

# Path to Differentiated Margins

## Suntech's Multiple Cost Reduction Initiatives

We aim to reduce the cost of solar products to grid parity level

### Scale & Scope

- Rapid capacity expansion
- Penetration into key markets
- Increasing economies of scale
- Virtual vertical integration
- Financial flexibility

### Improving Silicon Cost Position

- Spot silicon price expected to ease in the second half of 2008
- A significant portion of our silicon supply in 2008 secured by multi-year contracts
- 800MW of silicon secured for 2009 at 20% below average silicon cost in 2007

### High Efficiency, Low Cost Technology

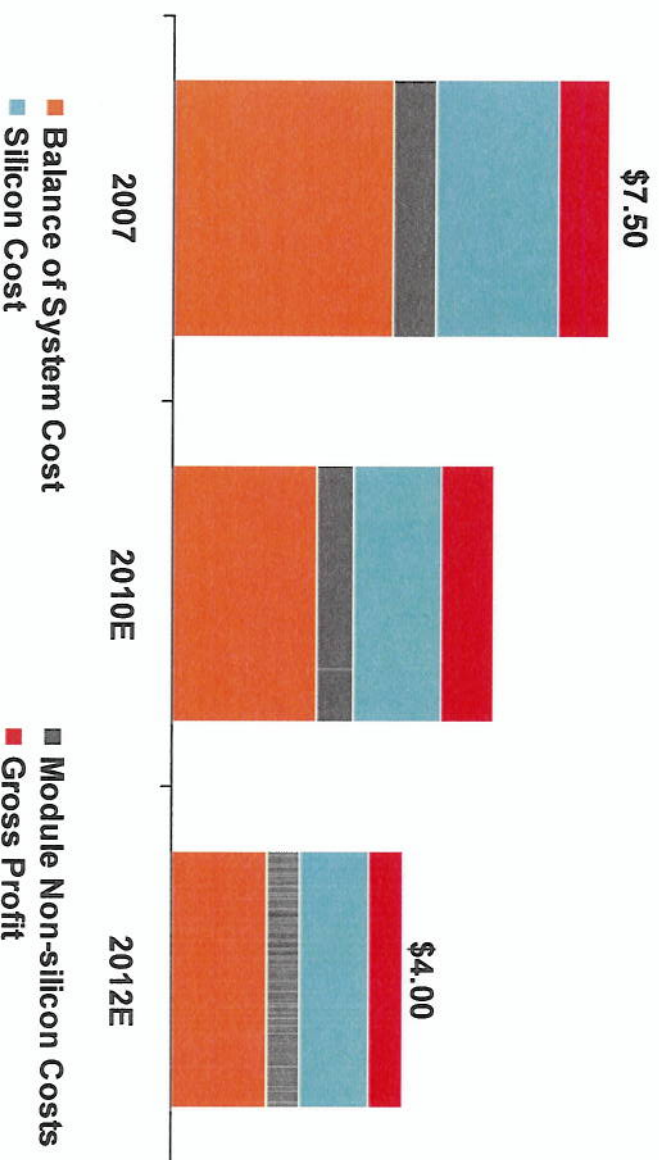
- Attractive non-silicon costs versus global competitive
- Conversion efficiency improvement via Pluto technology
- Process technology and equipment design improvement

Grid Parity Solar Solutions

# 2012 Grid Parity Solar

## Moving to Grid Parity System Costs<sup>1,2</sup>

- Suntech's combination of lower cost silicon, increasing efficiency and significant economies of scale are expected to enable significant reduction in module pricing by 2012
- Advances in technology and mass production of balance of system components (BOS); including racking, inverters, labor saving technologies etc. expected to reduce BOS to grid parity compatible costs by 2012



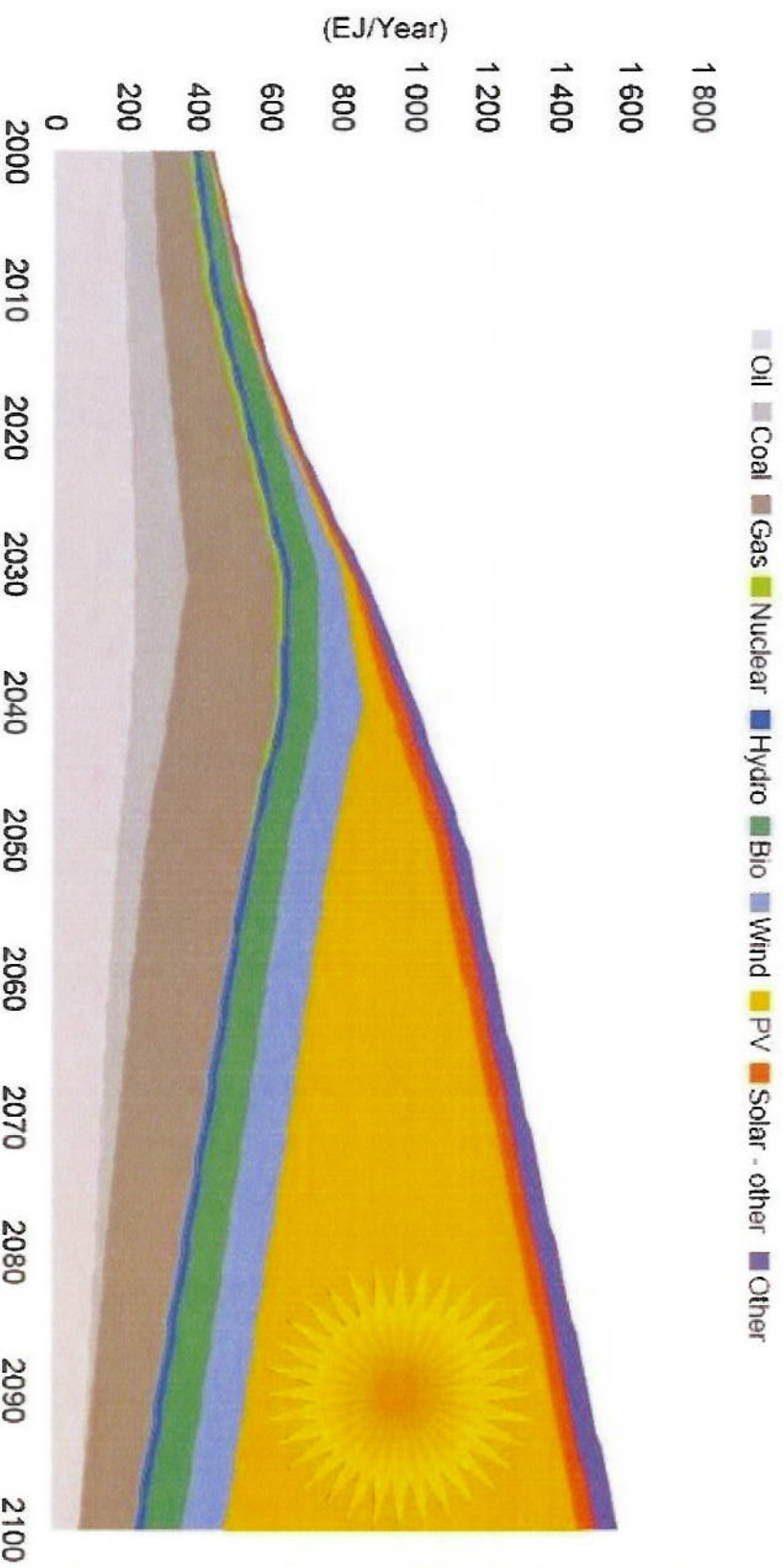
**\$4.00/watt system cost in 2012 with irradiation of 1600 hrs per year leads to solar electricity cost of \$0.18-0.20/kWhr<sup>2</sup>**

**GRID PARITY  
SOLAR**

(1) COGS declining based on Company expectations of PV cell conversion efficiency improvement from Pluto technology, improvements in operating efficiency, expectations of declining cost of wafers, and no significant foreign currency exchange fluctuation. Assumes Balance of System Costs fall by approximately 15% YOY

(2) Based on Company estimates. Assumes 20 year system lifetime based in California, efficiency degradation rate of 1% for 10 years, retail electricity rate increase of 3% per year, IRR of 5%.

# Long Term Solar Outlook

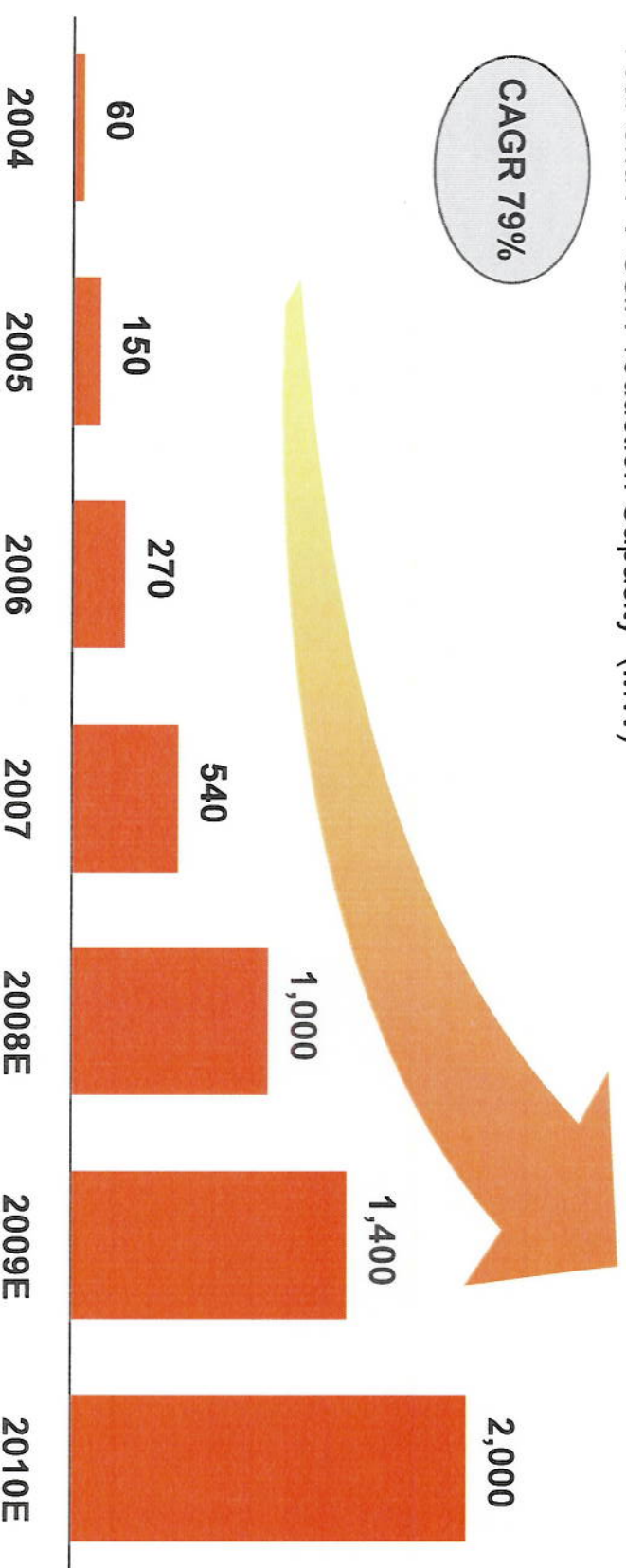


**Once Solar Achieves Grid Parity the Market for Solar is Boundless!**

# 1 Leading Market Position with High Growth Potential Rapid Expansion of PV Cell Capacity

## Expected Suntech PV Cell Capacity Growth

Year-end PV Cell Production Capacity (MW)



Rapid capacity expansion will enable Suntech to penetrate new markets faster than competitors and expand market share