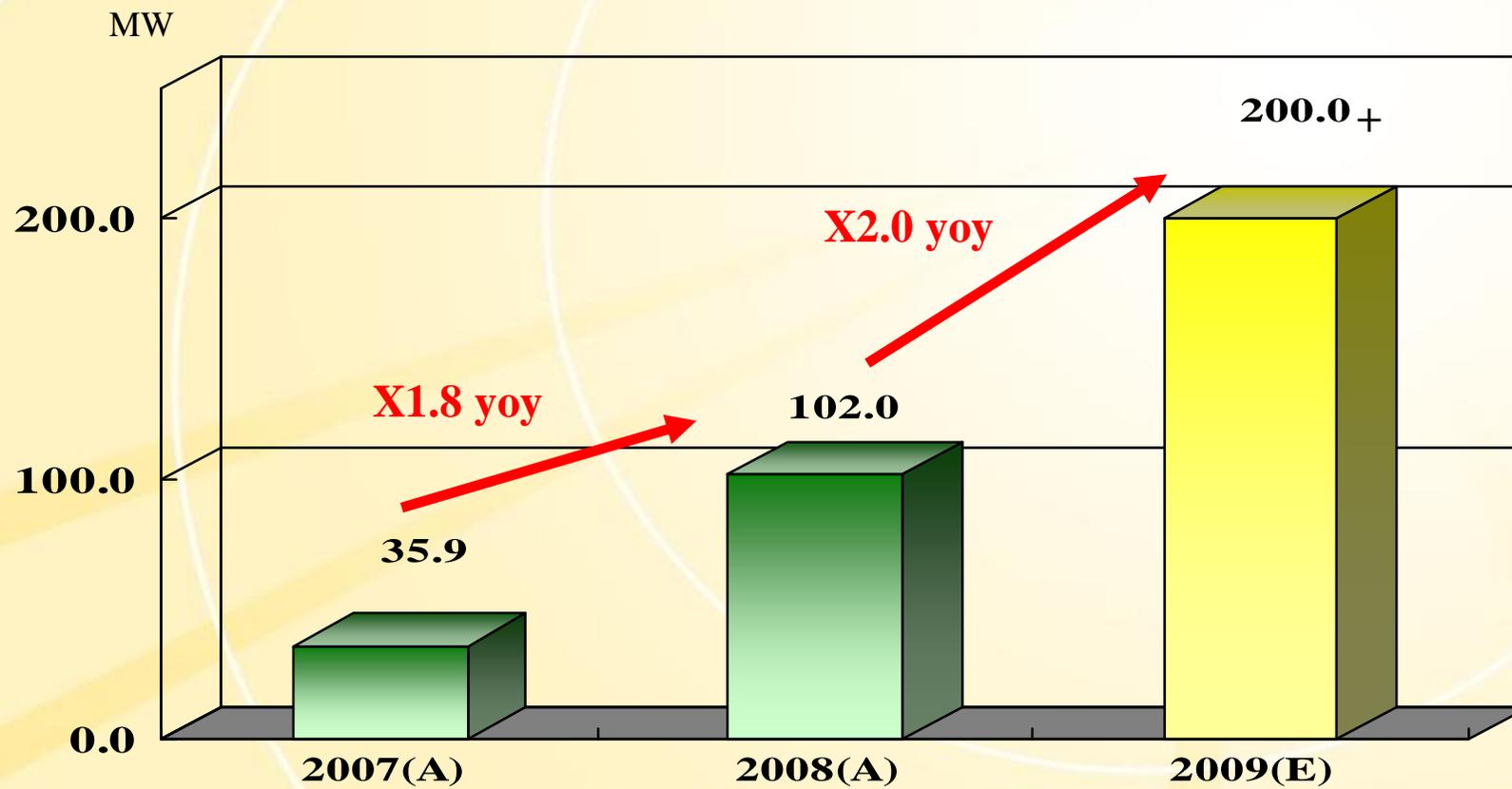
- Tier 1 customer base
- Global presence
- Technical collaboration with customers & suppliers

Competitive Manufacturing **Costs**

- One of the lowest manufacturing costs in the world
- Rigorous semiconductor manufacturing discipline

Phenomenal Growth

Shipment Volume

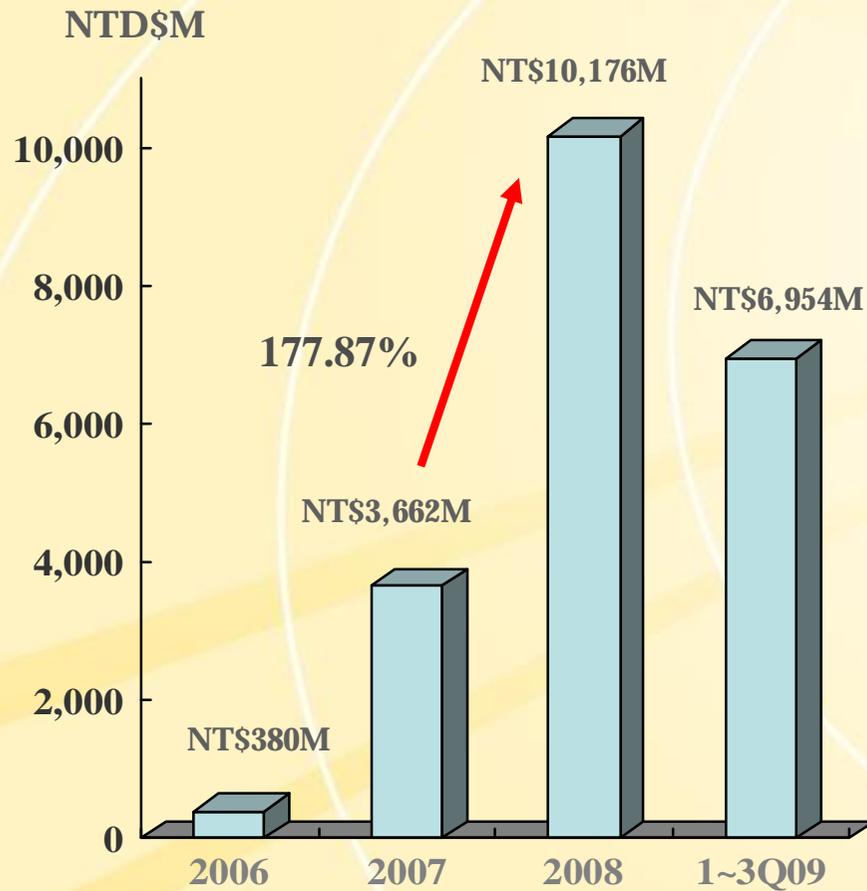


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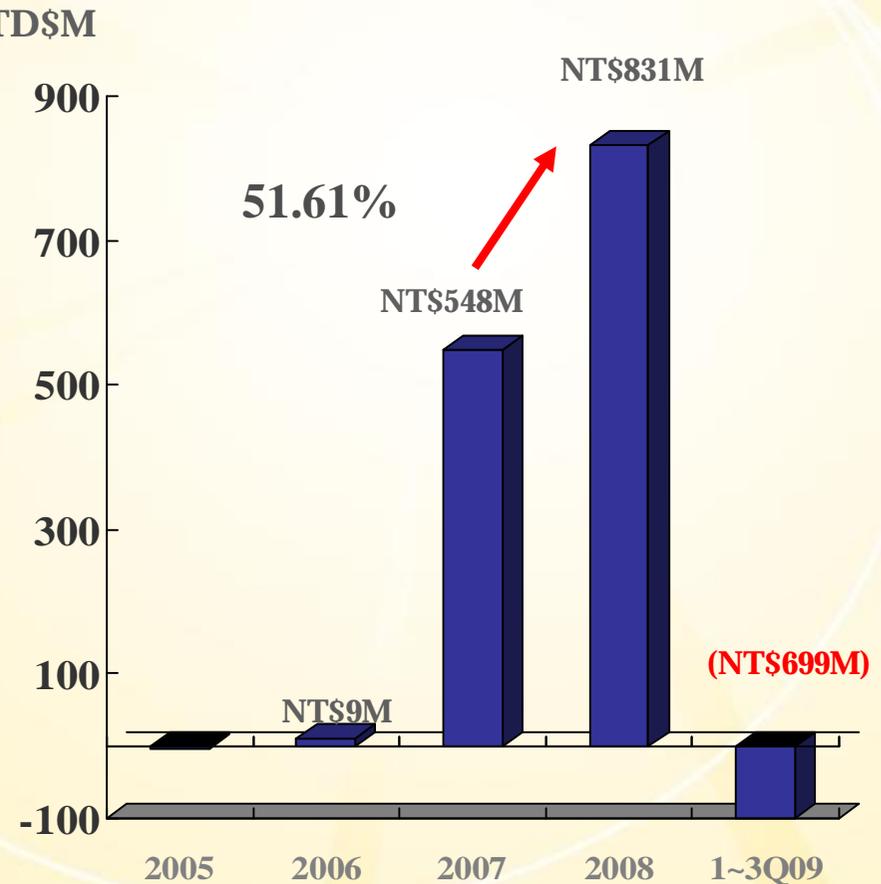
Revenue & Profits



Revenues



Profits



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Income Statements



NTD\$000'	2007	2008	1H09	3Q09
Revenue, Net	3,662,088	10,176,014	3,817,648	3,136,549
COGS	(3,075,578)	(9,358,744)	(4,561,220)	(2,839,572)
Gross Income	586,510	817,270	(743,572)	296,977
Gross Margin	16.02%	8.04%	-19.48%	9.47%
Operating Expenses	(82,732)	(314,792)	(129,808)	(82,827)
Operating Income (Loss)	503,778	502,478	(873,380)	214,150
Non-Ops Income (Loss)	29,569	265,917	72,086	(86,306)
Pre-tax Income	533,347	768,395	(801,294)	127,844
Tax (Expenses) Benefits	15,007	62,944	(21,779)	(4,115)
Net Profits	548,354	831,339	(823,073)	123,723
EPS (NT\$/shares)	5.98	6.12	(4.50)	0.68

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Solid Financial Position

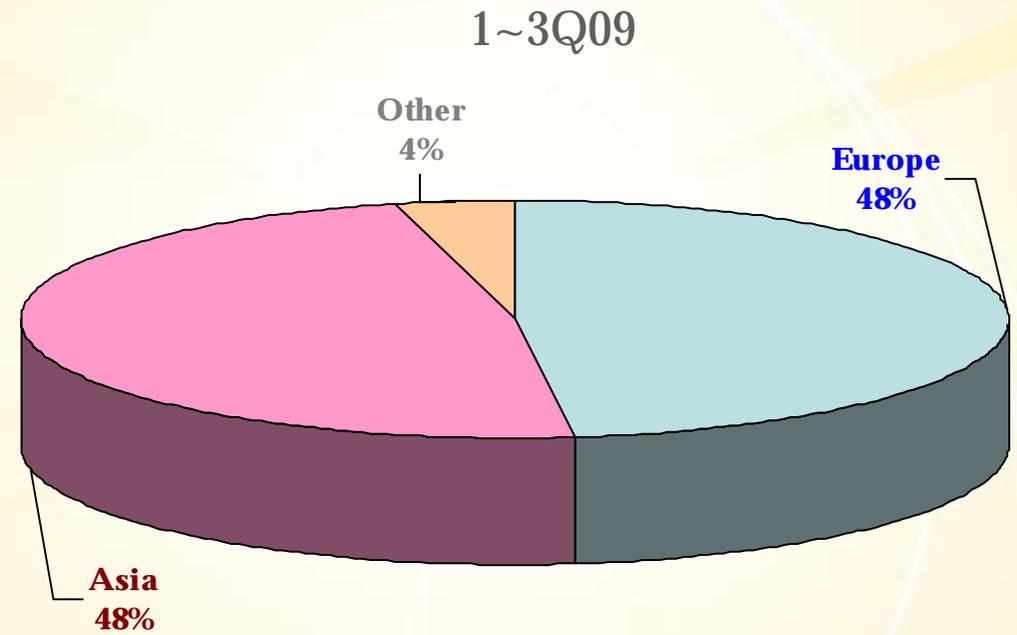
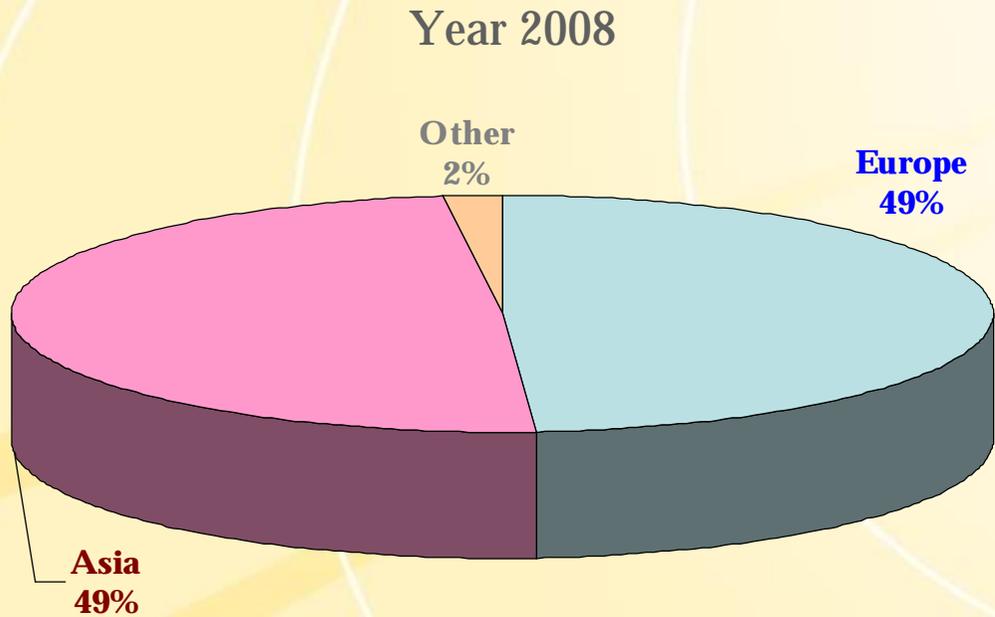


Items	End of 2008	End of 3Q09
Cash & Cash Equivalent	NT\$1.1 billion	NT\$3.1 billion
Shareholders' Equity	NT\$5.5 billion	NT\$6.1 billion
Net Value per Share	NT\$38	NT\$29
Debt to Asset Ratio	49.77%	47.42%
ROA	11.05%	N/A
ROE	20.43%	N/A

n Strong CF performance:

- n 1~3Q09: CF from OPS totaled NT\$699M, best among peers
- n Cash & cash Equivalent & CD totaled NT\$3.5Bn + by 3Q09

Revenues by Region

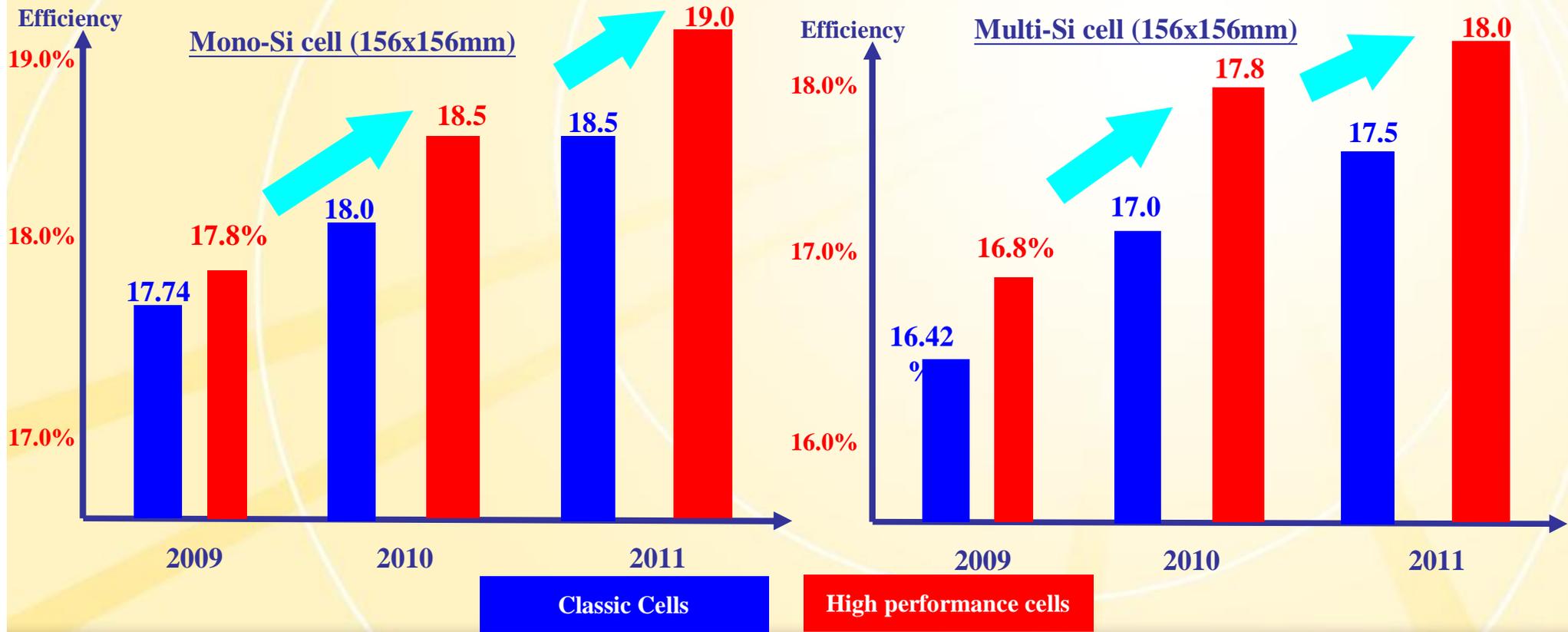


1~3Q09 Total Shipment:
124.3MW

NSP Technology Roadmap

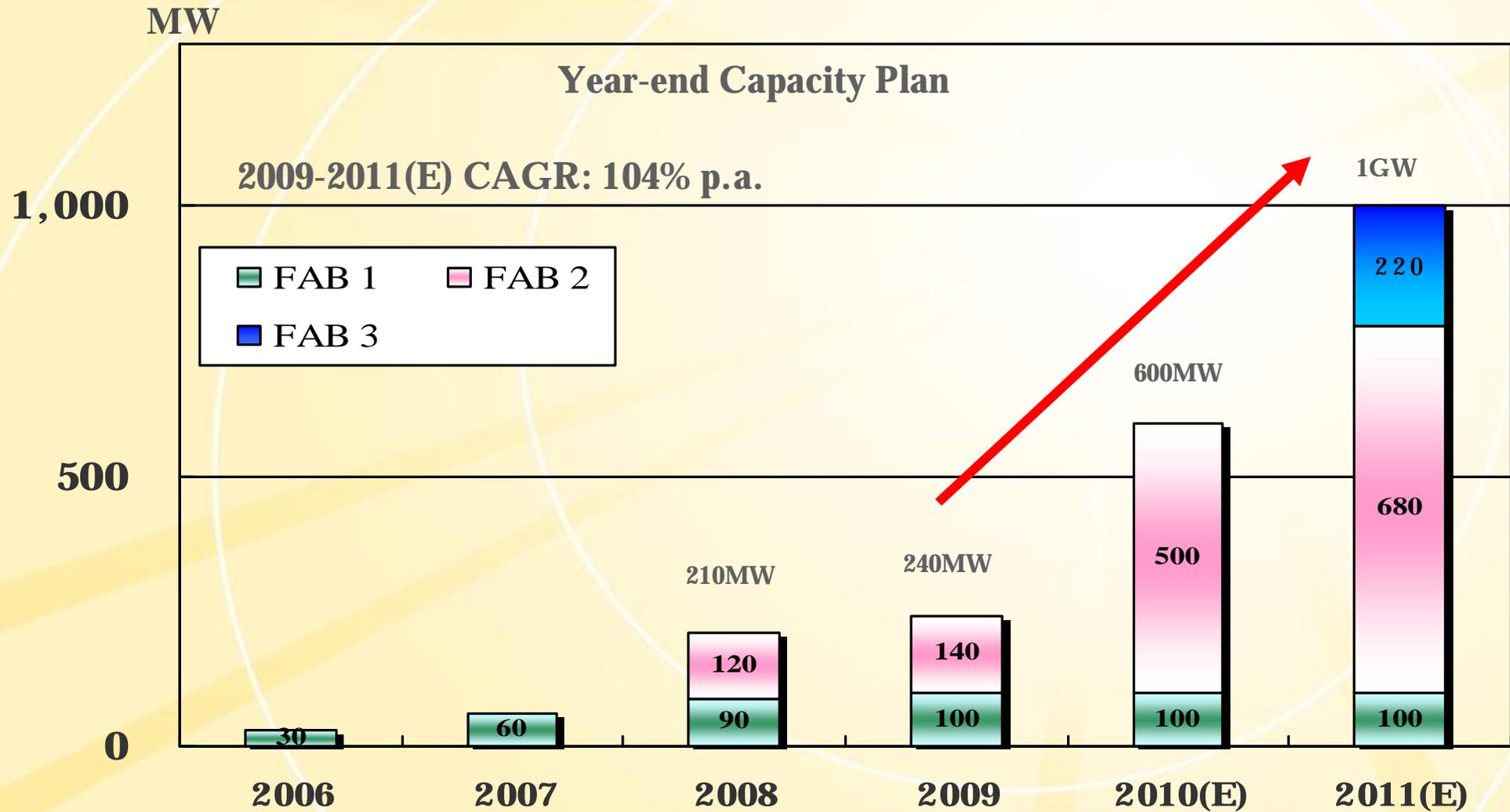


- n Leveraging PV devices & semiconductor processes to create technology differentiation and competitiveness on cost & quality
- n Current Patent status: Granted: 9 cases; Applied: 7 cases; Developing: 4 cases



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Capacity Expansion Plan



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Top Line Guidance

- n **Further QoQ shipment growth in 4Q09: Est. 25MW/mo vs 22MW/mo in 3Q09**

- n **Shipment & capacity**
 - n **Expected shipment:**
 - n **200+MW for 2009**
 - n **400~500MW for 2010**
 - n **360MW capacity expansion: (Total Capex: NT\$2.7Bn)**
 - n **1st 180MW: ramp-up in 1~2Q10**
 - n **Capex: NT\$1.3Bn (Equipment + Facility)**
 - n **2nd 180MW: ramp-up in 2~3Q10**
 - n **Capex: NT\$1.4Bn (Equipment + Facility)**

Key Drivers for Margin Improvement



- n ASP expected to decline at a slower rate
 - n 50%+ yoy global demand growth
 - n Strong poly supply expected to further drive down wafer cost per watt
 - n Wacker & Hemlock expansion
- n Technology development to reduce non-wafer cost (manufacturing cost)
 - n 4Q09 average conversion efficiency:
 - n Multi-crystalline: 16.5%
 - n Mono-crystalline: 17.8%
 - n Target average conversion for 2010:
 - n Multi-crystalline: 17.2%
 - n Mono-crystalline: 18.5%

Risk Factors

- n **Operating Expense:**
 - n **Historically 2-3% to Revenues**
 - n **Conscious cost control mechanism**

- n **Non-Operating Income (Expenses)**
 - n **ECB impact**
 - n **Non-cash ECB interest amortization**
 - n **Financial liabilities valuation risk**
 - n **Foreign Exchange Rate**



Q & A
Thank you for your attention!