
SECOND QUARTER 2014

REPORT



RECSILICON

SECOND QUARTER HIGHLIGHTS

(Compared to First Quarter 2014)

- > Revenues of USD 126.9 million and EBITDA of USD 31.6 million
 - EBITDA for Silicon Segment of USD 33.1 million

- > Increased average sales price for polysilicon
 - Overall ~4% price increase
 - FBR granular prices continue on par with spot indices

- > Total polysilicon production of 4 375
 - Silane III planned outage

- > Record silicon gas sales
 - Total sales volume of 844 MT, up 8% from Q1
 - ~5% silane gas price increase over Q1

- > FBR cash cost impacted by planned outage \$14.30/kg
 - Impacted by planned Silane III outage
 - Silane III 5-year inspection costs exceeded expectations

FINANCIAL HIGHLIGHTS

REC Silicon Group - re-presented for discontinued operations (Note 8)

(USD IN MILLION)	Q2 2014	Q2 2013	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013	Q1 2014
Revenues	126.9	81.1	240.3	175.6	417.6	113.4
EBITDA	31.6	10.3	49.1	17.2	50.7	17.5
EBITDA margin	25 %	8 %	20 %	10 %	12 %	15 %
EBITDA excluding special items 1)	31.6	10.6	49.1	-2.9	30.3	17.5
EBITDA margin excluding special items	25 %	1 %	20 %	-2 %	7 %	15 %
EBIT	-1.7	-21.4	-17.6	-46.2	-86.1	-15.9
EBIT margin	-1 %	-22 %	-7 %	-26 %	-21 %	-14 %
Profit/loss before tax from continuing operations	19.7	-123.5	-50.8	-178.8	-244.8	-70.5
Profit/loss from continuing operations	24.6	-85.9	-25.0	-120.8	-160.0	-49.7
Profit/loss from discontinued operations, net of tax	0.3	8.6	-1.2	6.3	-192.7	-1.5
Earnings per share from continuing operations, basic and diluted (USD)	0.01	-0.04	-0.01	-0.06	-0.07	-0.02

1) Special items in 2013 represent income from contract cancellation.

REC SILICON GROUP

REC Silicon Group continuing operations consist of the REC Silicon Segment and Other.

During prior periods, the Group also included REC Solar and REC Wafer. Results from these operations, including gains and losses on disposal, are presented after tax in the statement of income as discontinued operations. Changes in estimates used to calculate discontinued operations are reflected in discontinued operations in the current period.

(USD IN MILLION)	Q2 2014			Q2 2013			DEC 31, 2013			Q1 2014		
	REVENUES	EBITDA	EBIT	REVENUES	EBITDA	EBIT	REVENUES	EBITDA	EBIT	REVENUES	EBITDA	EBIT
REC Silicon	126.8	33.1	-0.2	85.1	18.2	-13.5	432.7	83.7	-53.1	113.3	19.5	-13.9
Other & related eliminations ex. gain/loss on disposal	0.1	-1.5	-1.5	0.1	-5.0	-5.0	-15.2	-16.0	-16.0	0.1	-2.0	-2.0
REC Silicon and Other	126.9	31.6	-1.7	85.3	13.2	-18.5	417.5	67.7	-69.1	113.4	17.5	-15.9
REC Solar excluding loss on disposal	0.0	0.0	0.0	184.4	13.3	8.9	520.9	19.0	1.8	0.0	0.0	0.0
Gain/loss on disposal discontinued operations	0.0	0.3	0.3	0.0	0.0	0.0	0.0	-206.8	-206.8	0.0	-1.5	-1.5
Eliminations ex. gain/loss on disposal	0.0	0.0	0.0	-4.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
REC Solar, REC Wafer, eliminations	0.0	0.3	0.3	180.3	13.3	8.9	520.9	-187.9	-205.0	0.0	-1.4	-1.4
Total operations	126.9	31.9	-1.4	265.6	26.5	-9.6	938.5	-120.1	-274.0	113.4	16.0	-17.4
Re-presentation of discontinued operations	0.0	-0.3	-0.3	-184.4	-16.3	-11.9	-520.9	170.9	188.0	0.0	1.5	1.5
Continuing operations	126.9	31.6	-1.7	81.1	10.3	-21.4	417.6	50.7	-86.1	113.4	17.5	-15.9

REC SILICON

REC Silicon produces polysilicon and silicon gas for the solar industry and the electronics industry at plants in Moses Lake, Washington and in Butte, Montana. REC Silicon targets polysilicon production of 18,600 MT in 2014 and employs approximately 720 people.

Second quarter 2014 performance compared to the previous quarter:

- Polysilicon production increased by 10% to 4 375 MT.
- As a result of increased inspection activities in connection with the Silane III outage, FBR cash production cost increased to USD 14.3/kg from USD 13.6/kg in the first quarter 2014. This is USD 0.9/kg above guidance provided for the second quarter of 2014.
- Polysilicon sales volumes increased by 2% to 4,221 MT.
- Higher average polysilicon prices reflect continued strong demand for solar grade polysilicon and increasing acceptance of granular polysilicon by the market. At the end of Q2, markets began to stabilize as a result of uncertainties in global PV installations and the China/US trade war.
- Continued high silicon gas sales volumes reflect market share gains, spot transactions as a result of competitive capacity being offline, and PV market strength. Sales prices increased by approximately 5% compared to the first quarter.

Second quarter 2014 revenues increased to USD 126.8 million from USD 113.3 million in the first quarter 2014. The increase in revenue can primarily be attributed to higher sales volumes due to higher production and increases in the average selling prices.

Second quarter 2014 EBITDA increased to USD 33.1 million from USD 19.5 million in the first quarter 2014. Increased EBITDA can be attributed to higher sales volumes and selling prices partially offset by higher manufacturing costs.

Financial highlights - REC Silicon

(USD IN MILLION)	Q2 2014	Q2 2013	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013	Q1 2014
Internal revenues	0	3.8	0	8.2	15.7	0
External revenues	126.8	81.3	240.2	175.6	417.0	113.3
Total revenues	126.8	85.1	240.2	183.8	432.7	113.3
EBITDA	33.1	18.2	52.6	39.2	83.7	19.5
EBITDA margin	26 %	18 %	22 %	21 %	19 %	17 %
EBITDA excluding special items 1)	33.1	18.5	52.6	19.1	63.3	19.5
EBITDA margin excluding special items	26 %	10 %	22 %	10 %	15 %	17 %
Depreciation and amortization	-33.2	-31.7	-66.5	-63.4	-127.6	-33.3
EBIT before impairment charges	-0.1	-13.5	-13.9	-24.2	-43.9	-13.9
Impairment	-0.1	-0.0	-0.2	-0.0	-9.2	-0.1
EBIT	-0.2	-13.5	-14.1	-24.2	-53.1	-13.9
EBIT margin	0 %	-11 %	-6 %	-13 %	-12 %	-12 %
Polysilicon production in MT (Siemens and granular)	4,375	4,913	8,354	9,840	19,768	3,979
Polysilicon sale in MT (Siemens and granular)	4,221	3,510	8,356	8,503	18,947	4,135
Silicon gas sale in MT	844	384	1,627	786	2,229	783

1) Special items in 2013 represent income from contract cancellation.

Market Development

Global demand for solar panels continued to reflect strength during the second quarter of 2014. According to external sources, total installations were estimated at 9.7 GW in the second quarter of 2014 compared to 9.8 GW in the first quarter of 2014. Compared to the second quarter of 2013, this is an increase of 26% (source: IHS PV Integrated Market Tracker Database – Q2 2014).

According to multiple third party indices, the average second quarter spot prices for solar grade polysilicon were up approximately 4% from the previous quarter to USD 21.2/kg (USD 20.3/kg in Q1 2014). After a steep increase in the beginning of the year, prices have stabilized in the second quarter.

Markets for semiconductor grade polysilicon continue to suffer from more than two years of flat growth and excessive inventories. Consequently prices are stable and not sensitive to short term changes in demand.

Silicon gas markets are driven by production of Flat Panel Displays, Semiconductors, and Crystalline PV cells. Second quarter demand continued to be robust due to strong PV markets, market share gains, and spot transactions due to competitive capacity being offline.

Technology development and R&D

The Group incurred R&D expenses of USD 3.3 million during the second quarter of 2014 which is comparable to the previous quarter (USD 3.4 million in the first quarter).

Continued testing of the FBR-B technology is planned for Q3. These tests are designed to produce material for customer qualifications and build operating experience for extended operating run lengths. Front end engineering design for the FBR-B implementation in Moses Lake is nearing completion. The Moses Lake expansion project will be evaluated during Q3.

In silicon gases, continued progress is being made to increase the productivity and stability of the disilane production plant.

OTHER

Other consists primarily of the parent company REC Silicon ASA (previously Renewable Energy Corporation ASA) which employs 3 people.

REC Silicon ASA has incurred costs related to the scale down of the headquarter functions in Norway and the retention of employees during the scale down period (through April 2014). At the end of the second quarter, this has been completed. Expense amounts related to these functions are reflected in "EBITDA excluding gains/losses on discontinued operations" of USD -1.5 million in the second quarter. Included in this number is USD 0.3 million expense related to the curtailment of a lease agreement in Norway.

In addition, REC Silicon ASA incurred a gain on the change in value of the indemnification agreement related to the disposal of REC Wafer in the second quarter 2014 of USD 0.3 million. On consolidation, this loss has been re-presented and included as part of discontinued operations for the Group.

FINANCIAL ITEMS

FINANCIAL ITEMS (CONTINUING OPERATIONS)

Interest expenses on borrowings for 2013 include commitment fees on undrawn credit facilities.

Decreased interest bearing liabilities resulted in lower interest expense in the second quarter in 2014 compared to the same period in 2013.

See note 5 for additional information on borrowings.

Net currency gains in the second quarter 2014 relate primarily to internal loans (loans of approximately USD 0.9 billion) that are not eliminated on consolidation.

Second quarter income for fair value adjustment is related to the USD convertible bonds and is primarily due to the reduction in the share price of REC Silicon from March 31, 2014 to June 30, 2014 (See note 5).

INCOME TAX

The Group has an estimated income tax benefit from continuing operations of USD 5 million for the second quarter 2014. This is primarily a reduction in deferred tax liabilities in REC Silicon due to the loss for the period. See note 18 to the consolidated financial statements for 2013.

CASH FLOW

Net cash inflows from operating activities were USD 1.5 million in the second quarter 2014. Cash inflows consisted of EBITDA of USD 31.6 million and a US Income Tax refund of USD 3.4 million. These were offset by working capital changes of USD 22.1 million and interest payments of USD 10.5 million. The net negative effect of changes in working capital was primarily due to higher product sales during the second quarter of 2014 compared to the previous quarter.

Net cash outflows from investing activities were USD 3.7 million in the second quarter 2014 due to capital expenditures.

Net cash outflows from financing were USD 111.4 million related to the retirement of the Euro convertible bond.

During the second quarter 2014, cash balances decreased by USD 113.6 to USD 82.3 million.

Financial highlights - Other

(USD IN MILLION)	Q2 2014	Q2 2013	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013	Q1 2014
Internal revenues	0.0	0.3	0.0	1.1	1.5	0.0
External revenues	0.0	-0.2	0.1	0.0	0.5	0.1
Revenues	0.0	0.1	0.1	1.1	2.0	0.1
EBITDA	-1.2	-4.8	-4.7	-8.8	-72.8	-3.5
EBITDA excluding gains/losses on discontinued operations	-1.5	-5.0	-3.5	-9.0	-16.0	-2.0
EBIT	-1.2	-4.8	-4.7	-8.8	-72.8	-3.5
EBIT excluding gains/losses on discontinued operations	-1.5	-5.0	-3.5	-9.0	-16.0	-2.0

Financial items - REC Silicon Group

(USD IN MILLION)	Q2 2014	Q2 2013	JUN 30 2014	JUNE 30, 2013	DEC 31, 2013	Q1 2014
Financial income	1.2	2.2	2.2	4.9	7.6	1.0
Interest expenses on borrowings	-5.8	-12.2	-12.0	-26.6	-46.3	-6.3
Capitalized borrowing cost	0.2	0.2	0.3	0.4	0.8	0.1
Expensing of up-front fees and costs	-0.1	-1.3	-0.2	-5.4	-7.3	-0.1
Other financial expenses	-0.1	-2.0	-0.9	-2.0	-4.8	-0.8
Net financial expenses	-5.8	-15.3	-12.9	-33.6	-57.6	-7.1
Net currency gains/losses	18.4	-21.8	8.2	-36.1	39.5	-10.2
Net gains/losses derivatives and fair value hedge	-0.0	-21.8	-1.7	-36.1	-36.0	-1.7
Fair value adjustment convertible bonds	7.5	-79.1	-29.1	-106.4	-112.2	-36.6
Net financial items	21.4	-102.1	-33.2	-132.6	-158.8	-54.6

FINANCIAL POSITION

Equity increased to USD 923 million (62 percent equity ratio) at June 30, 2014, from USD 913 million (57 percent) at March 31, 2014. This increase consisted of profit from total operations of USD 25 million offset by currency losses included in other comprehensive income.

Net debt decreased to USD 201 million at June 30, 2014, from USD 212 million at March 31, 2014.

Net debt includes convertible bonds at fair value. Including bonds at nominal value, nominal net debt was USD 179 million at June 30, 2014, down from USD 182 million at March 31, 2014.

See note 17 to the consolidated financial statements for 2013 and note 5 to this report for further information on interest bearing liabilities for the Group.

RISKS AND UNCERTAINTIES

Please refer to the annual report for 2013. Specifically, note 31 to the consolidated financial statements and the risk factors section of the board of directors' report.

The on-going solar trade dispute between the US and China continues to be a significant concern. REC Silicon has mitigated the impact of tariffs in China through working with customers to utilize options currently available under existing laws, including the "Process in Trade" available under Chinese customs laws.

Two additional trade cases were filed in the US against Taiwanese and Chinese cells, modules, laminates, and wafers in December 2013. The US Department of Commerce (DOC) made a preliminary countervailing duty (CVD) tariff determination in these cases on June 2, 2014 imposing preliminary tariffs on solar panels containing combinations of wafers or cells which were produced or assembled in China. Preliminary anti-dumping (AD) tariffs in these cases are scheduled to be announced by DOC in late July, 2014.

REC Silicon has continued to work with the US government, the Chinese government, affected companies, and industry trade organizations to obtain a resolution. The timing and potential outcome of these negotiations are highly uncertain.

MARKET OUTLOOK

Solar grade polysilicon markets are expected to remain balanced during the second half of 2014. China PV installations have developed slower than expected due to an emphasis on Distributed Generation (DG). Despite challenges with the Chinese DG market, global PV installations during the second quarter of 2014 are estimated at 9.7 GW (per IHS), which is the strongest second quarter on record.

Cumulative PV installations during the first half of 2014 are estimated at 19 to 20 GW, meaning approximately 25 GW market potential during the second half of 2014 to arrive at consensus full year forecast of approximately 45 GW. Uncertainty associated with the impact of the US AD/CVD may disrupt markets until a work around or resolution is obtained.

As a result of improved market conditions, previously planned capacity expansions are being implemented. However, the impact of capacity additions are limited due to timing of startups and are not expected to significantly impact 2014.

Third party indices project flat to modest increases in solar grade polysilicon sales prices through the second half of 2014.

Semiconductor grade polysilicon demand remains flat. However, end user demand is improving and will positively impact market opportunities. However, short term changes in demand will not impact prices due to flat demand and current excessive inventory.

Silicon gas market forecasts project a continuation of the strong demand experienced in the first half of 2014. REC Silicon expects temporary increases in Silicon gas demand to continue through the third quarter. Our silane demand profile should begin to normalize during Q4 as previously shutdown production capacity restarts.

REC SILICON - GUIDANCE

Production targets

The third quarter, fourth quarter, and 2014 production targets as well as the actual second quarter production figures are summarized in a separate table.

REC Silicon targets third quarter 2014 polysilicon production of about 5,000 MT. During the third quarter, no maintenance is scheduled which is the primary reason for the increase compared to the second quarter 2014.

Annual polysilicon production volume is targeted at 18,600 MT, an 800 MT decrease compared to prior guidance. This decrease is driven by the effects of increases in silicon gas sales volumes and the extended silane outages experienced in the first half.

Cost targets

Production cost targets for the third quarter, fourth quarter, and 2014 as well as the actual second quarter costs are presented in a separate table.

FBR cash production costs in the third quarter 2014 are expected to decrease to USD 11.20/kg. The decrease compared to the second quarter of 2014 is due primarily to higher production as a result of no outages in the third quarter.

FBR cash production costs targets for 2014 increased by USD 0.8/kg to USD 12.5/kg as a result of lower volumes caused by extended outages in the first half and the additional costs associated with those outages.

Investment and Expansion

For 2014 total maintenance capital expenditure is expected to be approximately USD 25 million.

FORWARD LOOKING STATEMENTS

This report contains statements regarding the future in connection with the Group's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Outlook" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and

Production targets

POLYSILICON PRODUCTION VOLUME	ACTUAL Q2 2014	TARGETS Q3 2014	TARGETS Q4 2014	TARGETS 2014
Granular	3 686	4 250	4 400	15 650
Semiconductor Grade	417	350	320	1 450
Siemens Solar	271	400	540	1 500
Total	4 375	5 000	5 260	18 600
Silane Gas Sales	844	800	800	3 200

Cost targets

POLYSILICON PRODUCTION VOLUME	ACTUAL Q2 2014	TARGETS Q3 2014	TARGETS Q4 2014	TARGETS 2014
FBR Cash Cost (€/kg)	13.6	11.2	11.1	12.5

many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to the Group's activities described in section 'Risks and Uncertainties' above, in REC Silicon's Annual Report 2013, including the section Risk Factors in the Board of Directors' Report.

STATEMENT BY THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors and the Chief Executive Officer have today considered and approved the condensed financial statements for the first half year 2014 and the financial information in this report that is relevant for the first half year 2014 (together "the first half year 2014 report").

The first half year 2014 report has been prepared in accordance with IAS 34 as adopted by the EU and additional disclosure requirements for the first half year report as stated in the Norwegian Verdipapirhandellov (Securities Trading Act).

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year 2014 gives a true and fair view of the Group's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge the first half year 2014 report includes a fair review of important events in the period and their effects on the condensed set of financial statements for the first half year 2014, together with a description of the principal risks and uncertainties for the remaining months of the financial year as well as related parties significant transactions that have a material effect on financial position or results for the period.

Fornebu, July 17, 2014
Board of Directors



Espen Klitzing
Member of the Board



Jens Ulltveit-Moe
Chairman of the Board



Ragnhild Wiborg
Member of the Board



Erik Løkke-Øvre
Member of the Board



Tore Torvund
President and CEO



Inger Berg Ørstavik
Member of the Board

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTE	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013
ASSETS				
Non-current assets				
Intangible assets	2	17.1	21.3	18.0
Land and buildings	2	76.7	144.6	79.3
Machinery and production equipment	2	902.1	1 062.9	962.7
Other tangible assets	2	22.7	30.7	24.0
Assets under construction	2	18.6	29.0	11.4
Property, plant and equipment	2	1 020.2	1 267.2	1 077.4
Prepaid lease, non-current		0.0	24.9	0.0
Government grant assets		114.9	122.2	113.3
Prepaid capex		0.0	10.9	0.0
Equity accounted investments		0.0	31.1	0.0
Other non-current receivables		9.7	22.8	9.7
Derivatives	3	0.0	14.1	15.3
Restricted bank accounts non-current		4.9	0.0	6.4
Financial assets and prepayments		14.6	68.1	31.4
Deferred tax assets		5.9	1.1	0.0
Total non-current assets		1 172.9	1 515.6	1 240.1
Current assets				
Inventories	4	106.0	244.1	95.2
Prepaid lease, current		0.0	1.3	0.0
Trade and other receivables	9	121.3	222.6	114.8
Current tax assets		0.0	4.0	3.4
Current derivatives	3	0.0	0.2	4.4
Restricted bank accounts		3.5	16.7	5.1
Cash and cash equivalents		82.3	263.0	61.6
Total current assets		313.1	751.9	284.6
Total assets		1 485.9	2 267.5	1 524.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTE	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital		3 115.3	3 115.3	3 115.3
Other equity and retained earnings		-2 191.8	-1 915.9	-2 159.3
Total shareholders' equity		923.5	1 199.3	956.0
Non-current liabilities				
Retirement benefit obligations		13.4	20.8	14.3
Deferred tax liabilities		71.4	117.2	90.6
Provisions	5	0.0	63.0	0.0
Derivatives	3	3.6	5.0	5.1
Non-current financial liabilities, interest bearing	6	251.4	413.0	225.1
Non-current prepayments, interest calculation		4.9	8.8	6.7
Other non-current liabilities, not interest bearing		0.2	0.0	0.0
Total non-current liabilities		344.9	627.9	341.9
Current liabilities				
Trade payables and other liabilities		174.6	200.9	68.6
Provisions	5	1.1	8.0	1.4
Current tax liabilities		0.0	0.8	0.0
Derivatives	3	0.0	23.2	4.3
Current financial liabilities, interest bearing	6	31.7	193.1	143.3
Current prepayments, interest calculation		10.2	14.3	9.1
Total current liabilities		217.6	440.3	226.7
Total liabilities		562.5	1 068.2	568.6
Total equity and liabilities		1 485.9	2 267.5	1 524.6

CONSOLIDATED STATEMENT OF INCOME

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q2 2014	Q2 2013	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013
Revenues		126.9	81.1	240.3	175.6	417.6
Cost of materials	4	-23.0	-25.0	-44.7	-57.1	-106.8
Changes in inventories	4	3.5	30.8	2.7	34.2	16.4
Employee benefit expenses		-23.7	-27.4	-47.7	-55.9	-105.9
Other operating expenses		-51.9	-49.2	-101.6	-99.9	-189.1
Other income and expenses		-0.2	0.0	0.0	20.2	18.6
EBITDA		31.6	10.3	49.1	17.2	50.7
Depreciation	2	-32.5	-31.1	-65.2	-62.2	-125.2
Amortization	2	-0.6	-0.6	-1.2	-1.2	-2.4
Impairment	2	-0.2	-0.0	-0.2	-0.0	-9.2
Total depreciation, amortization and impairment		-33.2	-31.7	-66.6	-63.4	-136.8
EBIT		-1.7	-21.4	-17.6	-46.2	-86.1
Financial income		1.2	2.2	2.2	4.9	7.6
Net financial expenses		-5.8	-15.3	-12.9	-33.6	-57.6
Net currency gains/losses		18.4	11.9	8.2	38.7	39.5
Net gains/losses derivatives and fair value hedge		-0.0	-21.8	-1.7	-36.1	-36.0
Fair value adjustment convertible bonds		7.5	-79.1	-29.1	-106.4	-112.2
Net financial items		21.4	-102.1	-33.2	-132.6	-158.8
Profit/loss before tax from continuing operations		19.7	-123.5	-50.8	-178.8	-244.8
Income tax expense/benefit from continuing operations		5.0	37.6	25.8	58.0	84.8
Profit/loss from continuing operations		24.6	-85.9	-25.0	-120.8	-160.0
Profit/loss from discontinued operations, net of tax 1)		0.3	8.6	-1.2	6.3	-192.7
Profit/loss from total operations		25.0	-77.4	-26.2	-114.5	-352.7
Attributable to:						
Owners of REC Silicon ASA		25.0	-77.4	-26.2	-114.5	-352.7
Earnings per share (In USD)						
From continuing operations						
-basic		0.01	-0.04	-0.01	-0.06	-0.07
-diluted		0.01	-0.04	-0.01	-0.06	-0.07
Earnings per share (In USD)						
From total operations						
-basic		0.01	-0.04	-0.01	-0.05	-0.16
-diluted		0.01	-0.04	-0.01	-0.05	-0.16

1) Profit/loss from discontinued operations includes income and expense from Group external transactions of REC Solar and REC Wafer and net gain or loss on disposal. Discontinued operations are shown as a single amount in the statement of income for the Group. This re-representation does not represent the activities or indicate the profit earned or loss incurred by continuing or discontinued operations as if they were standalone entities, for past periods or likely to be earned or incurred in future periods. See note 8 to this report and note 9 to the consolidated financial statements for 2013 for further information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME REC SILICON GROUP

(USD IN MILLION)	Q2 2014	Q2 2013	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013
Loss for the period	25.0	-77.37	-26.2	-114.5	-352.7
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Currency translation effects	-18.6	-7.31	-8.0	-41.1	-41.2
Sum items that will not be reclassified to profit or loss	-18.6	-7.3	-8.0	-41.1	-37.1
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences					
- taken to equity	3.8	3.95	1.6	10.1	17.7
- transferred to profit/loss for the period 1)	0		0.0	0.0	-16.6
Sum items that may be reclassified subsequently to profit or loss	3.8	4.0	1.6	10.1	1.1
Total other comprehensive income for the period	-14.8	-3.4	-6.5	-31.1	-36.0
Total comprehensive income for the period	10.2	-80.7	-32.6	-145.6	-388.7
Total comprehensive income for the period attributable to:					
Owners of REC Silicon ASA	10.2	-80.7	-32.6	-145.6	-388.7

1) Currency translation differences transferred to profit/loss in 2013 relates to the sale of REC Solar at the end of October. The amount is included in the statement of income in the line item "profit/loss from discontinued operations, net of tax".

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY REC SILICON GROUP

(USD IN MILLION)	ATTRIBUTABLE TO EQUITY HOLDERS OF REC SILICON ASA						
	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN CAPITAL	TOTAL PAID-IN CAPITAL	OTHER EQUITY	COMPREHENSIVE INCOME	TOTAL EQUITY
June 30, 2013							
At January 1, 2013	342.7	2 667.5	41.8	3 052.0	174.2	-1 944.5	1 281.8
Equity share option plan	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
Share issue	34.4	28.9	0.0	63.2	0.0	0.0	63.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	-145.6	-145.6
At June 30, 2013	377.1	2 696.4	41.8	3 115.3	174.1	-2 090.0	1 199.3
Year 2013							
At January 1, 2013	342.7	2 667.5	41.8	3 052.0	174.2	-1 944.5	1 281.8
Equity share option plan	0.0	0.0	0.0	0.0	-0.3	0.0	-0.3
Share issue	34.4	28.9	0.0	63.2	0.0	0.0	63.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	-388.7	-388.7
At December 31, 2013	377.1	2 696.4	41.8	3 115.3	173.9	-2 333.2	956.0
June 30, 2014							
At January 1, 2014	377.1	2 696.4	41.8	3 115.3	173.9	-2 333.2	956.0
Equity share option plan	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	-32.6	-32.6
At June 30, 2014	377.1	2 696.4	41.8	3 115.3	174.0	-2 365.8	923.5

This table presents details of comprehensive income

(NOK IN MILLION)	TRANSLATION DIFFERENCES THAT CAN BE TRANSFERRED TO PROFIT AND LOSS	ACQUISITION	RETAINED EARNINGS	TOTAL
June 30, 2013				
Accumulated at January 1, 2013	-7.9	20.9	-1 957.4	-1944.5
Loss for the period	0.0	0.0	-114.5	-114.5
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Currency translation effects	0.0	0.0	-41.1	-41.1
Sum items that will not be reclassified to profit or loss	0.0	0.0	-41.1	-41.1
Items that may be reclassified to profit or loss				
Currency translation differences taken to equity	12.9	0.0	0.0	12.9
Tax on currency translation differences taken to equity	-2.8	0.0	0.0	-2.8
Sum items that may be reclassified to profit or loss	10.1	0.0	0.0	10.1
Total comprehensive income for the period	10.1	0.0	-155.6	-145.6
Accumulated at December 31, 2013	2.1	20.9	-2113.0	-2090.0
Year 2013				
Accumulated at January 1, 2013	-7.9	20.9	-1 957.4	-1944.5
Loss for the period	0.0		-352.7	-352.7
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans	0.0	0.0	4.1	4.1
Currency translation effects	0.0	0.0	-41.2	-41.2
Sum items that will not be reclassified to profit or loss	0.0	0.0	-37.1	-37.1
Items that may be reclassified to profit or loss				
Currency translation differences taken to equity	21.3	0.0	0.0	21.3
Tax on currency translation differences taken to equity	-3.5	0.0	0.0	-3.5
Currency translation differences transferred to profit/loss for the period1)	-16.6	0.0	0.0	-16.6
Sum items that may be reclassified to profit or loss	1.1	0.0	0.0	1.1
Total comprehensive income for the period	1.1	0.0	-389.8	-388.7
Accumulated at December 31, 2013	-6.8	20.9	-2347.2	-2333.2
June 2014				
Accumulated at January 1, 2014	-6.8	20.9	-2 347.2	-2333.2
Loss for the period	0	0	-26.2	-26.2
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Currency translation effects	0.0	0.0	-8.0	-8.0
Sum items that will not be reclassified to profit or loss	0.0	0.0	-8.0	-8.0
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	2.0	0.0	0.0	2.0
Tax on currency translation differences taken to equity	-0.4	0.0	0.0	-0.4
Sum items that may be reclassified to profit or loss	1.6	0.0	0.0	1.6
Total other comprehensive income for the period	1.6	0.0	-8.0	-6.5
Total comprehensive income for the period	1.6	0.0	-34.2	-32.6
Accumulated at June 30, 2014	-5.3	20.9	-2381.4	-2365.8

CONSOLIDATED STATEMENT OF CASH FLOWS

TOTAL OPERATIONS

REC SILICON GROUP

(USD IN MILLION)	Q2 2014	Q2 2013	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013
Cash flows from operating activities					
Profit/loss before tax from total operations 1)	20.0	-114.1	-51.9	-171.2	-436.2
Income taxes paid/received	3.4	-0.8	3.4	-0.2	-0.2
Depreciation, amortization and impairment	33.2	36.1	66.6	72.4	153.9
Fair value adjustment convertible bond	-7.5	79.1	29.1	106.4	112.2
Equity accounted investments, impairment financial assets, gains/losses on sale	0.0	-1.2	0.0	-0.8	-3.1
Gains/losses on disposal of discontinued operations	-0.3	-0.2	1.2	-0.2	206.8
Changes in receivables, prepayments from customers etc.	-16.4	34.3	12.3	64.0	18.7
Changes in inventories	-7.4	-7.5	-10.8	-7.9	3.6
Changes in payables, accrued and prepaid expenses	0.4	4.1	-10.2	-18.6	-37.3
Changes in provisions	0.1	0.9	-0.4	1.7	-1.6
Changes in VAT and other public taxes and duties	-3.5	-1.6	-5.0	-2.3	2.2
Changes in derivatives	0.0	13.7	12.7	26.8	0.3
Currency effects not cash flow or not related to operating activities	-20.1	-7.5	-9.3	-36.5	-26.8
Other items 2)	-0.4	2.8	-1.2	5.6	6.3
Net cash flow from operating activities	1.5	38.1	36.6	39.1	-1.2
Cash flows from investing activities					
Cash proceeds for shares (incl. equity accounted investments)	0.0	0.0	0.0	0.0	12.4
Cash payments for shares (incl. equity accounted investments)	0.0	-1.6	0.0	-4.2	-4.3
Proceeds from finance receivables and restricted cash	0.0	0.0	3.2	0.5	6.8
Payments finance receivables and restricted cash	0.0	-17.4	0.0	-17.4	-17.2
Proceeds from sale of property, plant and equipment and intangible assets	0.0	-0.1	99.1	6.5	6.6
Payments for property, plant and equipment and intangible assets	-3.7	-18.6	-6.4	-23.5	-37.4
Proceeds from investment grants	0.0	-0.1	0.0	13.6	13.6
Proceeds/payments from disposal of subsidiaries, net of cash disposed of	0.0	0.0	0.1	0.0	88.5
Net cash flow from investing activities	-3.7	-37.7	95.9	-24.5	69.0
Cash flows from financing activities					
Increase in equity	0.0	63.2	-0.1	63.2	63.2
Payments of borrowings and up-front/waiver loan fees	-111.4	-142.2	-111.8	-142.2	-435.8
Proceeds from borrowings	0.0	1.5	0.0	9.7	45.5
Net cash flow from financing activities	-111.4	-77.5	-111.8	-69.2	-327.1
Effect on cash and cash equivalents of changes in foreign exchange rates	0.0	-9.7	0.0	-25.0	-21.7
Net increase/decrease in cash and cash equivalents	-113.6	-86.8	20.6	-79.6	-280.9
Cash and cash equivalents at the beginning of the period	195.9	349.8	61.6	342.6	342.6
Cash and cash equivalents at the end of the period	82.3	263.0	82.3	263.0	61.6

1) PROFIT/LOSS BEFORE TAX FROM TOTAL OPERATIONS CONSISTS OF

Profit/loss before tax from continuing operations	19.7	-123.5	-50.8	-178.8	-244.8
Profit/loss before tax from discontinued operations	0.3	9.5	-1.2	7.6	-191.3
Profit/loss before tax from total operations	20.0	-114.0	-52.0	-171.2	-436.2

2) Other items consist primarily of expensing of loan fees and costs related to debt financing.

NOTES

1 GENERAL

THE GROUP

Renewable Energy Corporation ASA was renamed REC Silicon ASA at the end of October 2013. At the same time the segment REC Solar was sold.

References to the "Company" denote Renewable Energy Corporation ASA and then REC Silicon ASA subsequent to October 2013. The Company and its subsidiaries (together, "REC Silicon Group" or "Group") have a presence in the international solar energy industry. Subsequent to the sale of REC Solar in October 2013, Group operations are focused on the production of polysilicon and silicon gases for the solar and electronics industries.

References to "REC Silicon", "REC Solar", or "REC Wafer" denote the segments defined in note 5 to the consolidated financial statements for 2013.

BASIS OF PREPARATION

The financial statements are presented in million USD, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements may not add up to the total of that row or column.

STATEMENTS

These consolidated interim financial statements, combined with other relevant financial information in this report, have been prepared in accordance with IAS 34. They have not been audited or subject to a review by the auditor. They do not include all of the information required for full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2013. The consolidated financial statements for 2013 are available upon request from the Company's registered office at Fornebu or at www.recsilicon.com.

The Board of Directors has prepared these interim financial statements under the assumption that the company is a going concern and is of the opinion that this assumption was realistic at the date of the accounts. Refer to the section "risks and uncertainties" in this report for additional information.

ACCOUNTING POLICIES

The consolidated financial statements for 2013 were prepared in accordance with IFRS as adopted by the EU and the Norwegian Accounting Act. As IFRIC 21: Levies, an Interpretation on the accounting for levies imposed by governments, was approved by EU and effective from June 17, 2014, the Group has adopted this new standard in the second quarter:

IFRIC Interpretation 21: Levies, an Interpretation on the accounting for levies imposed by governments

- The Interpretation clarifies the recognition of liabilities associated with levies.
- Effective for periods beginning on or after January 1, 2014
- The Group has determined that adoption requires recognition of an estimated liability for property taxes in the USA for interim period reporting, instead of building up the liability through the year, with recognition of an offsetting asset to be amortized to expense through the year. The statement of financial position at year end or the statement of income are not affected. Comparable interim periods have been adjusted to reflect the adoption of IFRIC 21. The adoption of IFRIC 21 resulted in an increase in liabilities and assets of USD 7.7 million and USD 7.5 million at June 30, 2013 and June 30, 2014 respectively.

CHANGE IN PRESENTATION CURRENCY

Following the sale of REC Solar, ongoing operations are primarily in US dollar (USD). Accordingly, the Group changed reporting currency from NOK to USD starting with the first quarter 2014.

Comparable historic periods have been restated to USD.

ESTIMATES AND JUDGMENTS

Preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4 to the consolidated financial statements for 2013.

2 FIXED ASSETS**Property, plant and equipment and intangible assets**

(USD IN MILLION)	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL PROPERTY, PLANT AND EQUIPMENT	TOTAL INTANGIBLE ASSETS	TOTAL
Carrying value at January 1, 2014	79.3	962.7	24.0	11.4	1 077.4	18.0	1 095.4
Net additions ¹⁾	0.0	3.1	1.5	3.6	8.2	0.4	8.6
Disposals - discontinued operations	0.0	-0.1	0.0	0.1	0.0	0.0	0.0
Depreciation and amortization - continuing operations	-2.5	-60.5	-2.2	0.0	-65.2	-1.2	-66.4
Impairment - continuing operations	0.0	-3.1	-0.6	3.5	-0.2	0.0	-0.2
Carrying value at June 30, 2014	76.7	902.1	22.7	18.6	1 020.2	17.1	1 037.4
At June 30, 2014							
Cost price	146.0	2 050.5	77.3	23.7	2 297.4	69.1	2 366.5
Accumulated depreciation/amortization/impairment	-69.2	-1 148.3	-54.6	-5.1	-1 277.2	-52.0	-1 329.2
Carrying value at June 30, 2014	76.7	902.1	22.7	18.6	1 020.2	17.1	1 037.4

1) Net additions include transfers from assets under construction

IMPAIRMENT REVIEWS

The Group has conducted a review of impairment indicators and has not identified any indicators which would give rise to a change in impairment compared to December 31, 2013. Consequently, impairment testing was not performed at June 30, 2014.

3 DERIVATIVES

See notes 3 and 11 to the consolidated financial statements for 2013.

Fair values and carrying amounts

(USD IN MILLION)	JUN 30, 2014		DEC 31, 2013	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Foreign exchange forward and option contracts	0.0	0.0	0.5	1.4
Interest rate swaps	0.0	0.0	19.2	5.6
Option contract	0.0	3.6	0.0	2.5
Total	0.0	3.6	19.7	9.4

Option contract is part of the indemnification agreement in connection with the REC Wafer bankruptcy, and the change in estimated fair value has been reported as part of the gain/loss on disposal of discontinued operations, see note 9 to the consolidated financial statements for 2013.

All foreign exchange forward contracts and interest rate swaps were settled during the first quarter of 2014.

4 INVENTORIES

Refer to note 13 to the consolidated financial statements for 2013

Allocation of writedowns of inventories at end of period

(USD IN MILLION)	JUN 30, 2014			DEC 31, 2013		
	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS
Stock of materials, merchandise, production supplies	26.3	0.0	26.3	21.9	0.0	21.9
Spare parts	41.1	-11.2	30.0	38.2	-9.9	28.4
Work in progress	9.8	0.0	9.8	9.2	-0.3	8.9
Finished goods	39.9	0.0	39.9	37.9	-1.8	36.0
Total	117.2	-11.2	106.0	107.2	-11.9	95.2

5 BORROWINGS AND GUARANTEES

Refer to notes 3 and 17 to the consolidated financial statements for 2013.

Carrying amounts of interest bearing liabilities at June 30, 2014 and contractual repayments (excluding interest payments) are specified in the table below.

(USD IN MILLION)	CARRYING AMOUNT		CONTRACTUAL PAYMENTS, EXCLUDING INTEREST			
	CURRENCY	USD	TOTAL	SEP 2014	2016	2018
Unamortized upfront fees (NOK)	-3.9	-0.6	0.0	0.0	0.0	0.0
NOK bonds (NOK)	734.2	119.3	118.7	31.8	38.1	48.8
USD convertible bond (USD)	132.0	132.0	110.0	0.0	0.0	110.0
Indemnification loan (NOK)	200.0	32.5	32.5	0.0	32.5	0.0
Total		283.2	261.2	31.8	70.6	158.8

REC Silicon ASA repaid the EUR 81.2 million convertible bond on June 4, 2014.

The difference between carrying amounts and contractual repayments of the USD convertible bonds are due to fair value adjustments. The difference for the NOK bonds is related to fair value interest rate hedges and the tap issue in May 2013. The fair value hedges were revoked in November 2013 and the remaining fair value adjustments are being amortized prospectively as part of the effective interest.

Guarantees

See note 29 to the consolidated financial statement for 2013.

Bank guarantees at June 30, 2014 amounted to USD 4.5 million, down from USD 9.4 million at March 31, 2014.

Guarantees related to REC Solar were primarily unchanged compared to December 31, 2013.

Fair values of financial instruments

See note 30 to the consolidated financial statements for 2013. The option contract contained in indemnification agreement associated with the REC Wafer Norway AS bankruptcy is subject to level 3 of the fair value hierarchy of IFRS 13. The value of this option is estimated to have increased from USD 2.5 million at December 31, 2013 to USD 3.6 million at June 30, 2014 due to increases in the REC Silicon ASA share price.

The Group estimates that the carrying values of financial instruments approximate fair values, except for the NOK bonds REC01, REC02 and REC03 (level 2).

(USD IN MILLION)	JUN 30, 2014		
	NOMINAL VALUE	CARRYING VALUE	ESTIMATED FAIR VALUE
REC01	31.8	31.9	32.1
REC02	38.1	37.0	37.9
REC03	48.8	50.4	51.0
	118.7	119.3	121.1

The fair value of the USD convertible bond at June 30, 2014 is estimated at 120.0 percent of nominal value, compared to 95 percent at December 31, 2013. The increase is primarily due to increase in the share price and consequently the value of the embedded option.

USD convertible bond

(USD IN MILLION)	AT ISSUE SEP 2013	DEC 31, 2013	JUN 30, 2014	CHANGE TO P/L JUN, 2013	CHANGE TO P/L Q2 2014
Nominal value	110.0	110.0	110.0		
Value of the total loan	110.0	104.5	132.0	-35.8	8.3

Estimated fair values exclude accrued interest. Increase (decrease) in fair value is recognized as an expense (income) in the statement of income.

In addition to the fair value adjustments to the USD convertible bond, a USD 0.8 million fair value adjustment loss was recognize of the Euro convertible bond in the period from March 31, 2014 to the date of repayment (June 4, 2014).

6 COMMITMENTS**Contractual purchase obligations and minimum operating lease payments at June 30, 2014**

(USD IN MILLION)	TOTAL FUTURE PAYMENTS	REMAINING 2014	DISTRIBUTION OF PAYMENTS					
			2015	2016	2017	2018	2019	AFTER 2019
Purchase of goods and services								
REC Silicon	86.8	73.2	3.3	1.5	1.5	1.5	1.5	4.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total purchase of goods and services	86.8	73.2	3.3	1.5	1.5	1.5	1.5	4.4
Minimum operating lease payments								
REC Silicon	95.8	10.0	18.9	18.2	18.0	15.6	11.5	3.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total minimum operating lease payments	95.8	10.0	18.9	18.2	18.0	15.6	11.5	3.7

See note 29 to the consolidated financial statements for 2013.

7 CLAIMS, DISPUTES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Please refer to the annual report for 2013. Specifically, note 31 to the consolidated financial statements and the risk factors section of the board of directors' report.

The on-going solar trade dispute between the US and China continues to be a significant concern. REC Silicon has mitigated the impact of tariffs in China through working with customers to utilize options currently available under existing laws, including the "Process in Trade" available under Chinese customs laws.

Two additional trade cases were filed in the US against Taiwanese and Chinese cells, modules, laminates, and wafers in December 2013. The US Department of Commerce (DOC) made a preliminary countervailing duty (CVD) tariff determination in these cases on June 2, 2014 imposing preliminary tariffs on solar panels containing combinations of wafers or cells which were produced or assembled in China. Preliminary anti-dumping (AD) tariffs in these cases are scheduled to be announced by DOC in late July, 2014.

REC Silicon has continued to work with the US government, the Chinese government, affected companies, and industry trade organizations to obtain a resolution. The timing and potential outcome of these negotiations are highly uncertain.

8 DISCONTINUED OPERATIONS

See notes 2.22, 4.1(D), 4.2(D) and 9 to the consolidated financial statements for 2013 for further information about discontinued operations. REC Solar was sold on October 25, 2013 and REC Wafer was deconsolidated on August 13, 2012.

Results from discontinued operations, including gains and losses on disposal, are reported separately as profit (loss) from discontinued operations in the statement of income. The consolidated statement of income for previous periods is re-presented with only external income and expenses included in discontinued operations beginning on loss of control or on assets and liabilities held for sale. Internal transactions continue to be eliminated on consolidation but are not re-presented in discontinued operations.

Change in estimated fair value of the option agreement (see note 2) for REC Wafer was reported as a loss from discontinued operations in 2014.

ANALYSIS OF DISCONTINUED OPERATIONS

CONSOLIDATED STATEMENT OF INCOME

REC SILICON GROUP

(USD IN MILLION)	REC GROUP	OF WHICH	REC GROUP	REC GROUP	OF WHICH	REC GROUP	REC GROUP	OF WHICH	REC GROUP
	TOTAL OPERATIONS	DISCONTINUED OPERATIONS	RE-PRESENTED	TOTAL OPERATIONS	DISCONTINUED OPERATIONS	RE-PRESENTED	TOTAL OPERATIONS	DISCONTINUED OPERATIONS	RE-PRESENTED
	Q2 2014	Q2 2014	Q2 2014	Q2 2013	Q2 2013	Q2 2013	DEC 31, 2013	DEC 31, 2013	DEC 31, 2013
Revenues	126.9	0.0	126.9	265.6	184.4	81.1	938.4	520.9	417.6
Cost of materials	-23.0	0.0	-23.0	-126.9	-101.8	-25.0	-394.9	-288.1	-106.8
Changes in inventories	3.5	0.0	3.5	20.6	-10.2	30.8	1.1	-15.2	16.4
Employee benefit expenses	-23.7	0.0	-23.7	-47.4	-19.9	-27.4	-170.5	-64.7	-105.9
Other operating expenses	-51.9	0.0	-51.9	-84.5	-35.3	-49.2	-304.9	-115.8	-189.1
Other income and expenses	-0.2	0.0	-0.2	-1.0	-1.0	0.0	17.5	-1.1	18.6
Gains/losses on disposal of discontinued operation - Wafer	0.3	-0.3	0.0	0.2	0.2	0.0	14.3	14.3	0.0
Gains/losses on disposal of discontinued operation - Solar	0.0	0.0	0.0	0.0	0.0	0.0	-221.1	-221.1	0.0
EBITDA	31.9	-0.3	31.6	26.6	16.3	10.3	-120.1	-170.9	50.7
Depreciation	-32.5	0.0	-32.5	-34.8	-3.7	-31.1	-139.4	-14.2	-125.2
Amortization	-0.6	0.0	-0.6	-1.1	-0.5	-0.6	-4.1	-1.7	-2.4
Impairment	-0.2	0.0	-0.2	-0.2	-0.2	0.0	-10.4	-1.3	-9.2
Total depreciation, amortization and impairment	-33.2	0.0	-33.2	-36.1	-4.4	-31.7	-153.9	-17.1	-136.8
EBIT	-1.4	-0.3	-1.7	-9.5	11.9	-21.4	-274.0	-188.0	-86.1
Share of profit/loss of equity accounted investments	0.0	0.0	0.0	1.2	1.2	0.0	3.1	3.1	0.0
Financial income	1.2	0.0	1.2	2.2	0.0	2.2	7.9	0.4	7.6
Net financial expenses	-5.8	0.0	-5.8	-15.6	-0.3	-15.3	-59.2	-1.6	-57.6
Net currency gains/losses	18.4	0.0	18.4	8.5	-3.4	11.9	34.2	-5.2	39.5
Net gains/losses derivatives and fair value hedge	0.0	0.0	0.0	-21.8	0.0	-21.8	-36.0	0.0	-36.0
Fair value adjustment convertible bond	7.5	0.0	7.5	-79.1	0.0	-79.1	-112.2	0.0	-112.2
Net financial items	21.4	0.0	21.4	-105.8	-3.7	-102.1	-165.3	-6.5	-158.8
Profit/loss before tax	20.0	-0.3	19.7	-114.1	9.5	-123.5	-436.2	-191.3	-244.8
Income tax expense/benefit	5.0	0.0	5.0	36.7	-0.9	37.6	83.4	-1.4	84.8
Profit/loss from continuing operations	NA	NA	24.6	NA	NA	-85.9	NA	NA	-160.0
Profit/loss from discontinued operations	NA	0.3	0.3	NA	8.5	8.5	NA	-192.7	-192.7
Profit/loss from total operations	25.0	NA	25.0	-77.4	NA	-77.4	-352.7	NA	-352.7
Profit/loss attributable to:	TOTAL	DISCONTINUED	CONTINUING	TOTAL	DISCONTINUED	CONTINUING	TOTAL	DISCONTINUED	CONTINUING
Owners of REC SILICON ASA	25.0	0.3	24.6	-77.4	8.5	-85.9	-352.7	-192.7	-160.0
Earnings per share (in USD)									
-basic	0.01	0.00	0.01	-0.04	0.00	-0.04	-0.16	-0.09	-0.07
-diluted	0.01	0.00	0.01	-0.04	0.00	-0.04	-0.16	-0.09	-0.07

ANALYSIS OF DISCONTINUED OPERATIONS

CONSOLIDATED STATEMENT OF INCOME

REC SILICON GROUP

USD IN MILLION	WAFER GROUP	SOLAR GROUP	TOTAL GROUP	WAFER GROUP	SOLAR GROUP	TOTAL GROUP	WAFER GROUP	SOLAR GROUP	TOTAL GROUP
	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS
	Q2 2014	Q2 2014	Q2 2014	Q2 2013	Q2 2013	Q2 2013	DEC 31, 2013	DEC 31, 2013	DEC 31, 2013
Revenues	0.0	0.0	0.0	0.0	184.4	184.4	0.0	520.9	520.9
Cost of materials	0.0	0.0	0.0	0.0	-101.8	-101.8	0.0	-288.1	-288.1
Changes in inventories	0.0	0.0	0.0	0.0	-10.2	-10.2	0.0	-15.2	-15.2
Employee benefit expenses	0.0	0.0	0.0	0.0	-19.9	-19.9	0.0	-64.7	-64.7
Other operating expenses	0.0	0.0	0.0	0.0	-35.3	-35.3	0.0	-115.8	-115.8
Other income and expenses	0.0	0.0	0.0	0.0	-1.0	-1.0	0.0	-1.1	-1.1
Gains/losses on disposal of discontinued operation - Wafer	0.3	0.0	0.3	0.0	0.2	0.2	14.3	0.0	14.3
Gains/losses on disposal of discontinued operation - Solar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-221.1	-221.1
EBITDA	0.3	0.0	0.3	0.0	16.3	16.3	14.3	-185.1	-170.9
Depreciation	0.0	0.0	0.0	0.0	-3.7	-3.7	0.0	-14.2	-14.2
Amortization	0.0	0.0	0.0	0.0	-0.5	-0.5	0.0	-1.7	-1.7
Impairment	0.0	0.0	0.0	0.0	-0.2	-0.2	0.0	-1.3	-1.3
Total depreciation, amortization and impairment	0.0	0.0	0.0	0.0	-4.4	-4.4	0.0	-17.1	-17.1
EBIT	0.3	0.0	0.3	0.0	11.9	11.9	14.3	-202.3	-188.0
Share of profit/loss of equity accounted investments	0.0	0.0	0.0	0.0	1.2	1.2	0.0	3.1	3.1
Financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Net financial expenses	0.0	0.0	0.0	0.0	-0.3	-0.3	0.0	-1.6	-1.6
Net currency gains/losses	0.0	0.0	0.0	0.0	-3.4	-3.4	0.0	-5.2	-5.2
Net gains/losses derivatives and fair value hedge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment and gain/loss on financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fair value adjustment convertible bond	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	0.0	0.0	0.0	0.0	-3.7	-3.7	0.0	-6.5	-6.5
Profit/loss before tax	0.3	0.0	0.3	0.0	9.5	9.5	14.3	-205.6	-191.3
Income tax expense/benefit	0.0	0.0	0.0	0.0	-0.9	-0.9	0.0	-1.4	-1.4
Profit/loss from discontinued operations	-0.3	0.0	-0.3	0.0	8.5	8.5	14.3	-207.0	-192.7

Cash flows of discontinued operations, REC Solar (internal and external)

See note 9 to the consolidated financial statements for 2013 for further description. The table below shows the cash flows of REC Solar. It includes cash flows to and from other REC Silicon Group companies. It includes REC Solar AS. Cash balance at December 31, 2013 is the cash at the time of deconsolidation of REC Solar at the end of October 2013. There is no cash flow in 2014.

(USD IN MILLION)	Q2 2013	DEC 31, 2013
Cash flows from operating activities	44.2	34.6
Cash flows from investing activities	-14.1	9.5
Cash flows from financing activities	-28.6	-12.9
Effect on cash and cash equivalents of changes in foreign exchange rates	-0.5	-2.8
Net increase/decrease in cash and cash equivalents	1.1	28.4
Cash and cash equivalents at beginning of the period	4.9	19.7
Cash and cash equivalents at end of the period	6.0	48.1

9 RECEIVABLES**Analysis of aging of receivables at June 30, 2014**

(USD IN MILLION)	TOTAL CARRYING AMOUNT	NOT DUE	AGING OF RECEIVABLES THAT ARE NOT IMPAIRED PAST DUE				IMPAIRED
			< 30 DAYS	>30<90 DAYS	>90<365 DAYS	>365 DAYS	
Trade receivables and accrued revenues	101.3	74.3	11.3	0.1	0.2	7.3	8.1
Provision for loss on trade receivables	-8.1	0.0	0.0	0.0	0.0	0.0	-8.1
Other non-current and current receivables	0.8	0.6	0.0	0.0	0.0	0.2	0.0
Finance receivables and short-term loans	10.7	10.7	0.0	0.0	0.0	0.0	0.0
Total	104.7	85.6	11.3	0.1	0.2	7.5	0.0

See note 12 and 30 to the consolidated financial statements for 2013. No losses on receivables are reported in the second quarter 2014.

10 TRANSACTIONS WITH RELATED PARTIES

See note 10 and note 16 to the consolidated financial statements for 2013.

In the second quarter 2014, the Board member Erik Løkke-Øvre invoiced USD 31 thousand to REC Silicon for consultancy work.

During the second quarter, REC Silicon ASA has relocated to office space owned by shareholder UMOE AS and leased to the Company.

11 SEGMENT INFORMATION

Refer to note 5 to the consolidated financial statements for 2013 for further information on segments.

Segment information

(USD IN MILLION)	Q2 2014	Q2 2013	JUN 30, 2014	JUN 30, 2013	DEC 31, 2013	Q1 2014
Revenues						
REC Silicon	126.8	85.1	240.2	183.8	432.7	113.3
REC Solar	0.0	184.4	0.0	317.1	520.9	0.0
Other	0.0	0.1	0.1	1.1	2.0	0.1
Eliminations	0.0	-4.1	0.0	-9.3	-17.3	0.0
Total operations	126.9	265.6	240.3	492.6	938.4	113.4
Of which discontinued operations 1)	0.0	184.4	0.0	317.0	520.9	0.0
Total continuing operations	126.9	81.1	240.3	175.6	417.6	113.4
Revenues external						
REC Silicon	126.8	81.3	240.2	175.6	417.0	113.3
REC Solar	0.0	184.4	0.0	317.0	520.9	0.0
Other	0.0	-0.2	0.1	0.0	0.5	0.1
Total operations	126.9	265.6	240.3	492.6	938.4	113.4
Of which discontinued operations 1)	0.0	184.4	0.0	317.0	520.9	0.0
Total continuing operations	126.9	81.1	240.3	175.6	417.6	113.4
EBITDA						
REC Silicon	33.1	18.2	52.6	39.2	83.7	19.5
REC Solar	0.0	13.3	0.1	4.4	-192.2	0.0
Other	-1.2	-4.8	-4.7	-8.8	-72.8	-3.5
Eliminations	0.0	0.0	0.0	0.0	61.1	0.0
Total operations	31.9	26.6	47.9	34.7	-120.1	16.0
Of which discontinued operations 1)	-0.3	16.3	1.2	17.6	-170.9	1.5
Total continuing operations	31.6	10.3	49.1	17.2	50.7	17.5
Depreciation, amortization and impairment						
REC Silicon	-33.3	-31.7	-66.7	-63.4	-136.8	-33.4
REC Solar	0.0	-4.4	0.0	-9.0	-17.1	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0
Total operations	-33.2	-36.1	-66.6	-72.4	-153.9	-33.4
Of which discontinued operations 1)	0.0	-4.4	0.0	-9.0	-17.1	0.0
Total continuing operations	-33.2	-31.7	-66.6	-63.4	-136.8	-33.4
EBIT						
REC Silicon	-0.2	-13.5	-14.1	-24.2	-53.1	-13.9
REC Solar	0.0	8.9	0.1	-4.6	-209.3	0.0
Other	-1.2	-4.8	-4.7	-8.8	-72.8	-3.5
Eliminations	0.0	0.0	0.0	0.0	61.1	0.0
Total operations	-1.4	-9.5	-18.7	-37.7	-274.0	-17.4
Of which discontinued operations 1)	-0.3	11.9	1.2	8.6	-188.0	1.5
Total continuing operations	-1.7	-21.4	-17.6	-46.2	-86.1	-15.9

1) Profit/loss from discontinued operations includes income and expense from REC Silicon Group external transactions of REC Solar and REC Wafer and gains and losses on disposal. Discontinued operations are shown as a single amount in the statement of income for the Group. This re-presentation does not represent the activities or indicate the profit earned or loss incurred by continuing or discontinued operations as if they were standalone entities, for past periods or likely to be earned or incurred in future periods. See note 9 to the consolidated financial statements for 2013.

FOR MORE INFORMATION, PLEASE CONTACT

Pål Elstad, Investor Relations
REC Silicon ASA
+47 991 66 293
Email: pal.elstad@recsilicon.com

RECSILICON

REC Silicon ASA
Fornebuveien 84
PO Box 63
1324 Lysaker
Norway
Phone +47 67 57 44 50

About REC Silicon ASA

REC Silicon ASA is a leading producer of advanced silicon materials, delivering high-purity polysilicon and silicon gas to the solar and electronics industries worldwide. We combine 25 years of experience and proprietary technology with the needs of our customers, and annual production capacity of more than 20,000 MT of polysilicon from our two US-based manufacturing plants. Listed on the Oslo Stock Exchange (ticker: REC), the company is headquartered in Moses Lake, Washington and employs approximately 720 people.

For more information, go to: www.recsilicon.com