

REC's Q4 2015 Solar Market Insight report: Strong company growth, exciting market developments, and an extraordinary industry forecast to make COP21 real

Munich, Germany – February 23, 2016: REC, a leading global provider of solar energy solutions with 20 years of industry expertise, today released its [Q4 2015 Solar Market Insight report](#), including the company's global and regional results for Q4 and full year 2015, as well as market elaborations. In its own market analysis, REC highlights the exceptional potential solar forecast to close the CO₂ emissions gap and limit the future global temperature increase as set during the [UN Climate Change Conference in Paris, COP21](#). The calculated prediction exceeds any other current forecast by up to nine times.

REC's growth highlights

- Annual revenue growth of 11% in 2015 to USD 755 million, outpacing revenue growth of 5% in previous year
- Module shipments in 2015 increased by 26% to 1,159 megawatts (MW) compared to 2014, facilitated by two new module lines and higher watt classes
- Module shipments in 2H 2015 running at full annual production capacity of 1.3 gigawatts (GW)
- Over 50% of sales in 2015 went to the U.S. market
- Stronger focus on emerging markets in Southeast Asia and EMEA

A bright long-term perspective for solar

Driven mainly by growth in the U.S. and China, REC expects module installations globally in 2016 to reach 67 GW. By 2019, REC forecasts global installations to increase by around 40%, with India's annual installations expected to exceed Japan's and approach those of Europe. However, in its analysis, REC's calculations clearly show that based on the set COP21 target to limit temperature increase, solar's potential by 2025 can be much higher than what industry analysts today expect.

Steve O'Neil, CEO at REC, comments on the outlook: "Comparing emissions forecasts under current policies and to limit temperature increase to 1.5°C, the world needs to reduce a significant cumulative amount of 144 Gt of CO₂ emissions by 2025; currently, the power sector is responsible for roughly one third. Due to continuously declining PV system costs, we believe solar can contribute to save 25% of this emissions part. This will require a sharp ramp-up of solar's capacity, reaching installations of 1.7 terawatts in 2025 alone, nine times the forecast based on the current trend. We will continue to leverage this incredible momentum for solar with expanded capacities, new business models and increased activities in new emerging markets."

Growing presence in regions with growing markets

Based on various long-term supply agreements, REC has further strengthened its position in the U.S. REC volumes were dominated by sales in the residential and utility segments due to strong demand for REC's award-winning products for residential rooftops and 72-cell panels for solar parks. The ITC tax incentive extension for 2017-2022 is a positive development for future REC expansion within a more sustainable U.S. solar market.

Sales for 2015 in the U.K. accounted for over half of REC's sales volumes in EMEA, with Germany being the second-largest market. Recent changes to the U.K.'s ROC regime and a long grace period are expected to lead to more balanced business in the U.K. for Q1 and Q2 2016, including a small peak in Q2. REC estimates the Minimum Import Price negatively impacting the European market, but expects stronger markets as of 2018 due to more cost competitive storage opportunities.

Based on the recently seen progress in the energy markets of the Middle East combined with several new incentive programs launched, REC management expects strong potential for solar in markets like the U.A.E., Egypt and Jordan, with a combined 2.5-3 GW per year. By providing solar turnkey solutions and engineering expertise from the regional hub in Munich, Germany, REC is further strengthening its footprint

in the Middle East. Furthermore, [the company is setting up local sales forces in various regions throughout Africa](#) and expects a solar market of 5-8 GW per year up to 2020.

In Southeast Asia, REC benefits from a wide presence across nine different emerging markets, with sales in Thailand representing over 50% of the regional volumes in 2015. As in other markets, the company is boosting its position as an expert for providing turnkey solutions, demonstrated for example by two recent commercial installations for [HEINEKEN's Tiger Beer brewery](#) and a [bulk-liquid terminal by Stolthaven in Singapore](#), both based on Power Purchase Agreements (PPA). In Japan, REC volumes were dominated by sales in the commercial segment due to a strong match of REC products.

A briefing of REC's Q3 2015 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.

For further information please contact:

Agnieszka Schulze
Head of Global PR, REC
Leopoldstr. 175, 80804 Munich, Germany
Phone +49 89 54 04 67 225
Email agnieszka.schulze@recgroup.com



Follow REC on Twitter

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