

# Neo Solar Power Corp.

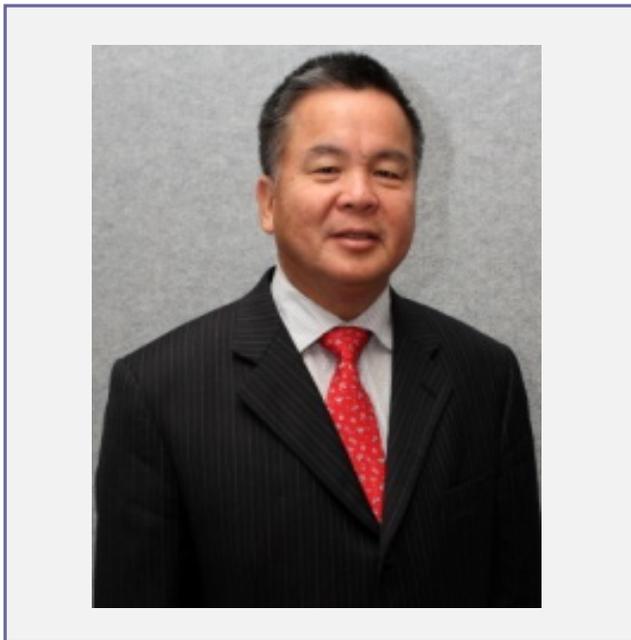
Sep. 2011



**NSP**  
NEO SOLAR POWER

# Presenters

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**Mr. Thomas Hsu**  
*Senior Vice President and CFO*

# Outline

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- **Overview**
- Industry
- Investment Highlights
- Financial Performance

# NSP Overview

## Overview

- Global top 5 merchant solar supplier with annual capacity of 1.3GW (June 2011)
- R&D focus with high quality products and low cost
  - Best 10 Taiwan Tech Company (2011, Business Next Magazine)
- Experienced management team with strong semiconductor background (TSMC)
- Market Capitalization: US\$585mn<sup>1</sup>
- Revenue:
  - 2010: US\$685.0mn
  - 2011 Jan~Aug YTD: US\$549mn

Note:

1. FX rate of US\$1=NT\$28.802 used, as of June 30, 2011.

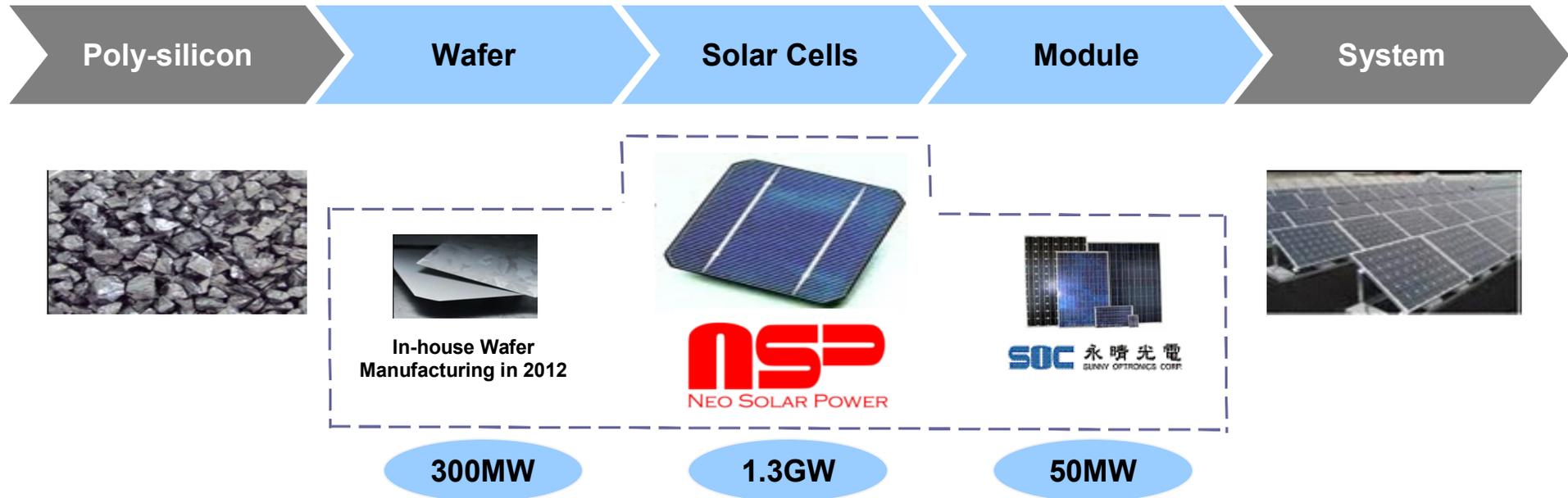
2. Planned capacity for early 2012

## Manufacturing Sites

Type	Location	Capacity (MW)
<b>Cell</b>	Fab 1: Hsinchu Industrial Park, Taiwan	<b>120</b>
	Fab 2 & Headquarters: Hsinchu Science Park, Taiwan	<b>730</b>
	Fab 3: Tainan, Taiwan	<b>450</b>
<b>Module</b>	Hsinchu, Taiwan	<b>50</b>
<b>Wafer<sup>2</sup></b>	Hsinchu Science Park, Taiwan	<b>300</b>

FAB 1	FAB 2 & Headquarters	FAB 3	Wafer
			
Hsinchu Industrial Park, Taiwan	Hsinchu Science Park, Taiwan	Tainan, Taiwan	Hsinchu Science Park, Taiwan

# Well Positioned in the Solar Value Chain

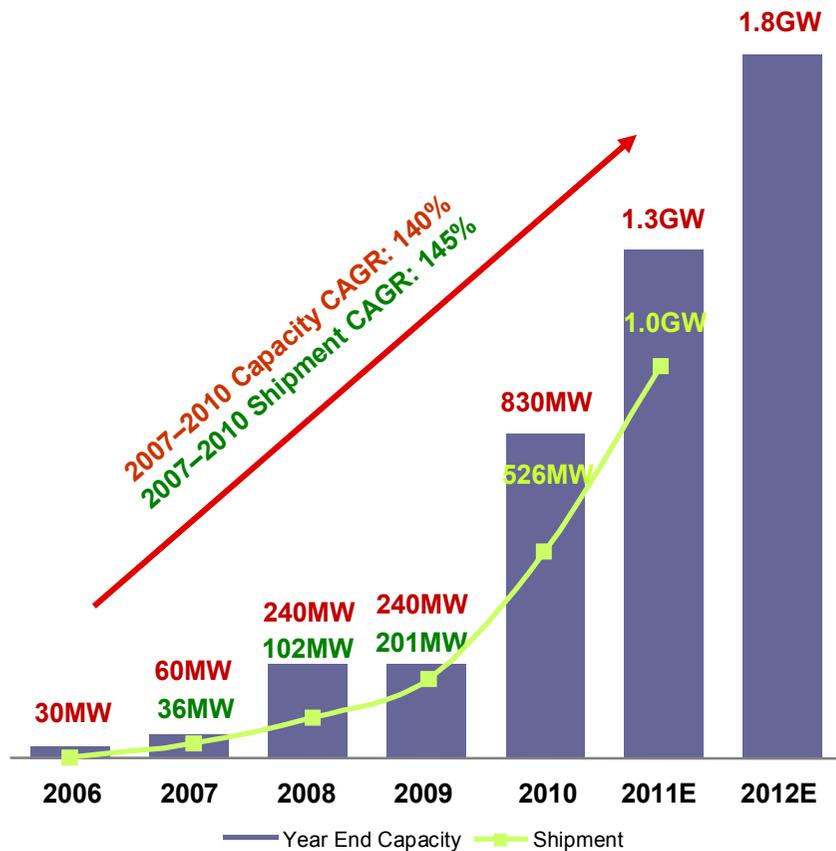


- Leverage on Taiwan advantage
- Well-positioned in supply chain with superior process management and quality control
- More than 25 years technical expertise that covers all disciplines of the PV industry
- Well-recognized by worldwide customers for high quality products

*Note: Capacity level expected by 2011 year-end.*

# Strong Growth Momentum

## NSP Manufacturing Capacity Expansion and Shipment Trend



## Milestones

- |      |  |
|------|--|
| 2005 | <ul style="list-style-type: none"> <li>Company founded</li> </ul>  |
| 2006 | <ul style="list-style-type: none"> <li>Break-even achieved just 2 years into operation</li> </ul>  |
| 2007 | <ul style="list-style-type: none"> <li>Broke ground for FAB 2 &amp; HQ with designed capacity of <b>730MW</b></li> </ul>                                       |
| 2008 | <ul style="list-style-type: none"> <li>Annual revenue surpassed <b>US\$300mn</b> just 3 years since operation</li> </ul>                                       |
| 2009 | <ul style="list-style-type: none"> <li><b>Listed</b> on Taiwan Stock Exchange Main Board</li> </ul>  |
| 2010 | <ul style="list-style-type: none"> <li>Ranked world's <b>top 5</b> merchant cell manufacturer<sup>1</sup></li> <li>95% YoY revenue growth in 2010</li> </ul>   |
| 2011 | <ul style="list-style-type: none"> <li>Reached annual capacity of <b>1.3GW</b> in June 2011</li> <li><b>Best 10</b> Taiwan tech company<sup>2</sup></li> </ul> |

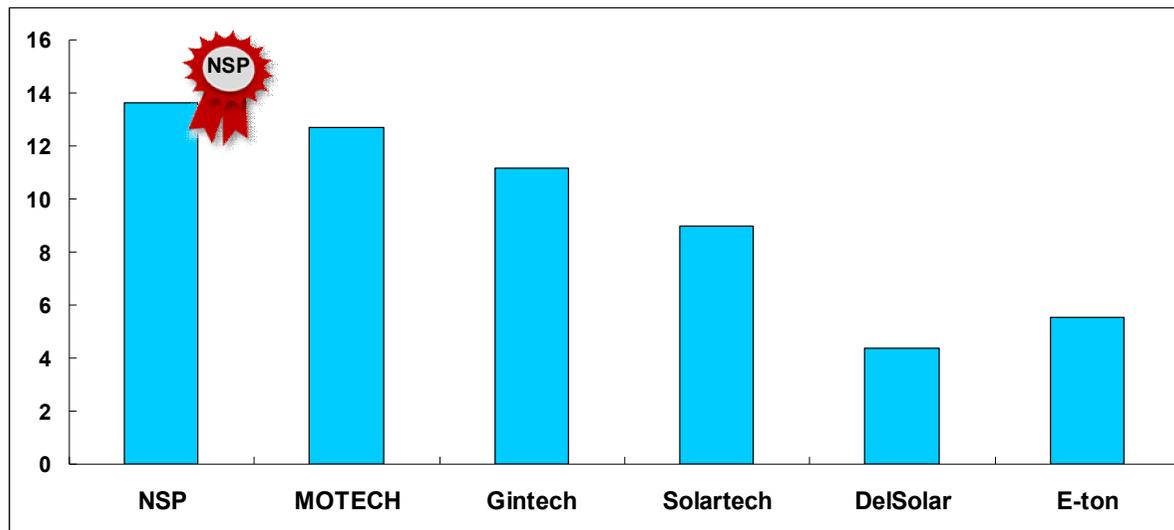
Source:  
1. Photon 2010  
2. Business Next Magazine 2011

# NSP Outstanding Operating Performance

NSP performs the best sales among Taiwan solar companies during Jan.~July in 2011

Taiwan Solar Cell Sales Comparison, Jan.- July in 2011

UNIT: NTD (billion)



Cell Revenue	NTD Thousand
<b>NSP</b>	13,617,633
<b>MOTECH</b>	12,707,121
<b>Gintech</b>	11,163,676
<b>Solartech</b>	8,979,531
<b>DelSolar</b>	4,366,651
<b>E-ton</b>	5,523,671

# Company Awards and Recognition

## Awards & Recognition

Aug 2011	<ul style="list-style-type: none"> <li> <b>Elected as new head of the Taiwan Photovoltaic Industry Association (TPVIA)</b>            Dr, Sam Hong, President and COO of NSP has elected as new head of TPVIA         </li> </ul>		
June 2011	<ul style="list-style-type: none"> <li> <b>Recognized by Business Next Magazine</b>            Top 8 of Taiwan Top 100 Tech company         </li> </ul>		
Sep 2009	<ul style="list-style-type: none"> <li> <b>Recognized by Deloitte &amp; Touche</b>            Top 6 among Deloitte Technology Fast 500 Asia Pacific Ranking and CEO Survey         </li> </ul>		
May 2009	<ul style="list-style-type: none"> <li> <b>Recognized by Commonwealth Magazine</b>            Top 3 Best Growth Manufacturer            Top 8 in Operation Efficiency            (measured by revenue, profit growth, and ROE )         </li> </ul>		
May 2008	<ul style="list-style-type: none"> <li> <b>Recognized by Business Today Magazine</b>            Top 5 in Revenue Growth            Top 6 in Profit Growth            One of Top 10 Candidates to be the Highest Priced Stock in Taiwan         </li> </ul>		

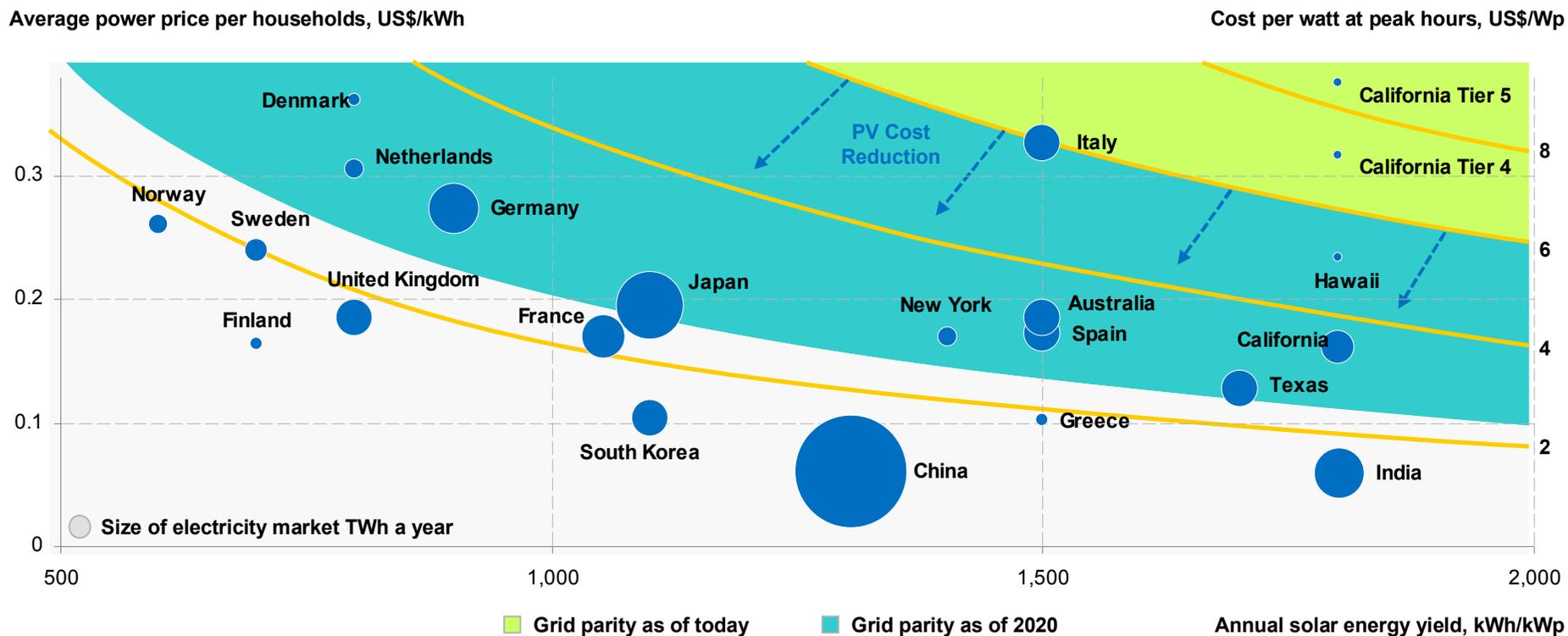
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# Global Solar PV Addressable Market

While solar PV is still trailing other forms of energy in terms of cost efficiency, it is expected to make major breakthroughs and achieve grid parity in most markets in the coming years

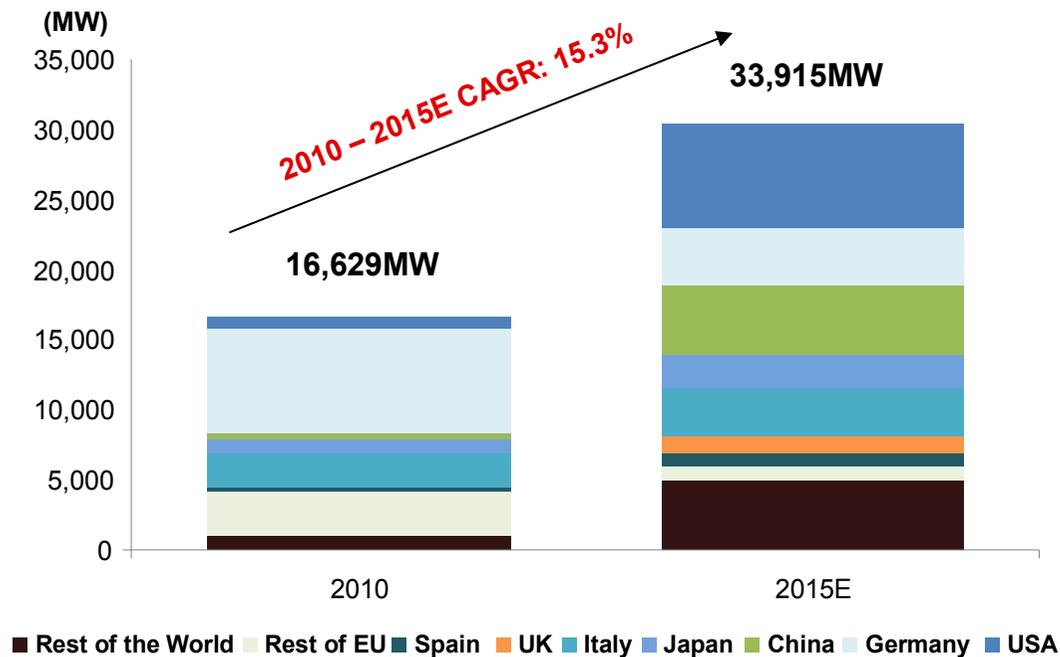


Source: McKinsey & Company (June 2008)

# Global Solar PV Demand

European countries such as Germany, Italy and Spain still remain as the largest markets, while emerging markets including the US, Japan, China and India are expected to drive broader demand

## Regional Solar PV Demand in the World



(MW)	2010	2015E	10-15E CAGR
Germany	7,408	4,000	-11.6%
Italy	2,321	3,500	8.6%
Japan	990	2,250	17.8%
USA	878	7,500	53.6%
China	520	5,000	57.3%
Spain	369	750	15.2%
UK	45	1,350	97.4%
Rest of EU	3,103	1,110	8.2%
Rest of the World	995	4,955	37.9%
<b>Total</b>	<b>16,629</b>	<b>33,915</b>	<b>15.3%</b>

Source: EPIA Global Market Outlook for Photovoltaic until 2015 (2011)

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# Investment Highlights

**1**

**Leading Market Position as World Top 5 Merchant Solar Cell Supplier with Proven Track Record**

**2**

**Strong R&D Commitment and Technology Leadership**

**3**

**Industry Leading Performance and Quality Products**

**4**

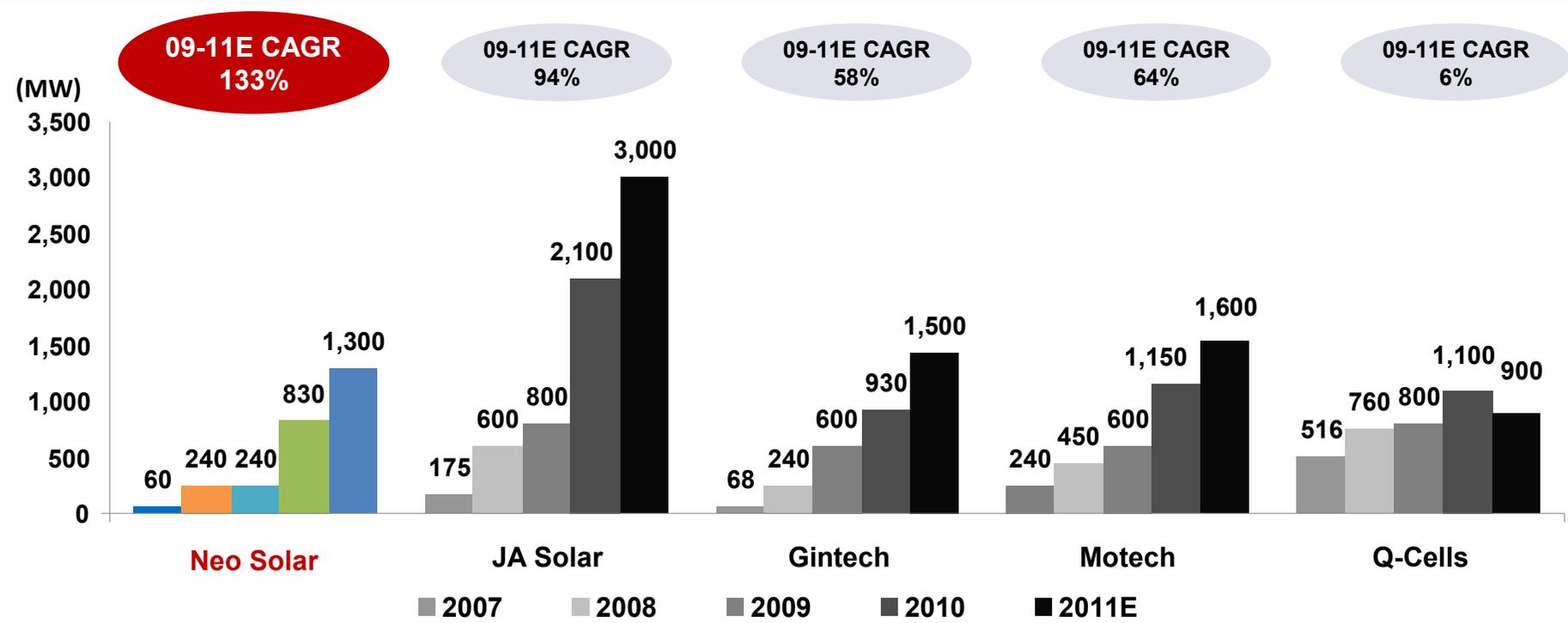
**Experienced and Well Recognized Management Team with Strong Industry Background**

**NSP is uniquely and competitively positioned within the solar value chain**

# 1 Top 5 Merchant Solar Cell Supplier with Strong Growth Momentum

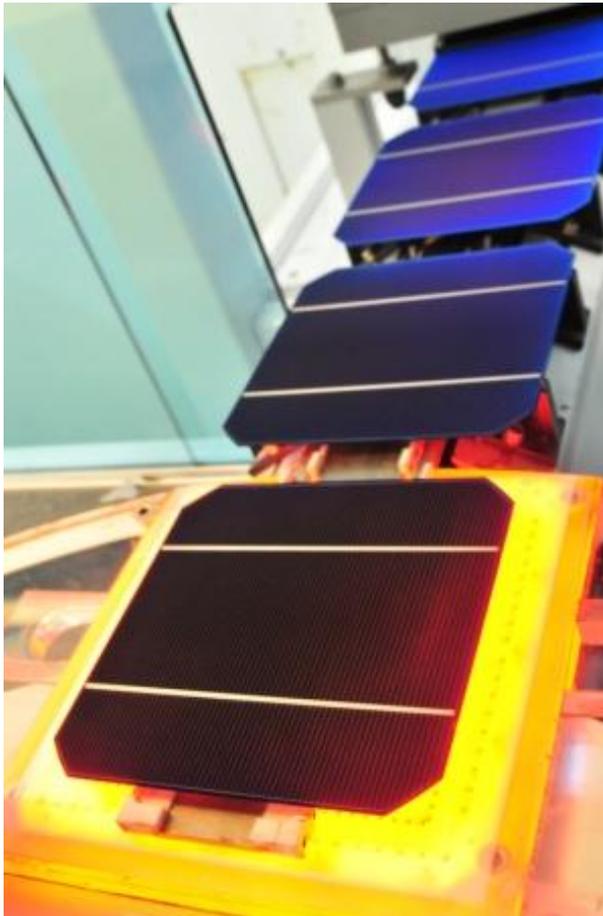
NSP has undergone significant expansion and has the fastest growing capacity among its peers from 2009 to 2011E

2007–2011E Year End Production Capacity



Source: Company filings and presentations.

## 2 Strong R&D Commitment and Technology Leadership



### R&D Strategy

- Continuous cell efficiency improvement
- Process optimization
- New technology & material development
- Reliability as centerpiece
- Drive for grid parity

## 3 Premium Quality Products

### Environment Safety Qualification

- Significant safety record
- ISO 9001 , 14001 , OHSAS 18001 certified by TÜV Rheinland
- Hazardous substance content well below RoHS specification
- Greenhouse gas emissions verification
- Product Carbon Footprint Verification certified by SGS

The logo for SGS, consisting of the letters 'SGS' in a bold, sans-serif font, with a vertical line to the right of the letters.

# 4 Experienced Management Team



**Dr. Quincy Lin**  
*Chairman and CEO*

- 30+ years of experience in high tech management
- Senior Vice President of Taiwan Semiconductor Manufacturing Company (“TSMC”)



**Dr. Sam Hong**  
*President and COO*

- 30+ years of experience in PV solar energy
- Research Division Director of PV Solar Energy Division at the Industrial Technology Research Institute (“ITRI”); VP & Plant Director of Sinonar Solar Cell



**Andy Shen**  
*Sr. Vice President of Worldwide Sales & Marketing*

- 25+ years of experience in semiconductor engineering, sales, and marketing
- Senior Director, TSMC; President, TSMC-Europe



**Dr. Alex Wen**  
*Sr. Vice President of Wafer Business*

- 15+ years of experience in silicon-material technology
- Manager, Industrial Technology Research Institute (“ITRI”)



**Marco Hu**  
*Sr. Vice President of Supply Chain Management*

- 30+ years of experience in high-tech production & general management
- President of Tynsolar; Product Marketing Manager at HP; Planning Manager & Production Manager at TI



**Thomas Hsu**  
*Sr. Vice President and CFO*

- 25+ years experience in the financial area with various industries
- Group CFO, Tatung; CFO, Innolux



**Albert Jen-Yue Wang**  
*Sr. Vice President of Operation*

- 20+ years of experience from engineering to production management
- TSMC for 15 years since 1987

**Strong Semiconductor Industry Experience + Vast Solar Device Physics Expertise + Entrepreneurial Spirit**

# Growth Strategies

- ✓ Continue to Enhance Technology Leadership to Create Differentiation and Reduce Cost
- ✓ Continue to Pursue Prudent Organic Growth and Evaluate Selected Acquisition Opportunities
- ✓ Strengthen Existing Partnerships with Key Customers
- ✓ Strengthen Existing Supplier Relationships
- ✓ Increase Product Offering and Expand End-Market Opportunities
- ✓ Plan to Establish Operations in China to Capture the Market Opportunities in China

**NSP's goal is to become world's PV technology and cost leader to accelerate time to grid parity**

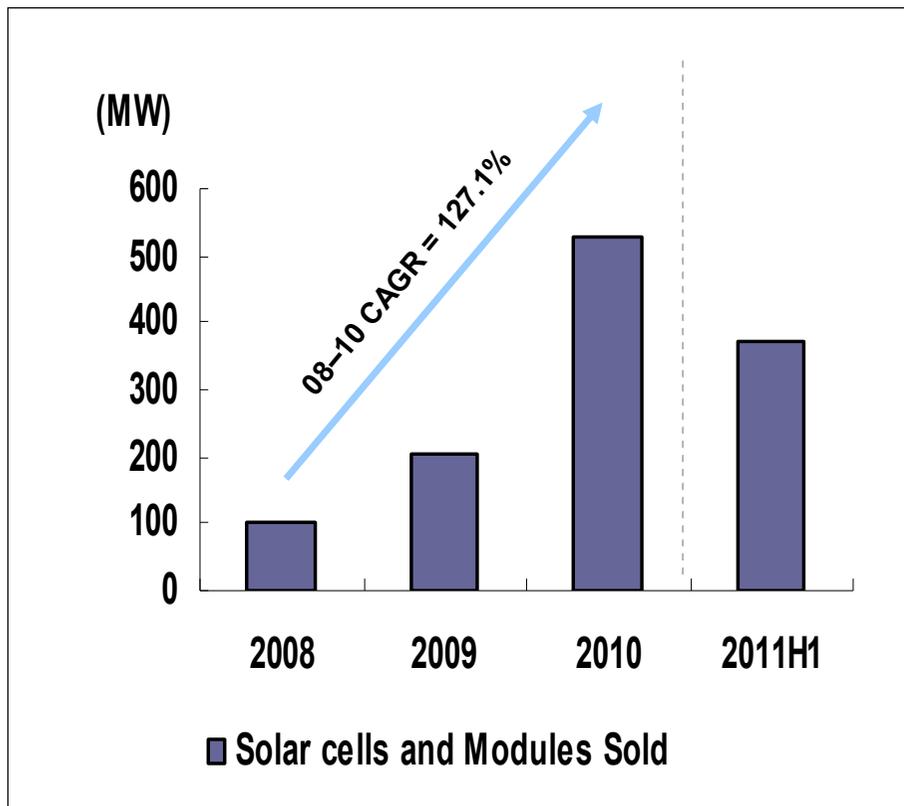
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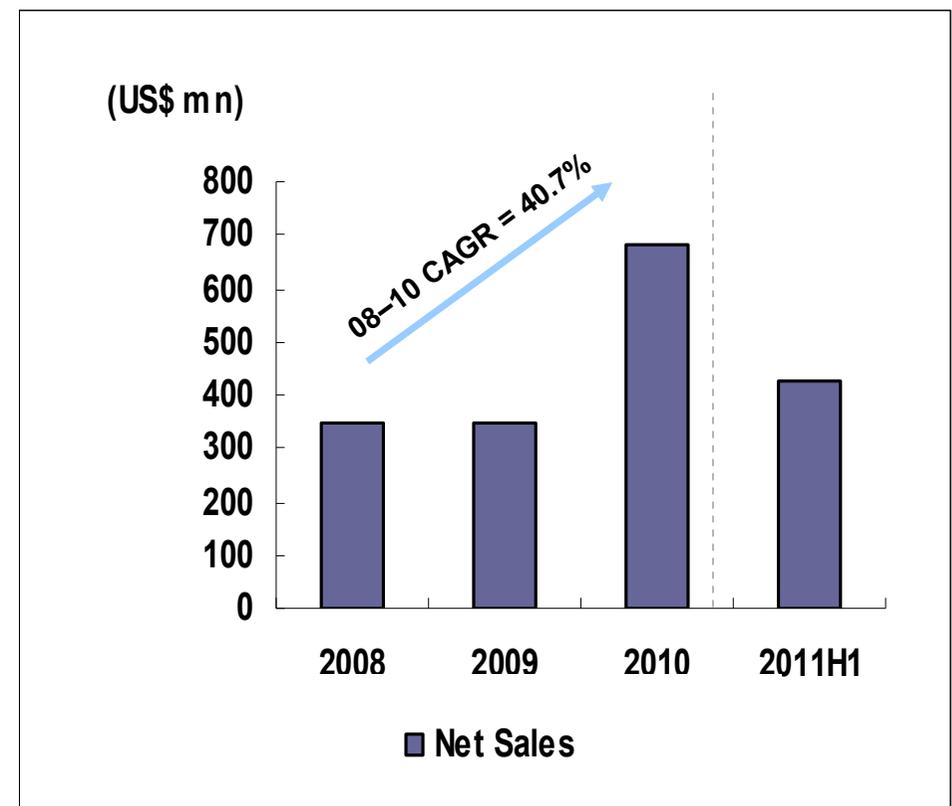
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# Shipment and Revenue Growth

## Shipment



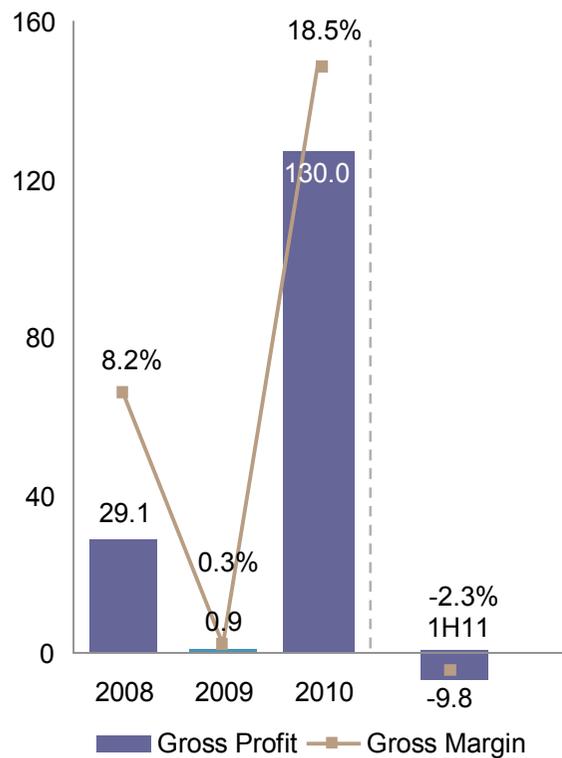
## Net Sales



# Operating Performance

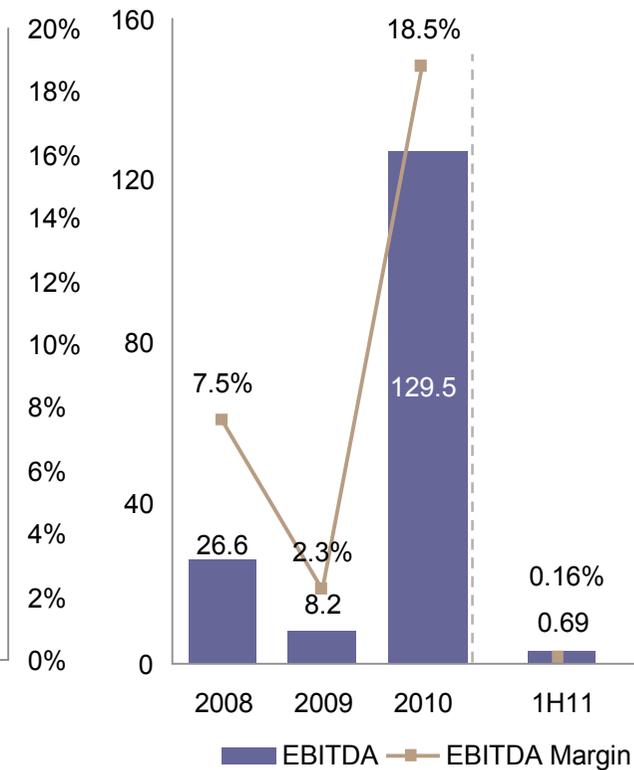
## Gross Profit

(US\$mn)



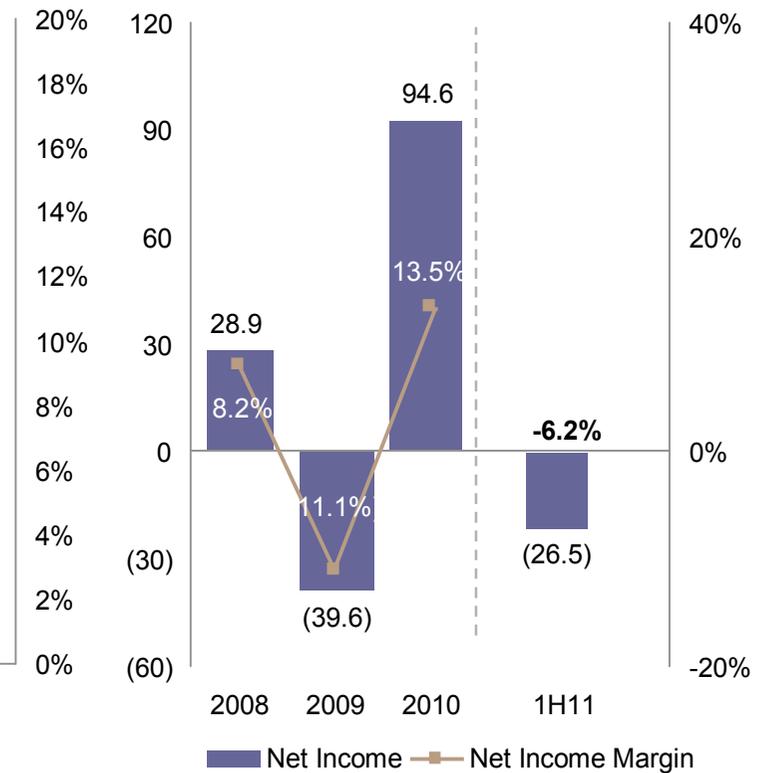
## EBITDA

(US\$mn)



## Net Income

(US\$mn)



Note: FX rate of US\$1=NT\$28.802 used, as of June 30, 2011.

# Summary



**Core Competence: Technology, Quality and Service**



**Strong Customer Base and Supplier Relationships**



**Continued Strong Growth Momentum**



**Solid Financial Structure**



**Proven Track Record of Growth and Profitability**

# Regulatory Trends Around the World

After the Fukushima incident, countries including Japan, Germany and China are expected to increase the focus on clean energy

Country	Key Events
 Germany	<ul style="list-style-type: none"> <li>• <b>May 2011: German government announced to close all of its nuclear reactors by 2022</b></li> <li>• Jan 2011: Cabinet confirmed mid-year solar subsidy cuts of 3-15% based on forecasted installations</li> </ul>
 China	<ul style="list-style-type: none"> <li>• <b>May 2011: China revised PV installations target to 10GW by 2015, and 50GW by 2020, and concurrently reduced its nuclear power targets, according to the National Development and Reform Commission, which is soon to release a new five-year blueprint policy document for the PV industry</b></li> </ul>
 USA	<ul style="list-style-type: none"> <li>• Mar 2011: U.S. politicians call for the halt of new development on nuclear plants</li> <li>• <b>Jan 2011: Obama calls for 80% clean energy by 2035</b></li> </ul>
 Japan	<ul style="list-style-type: none"> <li>• <b>May 2011: Prime Minister Naoto Kan announced that Japan would increase the share of renewable energy in total electric power supply to more than 20% by the earliest possible in the 2020s, reduce the cost of solar power generation to 1/3 of current level by 2020 and 1/6 by 2030, and install solar panels in the roofs of 10mn houses</b></li> <li>• <b>May 2011: Prime Minister Naoto Kan said that Japan would scrap plans to build 14 more nuclear reactors and the government would reevaluate its energy policy to focus on other alternative energy sources</b></li> <li>• Mar 2011: Government plans to invest US\$4.9bn to subsidize solar installations</li> <li>• Mar 2011: FiTs ("Feed-in-Tariff") for small business to be raised 67% from Apr 2011</li> </ul>
 Italy	<ul style="list-style-type: none"> <li>• Apr 2011: Government announced 22-31% FiT cut in 2011 and further 23-44% cut in 2012; also plans 1.2GW cap for mid-to-large scale installation in 2H 2011, 1.49GW in 2012, and a total cap of 9.77GW from 2013 to 2016</li> <li>• Apr 2011: Government announced to indefinitely delay the development of future nuclear reactors</li> </ul>
 France	<ul style="list-style-type: none"> <li>• Feb 2011: Government plans 500MW annual cap from 2011 which can be raised to 800MW from mid 2012 with 20% subsidy cut for small rooftop and small commercial in 2011 and further 10% annual cut going forward</li> </ul>

Source: PV-Tech, news runs and broker research.

***Thank You***

**Neo Solar Power Corp.**

No. 7, Li-Hsin 3rd Rd., Hsinchu Science Park, Hsinchu, Taiwan

Tel: +886.3.5780011 Fax: +886.3.5781255

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