

MEMC ELEC. MTRL. NYSE-WFR

RECENT PRICE **61.54** P/E RATIO **14.5** 19.4 NMF RELATIVE P/E RATIO **0.94** DIV'D YLD Nil VALUE LINE

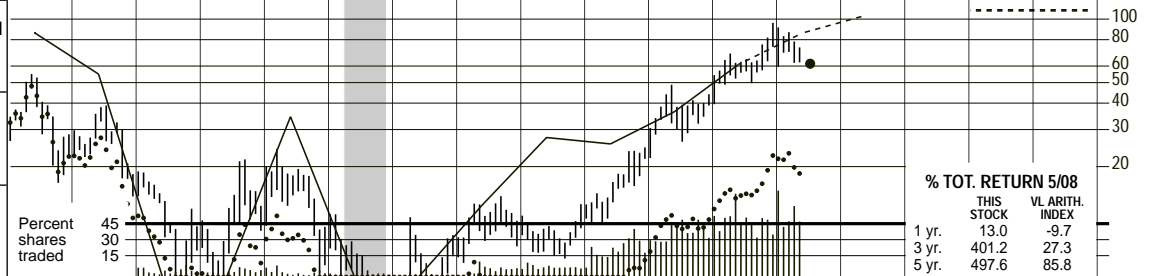
TIMELINESS 3 Lowered 7/11/08
SAFETY 3 New 7/13/07
TECHNICAL 5 Lowered 6/27/08
BETA 1.60 (1.00 = Market)

High: 38.9 19.0 21.6 24.3 11.9 11.5 14.5 13.3 24.7
 Low: 14.4 2.9 5.4 6.3 1.0 2.3 7.0 7.3 10.7
LEGENDS
 — 18.5 x "Cash Flow" p sh
 ... Relative Price Strength
 Options: Yes
 Shaded area indicates recession

2011-13 PROJECTIONS
 Price Gain Ann'l Total
 High 170 (+175%) 29%
 Low 110 (+80%) 15%

Insider Decisions
 A S O N D J F M A
 to Buy 1 0 0 0 0 0 0 0 1
 Options 1 2 2 4 1 0 3 1 0
 to Sell 1 2 2 4 1 0 4 1 0

Institutional Decisions
 3Q2007 4Q2007 1Q2008
 to Buy 305 336 345
 to Sell 252 258 292
 Hlds(000) 195858 202390 203666



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	28.24	26.99	24.36	18.74	9.97	12.52	8.88	3.51	3.77	4.93	5.00	6.90	8.38	10.25	12.35	Sales per sh	15.85
--	--	--	4.92	4.66	2.97	d1.61	.06	1.86	d4.94	.15	.71	1.49	1.38	1.97	3.30	4.65	5.65	"Cash Flow" per sh	7.55
--	--	--	2.78	2.45	d.16	d5.46	d2.49	d.62	d7.51	d.17	.53	1.20	1.10	1.61	2.91	4.25	5.20	Earnings per sh A	7.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
--	--	--	6.86	14.23	9.19	4.80	.71	.83	.72	.11	.41	.72	.73	.66	1.21	1.40	1.60	Cap'l Spending per sh	2.50
--	--	--	20.46	17.89	17.24	9.85	6.22	5.26	d.29	d.13	.94	2.13	3.21	5.23	8.87	12.50	16.80	Book Value per sh	25.85
--	--	--	31.40	41.47	40.51	40.51	69.53	69.61	69.61	195.53	207.00	208.39	221.52	223.26	229.30	230.00	235.00	Common Shs Outst'g B	240.00
--	--	--	11.1	13.6	--	--	--	--	--	--	20.3	7.8	14.9	22.1	21.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
--	--	--	.74	.85	--	--	--	--	--	--	1.16	.41	.79	1.19	1.11	--	--	Relative P/E Ratio	1.35
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	Nil

CAPITAL STRUCTURE as of 3/31/08
 Total Debt \$35.0 mill. Due in 5 Yrs \$19.0 mill.
 LT Debt \$29.0 mill. LT Interest \$1.5 mill.
 (1% of Cap'l)

Leases, Uncapitalized Annual rentals \$4.3 mill.

Pension Assets-12/07 \$137.1 mill. **Oblig.** \$173.9 mill.
Pfd Stock None

Com. Stock 227,742,861 shs.
 as of 4/30/08
MARKET CAP: \$14.0 billion (Large Cap)

758.9	693.6	871.6	617.9	687.2	781.1	1028.0	1107.4	1540.6	1921.8	2360	2900	Sales (\$mill)	3800
NMF	.0%	18.4%	NMF	16.6%	22.2%	29.5%	28.4%	40.8%	48.4%	51.0%	54.0%	Operating Margin	60.0%
155.9	159.1	173.1	174.6	34.2	31.0	44.1	57.2	70.3	80.7	95.0	105	Depreciation (\$mill)	130
d221.2	d155.2	d43.4	d518.4	d5.1	116.6	265.5	249.4	369.3	675.2	980	1220	Net Profit (\$mill)	1680
--	--	--	--	NMF	23.6%	--	--	36.4%	23.0%	25.0%	25.0%	Income Tax Rate	30.0%
NMF	NMF	NMF	NMF	NMF	14.9%	25.8%	22.5%	24.0%	35.1%	41.5%	42.1%	Net Profit Margin	44.0%
40.5	86.3	86.8	42.3	77.6	121.3	174.7	211.4	641.7	1145.3	1200	1750	Working Cap'l (\$mill)	3000
871.2	869.8	943.0	144.7	161.0	59.3	116.1	34.8	29.4	25.6	30.0	30.0	Long-Term Debt (\$mill)	30.0
399.0	432.8	366.4	d20.2	d24.7	193.6	442.9	711.3	1166.9	2035.0	2875	3950	Share Equity (\$mill)	6200
NMF	NMF	NMF	NMF	15.6%	48.3%	48.7%	33.8%	31.0%	32.8%	33.5%	30.5%	Return on Total Cap'l	27.0%
NMF	NMF	NMF	--	--	60.2%	59.9%	35.1%	31.6%	33.2%	34.0%	31.0%	Return on Shr. Equity	27.0%
NMF	NMF	NMF	--	--	60.2%	59.9%	35.1%	31.6%	33.2%	34.0%	31.0%	Retained to Com Eq	27.0%
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CURRENT POSITION 2006 2007 3/31/08
 Cash Assets 585.5 1316.4 1285.3
 Receivables 199.1 197.9 217.3
 Inventory (FIFO) 80.2 36.4 33.2
 Other 34.7 38.8 27.7
 Current Assets 899.5 1589.5 1563.5
 Accts Payable 125.4 168.3 159.7
 Debt Due 5.0 5.3 6.0
 Other 127.4 270.6 307.5
 Current Liab. 257.8 444.2 473.2

BUSINESS: MEMC Electronic Materials, Inc. engages in the design, manufacture, and sale of electronic-grade wafers for the semiconductor industry. The company offers a prime polished wafer, which is a refined pure wafer with an ultraflat and ultraclean surface; an epitaxial wafer that consists of a thin silicon layer grown on the polished surface of the wafer; and a test/monitor wafer for use

in testing semiconductor fabrication lines and processes. Foreign business about 76% of '07 sales. R&D: 2.0% of sales. Depreciation rate: 6.7%. Has approximately 4,900 employees. Off./dir own about .2% of common shares out. (3/08 proxy). Pres. and CEO: Nabeel Gareeb. Incorp.: Delaware. Address: 501 Pearl Drive, PO Box 8, St Peters, MO 63376. Tel.: 636-474-5000. Internet: www.memc.com.

ANNUAL RATES Past Past Est'd '05-'07
 of change (per sh) 10 Yrs. 5 Yrs. to '11-'13
 Sales -13.0% -4.0% 15.5%
 "Cash Flow" -6.0% -- 22.5%
 Earnings 1.0% -- 24.5%
 Dividends -- -- Nil
 Book Value -11.0% -- 28.5%

MEMC Electronic Materials matched our watered-down expectations for the March quarter. During the period, the company issued a statement that first-quarter revenues and margins wouldn't be within initial guidance due to accelerated chemical deposit buildups inside its new expansion unit at its Pasadena, Texas polysilicon facility. Nevertheless, despite the company's inability to take full advantage of healthy market demand (as plant utilization was 20% below December-quarter levels), MEMC modestly outpaced both our earnings and sales forecasts for the period. This largely reflected cost-reduction efforts and a more profitable product mix.

It appears that management may well be somewhat conservative with its expectations for the interim, due to the March period's production problems. We also look for operating expenses to decline to under \$40 million in the June quarter, compared to about \$41 million the prior period.

Cal-endar	QUARTERLY SALES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	250.9	272.3	280.7	303.5	1107.4
2006	341.6	370.6	407.9	420.5	1540.6
2007	440.4	472.7	472.8	535.9	1921.8
2008	501.4	560	630	668.6	2360
2009	680	715	740	765	2900

We have left our earnings estimates intact for both 2008 and 2009, despite a lackluster domestic economy. Management notes that demand for semiconductor wafers has weakened in recent weeks, which has resulted in price declines relative to first-quarter levels. On the other hand, demand for solar silicon remains quite strong. We are at the high end of management's revenue guidance of \$540 million-\$570 million for the June quarter.

The company appears to be well positioned for the long pull. Its solar exposure is lucrative, particularly given current conditions in the energy markets. Although the stellar rate of growth in this sector may slow somewhat in the years ahead, it should remain decent, nevertheless. MEMC also has about \$5.60 per share in cash on its ledger, which gives it the financial wherewithal to expand production when it deems fit or to pursue a complementary acquisition. Too, this cash hoard would come in handy if the chip market experiences a prolonged downturn, though we do not predict such an occurrence anytime soon.

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	.25	.18	.45	.22	1.10
2006	.29	.36	.40	.56	1.61
2007	.58	.71	.65	.97	2.91
2008	.81	1.01	1.15	1.28	4.25
2009	1.24	1.28	1.32	1.36	5.20

These shares are neutrally ranked for Timeliness. The stock's long-term gains prospects have been enhanced by the issue's recent moderate price pullback.

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2004					
2005					
2006					
2007					
2008					

Alan G. House
 July 11, 2008

(A) Diluted earnings per share. Excludes non-recurring loss: '07, Q1; 13¢. Next egs. report due mid-July. (B) In millions.

Company's Financial Strength	A
Stock's Price Stability	15
Price Growth Persistence	60
Earnings Predictability	20