

SUNPOWER CORP
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Subject Company: SunPower
Corporation
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PowerLight Acquisition
November, 2006

This presentation contains forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. This press release contains forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. We use words such as believes, plans and expects and similar expressions to identify forward-looking statements. Forward-looking

statements in this presentation include, but are not limited to, statements related to the benefits of the proposed transaction between SunPower and PowerLight, the completion of the transaction, our plans and expectations for financial performance, the accretive nature of the transaction and our ability to meet our long term financial model and margin projections, and the development and future cost structure of the solar power industry. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements including difficulties encountered in integrating the merged businesses; the risk that the transaction does not close, including the risk that requisite stockholder and regulatory approvals may not be obtained; the possibility that expected synergies and cost savings will not be obtained; the uncertainty of business and economic conditions and growth trends in the solar power industry; our ability to obtain adequate supply of polysilicon and silicon ingots to manufacture our

products
and
the
price
we
pay
for
such

material, our ability to ramp new production lines, our ability to realize expected manufacturing efficiencies, the possibility of production difficulties, the risk of continuation of supply of products and components from suppliers to PowerLight, including competitors of SunPower, and the continuation of existing large-scale PowerLight customer projects, and other risk factors are contained in documents that the company files with the SEC, including the Form 10-K for fiscal 2005 and its recent 10-Qs, as well as filings we make with regard to this transaction. SunPower is under no obligation to, and expressly disclaims any responsibility to update or alter, its forward-looking statements, whether as a result of new information, future events or otherwise.

Note that the financial information includes and identifies as such, non-GAAP financial information. Management will provide reconciliation to GAAP for this financial information.

Safe Harbor Statement

SunPower plans to file with the SEC a Registration Statement on Form S-4 in connection with the transaction.

The Registration Statement will contain important information about SunPower, PowerLight, the transaction and related matters. Investors and security holders are urged to read the Registration Statement carefully when they are available.

Investors and security holders will be able to obtain free copies of the

Registration Statement and other documents filed with the SEC by
SunPower

through the web site maintained by the SEC at www.sec.gov. In addition,
investors and security holders will be able to obtain free copies of the
Registration Statement from SunPower by contacting Investor Relations at
408-240-5588 or <http://investors.sunpowercorp.com/sec.cfm>.

Important Registration Information

PowerLight Agreement Summary

\$265 MM upfront consideration

\$67.5 MM retention carve-out vesting over 2-4 years

Tax-free merger; 40% cash and 60% stock

Definitive agreement signed November 15, 2006

Closing Q1 07 subject to customary closing conditions

PowerLight Acquisition Benefits

Investor Value

Accelerate revenue and EPS growth

EPS accretive (Non-GAAP)

Maintain long-term financial model objectives: 30/10/20

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Strategic Objectives

Extend leadership in key applications and markets

Apply technology leadership across the value chain

Accelerate product innovation to drive channel efficiency

Radically simplify & improve customer experience

SunPower / PowerLight Goals

Market Leadership

Commercial & residential in target markets

US production homes

Top solar brand

Technology Leadership

Highest efficiency solar cells and panels

Lowest cost / kWh system solutions

Compete with retail electric rates

Reduce installed system cost 50% by 2012

Residential Retrofit
New Production Homes
Commercial & Public
Power Plants
SunPower and PowerLight Applications

Wafer
Solar Cell
Solar Panel
System
Ingot

Highest conversion efficiency

Unique, proprietary technology

Manufacturing excellence

Low engineering labor cost locations

Polysilicon

SunPower Value Chain Focus

PowerLight System Value Chain

Large-scale customer focus

Differentiated, high-value technology

More than 50 U.S. and international patents

Innovative financial solutions tailored to application

Engineering

Proj. Mngt.

Monitor

Service

Finance

Commercial
Public Sector
Marquee Customer Base
Home Builders

Germany
New Jersey
Broad Geographic Footprint
Nevada
Hawaii
Portugal
Serpa

Ground Breaking Q2 06
California
Spain
Korea
November 2006

#1 US solar roofing product

Light-weight, no roof penetrations

Rapid installation, low labor cost

Insulation and protection value

Leverages high-efficiency panels

PowerLight Technology Leadership: PowerGuard®

PowerLight Software Tools

Web-based solar
system performance
monitoring

Includes real-time home

power consumption data

Automated design
software facilitates
system layout

Reduces system design
and costing effort

Web-based solar
system performance
simulation

Validated with 100s of
systems over 20 years
System Design Tools
PVGrid
Home Services Network

SunPower Technology Leadership
SunPower
215 Watt Panel
Conventional
165 Watt Panel
Superior Performance
Superior Aesthetics

solar

PowerLight s
Bavaria Solarpark
6.3 MW:
Conventional
8.3 MW:
SunPower

Synergy Example: PowerTilt

Patented next-gen
commercial roofing system

Product design incorporates mounting functionality

Factory assembled by SunPower

Integrated design reduces site labor

Lowest cost / kWh system solution

TM

Synergy Example: SunTile®

Attractive aesthetics

Maximum power

Space efficient

Easy-install design
PowerLight SunTile®
Roof Integrated
System

2007*
Revenue
> \$600 MM
EPS (Non-GAAP)
Immediately accretive
Acquisition Financials
Post

Acquisition

Post

Acquisition

Short

Term Impact

Accelerates revenue and earnings growth

Gross margin deviates by 250

350 bps from model during 2007

Long

Term Goals

\$1 billion run-rate revenue (2008)

Achieve 30 / 10 / 20 financial model by late 2008

*Assumes consolidation in the beginning of Q1 07.

Appendix Slides

PowerLight Profile

Over 100 MW deployed or in deployment

Global presence: US, Germany, Southern Europe, Korea

Strong market position for U.S. commercial systems

Strong market position for US solar production new homes

Early market leader in solar power plants

Complementary team and scope, low integration risk

Executive leaders: 50 + years of solar expertise

System Design Leadership Opportunities

Components:

Supply chain:

Monitoring:

Features:

Assembly:

Mark-ups:

Five
Efficient
Performance + load
Integrated and efficient
Factory
30% gross margin model
Today
Today
Tomorrow
Tomorrow
Nine
Complex
Performance
Redundancy
Field & factory
Multiple
Opportunity
Opportunity

Lowest cost tracker

Up to 35% more energy

Single controller drives 250 kW

Leverages high-efficiency cells
Extend Technology Leadership : PowerTracker®

Radically Simplify and Improve the Experience

Educate solar customers

Reduce design and order time

Rationalize equipment delivery

Design to limit installation time

Design to meet needs

Roof life

Insulation value

Aesthetics

Develop and train installers

Integrate performance monitoring

Reward customers

(\$40)
(\$20)
\$0
\$20
\$40
\$60
1

3

5

7

9

11

13

15

17

19

21

23

25

Year

2006 - CA Incentives

2016 - No Incentives

2016

Goal: No Incentives

2006

CA Incentives

Solar Customer Cash Flow

(\$ Thousands)

California Residential Solar Customer Economics

\$0
\$10
\$20
\$30
\$40
\$50
\$60

\$70
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4F
Quarterly Revenue
(\$ Millions)
\$11
\$16
\$22
\$29
\$55
2005
2006
\$70-72
SunPower
Revenue Growth
\$42
\$65

Actual
9/30/05
Actual
9/30/05
Sales
(1)
Gross Margin

Operating Expense

Operating Margin

19%

18%

0.4%

\$22

Actual

9/30/06

Actual

9/30/06

25%

12%

13%

\$65

Q4 2006

(Street)

Q4 2006

(Street)

26%

11%

15%

\$71

Long Term

Target

Long Term

Target

30%

10%

20%

Note: Excludes non-cash charges.

(1) Sales estimates are First Call Consensus estimates.

30%+ CAGR

(\$ Millions)

SunPower

Financial Results and Plan

0
100
200
300
400
At IPO
Today

Q4 2006

2007F

2008F

Installed Capacity

(MW / year)

Line 1

Lines 1-3

Lines 1-4

Lines 8-12

Lines 5-7

Cell Manufacturing Ramp Plan

Wafer
Solar Cell
Solar Panel
System
Ingot
Polysilicon
Upstream Landscape

High concentration of poly and ingot suppliers

Poly prices and margins are attracting new entrants

Approach: partner with new capacity providers

Ingot manufacturing is next supply bottleneck

Approach: JV in ingot manufacturing for 2007 and beyond

Growth Aligned With Silicon Supply

Silicon Supply Position (MW)

0

50

100

150

200

250
2007F
2008F
Jan 1 Capacity
Annual Silicon

Conventional
Solar Cell
14 -
17%
Efficiency
SunPower's
Solar Cell

20 -
22%
Efficiency
P
N
Light
Electrical
contacts
P
P
P
N
N
N
Electrical contacts
Backside mirror
Light
Solar Cell Technology Comparison
Silicon wafer
Silicon wafer