

REC's Q1 2016 Solar Market Insight Report: Continued Strong Growth and Rankings, Product Expansions and an Outlook on Solar's Role in Closing the COP21 Emissions Gap

Munich, Germany, June 6, 2016 – REC, a leading global provider of solar energy solutions, today released its Q1 2016 Solar Market Insight report, with regional and global performance highlights and an outlook for key solar markets. The Q1 report also outlines the exceptional potential for solar energy in driving down CO₂ emissions worldwide in accordance with agreements at the UN Climate Change Conference in Paris last December, COP21, and presents some of the key findings of the new REC market study “Climate Change – Closing the COP21 Gap”. The complete study will be published for the Intersolar Europe in Munich, June 22-24, 2016, where REC will be present at booth A2.380.

REC's growth highlights:

- Year-on-year Q1 growth of 37% in module shipments from 229 to 314 MW
- Almost 60% of Q1 2016 shipments were to the US – more than doubling the volumes compared to Q1 2015
- REC moves up from 3rd to 2nd place in residential solar PV module manufacturers on the US market
- REC scores best among PV manufacturers with regard to financial health and bankability according to third party analysis
- Start of expansion of the award-winning REC TwinPeak Series
- Investment plans of S\$200m to further increase productivity at REC's manufacturing facility in Singapore and further investments of S\$50m in R&D efforts

Strong global and regional performance

With 37% year-on-year Q1 growth in module shipments, from 229 to 314 MW, REC has started 2016 with exceptionally strong performance. Almost 60% of the Q1 shipments went to the **USA**, where the extension of the Federal Investment Tax Credit has led to more sustainable growth in demand at the start of the year, with many projects now able to run into 2017. REC sales into the utility and residential markets continued strong, and were more than double the capacity of sales over the same period last year (from 90 MW to 185 MW). REC currently ranks as the second largest module supplier into the US residential market. During this quarter, REC solar panels also made their US debut in a floating solar PV array under full warranty in Central Florida – testament to the reliability of REC solar panels under any conditions.

In **EMEA**, sales remained steady, putting REC on a strong path for the rest of 2016. The UK and German markets continue to account for the bulk of EMEA sales, with 40 MW in the UK and 17 MW in Germany in Q1 2016. Despite stable feed-in tariffs since September 2015 and continuously decreasing tariffs bid in auctions, overall demand in Germany still lags behind the planned annual installation capacity. A slight decline of REC sales in Germany this quarter compared to the last three quarters was offset by strong growth of sales into France, where authorities have also recently given the green light to a proposal to triple solar PV capacity by 2023 to 20 GW.

In **Africa**, REC continues its commitment to develop markets across the continent: in Ghana, for example, commercial PV installations for self-consumption are becoming an increasingly attractive proposition due to electricity tariff hikes of 59%. REC secured shipments for several community projects in Ghana, where solar panels are to provide clean power to four villages. The four systems, designed as microgrids for off-grid rural areas, provide solar electricity to 573 households as well as street lighting.

India was REC's top **APAC** sales region in Q1 2016, with module shipments of 13 MW, including the company's largest order to date in that market – a 7 MW supply agreement. The solar industry continues to develop across the region: Indonesia is expected to shortly launch feed-in tariff programmes with a quota of 1.5 GW in place, and REC anticipates this initiative to further drive sales. In Japan, solar PV

installations are expected to peak in 2016. REC's sales into the commercial and utility segments remained solid in Q1 2016.

REC: an industry leader on performance, reputation and innovation

REC continued to expand the award-winning TwinPeak series in Q1 2016 and is currently preparing the launch of the TwinPeak 72 version in June. With nominal power of up to 320Wp, the 72 panel is bigger in size, delivers more power per m², and is perfectly suited to commercial and industrial applications.

REC also continues to rank as a strong financial performer: the March 2016 "Altman Z" rankings of financial health and bankability put REC in first place among all PV manufacturers worldwide. Reflecting REC's reputation as a leader in the solar industry, the company is joining the Global Solar Council as a founding Corporate Member. Leading organisations around the world are joining forces in this council to accelerate the deployment of clean, reliable solar energy, an engagement that is aligned with REC's broader commitment to climate health.

Solar's role in meeting emissions reduction targets: REC analysis

The Q1 Solar Market Insight report also presents REC's estimates of the global solar PV deployments that will be necessary to meet COP21 targets. The REC study is one of the first of its type to calculate the specific impact of COP21 for the solar industry. Steve O'Neil, CEO at REC, explains what is entailed: "To limit temperature increases to 1.5°C and to prevent the cumulative negative impact of emissions in later years, CO₂ emissions need to be reduced by 144 Gt by 2025. REC has also investigated necessary individual country contributions, estimating the new solar capacities that will be required above the actually forecasted capacities under current policies. The results are eye-opening."

Every country investigated needs to ramp up installations substantially, and to make a quick start in order to head off even greater negative impact later. The US, for example, will need to add cumulative solar PV installations of 790 GW by 2025, four times the current forecast; Germany, contending with an additional commitment to phase out nuclear, will need to ramp-up current forecast by 4.6 times.

A briefing of REC's Q1 2016 Solar Market Insight is available ([here](#)). The presentation includes statements and outlooks that are based on views of industry analysts as well as REC's top management expertise and are subject to uncertainties.

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About REC:

Celebrating its 20th anniversary in 2016, REC is a leading European brand of solar panels. Through integrated manufacturing from polysilicon to wafers, cells, panels and turnkey solar solutions, REC strives to help meet the world's growing energy needs. Founded in 1996, REC is a Bluestar Elkem company with headquarters in Norway and operational headquarters in Singapore. REC concluded 2015 with 2,000 employees worldwide, 1.3 GW solar panel production capacity, and annual revenues of USD 755 million. Find out more about REC at www.recgroup.com