



Press Release

SUNTECH ANNOUNCES PRELIMINARY FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2012

Shipments of PV Products Increase 33% Sequentially

SAN FRANCISCO and WUXI, China, Aug. 31, 2012 /PRNewswire-Asia/ -- Suntech Power Holdings Co., Ltd. (NYSE: STP), the world's largest producer of solar panels, today announced preliminary financial results for the second quarter ended June 30, 2012.

Preliminary results indicate that Suntech's shipments of photovoltaic (PV) products for the second quarter of 2012 increased by approximately 33% from the first quarter of 2012, higher than previous guidance of a 20% increase in PV shipments. Revenues in the second quarter of 2012 were approximately \$471 million, a sequential increase of 15%. Approximately 93% of revenues were generated from the sale of PV modules, and 7% of revenues were generated from the sale of PV systems, cells, silicon wafers and production equipment.

Gross margin in the second quarter of 2012 was approximately negative 10%. Gross margin was impacted by a non-cash inventory provision of \$76 million. The impact of the non-cash inventory provision on gross margin was 16%.

In the second quarter of 2012, Suntech's operating expenses were approximately \$133 million. Operating expenses were impacted by a \$56 million non-cash provision related to a prepayment for a long-term supply contract, which Suntech is currently disputing. Suntech generated positive operating cash flow of approximately \$5 million during the quarter.

David King, Suntech's CEO, said, "In the second quarter, greater demand from European markets, China, Japan and Australia drove sequential shipment growth, and we continued to progress towards our annual cost targets. However, the global imbalance between supply and demand, and the challenging price environment continue to impede profitability."

"As we are operating in a highly competitive market, it is extremely important to focus on financial and operational discipline. In the second half of this year, we will continue to drive down cost, negotiate better terms with our suppliers, and stringently manage working capital," continued Mr. King. "We will also manage the balance between price and volume in order to improve margins. For that reason, we have decided to reduce our annual shipment target to the range of 1.8GW to 2.0GW."

"While the current climate is very challenging for solar manufacturers, there has never been a better time to be a solar customer and we are optimistic about the long-term growth potential of the solar industry. With roughly seven gigawatts deployed in more than 80 countries, Suntech has the right experience, scale, and people to lead the industry through the current instability," added Mr. King.

Suntech expects shipments of PV products in the third quarter of 2012 to be relatively flat with the second quarter of 2012. The gross margin in the third quarter of 2012 is expected to be in the low single digits. Suntech now expects 2012 annual PV shipments to be in the range of 1.8GW to 2.0GW, compared to previous guidance of 2.1GW to 2.5GW.

Mr. King noted, "We are continuing to pursue a number of options to refinance our 2013 convertible notes and intend to address this issue in the near future. In addition, we are making good progress with our due diligence of GSF assets and we will provide an update when we have new developments."

The estimates presented in this press release are preliminary, unaudited and subject to further adjustments. The actual results could turn out to be higher or lower. In July, Suntech announced that it is conducting an investigation into a security interest the Company received in connection with its investment in Global Solar Fund, S.C.A., Sicar. Suntech is currently assessing the potential impact of the GSF investigation and its dispute with a supplier on its consolidated financial statements and is not in a position to provide additional financial data at this time. The Company intends to publish its consolidated financial statements once the financial assessment is complete later in 2012 and will continue to inform investors of any material developments in a timely manner.

About Suntech

Suntech Power Holdings Co., Ltd. (NYSE: STP) produces industry-leading solar products for residential, commercial, industrial, and utility applications. With regional headquarters in China, Switzerland, and the United States, and gigawatt-scale manufacturing worldwide, Suntech has delivered more than 25,000,000 photovoltaic panels to over a thousand customers in more than 80 countries. Suntech's pioneering R&D creates customer-centric innovations that are driving solar

to grid parity against fossil fuels. Our mission is to provide everyone with reliable access to nature's cleanest and most abundant energy source.

For more information about our people and products visit <http://www.suntech-power.com>.

Safe Harbor Statement

This press release contains forward-looking statements. These statements constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "plans to", "expects to", "anticipates," "future," "intends to," "optimistic," "plans," "believes," "considers" and similar statements and includes Suntech's preliminary results for the second quarter of 2012, its ability to continue to drive down cost, negotiate better terms with suppliers, achieve shipment growth in the third quarter, and achieve 1.8GW-2GW of shipments in 2012. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Further information regarding these and other risks is included in Suntech's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F. Suntech does not undertake any obligation to update any forward- looking statement as a result of new information, future events or otherwise, except as required under applicable law.

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