



Solarfun

Solarfun Power

3Q10 Review and Update

November 9, 2010



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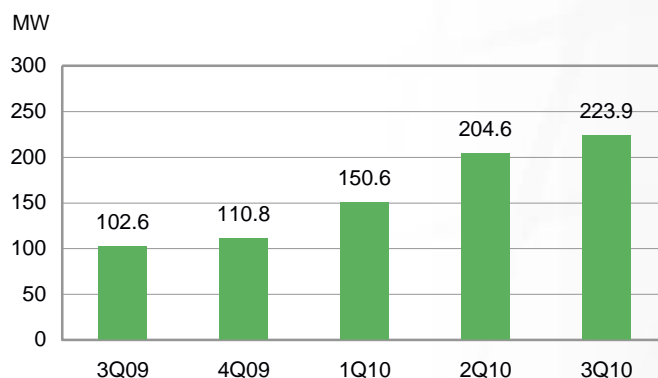
Summary Quarterly Highlights

- ◇ 3Q10 revenues achieved another quarterly record high of \$326.7 million, a 24.7% Q-Q increase
- ◇ From 2Q10, total shipments rose 9.4% to 223.9 MW in 3Q10 with module processing services accounting for approximately 24%
- ◇ Gross profit was \$74.2 million or 34.6% Q-Q growth and gross margin improved to 22.7% due to the increase in ASP and the strong growth in shipments
- ◇ Operating profit was \$58.6 million, representing an increase of 45.5%. Operating margin for 3Q10 was 17.9%, which compares to 15.4% in 2Q10
- ◇ On a non-US GAAP basis, net income attributable to shareholders in 3Q10 was \$40.9 million
 - ◇ EPS per basic ADS was \$0.69 vs. \$0.59 in 2Q10 on a non-US GAAP basis
- ◇ Strong cash position at \$203.4 million including restricted cash of \$9.5 million and shareholders' equity of \$559.6 million
- ◇ Continued industry leadership demonstrated by high operating efficiency, high ROE and low leverage ratios

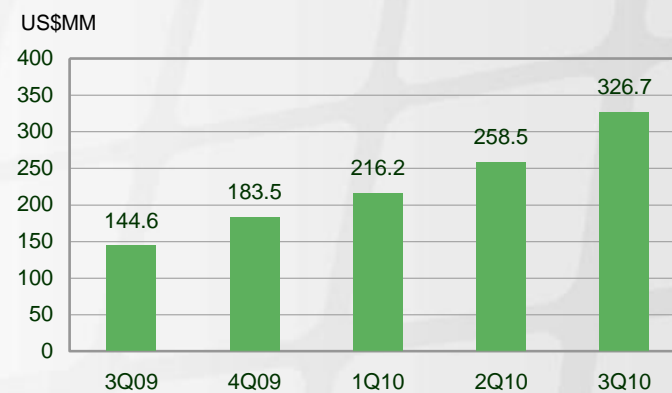


Continued Top and Bottom Line Growth

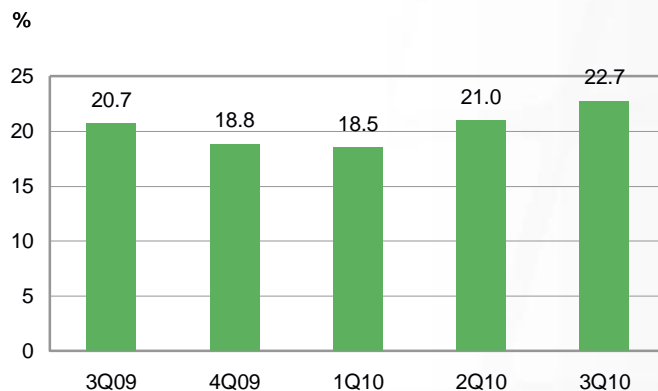
Module Shipments



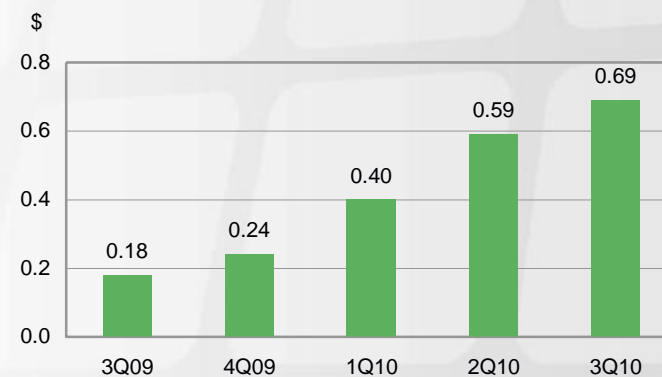
Revenues



Gross Margin



Non-GAAP Net Income / Basic ADS ⁽¹⁾

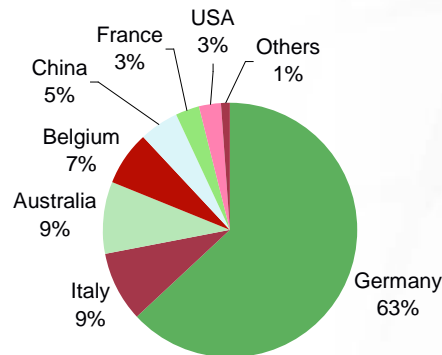


1. On Non-GAAP basis which excludes the impact related to the convertible bond fair value adjustment

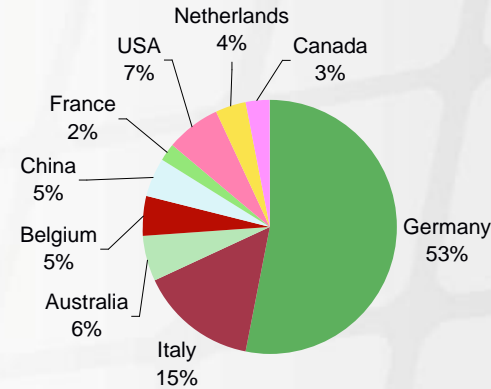


Expanding In New Growth Markets

Geographic Segmentation



2Q10

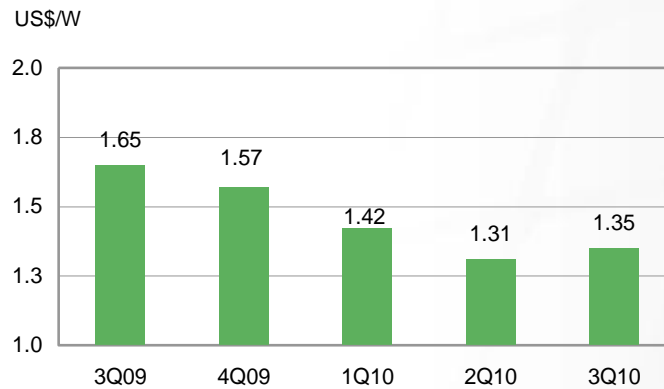


3Q10

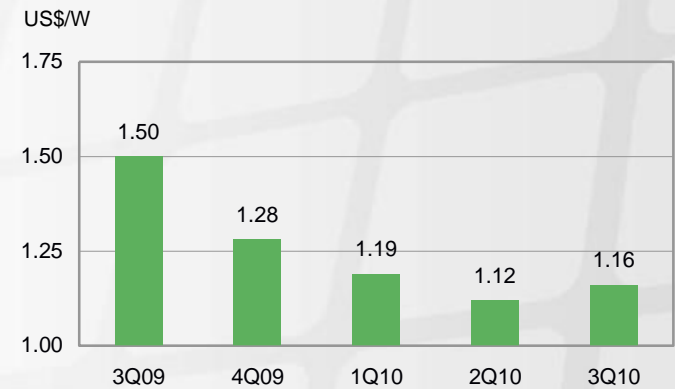
- ◇ Larger percentage of shipments to Italy, China and the US during 3Q 2010
 - ◇ Germany reduced to 53% from 63% in 2Q 2010
- ◇ German residential and commercial rooftop remains relatively strong
- ◇ Residential still represents the majority of the total German market
- ◇ Majority of Solarfun's business in Germany is focused on these segments

Attractive Cost Structure

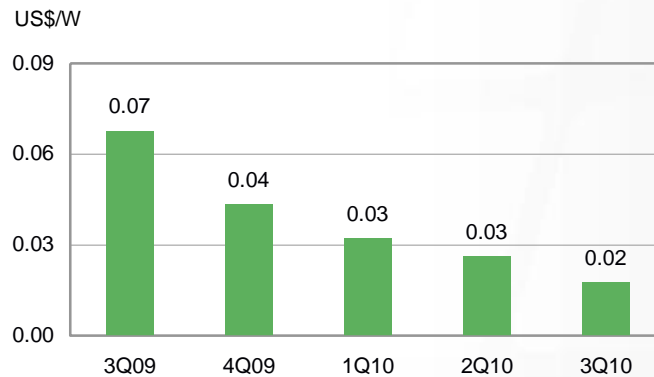
Blended COGS Per Watt (1)



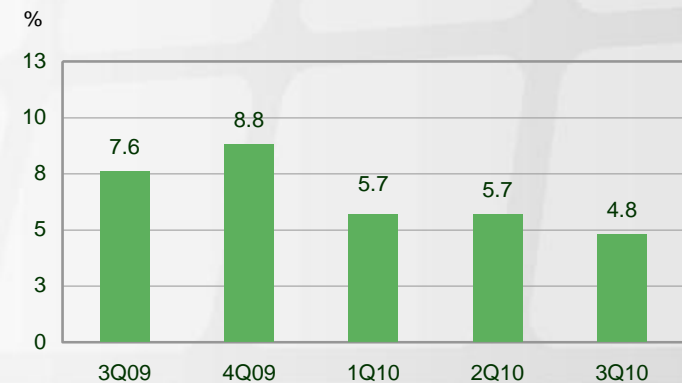
Production Cost Using Internal Wafers



Interest Expense Per Watt (2)



Opex as % of Revenue



1. Excluding module processing business

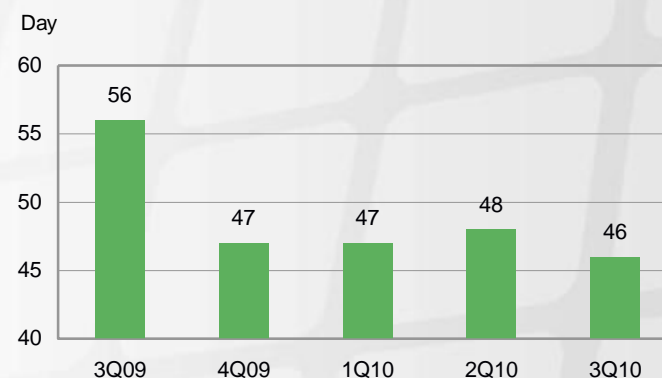
2. On Non-GAAP basis which excludes the impact related to the convertible bond fair value adjustment

Strong Balance Sheet and Working Capital

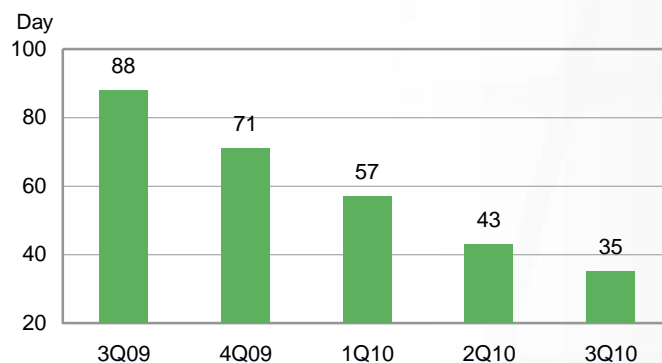
3Q Commentary

- ◇ \$78 million equity capital infusion from Hanwha
- ◇ Total cash of \$193.8MM and shareholders' equity of \$559.6 MM
- ◇ 3Q 2010 Net debt / equity: 20.9%

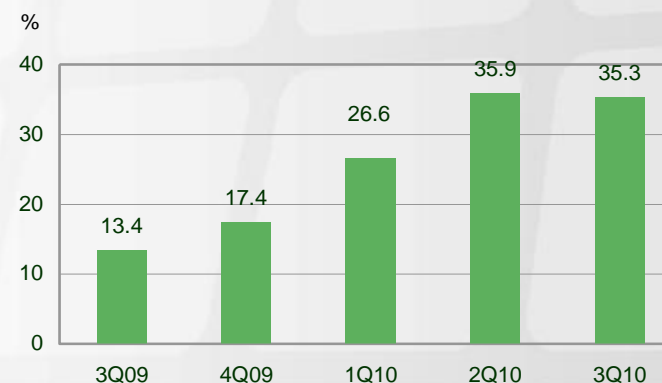
Days Sales Outstanding



Days Inventory Outstanding

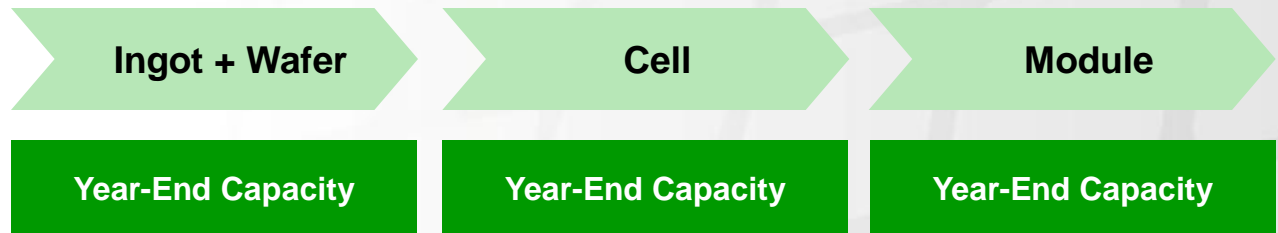


Return on Equity (1)

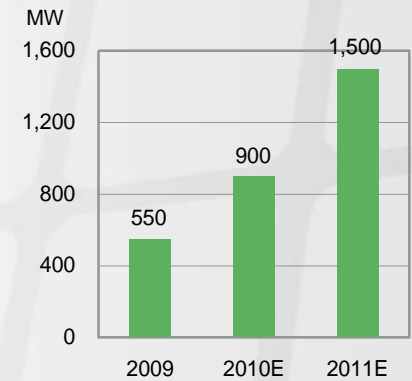
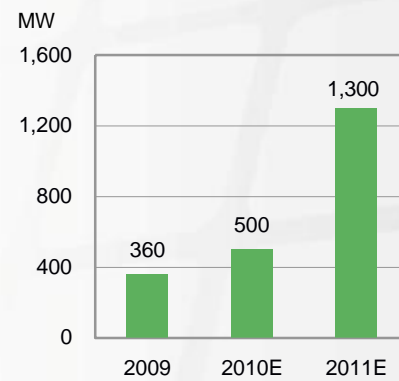
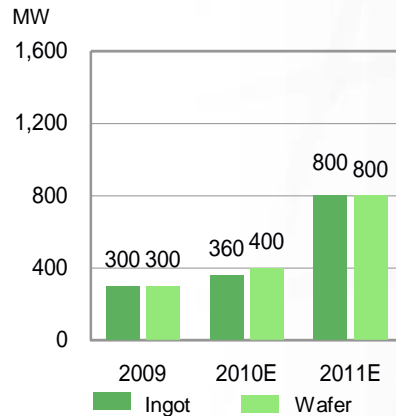


1. Annualized numbers presented on Non-GAAP basis which excludes the impact related to the convertible bond fair value adjustment

Capacity Expansion Update



Capacity Growth



Considerations

- ◇ Accelerating capacity expansion to increase scale
- ◇ Capturing margin and controlling quality through vertical integration
- ◇ Balances our goals of reducing manufacturing costs, expanding capacity and having a strong balance sheet



Major Cell Technology Initiatives

Technology	Expected Implementation Date	Efficiency Target	
		Mono	Multi
Selective Emitter	Q1 of 2011	18.5%	17.0%
Rear Passivation	End of 2012	19.5%	18.0%+

Advantages to Solarfun

- ◇ Selective Emitter
 - Requires lower capex and physical space
 - Better utilizes existing equipment and employee skills
 - Reduces costs and provides higher yields
- ◇ Rear Passivation
 - Pilot operation in 2011, fully implemented in 2012
 - Builds on existing capacity and employee skills



Guidance

Shipments

4Q'10: 205 – 215MW

CY2010: 785MW

Module Processing

4Q'10: 25% - 30% of Total Shipment

ASP

4Q'10: US\$1.75⁽¹⁾

1. Assuming the EUR remains at \$1.35

Hanwha Transaction Summary

- ◇ On September 16, 2010, Hanwha closed its \$370 million investment in Solarfun, consisting of:
 - ◇ \$78 million of newly issued shares
 - ◇ Secondary shares from Good Energies and former Chairman Lu

- Following this transaction, Hanwha owns 49.99% of Solarfun
 - 3 of 7 board seats
 - Assigned newly appointed Chairman, Mr. Ki-Joon HONG
 - Four independent board directors were retained:

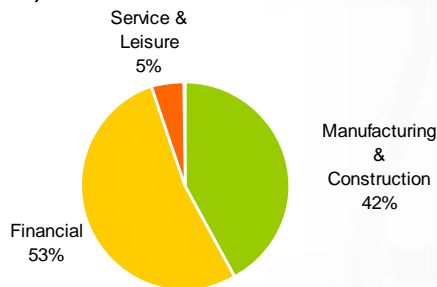
Name	Affiliation	Background
Ki-Joon HONG	Hanwha Chemical	CEO of Hanwha Chemical
Dong Kwan KIM	Hanwha Corp	Managing Director of Chairman's Office of Hanwha Group
Wook Jin YOON	Hanwha Group	CFO of Hanwha Group
Ernst BUTLER	Independent	Chairman of Alegria Capital and Director of Bank Frey & Co.
Yinzhang GU	Independent	Former Director of Eastern Electricity Administration in China
Thomas TOY	Independent	Managing Director of PacRim Venture
David WANG	Independent	CEO and President of SMIC; former President of Applied Materials, Asia



Introduction to Hanwha Group

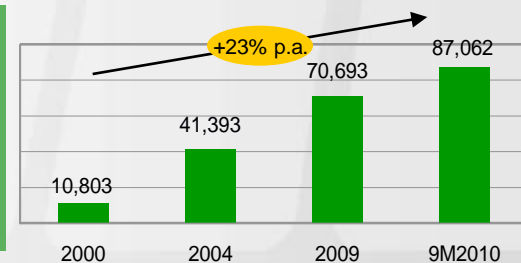
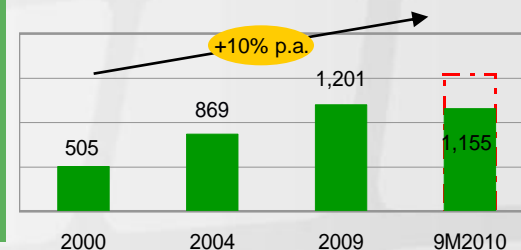
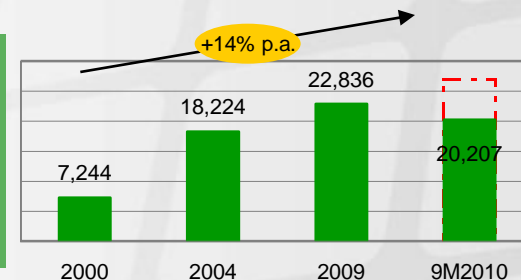
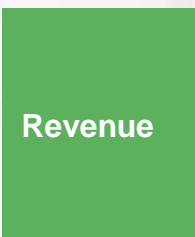
Hanwha Group is One of Top Korean Conglomerates

- ◇ **Key Management**
 - CEO & Chairman: Seung-Youn KIM
- ◇ **Founding: 1952**
- ◇ **No. of employees: 24,000**
- ◇ **Key operating business**
 - Manufacturing: chemicals, construction materials and construction services
 - Financial: Focused on life insurance (Korea Life - #2 in Korea), fire & marine insurance, asset management and financial investment
 - Leisure: hotels, IT solutions, retail, advertising agency
- ◇ **Revenue by business unit (as of end of 2009)**



60 Year History Across Three Core Business Segments

USD Millions

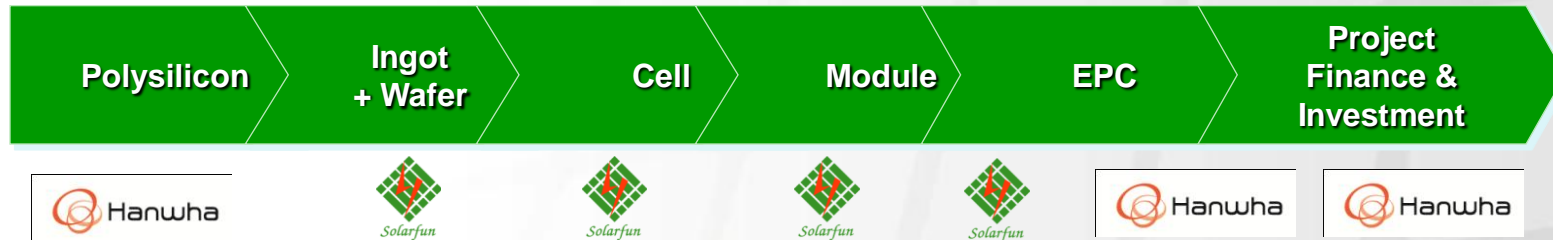


Note: 1. FX rate has been used to convert KRW to USD, 1USD=1,164.5 KRW (2009)
Source: Company filings



Our Shared Strategic Vision

Together, We Form a “Virtual” Vertically Integrated Player



Hanwha's Strategic Value

- Chemical: Polysilicon, EVA Resins and Sheets
- Engineering & Construction: EPC
- Trading: Global Trading Services
- Financial Services: Project Finance & Investment Capability

We Intend to Become a Top 3 Global Solar Player by 2015