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## Acquisition Announcement

July 20, 2015



# Disclaimer

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This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including the timing of the completion of our acquisitions, and typically can be identified by the use of words such as “expect,” “estimate,” “anticipate,” “forecast,” “intend,” “project,” “target,” “plan,” “believe” and similar terms and expressions. Certain matters discussed in this presentation and conference call are forward-looking statements, including statements in respect of expected or targeted results or dividends. The forward-looking statements contained in this presentation represent SunEdison’s and TerraForm Power’s judgment as of the date of this presentation and are based on current expectations and assumptions. Although SunEdison and TerraForm Power believe that their expectations and assumptions are reasonable, they can give no assurance that these expectations and assumptions will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, among others: the failure of counterparties to fulfill their obligations under off-take agreements; price fluctuations, termination provisions and buyout provisions in offtake agreements; TerraForm’s ability to enter into contracts to sell power on acceptable terms as offtake agreements expire; delays or unexpected costs during the completion of projects under construction; TerraForm Power’s ability to successfully identify, evaluate and consummate acquisitions from SunEdison or third parties and to integrate such assets, including the Invenergy assets and the Vivint Solar acquisition; government regulation; operating and financial restrictions under agreements governing indebtedness; SunEdison’s and TerraForm Power’s ability to borrow additional funds and access capital markets; SunEdison’s and TerraForm Power’s ability to compete against traditional and renewable energy companies; hazards customary to the power production industry and power generation operations, such as unusual weather conditions and outages, and TerraForm Power’s ability to operate its business efficiently and enter into new business segments or new geographies. Furthermore, any dividends are subject to available capital, market conditions and compliance with associated laws and regulations and other matters that our board of directors deem relevant. SunEdison and TerraForm Power undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. The foregoing review of factors that could cause SunEdison’s and TerraForm Power’s actual results to differ materially from those contemplated in the forward-looking statements included in this report should be considered in connection with information regarding risks and uncertainties that may affect SunEdison’s and TerraForm Power’s future results included in SunEdison’s and TerraForm Power’s filings with the Securities and Exchange Commission available at [www.sec.gov](http://www.sec.gov).

This presentation also includes non-GAAP financial measures. You can find a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures in the appendix to this presentation.

# Additional Information

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The proposed merger transaction between SunEdison and Vivint Solar will be submitted to the stockholders of Vivint Solar for their consideration. SunEdison intends to file with the SEC a registration statement on Form S-4 that will include a prospectus of SunEdison and a proxy statement of Vivint Solar, and Vivint Solar intends to file with the SEC a definitive proxy statement on Schedule 14A. SunEdison and Vivint Solar also plan to file other relevant documents with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS OF VIVINT SOLAR ARE URGED TO READ THE PROXY STATEMENT, PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT SUNEDISON, VIVINT SOLAR AND THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC by SunEdison (when they become available) may be obtained free of charge on SunEdison's website at [www.sunedison.com](http://www.sunedison.com) or by directing a written request to SunEdison, Inc., Investor Relations, 13736 Riverport Drive, Ste. 1800, Maryland Heights, MO 63043. Copies of documents filed with the SEC by Vivint Solar (when they become available) may be obtained free of charge on Vivint Solar's website at [www.vivintsolar.com](http://www.vivintsolar.com) or by directing a written request to Vivint Solar, Inc., 3301 N. Thanksgiving Way, Suite 500, Lehi, UT 84043. Investors and security holders may also read and copy any reports, statements and other information filed by SunEdison or Vivint Solar, with the SEC, at the SEC public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or visit the SEC's website for further information on its public reference room.

SunEdison, Vivint Solar, and certain of their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding SunEdison's directors and executive officers is available in its proxy statement filed with the SEC by the Company on April 17, 2015 in connection with its 2015 annual meeting of stockholders, and information regarding Vivint Solar's directors and executive officers is available in its proxy statement filed with the SEC by Vivint Solar on April 20, 2015 in connection with its 2015 annual meeting of stockholders. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the prospectus and proxy statement and other relevant materials to be filed with the SEC when they become available.

# Agenda

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## **Platform Acquisition, Business Transformation**

Ahmad Chatila, CEO of SunEdison

## **The Vivint Solar Platform**

Greg Butterfield, CEO of Vivint Solar

## **TerraForm Power: Establishing Significant Residential Presence**

Carlos Domenech, CEO of TerraForm Power

## **Accelerating Value to SunEdison**

Brian Wuebbels, CFO of SunEdison

## **Concluding Remarks & Q&A**

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# Platform Acquisition, Business Transformation

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Ahmad Chatila, CEO of SunEdison



## \$2.2 Billion Platform Acquisition of Vivint Solar

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- SunEdison extends its leadership position
  - SunEdison to become the leading global DG solar company
    - 2016 DG (RSC and C&I) guidance of 1,100 to 1,300 MW
  - Tremendous SUNE organic execution: run-rate >1 GW per quarter as of 4Q 2015
  - Initiate 2016 guidance of 4,200 to 4,500 MW – up 50% from prior outlook
  - Accelerate IDRs and realization of GP structure
    - Scalable platform delivering RSC CAFD of ~\$630M run-rate through 2019
- TerraForm establishes significant presence in residential solar
  - Highly accretive growth: 9.5% 10-year average levered cash-on-cash yield
  - 523 MW rooftop solar portfolio, delivering \$81M 10-year average unlevered CAFD
  - RSC business delivers predictable, accelerating, high-volume flow of drop downs

# Transaction Overview



## SUNE Transaction Summary

SUNE Stock	\$370 M
Seller Convertible Note	350 M
SUNE Cash	57 M
<hr/>	
<b>SUNE Capital</b>	<b>\$777 M</b>
Non-Recourse 1 <sup>st</sup> Lien Term Loan	500 M
<hr/>	
<b>Total Capital</b>	<b>\$1,277 M</b>

*SunEdison to acquire the 2<sup>nd</sup> largest U.S. residential solar installer <sup>(1)</sup>*

## TERP Transaction Summary

TERP Stock	\$737 M
TERP HoldCo Debt	225 M
<hr/>	
<b>TERP Capital</b>	<b>\$962 M</b>
<hr/>	
<b>Total Capital</b>	<b>\$962 M</b>

*TerraForm Power to acquire 523 MW of contracted residential solar assets <sup>(2)</sup>*



**Seller's Confidence in Combined Success**



**Aligns Interests**



**Maximizes Shareholder Value**

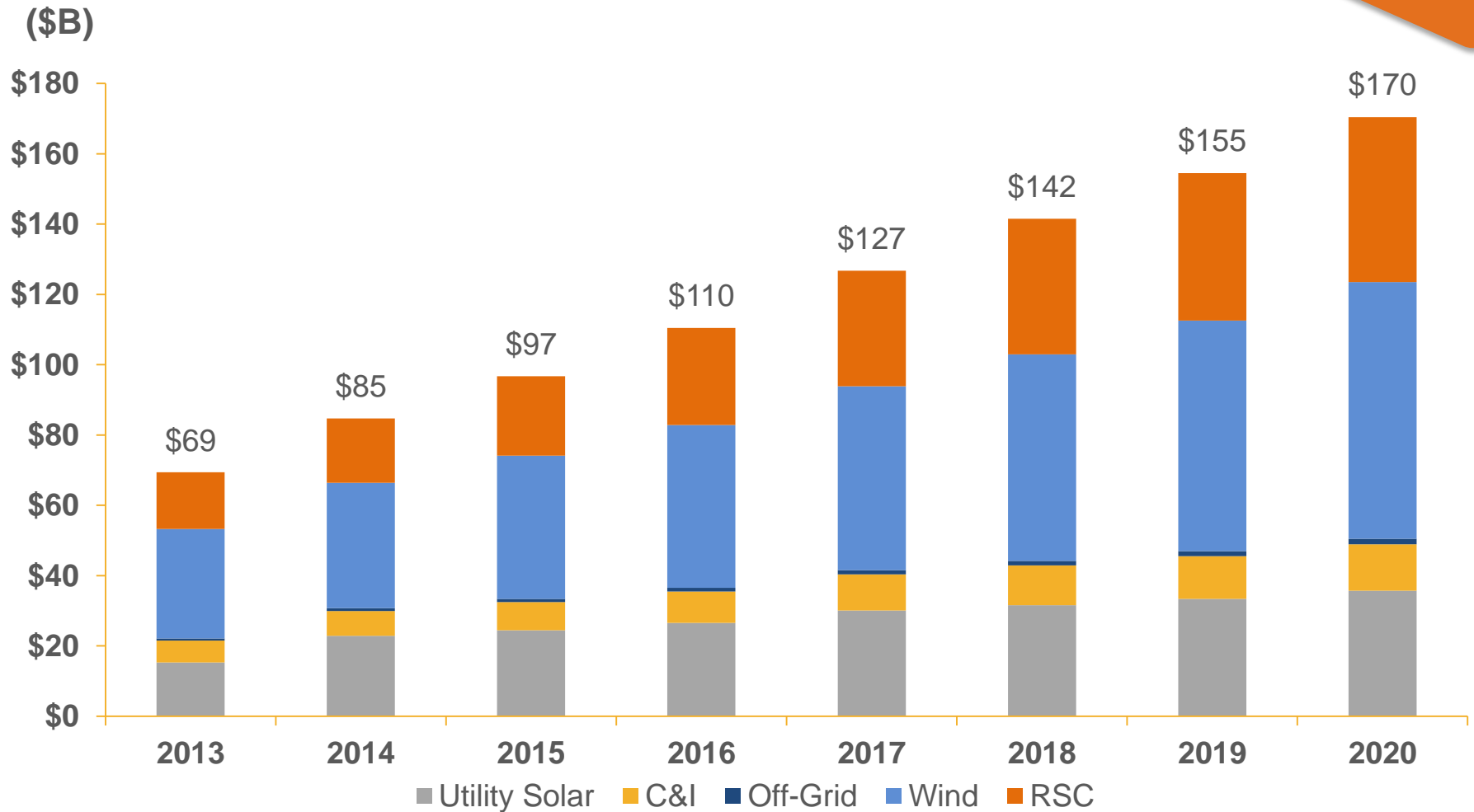


1. Based on 2014 total MW installed  
2. Installed as of year-end 2015



# Cumulative Installed CAFD

2015 SUNE  
Capital Markets  
Day



*\$4 trillion opportunity for value creation*



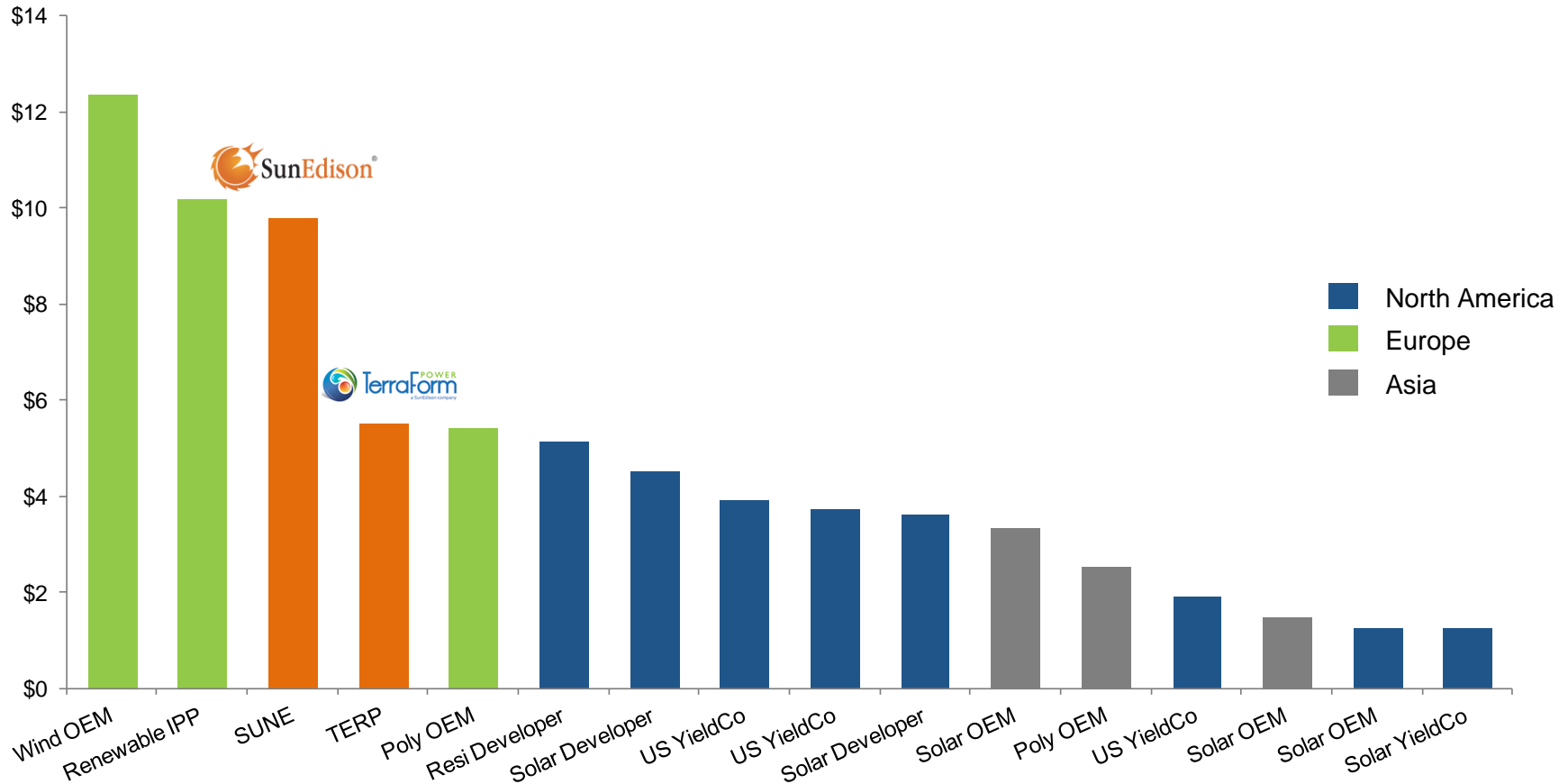
Source: Bloomberg New Energy Finance; HIS  
Note: C&I denotes Commercial & Industrial. RSC denotes Residential, Small Commercial



# SunEdison is a Top Three Renewable Energy Company...

## Market Capitalization

(\$B)



*SunEdison is a clear market leader in the renewable energy space*



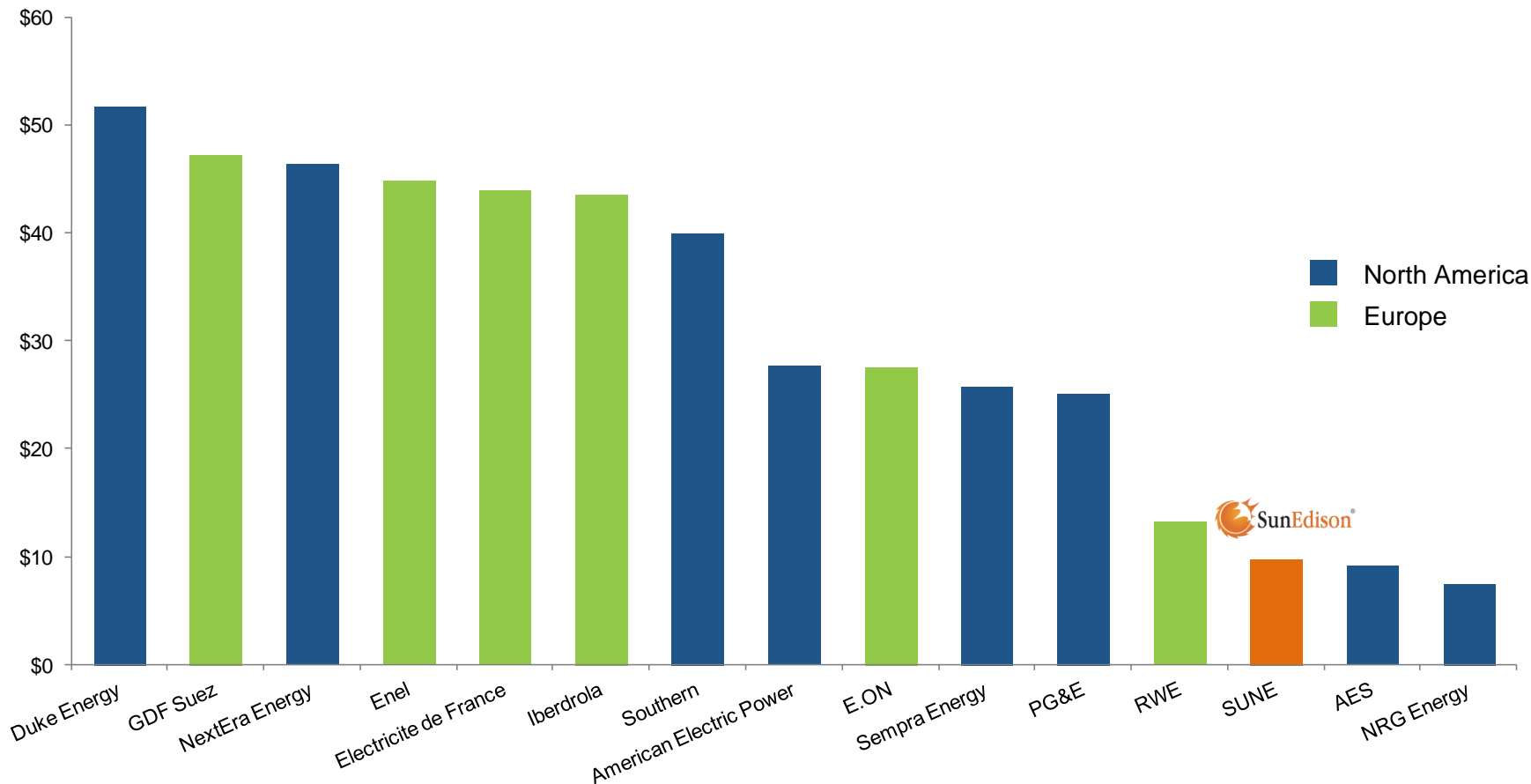
Source: Bloomberg as of 7/17/2015



# ...With a Clear Pathway to Growth...

## Market Capitalization

(\$B)



**SunEdison today is developing 53 GW, equivalent to the assets held by the largest U.S. energy company**



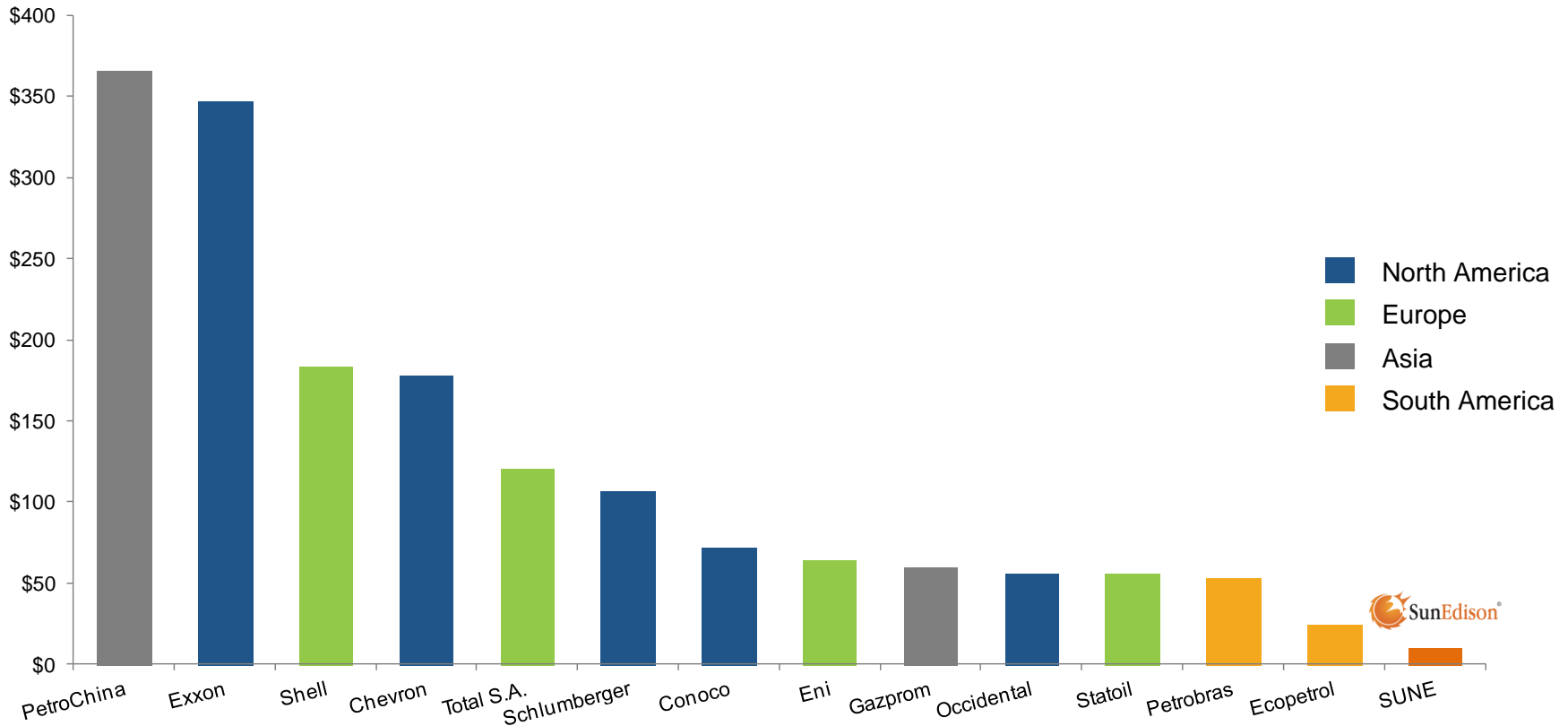
Source: Bloomberg as of 7/17/2015



# ...To Achieve Our Long-Term Objectives

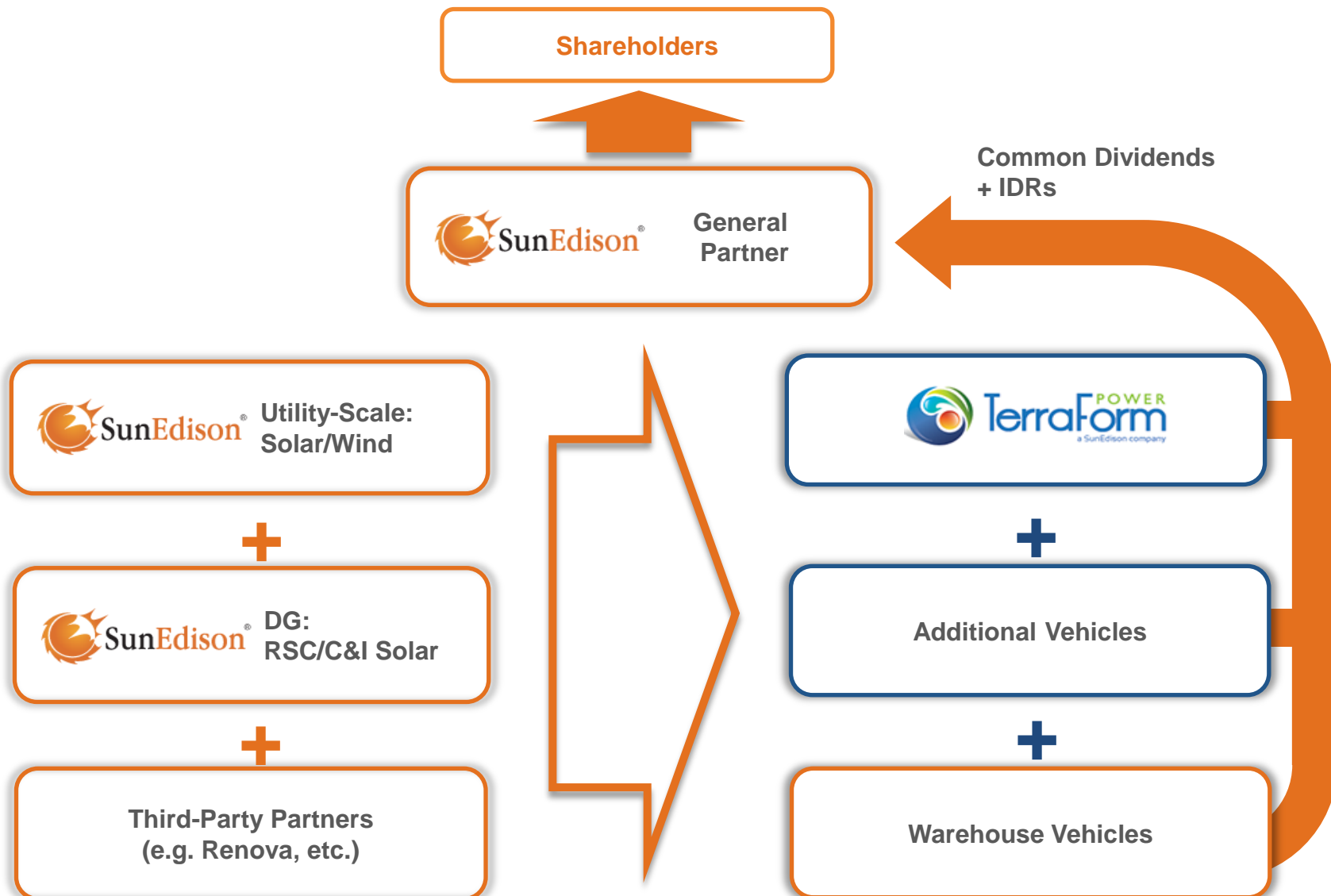
## Market Capitalization

(\$B)



*SunEdison has a 20-year growth horizon*

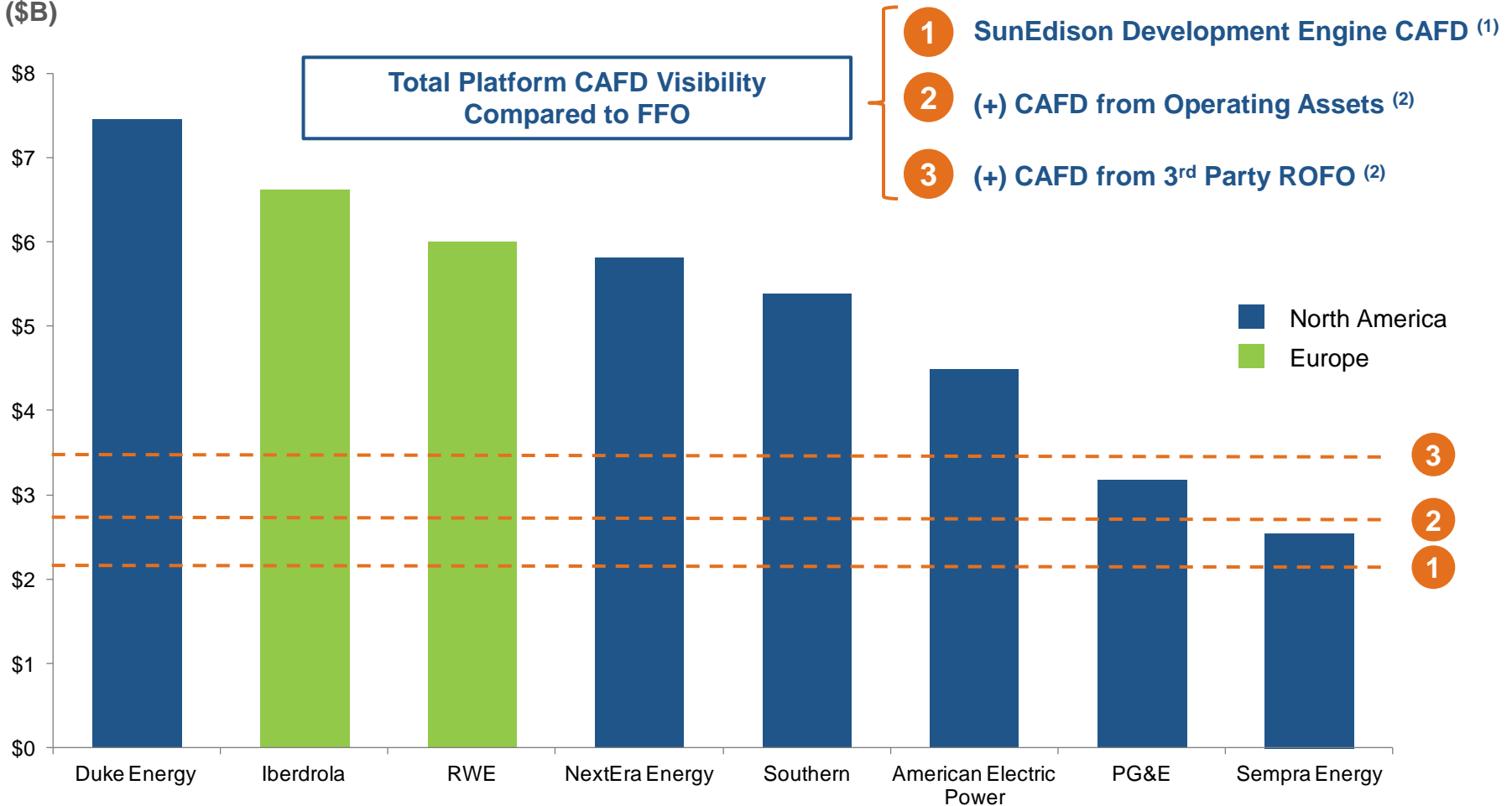
# Executing on Platform Transformation



# Clearly Defined Roadmap to Growth

## Funds from Operations (2014A)

(\$B)



**Significant platform CAFD visibility**



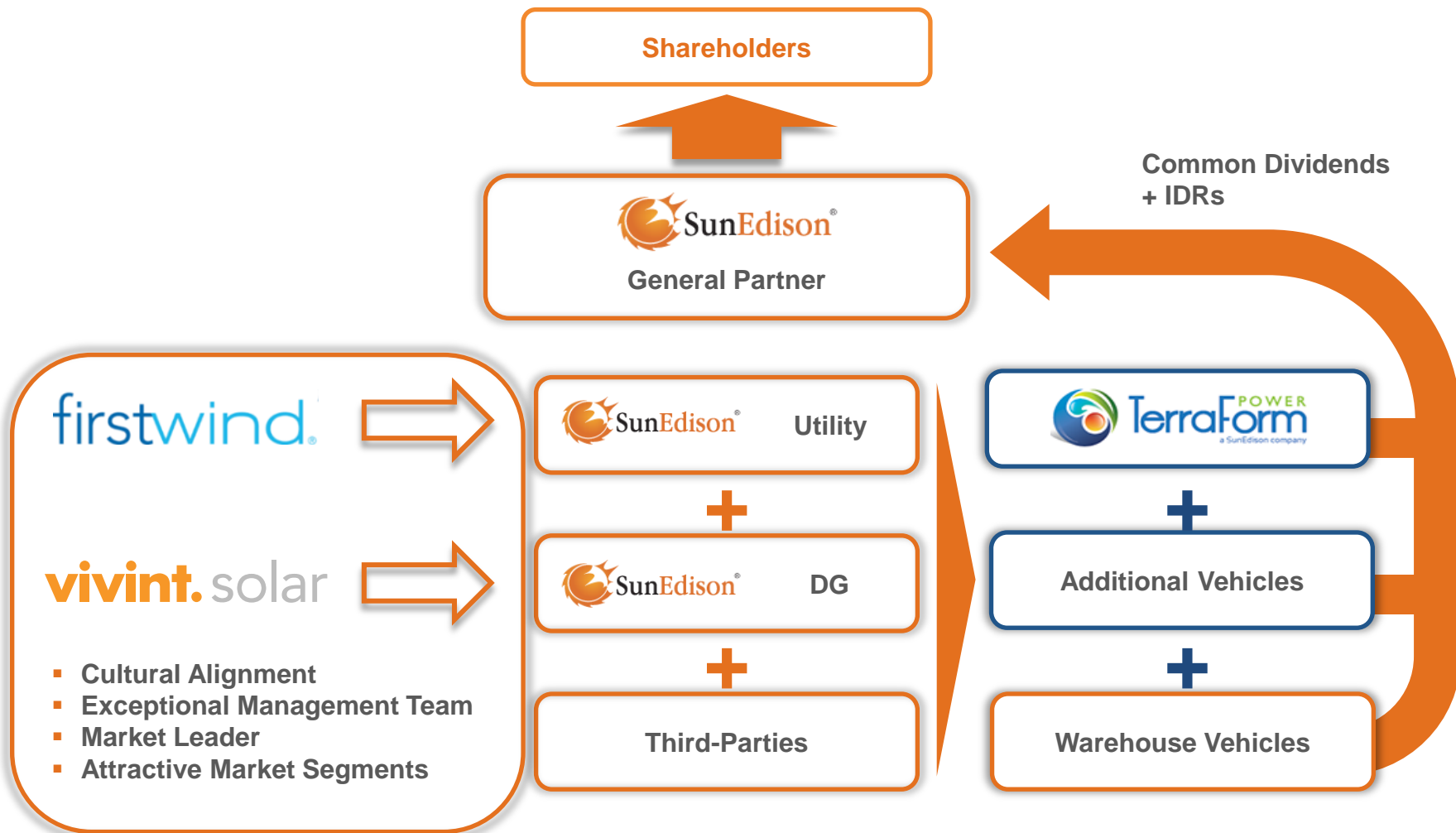
Source: Bloomberg as of 7/17/2015

1. Conversions based on SunEdison's historical conversion rates from each category; represents unlevered CAFD

2. Represents unlevered CAFD



# Proven Integration Capabilities

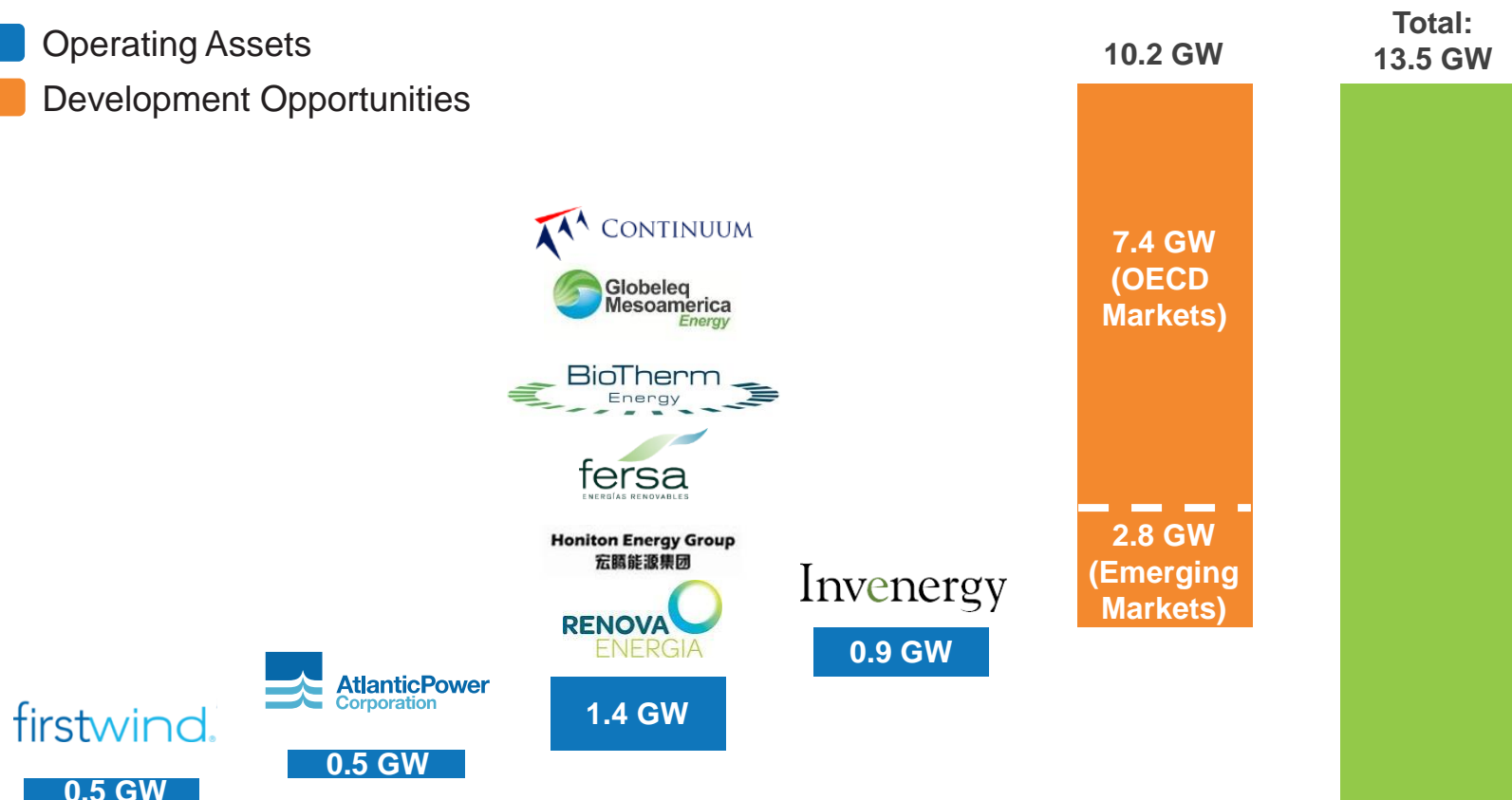


*Exceptional execution culture allows for rapid integration and accelerates virtuous cycle*

# Proven Ability to Capitalize on Platform Acquisitions

3.3 GW of operating/construction assets acquired to date and large development opportunity

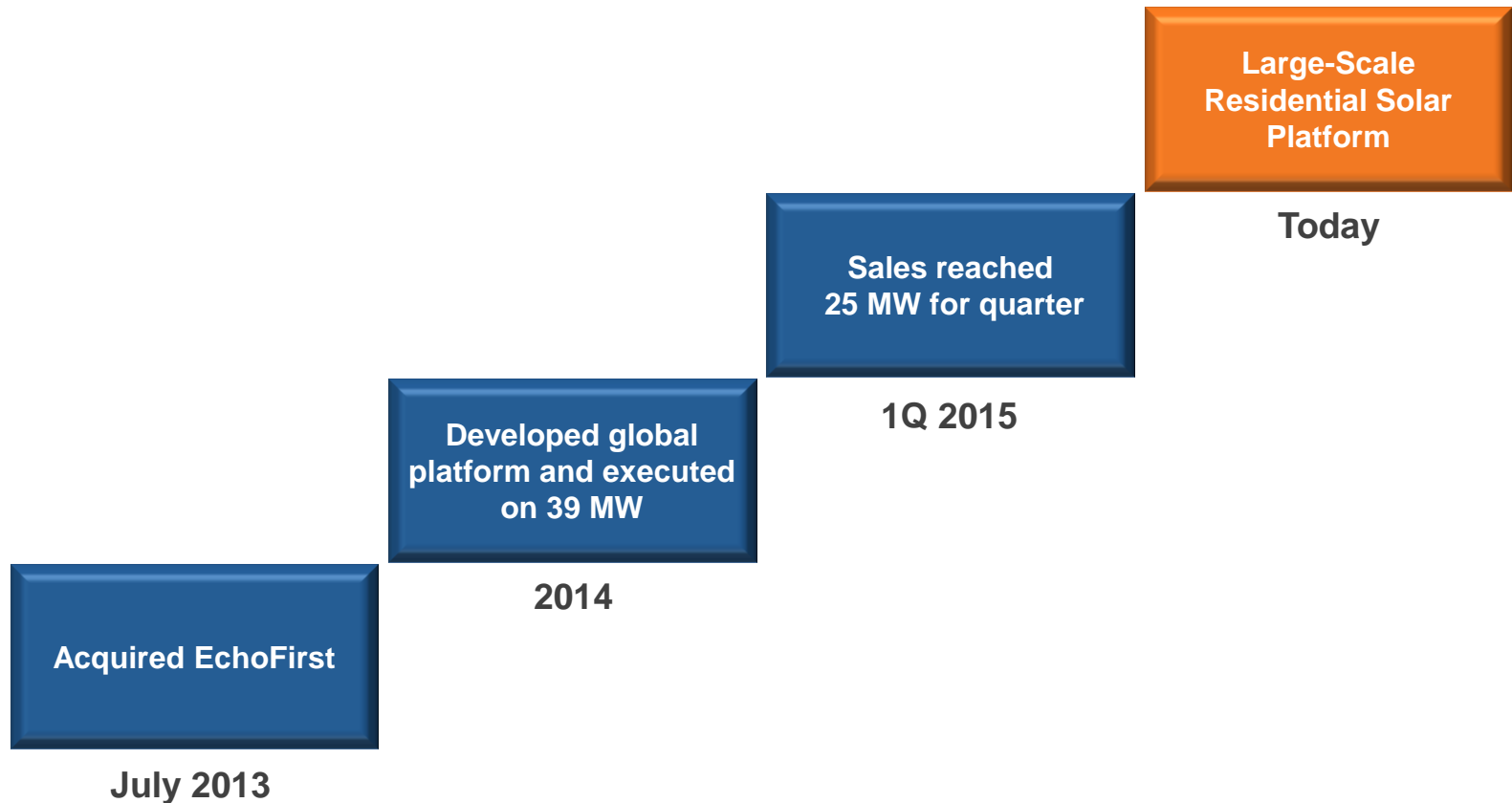
- Operating Assets
- Development Opportunities



First Wind acquisition catalyzed our wind platform, which grew further through M&A

# Accelerating Our RSC Platform Transformation

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*SunEdison's building blocks today, combined with the Vivint Solar platform, position us for accelerated growth*

# Strong Strategic Rationale for Acquisition

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- Extends position as the leading global DG solar company
- Adds complementary geographies, channels and skill sets
- Expands management capability and bandwidth
- Accelerates IDRs and realization of GP structure



- Accelerates growth beyond core markets
- Unlocks shareholder value for contracted solar assets
- Opens broad pools of capital via TerraForm Power
- Adds complementary geographies, channels and skill sets



- Enhances portfolio scale and diversity
- Delivers DPS accretion at attractive >9% cash-on-cash yield
- Offers high-growth, predictable flow of drop down assets
- Provides escalating, long-term CAFD profile

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# The Vivint Solar Platform

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Greg Butterfield, CEO of Vivint Solar

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# Strong Strategic Rationale for Acquisition

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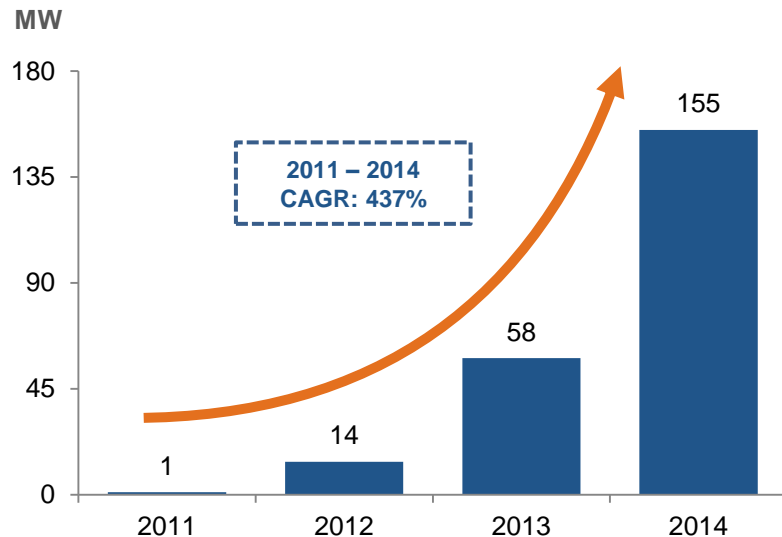
# Experienced Management Team

Management	Position	Background		
Greg Butterfield	Chief Executive Officer, President & Director	 SageCreek PARTNERS	 Symantec	 altiris®
Dana Russell	Chief Financial Officer & EVP	 ALLEGIANCE®	 Novell	 pwc
Thomas Plagemann	Executive Vice President, Capital Markets	 First Solar.	 Santander	 GE Energy Financial Services
Shawn Lindquist	Chief Legal Officer, EVP & Secretary	 FUSION+®	 OMNITURE®	 W&G
Dwain Kinghorn	Chief Strategy & Innovations Officer	 altiris®	 EDGE	 Microsoft
Chance Allred	Senior Vice President, Sales	 vivint.	 PLATINUM protection	
Paul Dickson	Senior Vice President, Operations	 vivint.	 METER SOLUTIONS	
Jan Newman	Senior Vice President, Business Development	 SageCreek PARTNERS	 altiris®	 Novell
Tessa White	Senior Vice President, Human Resources	 UnitedHealth Group®	 HealthEquity®	

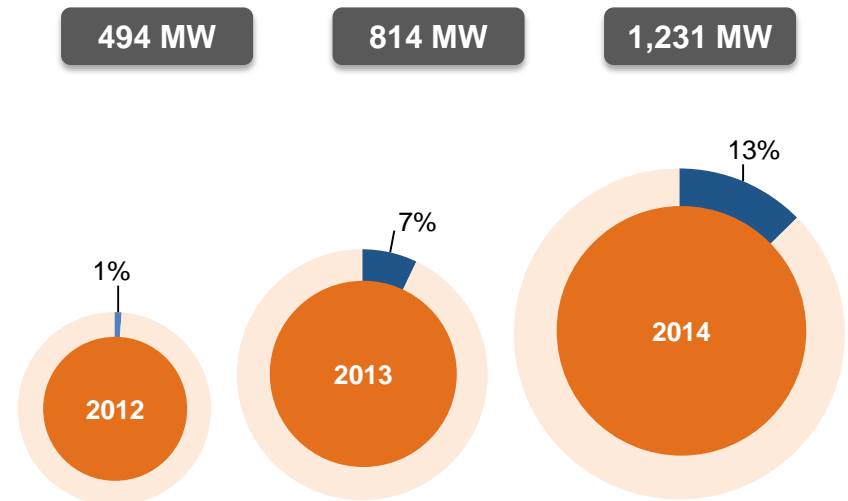
# Rapid Market Share Growth Through Direct-To-Home Strategy

- A** Enhanced sales efficiency
- B** Consultative, personal sales process
- C** Concentrated deployments improve operational efficiency, lower costs
- D** Maximized referrals, increased sales opportunities

## Annual Megawatts Installed

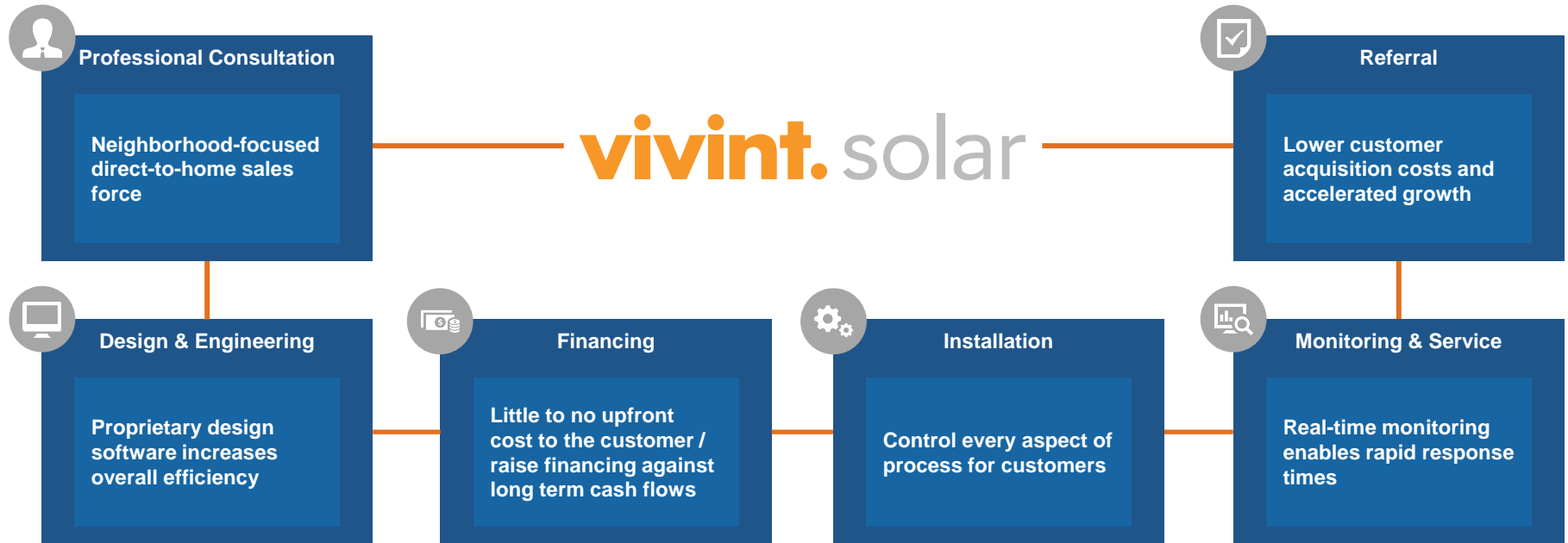


## Estimated U.S. Residential Solar Market Share <sup>(1)</sup>



*Vivint Solar has grown significantly faster than the overall residential solar market in the U.S.*

# Vivint Solar: Fully Integrated Platform



*End-to-end, scalable platform and internal capabilities designed to maximize long-term asset performance and value*

# Vivint Solar Complements Existing SunEdison Platform



Organization	Direct-to-home sales			✓	
	Sales management platform			✓	
	Sales partners, e.g. REPs	✓			
	Global partner channels	✓			
	Low cost of capital	✓			
	TERP asset ownership	✓			
Market Presence		<u>Residential</u>	<u>C &amp; I</u>	<u>Residential</u>	<u>C &amp; I</u>
	US	✓	✓	✓	✓
	UK & Australia	✓	✓		
	Brazil		✓		
	Mexico		✓		
	ROW		✓		

*Combination of platforms provides significant economies of scale*

# Critical Success Factors For Competing and Winning in RSC

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- |                              |                                      |
|------------------------------|--------------------------------------|
| ✓ Strong Management Team     | ✓ Strong Relationship With Utilities |
| ✓ Brand Recognition          | ✓ Geographic Expansion               |
| ✓ Software Expertise         | ✓ Cost / Watt Overhead               |
| ✓ New Product Innovation     | ✓ Supply Chain Economies of Scale    |
| ✓ Diversified Sales Channels | ✓ Flexible, Low-Cost Capital         |

*SunEdison and Vivint Solar combination creates best-in-class platform*

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# TerraForm Power: Establishing Significant Residential Presence

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Carlos Domenech, CEO of TerraForm Power



# Strong Strategic Rationale for Acquisition

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# Track Record of Successful Platform Transformation



## Transaction Rationale

- Scalable, high-growth platform with ongoing flow business
- Residual value of additional opportunities
- Fast growing market segment with 37% growth 2011-2020
- Best-in-class cost of capital and acceleration of new structures
- Scale efficiencies in systems, supply chain and cost structure
- Attractive PPA pricing

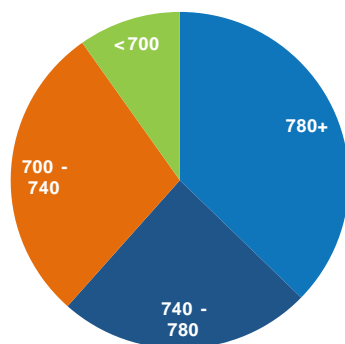
*Vivint Solar acquisition accelerates platform growth*

# Vivint Solar Asset Dashboard



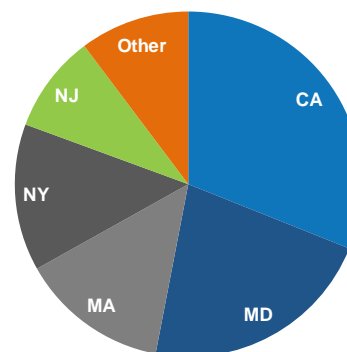
Year End 2015 Installed Capacity	523 MW
Unlevered CAFD <sup>(1)</sup>	\$81M
10-Year Levered Cash-on-Cash Yield	9.5%
Remaining Contract Life	>19 Years
Number of Customers	77,000+
% of Systems with PPA Escalator	>99%
Average PPA Price	\$0.14 / kWh

**FICO Score (750+ FICO) <sup>(2,3)</sup>**



*High creditworthy customers*

**Geographic Diversity <sup>(2)</sup>**



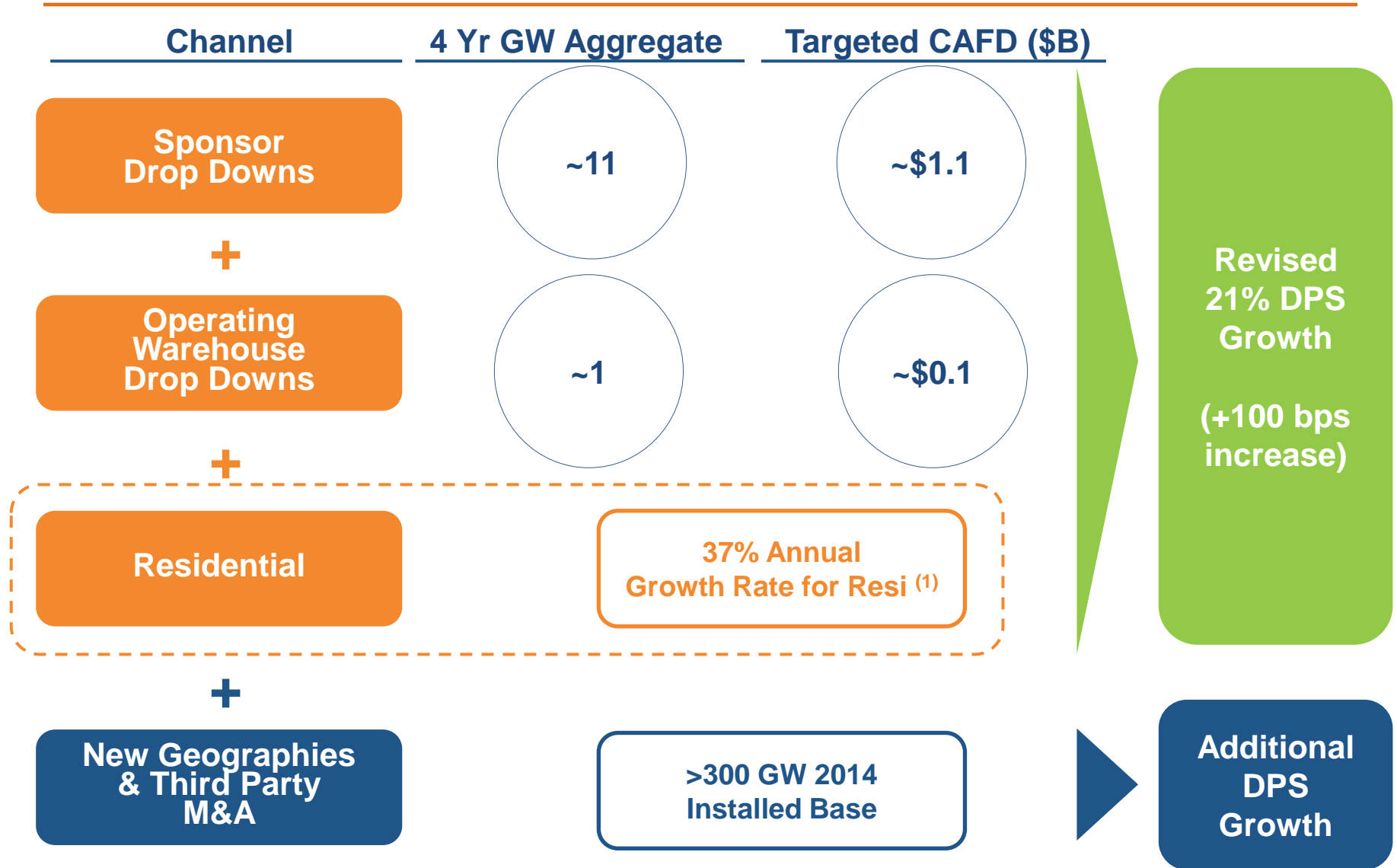
*Diversification across major solar states*



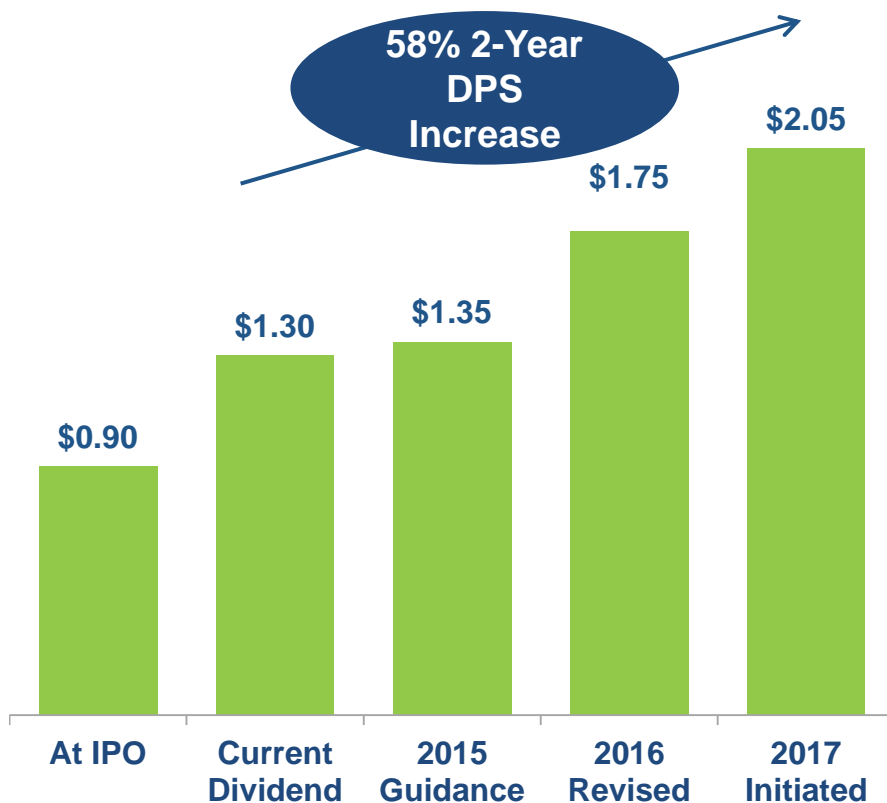
1. 10-year average unlevered CAFD
2. Based on MW
3. Underwriting minimum FICO score of 680 depending on tax equity investor's requirements. Reflects FICO score at underwriting



# Multiple Pillars Drive Visible Growth



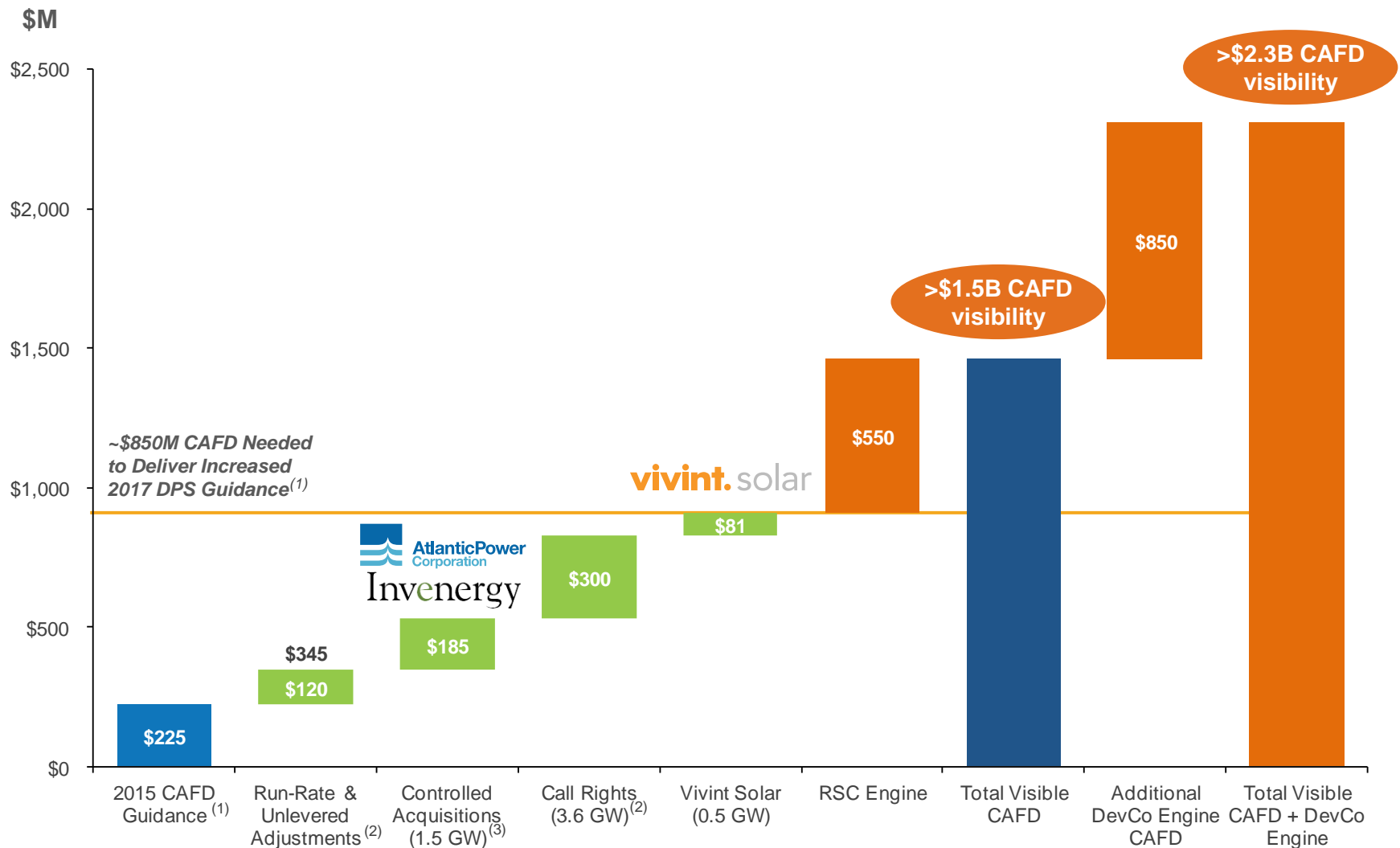
# Increasing 2016 & Establishing 2017 DPS Guidance



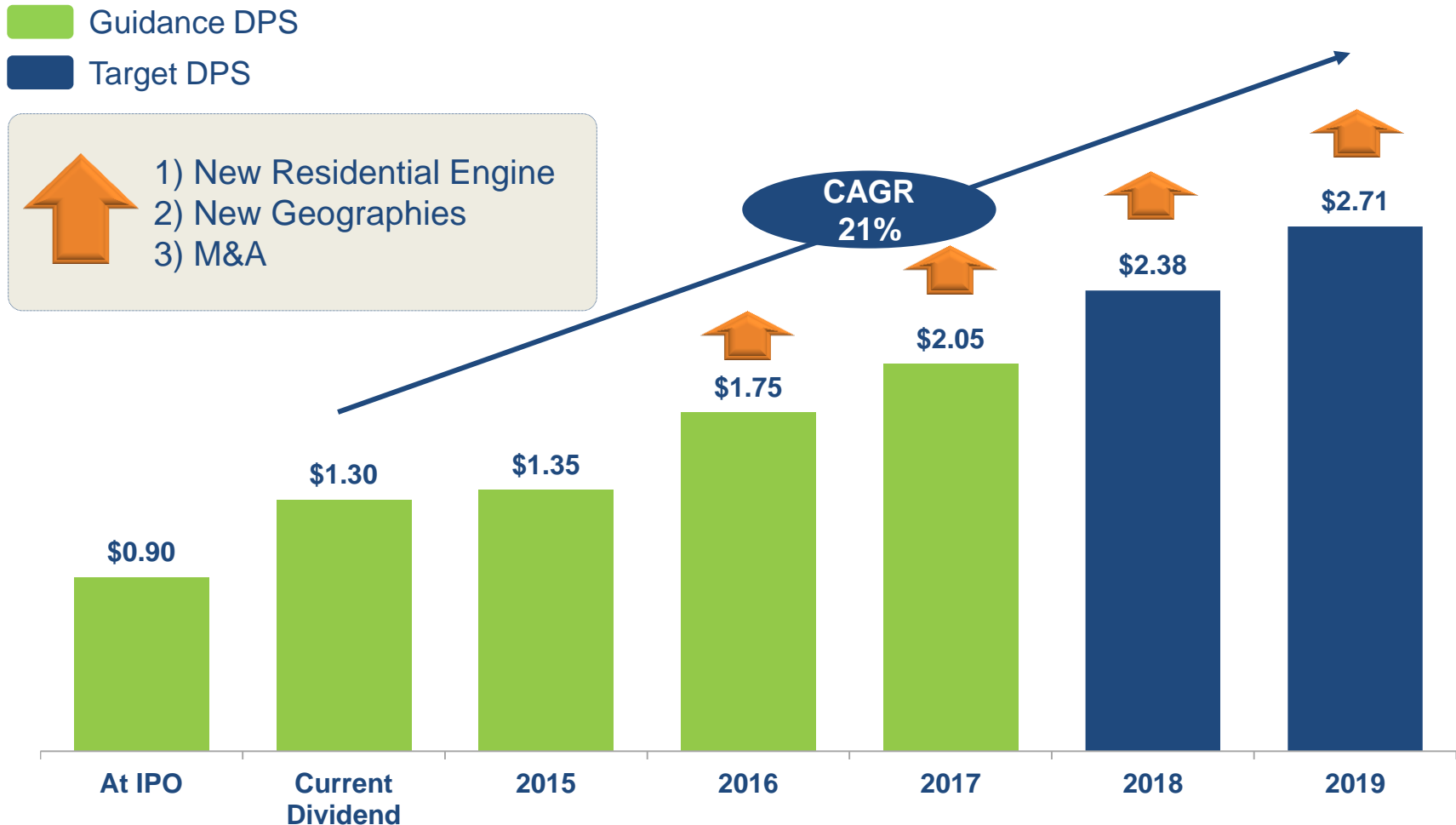
- Raising 2016 guidance from \$1.70 to \$1.75: 30% Y-o-Y growth
- Establishing 2017 guidance of \$2.05, up from \$2.00 target
- \$0.05 increase includes only initial 523 MW Vivint Solar drop down
- Further enhancing growth through residential organic engine
- Significant future DPS visibility

✓ Execution → ✓ CAFD Growth → ✓ DPS Growth

# Enhanced CAFD Visibility to 2019



# Increasing Long-Term DPS Growth Target to 21%



✓ Execution → ✓ CAFD Growth → ✓ DPS Growth

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# Accelerating Value to SunEdison

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Brian Wuebbels, CFO of SunEdison



# Expected Sources & Uses: \$2.2B Transaction Value

## SunEdison Purchases Vivint Solar at Acquisition Close (\$M)

### Sources of Funds

TERP Purchase of 523 MW	\$922
Non-Recourse 1 <sup>st</sup> Lien Term Loan	500
SunEdison Stock <sup>(1)</sup>	370
Seller Convertible Note	350
SunEdison Cash	57

<b>Total Sources of Funds</b>	<b>\$2,199</b>
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### Uses of Funds

Purchase of Vivint Solar	\$1,898
Repayment of Debt	263
Transaction Costs	38 <sup>(2)</sup>

<b>Total Uses of Funds</b>	<b>\$2,199</b>
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## TerraForm Power Purchases 523 MW of Vivint Solar Systems at Acquisition Close (\$M)

### Sources of Funds

TERP Stock	\$737
TERP HoldCo Debt	225 <sup>(4)</sup>

<b>Total Sources of Funds</b>	<b>\$962</b>
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### Uses of Funds

Purchase of 523 MW	\$922
Transaction Costs	40 <sup>(3)</sup>

<b>Total Uses of Funds</b>	<b>\$962</b>
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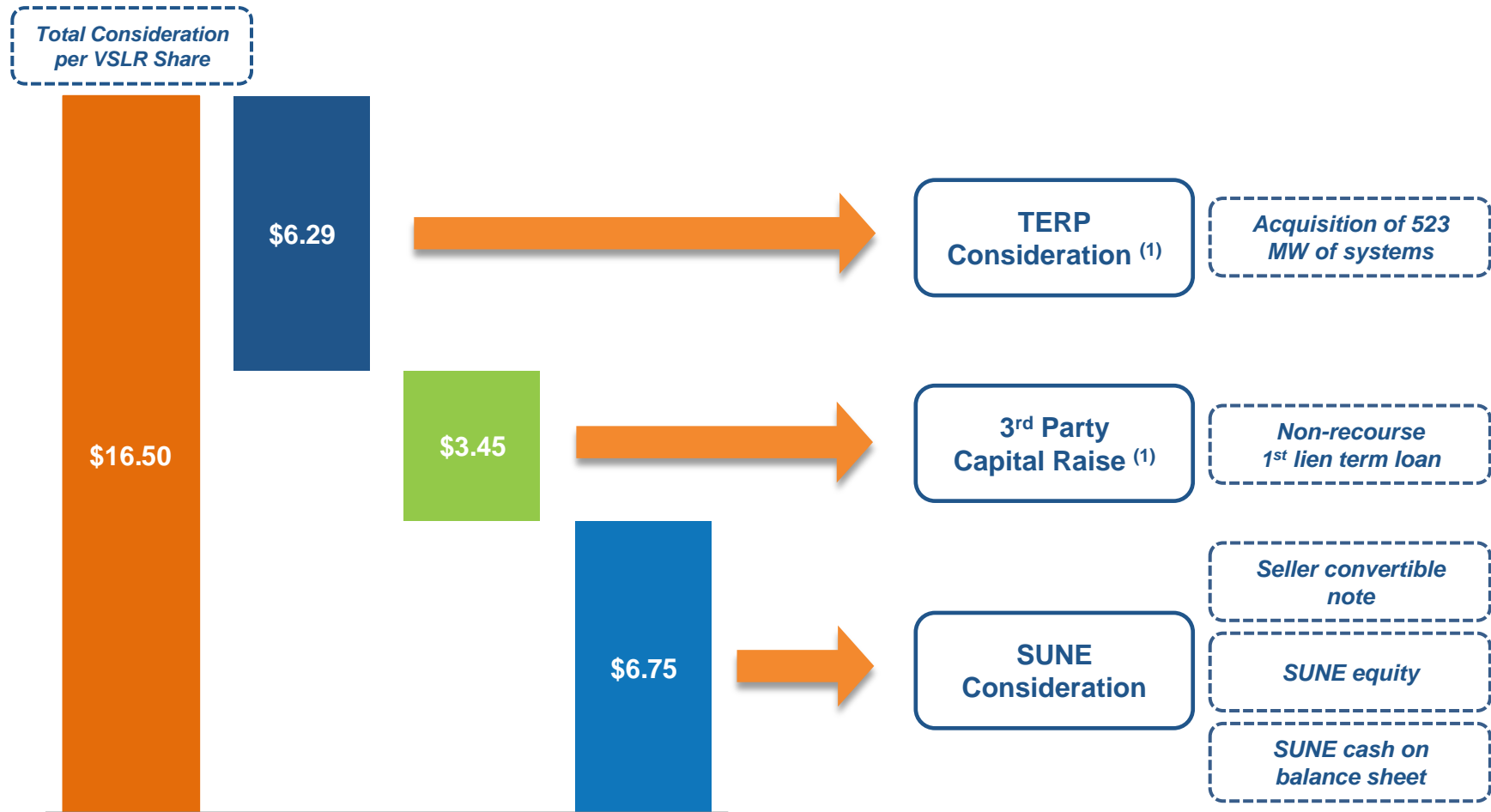
*SunEdison's portion of the consideration consists of \$777 million*



1. \$19 million of SUNE stock issued to employees for vested RSUs one-month post-close.
2. Includes bridge financing and M&A / advisory fees of \$24 million and capital raising fees of \$14 million for SUNE.
3. Includes bridge financing and M&A / advisory fees of \$11 million and capital raising fees of \$29 million for TERP.
4. TERP HoldCo debt based on ~3.0x 10-year unlevered CAFD of \$81M.




# Transaction Consideration Breakdown



*SunEdison's portion of the consideration limited to \$6.75 per Vivint Solar share*

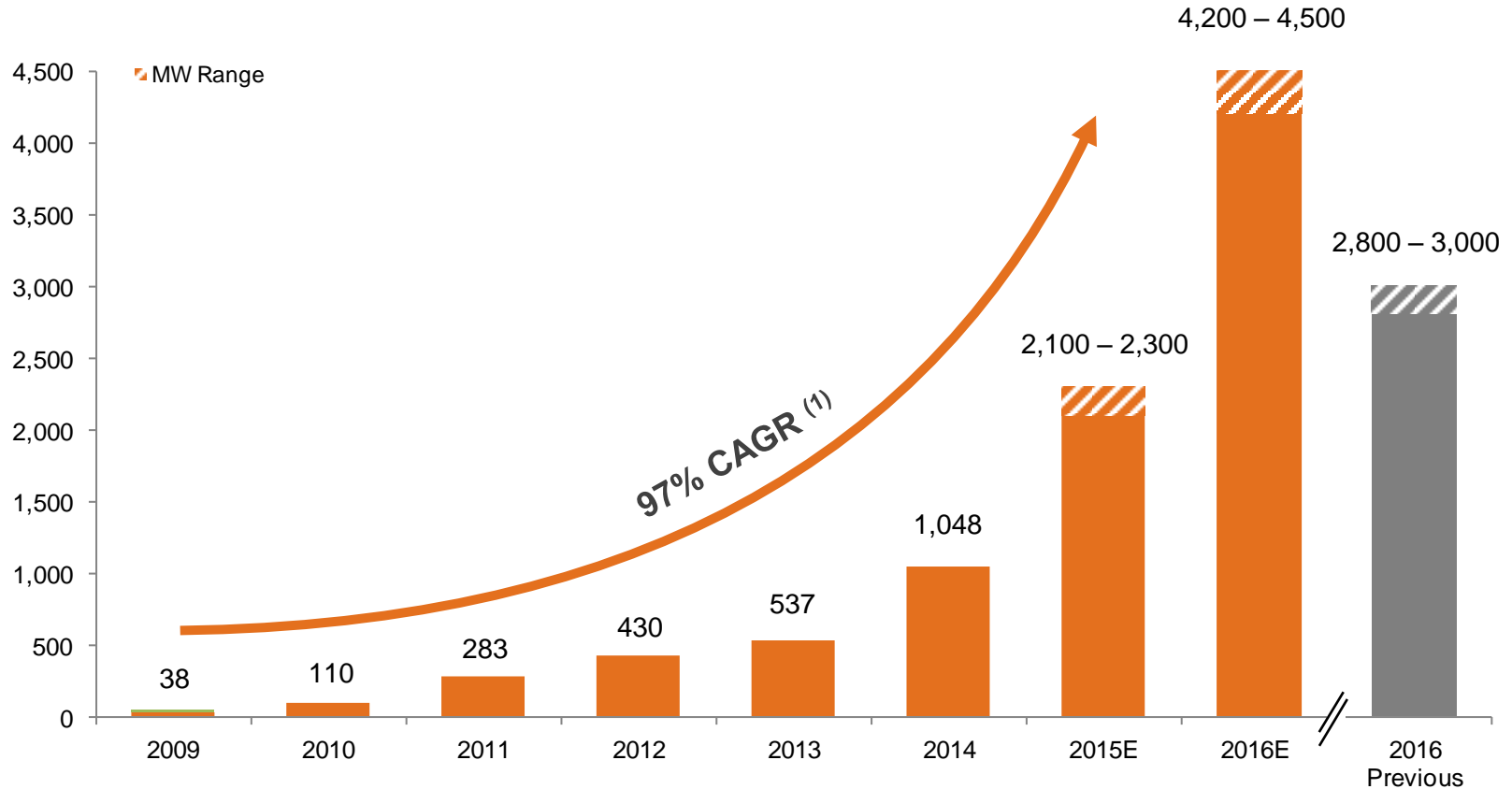
# Guidance and Future Outlook

	2015 Guidance (MW)	Previous 2016 (MW)	Revised 2016 (MW)	
 <b>Total</b>	2,100 – 2,300	2,800 - 3,000	4,200 – 4,500	
<b>Utility</b>	1,700 – 1,900	N/A	3,000 – 3,300	} 2016 growth driven by acceleration of organic development
<b>DG</b>	380 – 420	N/A	1,100 – 1,300	

**Up 50% from prior outlook**

# Targeting Rapid, Global Scale

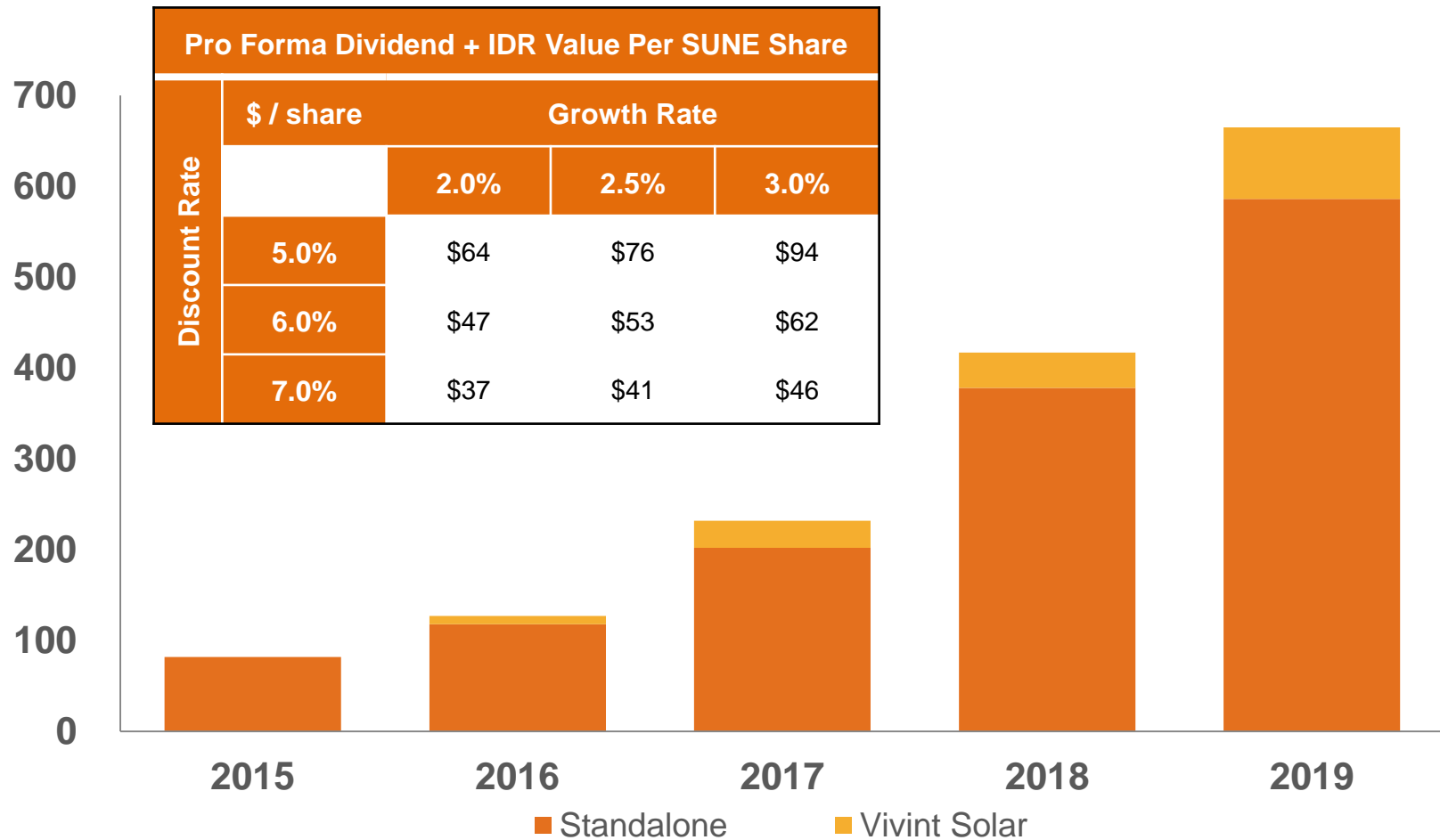
## Cumulative MW



*Vivint Solar acquisition accelerates SunEdison's development engine*

# Accelerating Value of SunEdison's GP Platform




\$M




*TerraForm expected to reach high IDR split in mid-2016*

# Vivint Solar Acquisition Expected to Add \$3B Value to SunEdison



	Expected 2018 IDR / Dividends to SUNE		Value Created	Value Created / Share
 Standalone	\$335M	 40x GP Multiple	\$13B	\$42
	~\$82M		\$3B	\$11

  
  
 Pro Forma Combined

~\$417M

\$16B

\$53

*GP model enhances shareholder value from accretive acquisitions*

# Strong Strategic Rationale for Acquisition



- Extends position as the leading global DG solar company
- Adds complementary geographies, channels and skill sets
- Expands management capability and bandwidth
- Accelerates IDRs and realization of GP structure



- Accelerates growth beyond core markets
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- Enhances portfolio scale and diversity
- Delivers DPS accretion at attractive >9% cash-on-cash yield
- Offers high-growth, predictable flow of drop down assets
- Provides escalating, long-term CAFD profile

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# Concluding Remarks & Q&A

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# Appendix

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# TerraForm Reg. G: Reconciliation to CAFD

(in thousands)

Year Ended December 31,  
2015

Adjustments to reconcile net cash provided by operating activities to cash available for distribution:

Net cash provided by operating activities	\$	265,900
Changes in assets and liabilities		(8,500)
Deposits into/withdrawals from restricted cash accounts		15,200
Cash distributions to non-controlling interests		(23,300)
Scheduled project-level and other debt service and repayments		(35,800)
Non-expansory capital expenditures		(13,000)
Contributions received pursuant to agreements with SunEdison (1)		16,500
Other		8,000
Estimated cash available for distribution	\$	<u>225,000</u>



1. Primarily represents contributions received from SunEdison pursuant to the Interest Payment Agreement, which we expect will be satisfied in August, 2017 upon the scheduled interest payment on the Senior Notes

