
FIRST QUARTER
2015

REPORT



RECSiLICON

FIRST QUARTER HIGHLIGHTS

(Compared to Fourth Quarter 2014)

- > Revenues of USD 74.4 million and EBITDA of USD 24.8 million
 - Polysilicon Sales Volumes of 2,390 MT (48% Decrease)
 - Solar Grade Polysilicon Sales Prices 7.9% Decrease

- > Silicon Gas Sales
 - Sales Volume of 736 MT (13% Decrease)
 - Silicon Gas Prices Remain Stable

- > Strong Polysilicon Production
 - Total Polysilicon Production of 5,210 MT (2% Decrease)
 - FBR Cash Cost of 10.7 USD/kg (1% Decrease)

- > U.S. West Coast Port Slowdown
 - Slowdown Impacted Shipments
 - Resolved Late February

- > Expansion Initiative On-track
 - Yulin JV – Investment Decision Approved

FINANCIAL HIGHLIGHTS

Key financials - REC Silicon

(USD IN MILLION)	Q1 2015	Q1 2014	2014	Q4 2014
Revenues	74.4	113.4	493.0	126.2
EBITDA	24.8	17.5	232.9	38.0
EBITDA margin	33 %	15 %	47 %	30 %
EBITDA excluding special items 1)	24.8	17.5	131.9	38.0
EBITDA margin excluding special items	33 %	15 %	27 %	30 %
EBIT	-11.5	-15.9	94.1	-1.2
EBIT margin	-15 %	-14 %	19 %	-1 %
Profit/loss before tax from continuing operations	32.2	-70.5	218.8	110.9
Profit/loss from continuing operations	46.7	-49.7	213.4	119.0
Profit/loss from discontinued operations, net of tax	-0.6	-1.5	-0.6	1.0
Earnings per share from continuing operations, basic and diluted (USD)	0.02	-0.02	0.09	0.05
Polysilicon production in MT (Siemens and granular)	5 210	3 979	18 794	5 337
Polysilicon sales in MT (Siemens and granular)	2 390	4 135	16 854	4 595
Silicon gas sales in MT	736	783	3 428	848

1) Special items in 2014 represents the recognition of USD 101 million in gain on the transfer of technology to the Yulin JV (See Note 3).

REC SILICON

REC Silicon produces polysilicon and silicon gases for the solar and electronics industries at plants in Moses Lake, Washington and in Butte, Montana. REC Silicon targets polysilicon production of 19,300 MT in 2015 and employs approximately 720 people.

First quarter 2015 revenues were USD 74.4 million compared to USD 126.2 million in the fourth quarter of 2014. Revenues for the first quarter reflected lower polysilicon sales volumes, lower average polysilicon sales prices, and decreased sales volumes of silicon gases.

Total polysilicon sales volumes decreased by 48.0 percent to 2,390 MT compared to the fourth quarter of 2014. Decreased volumes were caused by lower seasonal demand, excess polysilicon and wafer inventories, and the timing of deliveries caused by the West Coast port slowdown in the US. In addition, competition to secure limited volumes available under process in trade for imports into China increased. As a result, solar grade polysilicon pricing decreased by 7.9 percent as polysilicon suppliers discounted sales prices to secure volumes. Because production exceeded sales, REC Silicon's inventories grew by approximately USD 42.5 million. In addition, weaker than anticipated demand and high inventory levels throughout the supply chain have slowed customer payments and disqualified shipments to customers due to credit risk concerns.

Silicon gas sales volumes decreased by 13.3 percent to 736 MT compared to the fourth quarter of 2014 and were in line with announced targets of 730 MT. As anticipated, decreased sales volumes compared to the fourth quarter were caused by the West Coast port slowdown in the US and normal seasonal demand fluctuations. Silane sales prices were broadly in line with prices received during the fourth quarter.

Total polysilicon production volume for the first quarter decreased by 2.4 percent to 5,210 MT compared to the fourth quarter of 2014 and was 1.7 percent below announced targets of 5,300 MT. Stable operations resulted in high production volumes and continued low cost performance. FBR cash production cost decreased to 10.7 USD/kg compared to 10.8 USD/kg in the fourth quarter and 0.8 USD/kg below the announced target of 11.5 USD/kg.

First quarter 2015 EBITDA was USD 24.8 million compared to USD 38.0 million in the fourth quarter of 2014. EBITDA decreased by approximately 35 percent compared to the prior quarter. This decrease is primarily due to lower solar grade polysilicon volumes and prices resulting in lower revenues and margins compared to the previous quarter.

MARKET DEVELOPMENT

First quarter demand for solar grade polysilicon was weaker than anticipated. Normal seasonality combined with reduced demand caused by uncertainty and extended holidays associated with the Chinese New Year impacted polysilicon sales. Polysilicon demand was impacted by weak wafer demand at acceptable prices and excess inventories. This was particularly the case for wafers and polysilicon outside of China. Earnings and press releases by industry participants indicate significant increases in inventory as companies sought to take advantage of stronger demand in the future or were unable to find buyers for their material at sustainable prices for polysilicon and wafers.

Polysilicon supply capacity was consistent with the second half of 2014. During the first quarter, no capacity additions were realized and previously announced expansions continued to be delayed due to technical or market related reasons.

According to multiple third party indices, average first quarter spot prices for solar grade polysilicon were down from the previous quarter and in a range from 15 to 18 USD/kg dependent upon volume, terms, application, and geography. Resale of polysilicon from firm long term contracts by wafer producers pushed spot prices lower as producers liquidated polysilicon inventories rather than produce wafers at unsustainable sales prices. This made it more difficult to quantify the actual silicon requirements in the value chain.

The market for semiconductor grade polysilicon was consistent with previous quarters. Demand for end use components and wafers continues to strengthen, however, strengthening demand continues to be offset by excess inventories. In addition, semiconductor grade demand is expected to increase during the 2nd half of 2015 to accommodate customer qualification and production schedules.

Silicon gas markets are driven by production of Flat Panel Displays, semiconductors, and Crystalline PV cells. As expected, first quarter 2015 demand was impacted by seasonality and the West Coast Port slowdown in the US. As a result of shipping delays, certain customers procured volumes from competitors in anticipation of continued disruption and the threat of potential product shortages. This has accelerated the utilization of competitor production capacity restarted during the fourth quarter of 2014.

TECHNOLOGY DEVELOPMENT AND R&D

REC Silicon incurred R&D expenses of USD 1.3 million and capitalized FBR-B development costs of USD 0.3 million in intangible assets during the first quarter of 2015. REC Silicon incurred total R&D expenditures of USD 1.6 million for the first quarter compared to USD 3.3 million for the fourth quarter of 2014.

The decrease in expenditures compared to the fourth quarter was primarily due to limited testing in the FBR-B pilot facility. Additional tests are planned which are intended to produce material for customer acceptance testing, to refine operating procedures, and to further expand operational experience.

Research and development activities also include efforts to increase rod mass and improve product quality in Siemens production, improve waste management and optimize raw material yields in Silane production, and to commercialize Silicon Gas precursor and derivative products.

Financial items - REC Silicon Group

(USD IN MILLION)	Q1 2015	Q1 2014	2014	Q4 2014
Financial income	0.8	1.0	4.6	1.2
Interest expenses on borrowings	-3.2	-6.3	-17.8	-2.1
Capitalized borrowing cost	0.8	0.1	1.2	0.6
Expensing of up-front fees and costs	-0.0	-0.1	-0.3	-0.0
Other financial expenses	-0.4	-0.8	-7.4	-4.5
Net financial expenses	-2.9	-7.1	-24.2	-6.0
Net currency gains/losses	57.3	-10.2	131.8	92.0
Net gains/losses derivatives and fair value hedge	0.0	-1.7	-1.5	0.1
Impairment and gains/losses on financial instruments	0.0	0.0	0.0	0.0
Fair value adjustment convertible bonds	-9.9	-36.6	14.6	25.4
Net financial items	45.3	-54.6	125.3	112.8

FINANCIAL ITEMS

Decreased interest bearing liabilities resulted in lower interest expense in the first quarter of 2015 compared to the same period in 2014.

Net currency gains in the first quarter of 2015 relate primarily to internal loans (loans of approximately USD 0.9 billion) that are not eliminated on consolidation.

First quarter expense for fair value adjustment is related to the USD convertible bonds and is primarily due to an increase in the share price of REC Silicon from December 31, 2014 to March 31, 2015.

See note 6 for additional information on borrowings.

INCOME TAX

REC Silicon reported an income tax benefit from continuing operations of USD 14.4 million for the first quarter of 2015. This is primarily a decrease in deferred tax liabilities due to a loss in the first quarter for US operations. The tax effects of currency gains were offset by a decrease in unrecognized deferred tax assets and resulted in income with no effective tax impact.

CASH FLOW

Net cash outflows from operating activities were USD 27.2 million in the first quarter of 2015. Cash inflows primarily consisted of EBITDA of USD 24.8 million. This was offset by working capital changes of USD 48.2 million, interest payments of USD 2.2 million, and a tax payment of USD 3.0 million. The increase in working capital consisted primarily of an increase in inventories of USD 42.5 million due to production in excess of sales for the period.

Net cash outflows from investing activities were USD 14.4 million in the first quarter of 2015 due exclusively to capital expenditures of USD 16.8 million.

The net currency exchange effect on cash balances for the period was USD 2.0 million unfavorable due to the impact of stronger US dollar on cash deposits in NOK.

During the first quarter of 2015, cash balances decreased by USD 43.5 million to USD 52.9 million.

Subsequent to March 31, 2015, customer collections continue to be slow, however, management is confident that accounts will be collected and is taking action to ensure that this occurs. In addition, first quarter cash disbursements included prepayment items that will not be reflected in disbursements during subsequent periods.

FINANCIAL POSITION

Equity decreased to USD 1,046.8 million (71 percent equity ratio) at March 31, 2015, compared to USD 1,054.4 million (72 percent equity ratio) at December 31, 2014. This decrease consisted of profit from total operations of USD 46.0 million offset by currency losses of USD 53.6 million included in other comprehensive income.

Net debt increased to USD 140 million at March 31, 2015, from USD 94 million at December 31, 2014. This increase is due primarily to lower cash balances and higher carrying values of the Company's debt due to the fair value adjustment to the USD convertible bond. These were offset by the impact of a stronger US dollar on bonds denominated in NOK.

The Company currently holds approximately NOK 1.1 billion of its own bonds (REC02 NOK 478.5 million and REC03 NOK 612.5 million).

Net debt includes convertible bonds at fair value. Including bonds at nominal value, nominal net debt was USD 148 million at March 31, 2015, compared to from USD 112 million at December 31, 2014.

See note 17 to the consolidated financial statements for 2014 and note 6 to this report for further information on interest bearing liabilities.

RISKS AND UNCERTAINTIES

Please refer to the annual report for 2014. Specifically, note 31 to the consolidated financial statements and the risk factors section of the board of directors' report.

USA/CHINA TRADE DISPUTE

REC Silicon continues to sell solar grade polysilicon into China by working with customers to utilize available options, namely the "Process in Trade," under China Customs laws.

In February of 2015, REC Silicon applied to the Chinese Ministry of Commerce (MOFCOM) for a review of its AD tariff. Average sales prices and costs during the review period of calendar year 2014 are relevant to the outcome of the review. REC Silicon's FBR costs were lower during this period compared to the period of review for the original MOFCOM investigation, which was July 2011 through June 2012. MOFCOM has the discretion to conduct a review and has not yet responded to REC Silicon's application.

In April of 2015, MOFCOM accepted and agreed to review a formal request from The Youser Group (REC Silicon's joint venture partner in

China) to reopen Process in Trade and initiate the interim review of the AD tariff requested by REC Silicon. The Youser Group is a state owned enterprise (SOE) and its request to MOFCOM was supported by the Shaanxi provincial government.

In addition, REC Silicon has been advised that some PV companies have made requests or plan to make requests to MOFCOM seeking to extend the availability of Process in Trade for imports of solar grade polysilicon.

REC Silicon has encouraged and supported these requests and continues to work with the US government, the Chinese government, affected companies, and industry organizations to obtain a favorable resolution.

However, the outcome of these efforts or any resolution remains uncertain.

MARKET OUTLOOK

The global outlook for end market demand for PV systems in 2015 is positive. However, current estimates and market intelligence indicate that the spot market may not improve until late in the second quarter of 2015. Current estimates reflect a strong second half demand for wafers and polysilicon. Third party analysts and industry participants estimate global PV installations in a range from 51 GW to 57 GW for 2015. Solar grade polysilicon markets are expected to experience periods of supply shortages during the year. Market demand will be tempered by inventory levels and the resale of polysilicon by wafer producers with excess polysilicon inventories.

Previously planned solar grade polysilicon capacity expansions are expected to be implemented. However, the impact of capacity additions continue to be subject to uncertainty caused by the accuracy of estimates used for timing of commissioning, utilization of suboptimal production capacity, and curtailment of production capacity.

Second quarter 2015 demand for solar grade polysilicon is expected to exhibit continued weakness due to uncertainty regarding wafer demand. Demand is expected to increase late in the second quarter and will result in increased order visibility for wafer producers and thus polysilicon requirements. Third party indices continue to project flat to modest increases in solar grade polysilicon prices through the end of 2015 with a profile similar to the first three quarters of 2014. However, excess inventories and the resale of excess polysilicon by wafer producers are expected to affect the timing of improved demand in the spot market.

Demand for semiconductor grade polysilicon is expected to remain flat in 2015. Although the outlook for end user demand is positive, excess inventory levels are expected to limit demand for polysilicon. Prices are expected to be flat to slightly decreasing due to soft demand and the expiration of contracts.

Silicon gas market forecasts indicate continued strong demand in 2015, projecting a growth rate in a range from 7 percent to 10 percent from 2014. REC Silicon expects the market to adjust to the re-entry of competitive capacity of Silicon gas. Despite uncertainty created by the West Coast port slowdown, REC Silicon intends to defend market share

Production targets

POLYSILICON PRODUCTION VOLUME	ACTUAL RESULTS Q1 2015	TARGETS Q2 2015
Polysilicon Production Volume		
Granular	4 503	4 350
Semiconductor Grade	324	340
Siemens Solar	382	410
Total	5 210	5 100
Silicon Gas Sales Volume	736	700

Cost targets

POLYSILICON PRODUCTION VOLUME	ACTUAL RESULTS Q1 2015	TARGETS Q2 2015
FBR Cash Cost (USD/kg)	10.7	11.5

gains realized during 2014 and expects 2015 sales volumes to increase by approximately 7 percent compared to the prior year.

GUIDANCE**Production targets**

REC Silicon targets second quarter 2015 polysilicon production of 5,100 MT. There are no scheduled maintenance outages and production is expected to be stable and at rates near those achieved during the last three quarters.

Second quarter Silicon gas sales volumes are targeted at 700 MT. Second quarter sales are expected to be negatively impacted by the West Coast port slowdown in the United States as accumulated backlog clears over time.

Cost targets

FBR cash production costs in the second quarter of 2015 are expected to be near 11.5 USD/kg. Similar to the second half of 2014 and the first quarter of 2015, there are no planned outages and production rates are expected to result in continued low cost performance.

Investment and Expansion

For 2015 total capital expenditures are expected to be approximately USD 85 million including USD 60 million for capacity expansion initiatives in Moses Lake and Butte.

Detailed engineering for the FBR-B expansion is nearing completion and limited construction activities are underway. REC Silicon may delay this expansion to conserve cash and to synchronize increased production capacity with improved polysilicon demand.

The Yulin JV is on-track for startup in 2017. The Yulin JV Board of Directors has approved the project plan and construction activities will begin in the second quarter of 2015.

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 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 2014, including the section Risk Factors in the Board of Directors' Report.

Fornebu, May 5, 2015
Board of Directors

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTES	MAR 31, 2015	MAR 31, 2014	DEC 31, 2014
ASSETS				
Non-current assets				
Intangible assets	2	24.1	17.5	24.2
Land and buildings	2	80.3	78.0	74.6
Machinery and production equipment	2	807.5	931.5	839.9
Other tangible assets	2	21.0	23.7	20.9
Assets under construction	2	40.7	13.8	35.3
Property, plant and equipment	2	949.4	1 047.0	970.6
Government grant assets		117.4	114.1	116.7
Other non-current receivables		8.7	9.7	8.7
Restricted bank accounts non-current		3.8	5.0	4.1
Financial assets and prepayments		12.5	14.8	12.8
Deferred tax assets		0.0	8.3	0.0
Total non-current assets		1 103.4	1 201.6	1 124.4
Current assets				
Inventories	5	170.5	98.6	128.2
Trade and other receivables	10	136.0	97.7	124.1
Current tax assets		0.4	3.4	0.0
Restricted bank accounts		1.0	3.5	1.1
Cash and cash equivalents		52.9	195.9	96.4
Total current assets		360.8	399.0	349.8
Total assets		1 464.2	1 600.6	1 474.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTES	MAR 31, 2015	MAR 31, 2014	DEC 31, 2014
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital		3 115.3	3 115.3	3 115.3
Other equity and retained earnings		-2 068.4	-2 202.0	-2 060.9
Total shareholders' equity		1 046.8	913.3	1 054.4
Non-current liabilities				
Retirement benefit obligations		18.2	13.7	18.4
Deferred tax liabilities		82.4	77.4	94.1
Investments in Associates	3	24.2	0.0	22.4
Derivatives	4	2.5	4.0	2.0
Non-current financial liabilities, interest bearing	6	193.4	262.9	190.4
Non-current prepayments, interest calculation		2.9	5.7	3.2
Other non-current liabilities, not interest bearing		0.1	0.0	0.1
Total non-current liabilities		323.6	363.8	330.5
Current liabilities				
Trade payables and other liabilities		88.7	168.0	80.1
Provisions		0.0	0.9	0.0
Current tax liabilities		0.0	0.0	2.6
Current financial liabilities, interest bearing	6	-0.2	145.2	-0.2
Current prepayments, interest calculation		5.2	9.3	6.7
Total current liabilities		93.8	323.5	89.3
Total liabilities		417.4	687.3	419.8
Total equity and liabilities		1 464.2	1 600.6	1 474.2

CONSOLIDATED STATEMENT OF INCOME

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q1 2015	Q1 2014	2014
Revenues		74.4	113.4	493.0
Cost of materials	5	-27.5	-21.6	-99.7
Changes in inventories	5	42.5	-0.7	29.2
Employee benefit expenses		-22.9	-24.0	-93.5
Other operating expenses		-41.7	-49.7	-197.0
Other income and expenses 1)		0.0	0.2	101.0
EBITDA		24.8	17.5	232.9
Depreciation	2	-35.5	-32.7	-131.9
Amortization	2	-0.8	-0.6	-2.5
Impairment	2	0.0	-0.1	-4.3
Total depreciation, amortization and impairment		-36.3	-33.4	-138.8
EBIT		-11.5	-15.9	94.1
Share of profit/loss of investments in associates	3	-1.5	0.0	-0.6
Financial income		0.8	1.0	4.6
Net financial expenses		-2.9	-7.1	-24.2
Net currency gains/losses		57.3	-10.2	131.8
Net gains/losses derivatives and fair value hedge		0.0	-1.7	-1.5
Fair value adjustment convertible bonds		-9.9	-36.6	14.6
Net financial items		45.3	-54.6	125.3
Profit/loss before tax from continuing operations		32.2	-70.5	218.8
Income tax expense/benefit from continuing operations		14.4	20.8	-5.4
Profit/loss from continuing operations		46.7	-49.7	213.4
Profit/loss from discontinued operations, net of tax	9	-0.6	-1.5	-0.6
Profit/loss from total operations		46.0	-51.1	212.8
Attributable to:				
Owners of REC Silicon ASA		46.0	-51.1	212.8
Earnings per share (In USD)				
From continuing operations				
-basic		0.02	-0.02	0.09
-diluted		0.02	-0.02	0.09
Earnings per share (In USD)				
From total operations				
-basic		0.02	-0.02	0.09
-diluted		0.02	-0.02	0.09

1) In 2014, Other items includes a gain of USD 101 million due to the sale of technology to the Julin JV for which the cash flows have been reflected in investing activities (See Note 3).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME REC SILICON GROUP

(USD IN MILLION)	Q1 2015	Q1 2014	2014
Profit/loss from total operations	46.0	-51.1	212.8
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	0.0	0.0	-0.1
Currency translation effects	-62.3	10.6	-139.5
Sum items that will not be reclassified to profit or loss	-62.3	10.6	-139.6
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences			
- taken to equity	8.7	-2.2	25.0
Sum items that may be reclassified subsequently to profit or loss	8.7	-2.2	25.0
Total other comprehensive income	-53.6	8.4	-114.6
Total comprehensive income	-7.6	-42.8	98.2
Total comprehensive income attributable to:			
Owners of REC Silicon ASA	-7.6	-42.8	98.2

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
March 31, 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	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-42.8	-42.8
At March 31, 2014	377.1	2 696.4	41.8	3 115.3	173.9	-2 376.0	913.3
Year 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	0.0	0.0	0.0	0.0	0.0	98.2	98.2
At December 31, 2014	377.1	2 696.4	41.8	3 115.3	174.0	-2 235.0	1 054.4
March 31, 2015							
At January 1, 2015	377.1	2 696.4	41.8	3 115.3	174.0	-2 235.0	1 054.4
Equity share option plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-7.6	-7.6
At March 31, 2015	377.1	2 696.4	41.8	3 115.3	174.0	-2 242.5	1 046.8

This table presents details of comprehensive income

(NOK IN MILLION)	TRANSLATION DIFFERENCES THAT CAN BE TRANSFERRED TO PROFIT AND LOSS	ACQUISITION	RETAINED EARNINGS	TOTAL
March 31, 2014				
Accumulated at January 1, 2014	-6.8	20.9	-2 347.2	-2 333.2
Profit/Loss for the period	0.0	0.0	-51.1	-51.1
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.0	0.0	0.0	0.0
Currency translation effects	0.0	0.0	10.6	10.6
Sum items that will not be reclassified to profit or loss	0.0	0.0	10.6	10.6
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	-2.8	0.0	0.0	-2.8
Tax on currency translation differences taken to equity	0.6	0.0	0.0	0.6
Sum items that may be reclassified to profit or loss	-2.2	0.0	0.0	-2.2
Total other comprehensive income for the period	-2.2	0.0	10.6	8.4
Total comprehensive income for the period	-2.2	0.0	-40.6	-42.8
Accumulated at March 31, 2014	-9.0	20.9	-2 387.8	-2 376.0
Year 2014				
Accumulated at January 1, 2014	-6.8	20.9	-2 347.2	-2 333.2
Profit/Loss for the period	0.0	0.0	212.8	212.8
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.0	0.0	-0.1	-0.1
Currency translation effects	0.0	0.0	-139.5	-139.5
Sum items that will not be reclassified to profit or loss	0.0	0.0	-139.6	-139.6
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	31.4	0.0	0.0	31.4
Tax on currency translation differences taken to equity	-6.5	0.0	0.0	-6.5
Sum items that may be reclassified to profit or loss	25.0	0.0	0.0	25.0
Total other comprehensive income for the period	25.0	0.0	-139.6	-114.6
Total comprehensive income for the period	25.0	0.0	73.2	98.2
Accumulated at December 31, 2014	18.1	20.9	-2 274.0	-2 235.0
March 31, 2015				
Accumulated at January 1, 2015	18.1	20.9	-2 274.0	-2 235.0
Profit/Loss for the period	0.0	0.0	46.0	46.0
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.0	0.0	0.0	0.0
Currency translation effects	0.0	0.0	-62.3	-62.3
Sum items that will not be reclassified to profit or loss	0.0	0.0	-62.3	-62.3
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	11.6	0.0	0.0	11.6
Tax on currency translation differences taken to equity	-2.9	0.0	0.0	-2.9
Sum items that may be reclassified to profit or loss	8.7	0.0	0.0	8.7
Total other comprehensive income for the period	8.7	0.0	-62.3	-53.6
Total comprehensive income for the period	8.7	0.0	-16.3	-7.6
Accumulated at March 31, 2015	26.9	20.9	-2 290.3	-2 242.6

CONSOLIDATED STATEMENT OF CASH FLOWS

TOTAL OPERATIONS

REC SILICON GROUP

(USD IN MILLION)	Q1 2015	Q1 2014	2014
Cash flows from operating activities			
Profit/loss before tax from total operations 1)	31.6	-71.9	218.2
Income taxes paid/received	-3.0	0.0	3.4
Depreciation, amortization and impairment	36.3	33.4	138.8
Fair value adjustment convertible bond	9.9	36.6	-14.6
Equity accounted investments, impairment financial assets, gains/losses on sale	1.5	0.0	0.6
Profit/loss from discontinued operations	0.6	1.5	0.6
Changes in receivables, prepayments from customers etc.	-3.6	28.7	-3.5
Changes in inventories	-42.3	-3.4	-33.0
Changes in payables, accrued and prepaid expenses	-2.4	-9.4	-4.0
Changes in provisions	0.0	-0.5	-1.3
Changes in VAT and other public taxes and duties	-0.1	-2.6	3.4
Changes in derivatives	0.6	12.7	11.3
Currency effects not cash flow or not related to operating activities	-56.2	10.8	-127.4
Other items 2)	-0.1	-0.8	-104.8
Net cash flow from operating activities	-27.2	35.1	87.7
Cash flows from investing activities			
Cash payments for shares (incl. equity accounted investments)	0.0	0.0	-75.0
Proceeds from finance receivables and restricted cash	0.0	3.2	5.6
Proceeds from sale of property, plant and equipment and intangible assets	0.0	99.1	198.0
Payments for property, plant and equipment and intangible assets	-14.4	-2.7	-35.8
Net cash flow from investing activities	-14.4	99.6	92.8
Cash flows from financing activities			
Payments of borrowings and up-front/waiver loan fees	0.0	-0.4	-143.1
Net cash flow from financing activities	0.0	-0.4	-143.0
Effect on cash and cash equivalents of changes in foreign exchange rates	-2.0	0.0	-2.6
Net increase/decrease in cash and cash equivalents	-43.5	134.3	34.8
Cash and cash equivalents at the beginning of the period	96.4	61.6	61.6
Cash and cash equivalents at the end of the period	52.9	195.9	96.4
1) PROFIT/LOSS BEFORE TAX FROM TOTAL OPERATIONS CONSISTS OF			
Profit/loss before tax from continuing operations	32.2	-70.5	218.8
Profit/loss before tax from discontinued operations	-0.6	-1.5	-0.6
Profit/loss before tax from total operations	31.6	-71.9	218.2

2) In 2014, Other items includes a gain of USD 101 million due to the sale of technology to the Julin JV for which the cash flows have been reflected in investing activities (See Note 3).

NOTES

1 GENERAL

THE GROUP

REC Silicon ASA (the Company) and its subsidiaries (together, REC Silicon Group, REC Silicon, or Group) are a leading producer of advanced silicon materials, delivering high-purity polysilicon and silicon gases to the solar and electronics industries worldwide.

REC Silicon operates manufacturing facilities in Moses Lake, Washington and Butte, Montana in the USA. REC Silicon's subsidiaries include; REC Solar Grade Silicon LLC, and REC Advanced Silicon Materials LLC in the US. REC Silicon's sales and marketing activities for sales of solar grade polysilicon, semiconductor grade silicon and silicon gases are carried out in China, Japan, Korea, Taiwan, and in the United States. The Group's joint venture operations are held in REC Silicon Pte Ltd in Singapore.

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.

FINANCIAL 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 2014. The consolidated financial statements for 2014 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. Please refer to the section "risks and uncertainties" in this report for additional information.

ACCOUNTING POLICIES

The consolidated financial statements for 2014 were prepared in accordance with IFRS as adopted by the EU and the Norwegian Accounting Act. The accounting policies adopted by the Company are consistent with those of the previous financial year. See note 2.24 to the consolidated financial statements for 2014.

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 2014.

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, 2015	74.6	839.9	20.9	35.3	970.6	24.2	994.8
Net additions 1)	6.6	1.1	1.2	5.4	14.3	0.7	15.1
Depreciation and amortization	-0.9	-33.5	-1.1	0.0	-35.5	-0.8	-36.3
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Carrying value at March 31, 2015	80.3	807.5	21.0	40.7	949.4	24.1	973.5
At March 31, 2015							
Historical cost	151.7	2 043.6	76.2	49.4	2 320.8	83.2	2 404.0
Accumulated depreciation/amortization/impairment	-71.4	-1 236.1	-55.2	-8.7	-1 371.4	-59.1	-1 430.5
Carrying value at March 31, 2015	80.3	807.5	21.0	40.7	949.4	24.1	973.5

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, 2014.

See note 7 to the consolidated financial statements for 2014.

3 INVESTMENTS IN ASSOCIATES

The Group has a 49 percent interest in a joint venture to build and operate a polysilicon manufacturing facility in Yulin, China. Because the Group has joint control, this joint venture is accounted for according to the equity method. Under the equity method, the investment is initially recorded at cost and then adjusted for post-acquisition changes in the investor's share of the net assets of the joint venture. The profit or loss of the investor includes the investor's share of the profit or loss of the joint venture.

During 2014, the Group received USD 198 million upfront payments for technology transfer associated with the formation of the joint venture. In accordance with IFRS 10 Consolidated Financial Statements, the Group recognized this payment as other income in the third quarter 2014 (when the joint venture was formed) to the extent of the unrelated investors' interest in the joint venture and the remaining part of the gain was eliminated against the carrying amount of the investment and will be amortized over the life of the technology.

The following table presents a reconciliation of the Group's investment in the joint venture:

(USD IN MILLION)	MAR 31, 2015
Carrying value at January 1, 2015	-22.4
Equity Contributions	0.0
Amortization of Basis Difference in Technology Contributed	0.0
Share of Joint Venture Profits/Loss	-1.5
Effects of Changes in Currency Exchange Rates	-0.3
Carrying value at March 31, 2015	-24.2

Substantially all activities of the Yulin JV have been associated with the construction of a polysilicon plant in China. Accordingly, most expenditures have been capitalized in non-current assets. The following table presents the major classification of assets and liabilities reflected on the Yulin JV's statement of financial position at March 31, 2015:

(USD IN MILLION)	MAR 31, 2015
Non-current assets	276.4
Current assets (including cash 59.8)	78.7
Current liabilities	-204.1
Net Assets (100%)	150.9
REC Silicon's share of net assets	72.9
Adjusted for technology transfer	-97.0
Carrying amount of REC's interest	-24.2

4 DERIVATIVES

See notes 3 and 11 to the consolidated financial statements for 2014.

Derivatives consist of an option contract which is a part of the indemnification agreement associated with the REC Wafer bankruptcy. Changes in estimated fair values have been reported as part of the Profit/loss from discontinued operations on the statement of income, see note 9 to the consolidated financial statements for 2014.

At March 31, 2015, the option contract was a liability valued at USD 2.5 million (USD 2.0 million at December 31, 2014).

5 INVENTORIES

See note 13 to the consolidated financial statements for 2014.

Inventories at end of period

(USD IN MILLION)	MAR 31, 2015			DEC 31, 2014		
	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS
Stock of raw materials	22.2	0.0	22.2	21.5	0.0	21.5
Spare parts	40.8	-12.1	28.7	41.7	-12.0	29.7
Work in progress	11.1	-0.3	10.8	9.6	-0.1	9.5
Finished goods	124.1	-15.3	108.8	67.6	-0.1	67.4
Total	198.1	-27.6	170.5	140.4	-12.2	128.2

6 BORROWINGS AND GUARANTEES

See notes 3 and 17 to the consolidated financial statements for 2014.

Carrying amounts of interest bearing liabilities at March 31, 2015 and contractual repayments (excluding interest payments) are specified in the table below.

(USD IN MILLION)	CARRYING AMOUNT		CONTRACTUAL PAYMENTS, EXCLUDING INTEREST		
	CURRENCY	USD	TOTAL	2016	2018
Unamortized upfront fees (NOK)	-2.9	-0.4	0.0	0.0	0.0
NOK bonds (NOK)	538.6	66.6	66.1	29.0	37.1
USD convertible bond (USD)	102.3	102.3	110.0	0.0	110.0
Indemnification loan (NOK)	200.0	24.7	24.7	24.7	0.0
Total		193.2	200.9	53.7	147.1

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. The fair value hedges have been revoked and the remaining fair value adjustments are being amortized prospectively as part of the effective interest.

Guarantees

See note 29 to the consolidated financial statements for 2014.

Bank guarantees for the benefit of REC Solar at March 31, 2015 amounted to USD 1.4 million. Restricted cash of USD 1 million has been provided to secure these guarantees.

The Company has also provided parent company guarantees related to the performance of solar panels and systems sold by the REC Solar Group. These guarantees were USD 54.7 million at March 31, 2015, a decrease of USD 14.8 million compared to December 31, 2014.

The Group has been provided with offsetting guarantees by REC Solar Holdings AS as part of the sale of REC Solar in 2013.

Fair values of financial instruments

See note 30 to the consolidated financial statements for 2014.

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 2.0 million at December 31, 2014 to USD 2.5 million at March 31, 2015 due to the impact of changes in currency translation rates and the REC Silicon ASA's share price on the estimated dividend from the REC Wafer bankruptcy estate.

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

(USD IN MILLION)	MAR 31, 2015		
	NOMINAL VALUE	CARRYING VALUE	ESTIMATED FAIR VALUE
REC02	29.0	28.5	28.5
REC03	37.1	38.1	36.5
	66.1	66.6	64.9

The fair value of the USD convertible bond at March 31, 2015 is estimated at 93 percent of nominal value, compared to 83 percent at December 31, 2014. The increase is due primarily to the increase in the share price and consequently the value of the embedded option.

USD convertible bond

(USD IN MILLION)	AT ISSUE SEP 2013	MAR 31, 2014	DEC 31, 2014	MAR 31, 2015	CHANGE TO P/L Q1 2014	CHANGE TO P/L YEAR 2014	CHANGE TO P/L Q1 2015
Nominal value	110.0	110.0	110.0	110.0			
Value of the total loan	110.0	140.3	91.3	102.3	35.2	-13.2	9.9

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

7 COMMITMENTS

Contractual purchase obligations and minimum operating lease payments at March 31, 2015

(USD IN MILLION)	TOTAL FUTURE PAYMENTS	REMAINING 2015	DISTRIBUTION OF PAYMENTS					
			2016	2017	2018	2019	2020	AFTER 2020
Purchase of goods and services								
REC Silicon	156.5	118.4	29.0	1.8	1.5	1.5	1.5	2.9
Other	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Total purchase of goods and services	156.6	118.4	29.1	1.8	1.5	1.5	1.5	2.9
Minimum operating lease payments								
REC Silicon	92.1	15.4	19.4	19.3	16.8	12.9	8.4	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total minimum operating lease payments	92.2	15.4	19.4	19.3	16.8	12.9	8.4	0.0

In 2014, REC Silicon became a partner in a joint venture in China (See Note 3). REC Silicon has agreed to contribute additional equity to the joint venture of USD 15 million in August 2016 and USD 154 million in August 2017 which have not been included in the table above.

8 CLAIMS, DISPUTES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Please refer to the annual report for 2014. Specifically, note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' report.

USA/CHINA TRADE DISPUTE

REC Silicon continues to sell solar grade polysilicon into China by working with customers to utilize available options, namely the "Process in Trade," under China Customs laws.

In February of 2015, REC Silicon applied to the Chinese Ministry of Commerce (MOFCOM) for a review of its AD tariff. Average sales prices and costs during the review period of calendar year 2014 are relevant to the outcome of the review. REC Silicon's FBR costs were lower during this period compared to the period of review for the original MOFCOM investigation, which was July 2011 through June 2012. MOFCOM has the discretion to conduct a review and has not yet responded to REC Silicon's application.

In April of 2015, MOFCOM accepted and agreed to review a formal request from The Youser Group (REC Silicon's joint venture partner in China) to reopen Process in Trade and initiate the interim review of the AD tariff requested by REC Silicon. The Youser Group is a state owned enterprise (SOE) and its request to MOFCOM was supported by the Shaanxi provincial government.

In addition, REC Silicon has been advised that some PV companies have made requests or plan to make requests to MOFCOM seeking to extend the availability of Process in Trade for imports of solar grade polysilicon.

REC Silicon has encouraged and supported these requests and continues to work with the US government, the Chinese government, affected companies, and industry organizations to obtain a favorable resolution.

However, the outcome of these efforts or any resolution remains uncertain.

9 DISCONTINUED OPERATIONS

See notes 4.1(D), 4.2(D) and 9 to the consolidated financial statements for 2014 for further information about discontinued operations.

In August of 2012, REC Wafer filed bankruptcy and was deconsolidated. During the first quarter of 2015, REC Silicon recognized expense of USD 0.6 million (expense of USD 1.5 million in the first quarter of 2014) on the change in estimated fair value of the option contract contained in the indemnification agreement related to the disposal of REC Wafer.

There were no impacts to cash flows due to discontinued operations for any period presented.

10 RECEIVABLES

Aging of receivables at March 31, 2015

(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	116.8	56.6	13.1	23.1	12.0	0.4	11.6
Provision for loss on trade receivables	-11.6	0.0	0.0	0.0	0.0	0.0	-11.6
Other non-current and current receivables	0.4	0.3	0.0	0.0	0.0	0.1	0.0
Finance receivables and short-term loans	9.7	9.7	0.0	0.0	0.0	0.0	0.0
Total	115.3	66.6	13.1	23.1	12.0	0.6	0.0

See note 12 and 30 to the consolidated financial statements for 2014.

11 TRANSACTIONS WITH RELATED PARTIES

See note 10 and note 16 to the consolidated financial statements for 2014.

In the first quarter 2015, Board member Erik Løkke-Øvre invoiced USD 43 thousand to REC Silicon for consultancy work.

12 SEGMENT INFORMATION

See note 5 to the consolidated financial statements for 2014 for further information on segments.

The Group's reporting segments are based on the operating segments. The Group's segments were managed separately and each segment represented a strategic business area that offered products different from the other segments. The Group's segments were REC Silicon, REC Solar and REC Wafer. Subsequent to the sale of REC Solar in 2013, REC Silicon is the only remaining segment.

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About REC Silicon

REC Silicon ASA is a leading producer of advanced silicon materials, supplying high-purity polysilicon and silicon gases to the solar and electronics industries worldwide. We combine 30 years' experience and best-in-class proprietary technology to deliver on customer expectations. Our two U.S. based plants have a capacity of more than 20,000 MT high-purity polysilicon. REC Silicon is headquartered in Moses Lake, Washington and employs approximately 720 people. Listed on the Oslo stock exchange under the ticker: REC.

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