

This 3DAdvisors Report Covers:

- ✓ Insider Trading: Insider Trading Behavior Accounting: Quality of Earnings Issues Governance: Corporate Governance Issues
- ✓ Fundamentals: Fundamental Issues

Insider Sales Coincide with Surprise Plant Shutdown MEMC Electronic Materials Inc. (NYSE:WFR) Update

September 21, 2007

Contact: Bob Gabele (954) 779-3974 or bgabele@3DAdvisors.com

Business Description

MEMC Electronic Materials, Inc. produces wafers for the semiconductor industry worldwide. The Company's product categories include polished wafers, such as OPTIA and annealed products; epitaxial wafer that contains AEGIS product; and test/monitor wafers. These wafers are used for the manufacture of various types of semiconductor devices, including microprocessor, memory, logic, and power devices ranging from 100 millimeters to 300 millimeters in diameter. The Company's semiconductor devices are used in computers, cellular phones and other mobile electronic devices, automobiles, and other consumer and industrial products. Its customers include semiconductor device manufacturers, including the memory, microprocessor, and applications specific integrated circuit manufacturers, as well as foundries in North America, Europe, Japan, and the Asia Pacific. MEMC Electronic Materials was founded in 1984 and is based in St. Peters, Missouri.

Summary of 3DAdvisors Findings for WFR

- Insider Trading: Insider reaction to plant shutdown suggests lack of confidence
- ▶ Fundamentals: Ability to recover lost revenues after plant shutdown in doubt
- ► Fundamentals: Plant shutdown curtails spot market sales, impact unknown
- ► Fundamentals: Competitors continue to announce new polysilicon production

Discussion of 3DAdvisors Findings for WFR

Recent disclosures, and attendant insider behavior, make us suspect that MEMC Electronic Materials Inc. may be setting up for a miss in Q4. The shares have been range bound and have pretty much gone sideways since our update report on 05/30/07 (see Figure 1 below). Then, on September 4th, the Company announced that during the prior week a power outage at its Pasadena, TX polysilicon production facility, which is undergoing significant expansion efforts, will result in a 5% cut in Q3 revenue guidance and, more interestingly, flat margins sequentially "due to the associated costs."

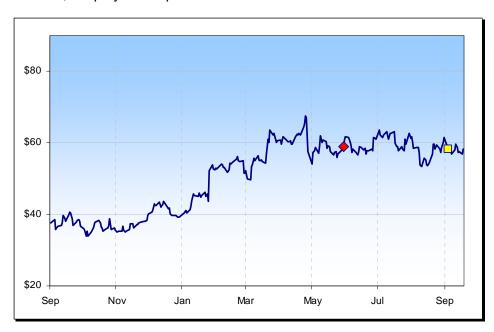
Page 1 wfr.09.21.07

During the conference call to discuss the problems at the plant, MEMC CEO **Nabeel Gareeb** projected that the power outage would cost the Company just one week of production which will be made up in Q4. The implication of his catch-up plan is that expansion activities at the Pasadena facility will soon be back on track, allowing for a sufficient pickup in production to cover Q3's shortfall. Sell-side analysts seem on board with his assumptions as most of their commentaries concerning the matter are essentially replays of what Gareeb has told them, with scant acknowledgement of any risk associated with his projections.

Prior to these recent developments, MEMC insiders, including Gareeb, had been liquidating large stock and option positions this year (see the full report on 02/13/07). Individuals heading key divisions such as Sales & Marketing (John Kauffmann), Research and Development (Chandrasekhar Sadasivam), Manufacturing (Sean Hunkler) and General Counsel (Bradley Kohn) had all aggressively sold 90% or more of their actionable positions (common stock plus vested options) during the first quarter despite the fact that the sell-side continued to believe the Company would benefit from a shortage of polysilicon at least through 2008.

But we note with much interest that the heavy insider distributions in the first half of this year immediately preceded what has become an almost relentless stream of announcements of significant capacity expansion plans for polysilicon by existing competitors as well as new entrants, most notably the Chinese. We have been tracking these announcements closely. Our numbers suggest that supply constraints on polysilicon may go away sooner than many analysts think which in turn could impact the Company's ability to maintain its strong margins and achieve its revenue and earnings targets in coming quarters. These facts make the very recent additional trading behavior, occurring at the same time as the surprise announcement of the Texas plant shut down and subsequent lowering of guidance, all the more interesting to us.

Figure 1. WFR Daily Closing Price, 09/01/06 through 09/18/07. Red diamond is the date of our last update; Yellow square is the date that the Company disclosed problems at its Pasadena, TX polysilicon plant. Source: Reuters and WFR Press Release.

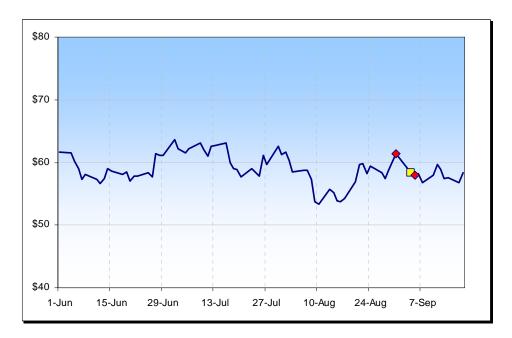


Page 2 wfr.09.21.07

Insider Trading: Insider reaction to plant shutdown suggests lack of confidence

Several times during MEMC's conference call describing the plant outage, Gareeb referred to the matter as a "discrete event" which would, after a near-term Q3 effect, be made up quickly in the following quarter. Three senior executives, however, seemed to telegraph a higher level of concern as one of them sold the day prior to the announcement, one on the day of the announcement when the share price dipped three points, seemingly not willing to wait for a rebound, and the third sold the following day.

Figure 2. WFR Daily Closing Price, 06/01/07 through 09/18/07. Yellow diamond is the date where the company announced the Pasadena, TX plant problems and lowered guidance and the date where SVP of Sales and Marketing John Kauffman sold 70,000 shares (09/04/07). The first red diamond is where SVP Human Resources Mignon Cabrera sold 25,000 shares (08/31/07); the second red diamond is where VP, IT & CIO Michael Cheles sold 25,000 shares (09/05/07). Source: Reuters and WFR SEC Filings.



In the past year, we have come to expect MEMC insiders to sell into rallies at opportunistic times. This, however, is the first time we have seen them acting just prior to or immediately after disappointing news:

• Mignon Cabrera (47) - SVP, Human Resources. When asked, during the September 4th conference call whether any of MEMC's customers had been apprised of the situation, Gareeb's response was that due to FD issues the matter had not been disclosed until that morning's press release. It would seem that Ms. Cabrera, however, may have jumped the gun: On August 31st, she sold her only available stake of 25,000 shares at \$60.50, avoiding the drop which occurred the following trading day. The related options she exercised had become exercisable just three days prior to her sale which was the day before the power outage. Her sale effectively wiped out 100% of her actionable holdings. No new options will be available to her until 25,000 vest in August of 2008. Additionally, 4,500 Restricted Shares will vest during 2008 (see Appendix A).

Page 3 wfr.09.21.07

- John Kauffmann (50) SVP, Sales & Marketing. Kauffmann acted similarly to Cabrera, except for the fact that he dumped his shares after the drop. On September 4th he exercised options for 70,000 shares, which had become exercisable over the preceding Labor Day weekend, and sold them for \$58.73 each, right into the drop caused by that day's announcement. It is noteworthy that in his prior sales, he has never shown a proclivity for jumping as quickly as he had this time when he exercised on the first available day after vesting. His apparent urgency at this time reveals that he may not have been willing to wait for a rebound. His sale trimmed 62% from his current actionable holdings.
- Michael Cheles (48) VP, IT & CIO. On Sept 5th, Cheles exercised options for 25,000 shares, which he immediately sold for \$58.21 while they still were trading down on the news. This was done on the same day the options vested. This was his first sale since joining the Company in late 2006 and it reduced his actionable holdings by 100%. He will not have new options vest until August of 2008 and just 4,500 Restricted Shares will vest during 2008 (see Appendix A).

Fundamentals: Ability to recover lost sales after plant shut down in doubt

Sell-side analysts seemed comfortable with MEMC's carefully prepared statements that any Q3 shortfall would be made up in Q4, allowing the Company to keep its full-year forecasts intact. We note, however, Gareeb's cautious responses to questions directly related to the matter where he rather artfully dodged answering probes intended to elicit specific positives from him. When asked, for instance, about any fourth quarter impact, Gareeb's answer lacked the conviction displayed in his prepared remarks:

Analyst: I wasn't entirely clear that there's an impact on Q4 from this current issue. You're clearly not changing your full-year guidance at this point. Is it fair to think that you're going to pretty much make up the loss here as we move into next quarter?

Nabeel Gareeb: So we've clearly stated, we are expecting, obviously, this will -- when you look at Q3 and one week impact to Q3, it adds up to an impact of the entire year. What we've said in the press release and our prepared remarks is we believe that we can make up some of it, but we don't know how much exactly that's going to be until we finish this quarter, and we understand the demand aspects as well as the potential upside from our expansions for Q4. We'll provide that specific quantification on the full-year update as part of the third quarter earnings call which will be early part of fourth quarter.

The above response prompted a repeat of the question from the same analyst:

Analyst: To clarify that, it seems like you're making up the full-year loss revenues in Q4, is that what you said?

Nabeel Gareeb: We believe we can. We have not quantified how much that is at this stage, we will quantify that at the third quarter earnings call.

Page 4 wfr.09.21.07

It would seem that, in the above exchange, Gareeb leaves the door open for a miss later this year. Then again, in a response to another analyst question, Gareeb seems to hedge:

Analyst: Okay and my assumption is you kind of run these plants pretty close to full utilization, how much should we assume you can kind of make up in Q4? Is there any way to try and assess this? Is it half of what was lost in this week? I know you talked about giving some further detail at the end of this quarter, but is there any way we should model that presently?

Nabeel Gareeb: I think it's difficult to do that. I think it will be up to each individual's judgment, that's why we want to retain our discretion to talk about it at the third quarter earnings call. We want to go through this quarter, obviously, as the expansion ramps, that will have an upside in the potential third quarter and we want maximum time to quantify that.

Above, and in other responses, Gareeb telegraphs that the Company is relying on the planned expansion of the Pasadena facility to make up the Q3 shortfall. But this facility, which has already seen delays (a one-month delay was disclosed in July), could clearly see more of the same.

Our conversation with an industry expert confirms our view. When asked about Gareeb's assertion that the expansion efforts at the Pasadena facility will enable the Company to play catch up in Q4, he seemed quite dubious. Our contact, a former chip maker insider who has been directly involved in building out a number of semiconductor fabrication plants, divides the problem facing MEMC into three components:

- 1. Resumption of expansion project and resulting capacity increases. The assumption that capacity expansion will be on track in time is a big red flag to him. With only four months left in the year, and with the pressing need for getting existing production up to speed, he feels that there were too many risks, unknown to MEMC at the time of the announcement that could stand in the way of the quick resumption of expansion plans implied by Gareeb. MEMC continually tells anyone who will listen how difficult it is for its competitors to get a poly plant operational. Testing in this phase moves in fits and starts. They are now, no doubt, experiencing the same. He figures if they get this phase moving in double their estimated time, they are doing well.
- 2. The ramp-up of existing production. The process of returning to full production after a shutdown is a gradual one, not one that can be accomplished in just one week. He estimates that it would take two weeks for this process to be accomplished for each line. They would, most likely, not bring all lines up at the same time.
- 3. Resumption of spot poly sales to prior levels. This may be the most challenging to achieve in time for Q4. Our contact estimates that, even after spot sales are able to resume, MEMC's best case is that they could return to 50% of their prior levels sometime in Q4. Not good timing considering the looming Holiday season.

Page 5 wfr.09.21.07

Also during the conference call Gareeb fell short, when asked, of saying that the impact to Suntech and Gentech, its two largest and most important solar customers, would be minimal. When asked if they would be able to meet their commitments to ST and GT for the second half of the year, all Gareeb would say is that "certainly the goal would be to recover any shortfalls that might occur in the third quarter to any customers that we have made commitments to for the entire half."

Fundamentals: Plant shutdown curtails spot market sales, impact unknown

It is quite evident that the plant interruption has caused MEMC to channel its polysilicon to customers such as Suntech and Gentech at the expense of selling in the much more lucrative spot market. There is no question that these spot sales occur at much higher margins than contracted-for poly sales. MEMC does not disclose its level of such sales, but rather simply verifies that they exist. Clearly, they have had a beneficial effect on MEMC margins. In the most recent quarter (ended 06/30/07) gross margins improved to 52.0% from 43.3% a year earlier, suggesting that spot polysilicon sales have played an increasing role in the Company's revenue mix. Yet MEMC's high margins have frequently spawned questions from analysts, even going back to the Q306 conference call, when an interesting question was posed:

Analyst: Hello guys, a couple of things, Nabeel, as I look at your operating margins they are now higher than most of your customers. And I am just wondering, usually customers are not very happy when their supplier's operating margins are higher than their own. So I am just wondering how sustainable that is? Usually if you look at other industries it doesn't last very long when a supplier's operating margin is higher than their customers. Thanks.

Gareeb's answer to this was not particularly illuminating, other than to cite MEMC's "internal efficiency" that drives margins higher in a competitive environment. Never mind the fact that spot poly sales have significantly contributed to both MEMC's revenue growth and margin expansion in recent periods. Spot poly prices, which stood at about \$30/kilo in 2004, moved to \$120 in 2005, \$200 in 2006 and over \$300/kilo in 2007.

Questions about the contribution to MEMC's margins have been as persistent over periods as the Company's unwillingness to disclose their true impact. The question was again raised during the "Pasadena Shutdown" conference call and Gareeb's answer was, once again, ambiguous:

Analyst: Okay. To follow on with the gross margin guidance, my understanding is it's down just slightly from your previous guidance and yet your indication is the shortfall's impacting a lot of the spot market customers or non-critical customers. Just to go back on to Jeff's point and others, how can we read that since we would assume the spot market sales would generally be a much higher margin than the company average?

Nabeel Gareeb: Basically, what I said, specifically, is we're trying to manage the demand piece of it, where the softest demand is, so for example, 200 millimeter is soft in demand. That's certainly not the highest margin, if you will, for the company,

Page 6 wfr.09.21.07

as you may have figured out. The spot piece, obviously, it won't be at the types of volumes or revenues that we would have anticipated, so it's going to take an impact. Then obviously, the extra cost of not having the facilities fully loaded together with the cost of actually getting the operation running back up again and redoing some of the mini maintenance activities. All of that is lumped into the gross margin. The conclusion should be that, yes, spot poly does have an impact on favorably affecting our gross margin, but you also might be able to draw the conclusion that there are other products in our portfolio that help keep the margin at a reasonable level.

Fundamentals: Competitors continue to announce new polysilicon production

Polysilicon capacity will continue to grow exponentially in the coming years. The bulls are betting that the demand for solar cells will be strong enough to absorb the anticipated supply increases two to three years down the road. The bulls would also point out that much of the expansion is due for 2009 and beyond, making 2008 another supply-constrained year for the stuff. Gareeb continues to speak somewhat condescendingly about his competitors' plans to expand capacity, calling most of them "second tier" and stressing that it is MEMC that has the most expertise in the area.

Based on the numbers we have been tracking, however, planned capacity expansions by the well established players, combined with the entrance of new players into the market (most notably the Chinese) could have a meaningful impact on available supply as early as next year. Table 1 below shows the projections for polysilicon production through 2011 for selected companies. It includes the companies we showed in our update report on 05/30/07 along with an update to those projections that have been announced since May as well as announced new entrants in the market.

There are a couple of things that stand out in these updated estimates. First, in the space of less than 4 months, the announced addition to polysilicon production capacity from all the sources we have tracked totaled over 66,000 metric tons by 2010, with nearly half of that (27,600 metric tons) coming from new market entrants and Chinese companies. Secondly, and more to the point of this update, the estimates for capacity additions for *next year* have increased 14,000 metric tons. Even before these new estimates for 2008, capacity was expected to increase 67% from 2007; now they are expected to increase 90%. The question is whether or not these significant increases in available supply will put a dent in prices fetched on the spot market.

It is also worth pointing out that efforts to add capacity are not limited to China but are also taking place in Europe. The July 15, 2007 edition of Electronic Chemicals News cites a "report forecasts that "unprecedented" new polysilicon capacity, due to be commissioned in the next two years by more than a dozen [European] companies, combined with technology advances, will force down the price of PV cells by more than 40% in the next three years." The article goes on to cite two smaller companies that plan on building solar-grade polysilicon capacity over the next 2 to 3 years: PV Crystalox Solar expects 1,800 metric tons of capacity by 2009 (a German company with financing provided by the German Federal Government and the German state of Sachsen-Anhalt), and a company called HyCore, a joint venture established between Umicore (Brussels)

Page 7 wfr.09.21.07

-

¹ Zibb.com. "Photovoltaics: Materials Firms Bask in the White Hot Market", Electronic Chemicals News/Access Intelligence via COMTEX, July 15, 2007.

and oil and energy giant Hydro, which has the intention to produce industrial scale volumes of polysilicon by 2010.

Table 1. Change in Polysilicon Production Projections Between May 2007 and September 2007 (Metric Tons). Source: Various compiled by 3DAdvisors, LLC.²

| Company | Est. Date | 2004 | 2005 | 2006E | 2007E | 2008E | 2009E | 2010E | 2011E |
|-------------------------------|----------------------|--------|------------|------------|----------------|-----------------|-----------------|-----------------|------------------|
| Hemlock | May07 Estimate | 7,000 | 7,400 | 10,000 | 10,000 | 15,000 | 18,000 | 18,000 | N/A |
| | Sep07 Estimate | 7,000 | 7,400 | 10,000 | 10,000 | 15,000 | 18,000 | 36,000 | 36,000 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 18,000 | N/A |
| Wacker/Siltronics | May07 Estimate | 5,000 | 5,000 | 5,500 | 6,500 | 10,000 | 14,500 | 14,500 | N/A |
| | Sep07 Estimate | 5,000 | 5,000 | 5,500 | 6,500 | 10,000 | 14,500 | 21,500 | 21,500 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 7,000 | N/A |
| REC (ASiMI and SGS) | May07 Estimate | 4,800 | 5,400 | 6,000 | 7,200 | 10,700 | 13,000 | 13,000 | N/A |
| | Sep07 Estimate | 4,800 | 5,400 | 6,000 | 7,200 | 10,700 | 13,000 | 19,000 | 19,000 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 6,000 | N/A |
| Tokuyama | May07 Estimate | 4,800 | 5,200 | 5,400 | 5,400 | 8,400 | 8,400 | 8,400 | N/A |
| | Sep07 Estimate | 4,800 | 5,200 | 5,400 | 5,400 | 8,400 | 8,400 | 8,400 | 8,400 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| MEMC (Pasadena & Italy) | May07 Estimate | 3,700 | 3,700 | 3,700 | 4,000 | 8,000 | 8,000 | 8,000 | N/A |
| | Sep07 Estimate | 3,700 | 3,700 | 3,700 | 4,000 | 8,000 | 8,000 | 15,000 | 15,000 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 7,000 | N/A |
| Mitsubishi | May07 Estimate | 2,800 | 2,800 | 2,800 | 3,800 | 3,800 | 3,800 | 3,800 | N/A |
| | Sep07 Estimate | 2,800 | 2,800 | 2,800 | 3,800 | 3,800 | 3,800 | 3,800 | 3,800 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Sumitomo Titanium | May07 Estimate | 700 | 700 | 1,000 | 1,500 | 2,000 | 2,000 | 2,000 | N/A |
| | Sep07 Estimate | 700 | 700 | 1,000 | 1,500 | 2,000 | 2,000 | 2,000 | 2,000 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Elkem (Norway) | May07 Estimate | 0 | 0 | 0 | 2,500 | 5,000 | 5,000 | 10,000 | N/A |
| | Sep07 Estimate | 0 | 0 | 0 | 2,500 | 5,000 | 5,000 | 10,000 | 10,000 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Total China & New Ent.* | May07 Estimate | 0 | 130 | 300 | 1,250 | 3,300 | 3,300 | 5,500 | N/A |
| | Sep07 Estimate | 0 | 130 | 300 | 1,250 | 17,300 | 29,850 | 33,000 | 37,460 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 14,000 | 26,550 | 27,500 | N/A |
| Total Capacity | May07 Estimate | 28,800 | 30,330 | 34,700 | 42,150 | 66,200 | 76,000 | 83,200 | N/A |
| | Sep07 Estimate | 28,800 | 30,330 | 34,700 | 42,150 | 80,200 | 102,550 | 148,700 | 153,160 |
| | Inc. May to Sep | 0 | 0 | 0 | 0 | 14,000 | 26,550 | 65,500 | N/A |
| % Inc from Prior Year (May | .07 Fat \ | | 5.3% | 14.4% | 21.5% | 57.1% | 14.8% | 9.5% | |
| % Inc from Prior Year (Sept | | | 5.3% | 14.4% | 21.5% | 90.3% | 27.9% | 45.0% | |
| 70 IIIC HOIII THOI TEAR (OCEN | or Est.) | | 3.370 | 14.470 | 21.370 | 30.370 | 21.576 | 43.070 | |
| China & New Entrants | | | | | | | | | |
| | M. Setek | 0 | 0 | 0 | 0 | 5,000 | 5,000 | 5,000 | 5,000 |
| | DC Chemical | 0 | 0 | 0 | 0 | 3,000 | 3,000 | 3,000 | 3,000 |
| | PV Crystalox | 0 | 0 | 0 | 0 | 0 | 1,800 | 1,800 | 1,800 |
| | HyCore | | | | Details to be | | 4= 06- | 4 | 4= 0 |
| | LDK Solar | 0 | 400 | 200 | 4.050 | 6,000 | 15,000 | 15,000 | 15,000 |
| | Other China Total | 0 | 130 130 | 300 300 | 1,250 1,250 | 3,300 17,300 | 5,050 29,850 | 8,200 33,000 | 12,660 37,460 |
| | ı Ulai | U | 130 | 300 | 1,230 | 17,300 | 29,030 | 33,000 | 31,400 |

² Piper Jaffray Global Capacity of Polysilicon Forecast (metric tons). Table embedded with "2005 Solar Year-End Review and 2006 Solar Industry Forecast", by Jesse W. Pichel and Ming Yang, Research Analysts, Piper Jaffray, January 11, 2006; and Prometheus Institute, "An Assessment of the Global Silicon Production Capacity and Implications for the PV Industry", Hilary Flynn and Travis Bradford, July 12, 2006. Numbers in red above are the increases in capacity that have been compiled from various company press releases and related new stories by 3DAdvisors, LLC since our update report on 05/30/07. Note: The figures in this table do not necessarily reflect true global capacity but only announced capacity plans for the Companies mentioned.

Page 8 wfr.09.21.07

-

Copyright © 2007 by 3DAdvisors, LLC. **ALL RIGHTS RESERVED**. Your possession and use of this report is subject to the terms and conditions of the 3DA Product License Agreement, and any unauthorized use or access constitutes theft and 3DA will prosecute violators to the full extent of applicable State and Federal Law. This research report may not be reproduced, stored in a retrieval system, or transmitted, in whole or in part, in any form or by any means, without the prior written consent of 3DAdvisors, LLC. The information in this report was based on sources believed to be reliable and accurate, but no warranty regarding its accuracy or suitability for any purpose is expressed or implied. Nothing contained in this report is or should be construed to be a recommendation to sell, hold or purchase any security.

Page 9 wfr.09.21.07



Appendix A

Option and Restricted Stock Vesting Schedules for Selected MEMC Electronic Materials Inc. Insiders

| Grant Date | Equity Type | Options/ Shares | Strike Price (Options) | First Vesting Date | Expiration Date (Options) | Remaining Options/Shares in Series | Unvested Options/Shares in Series | Vesting Dates of Remaining Restricted Shares/Options |
|---------------|----------------|--------------------|------------------------------|--------------------------|---------------------------------|--|---|--|
| /lignon Cab | rera, Senio | r V.PHuman | Resources. | Common st | ock holdings: | : 0 shares | | |
| 08/28/06 | Options | 200,000 | \$36.78 | 08/28/07 | 08/28/16 | 175,000 | 175,000 | 25,000 vest in 8/08, 8/09; 125,000 vest in 8/10 |
| 01/24/07 | R. Stock | 6,000 | N/A | 01/24/08 | 01/24/11 | 6,000 | 6,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 |
| 07/24/07 | Options | 12,000 | \$58.31 | 07/24/08 | 07/24/17 | 12,000 | 12,000 | 07/24/08, 07/24/09, 07/24/10, 07/24/11 |
| lichael Che | eles, V.PIn | formation Ted | chnology, Ch | ief Informati | on Officer. C | ommon stock ho | ldings: 0 shares | |
| 09/05/06 | Options | 200,000 | \$38.50 | 09/05/07 | 09/05/16 | 200,000 | 175,000 | 25,000 vest in 9/08, 9/09; 125,000 vest in 9/10 |
| 01/24/07 | R. Stock | 6,000 | N/A | 01/24/08 | 01/24/11 | 6,000 | 6,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 |
| 07/24/07 | Options | 12,000 | \$58.31 | 07/24/08 | 07/24/17 | 12,000 | 12,000 | 07/24/08, 07/24/09, 07/24/10, 07/24/11 |
| labeel Gare | eb, Preside | ent, CEO, Dire | ctor. Comm | on stock hol | dings: 100,00 | 00 shares | | |
| 04/27/04 | Options | 150,000 | \$8.45 | 04/27/05 | 04/27/14 | 37,500 | 37,500 | 04/27/08 |
| 05/02/05 | Options | 150,000 | \$11.93 | 05/02/06 | 05/02/15 | 75,000 | 75,000 | 05/02/08, 05/02/09 |
| 05/02/05 | Options | 500,000 | \$11.93 | 05/02/08 | 05/02/15 | 500,000 | 500,000 | 05/02/08 |
| 05/02/05 | Options | 500,000 | \$11.93 | 05/02/10 | 05/02/15 | 500,000 | 500,000 | 02/02/10 |
| 10/25/06 | Options | 1,000,000 | \$37.01 | 10/25/07 | 10/25/16 | 1,000,000 | 1,000,000 | 10/25/07, 10/25/08, 10/25/09, 10/25/10 |
| 10/25/06 | Options | 1,000,000 | \$37.01 | 1 | 10/25/16 | 1,000,000 | 1,000,000 | 1 |
| Cen Hannah | , Senior V.F | P., CFO. Com | mon stock h | oldings: 6,5 | 62 shares | | | |
| 04/26/06 | Options | 350,000 | \$41.57 | 04/26/07 | 04/26/16 | 350,000 | 306,250 | 04/26/08, 04/26/09, 04/26/10 |
| 04/26/06 | R. Stock | 52,500 | N/A | 04/26/07 | 04/26/10 | 45,938 | 45,938 | 2 |
| 01/24/07 | R. Stock | 10,000 | N/A | 01/24/08 | 01/24/11 | 10,000 | 10,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 |
| 04/25/07 | Options | 50,000 | \$67.43 | 04/25/08 | 04/25/17 | 50,000 | 50,000 | 04/25/08, 04/25/09, 04/25/10, 04/25/11 |
| ean Hunkl | er, Senior V | .PManufactu | ıring. Comm | on stock ho | ldings: 0 sha | res | | |
| 08/15/05 | Options | 200,000 | \$18.05 | 08/15/06 | 08/15/15 | 150,000 | 100,000 | 08/15/08, 08/15/09 |
| 08/15/05 | • | 100,000 | | 08/15/09 | 08/15/15 | 100,000 | 100,000 | 08/15/09 |
| 07/25/06 | | 13,800 | | 07/25/07 | 07/25/16 | 13,800 | 10,350 | 07/25/08, 07/25/09, 07/25/10 |
| 01/24/07 | Options | 20,000 | \$45.70 | 01/24/08 | 01/24/17 | 20,000 | 20,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 |
| 01/24/07 | R. Stock | 20,000 | N/A | 01/24/08 | 01/24/11 | 20,000 | 20,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 |
| ohn Kauffr | nann. Senio | r V.PSales a | and Marketin | g. Common | stock holding | gs: 5,500 shares | | |



Appendix A

Option and Restricted Stock Vesting Schedules for Selected MEMC Electronic Materials Inc. Insiders

| Grant Date | Equity Type | Options/ Shares | Strike Price (Options) | First Vesting Date | Expiration Date (Options) | Remaining Options/Shares in Series | Unvested Options/Shares in Series | Vesting Dates of Remaining Restricted Shares/Options | |
|--|----------------|--------------------|------------------------------|--------------------------|---------------------------------|--|---|--|--|
| 01/26/04 | Ontions | 30,000 | \$10.85 | 01/26/05 | 01/26/14 | 7,500 | 7,500 | 01/26/08 | |
| 07/26/04 | | 6,200 | | 07/26/05 | 07/26/14 | 1,550 | 1,550 | 07/26/08 | |
| 10/27/04 | • | 150,000 | • | 10/27/05 | 10/27/14 | 75,000 | 37,500 | 10/25/08 | |
| 02/16/05 | • | 10,000 | | 02/16/06 | 02/16/15 | 5,000 | 5,000 | 02/16/08, 02/16/09 | |
| 07/26/05 | | 20,000 | | 07/26/06 | 07/26/15 | 10,000 | 10,000 | 07/26/08, 07/26/09 | |
| 01/25/06 | • | 18,300 | | 01/25/07 | 01/25/16 | 13,725 | 13,725 | 01/25/08, 01/25/09, 01/25/10 | |
| 07/25/06 | • | 11,900 | | 07/25/07 | 07/25/16 | 8,925 | 8,925 | 07/25/08, 07/25/09, 07/25/10 | |
| 01/24/07 | Options | 20,000 | \$45.70 | 01/24/08 | 01/24/17 | 20,000 | 20,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 | |
| 01/24/07 | R. Stock | 15,000 | N/A | 01/24/08 | 01/24/11 | 15,000 | 15,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 | |
| Bradley Koh | n, V.P., Gen | eral Counsel | I, Secretary. | Common sto | ock holdings: | : 0 shares | | | |
| | | | | | | | | | |
| 09/18/05 | • | 100,000 | • | 09/18/06 | 09/18/15 | 75,000 | 50,000 | 09/18/08, 09/18/09 | |
| 09/18/05 | • | 100,000 | • | 09/18/09 | 09/18/15 | 100,000 | 100,000 | 09/18/09 | |
| 07/25/06 | • | 5,900 | | 07/25/07 | 07/25/16 | 5,900 | 4,425 | 07/25/08, 07/25/09, 07/25/10 | |
| | R. Stock | 15,000 | | 01/24/08 | 01/24/11 | 15,000 | 15,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 | |
| 01/24/07 | • | 12,000 | | 01/24/08 | 01/24/17 | 12,000 | • | 01/24/08, 01/24/09, 01/24/10, 01/24/11 | |
| 01/24/07 | R. Stock | 6,000 | N/A | 01/24/08 | 01/24/11 | 6,000 | 6,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 | |
| Shaker Sadasivam, Senior V.P., Research and Development. Common stock holdings: 0 shares | | | | | | | | | |
| 01/24/03 | Options | 50,000 | \$7.90 | 01/24/04 | 01/24/13 | 12,500 | 0 | Fully Vested | |
| 07/25/03 | | 16,000 | | 07/25/04 | 07/25/13 | 4,000 | | Fully Vested | |
| 01/26/04 | Options | 15,000 | \$10.85 | 01/26/05 | 01/26/14 | 7,500 | 3,750 | 01/26/08 | |
| 07/26/04 | Options | 12,100 | \$8.09 | 07/26/05 | 07/26/14 | 6,050 | 3,025 | 07/26/08 | |
| 10/27/04 | Options | 25,000 | \$9.43 | 10/27/05 | 10/27/14 | 18,750 | 12,500 | 10/27/07, 10/27/08 | |
| 02/16/05 | • | 25,000 | | 02/16/06 | 02/16/15 | 18,750 | | 02/16/08, 02/16/09 | |
| 07/26/05 | • | 40,000 | | 07/26/06 | 07/26/15 | 30,000 | | 07/26/08, 07/26/09 | |
| 01/25/06 | | 18,300 | | 01/25/07 | 01/25/16 | 18,300 | 13,725 | 01/25/08, 01/25/09, 01/25/10 | |
| 07/25/06 | | 12,400 | | 07/25/07 | 07/25/16 | 12,400 | 9,300 | 07/25/08, 07/25/09, 07/25/10 | |
| 01/24/07 | • | 20,000 | | 01/24/08 | 01/24/17 | 20,000 | 20,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 | |
| 01/24/07 | R. Stock | 15,000 | N/A | 01/24/08 | 01/24/11 | 15,000 | 15,000 | 01/24/08, 01/24/09, 01/24/10, 01/24/11 | |

¹ Options are performance based that will vest at the end of four years if certain performance criteria are met; it may vest with respect to 400,000 of the 1,000,000 shares at the end of three years if certain performance

² 26,250 restricted stock units vest in 25% increments on April 26, 2007, April 26, 2008, April 26, 2009 and April 26, 2010, respectively. The remaining 26,250 restricted stock units become exercisable on April 26, 2