
Filed by SunPower Corporation Pursuant to Rule
425 Under the Securities Act of 1933 And Deemed
Filed Pursuant to 14a-12 Under the Securities Act
of 1934

Subject Company: SunPower Corporation

Commission File No.: 000-51593

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PowerLight Acquisition
November, 2006



Safe Harbor Statement

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 a reconciliation to GAAP for this financial information.

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Important Registration Information

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>.

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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

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SunPower and PowerLight Applications

Residential Retrofit



Power Plants



New Production Homes

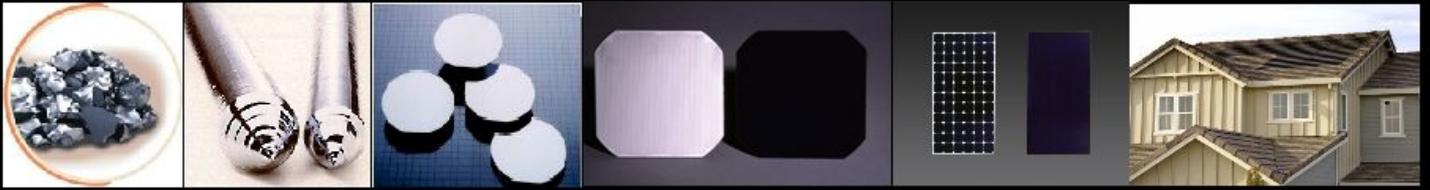


Commercial & Public



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SunPower Value Chain Focus



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Polysilicon

Ingot

Wafer

Solar Cell

Solar Panel

System

- Highest conversion efficiency
- Unique, proprietary technology
- Manufacturing excellence
- Low engineering labor cost locations

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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

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Marquee Customer Base

Commercial

Johnson & Johnson

TARGET

Neutrogena

LOWE'S
Improving Home Improvement

FETZER
VINEYARDS

FedEx

Microsoft

TOYOTA

Public Sector

UC University of California



UNITED STATES
POSTAL SERVICE

United States Navy

Home Builders



STANDARD PACIFIC HOMES

CENTEX

LENNAR
Quality. Value. Integrity.

SheaHomes
Caring since 1881

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Broad Geographic Footprint

California



New Jersey



Nevada



Hawaii



Germany



Spain



Portugal



Korea



Serpa Ground Breaking Q2 '06

November 2006

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PowerLight Technology Leadership: PowerGuard®

- #1 US solar roofing product
- Light-weight, no roof penetrations
- Rapid installation, low labor cost
- Insulation and protection value
- Leverages high-efficiency panels



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PowerLight Software Tools

System Design Tools

- Automated design software facilitates system layout
- Reduces system design and costing effort

PVGrid

- Web-based solar system performance simulation
- Validated with 100s of systems over 20 years

Home Services Network

- Web-based solar system performance monitoring
- Includes real-time home power consumption data

	REVENUE	COSTS	CASHFLOW	CUMULATIVE CASHFLOW	CUMULATIVE IRR	CUMULATIVE NPV
1 Initial Investment	11.1	2.0	1.2	3.8	3.5	6.0
2 Annual Revenue	5.44	2.82	2.62	6.44	6.44	8.15
3 Annual Costs	2.580	1.500	1.080	7.36	7.36	9.00
4 Annual Cash Flow	2.86	1.32	1.54	8.90	8.90	9.85
5 Cumulative Cash Flow	11.0	4.6	6.4	15.3	15.3	21.8
6 NPV						8,612



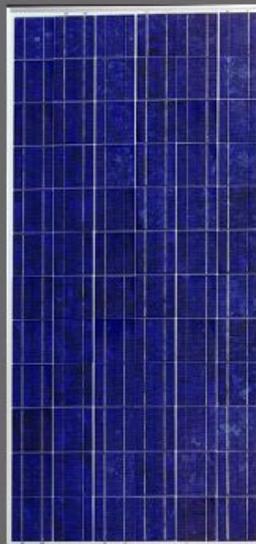
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SunPower Technology Leadership

Superior Performance
Superior Aesthetics



SunPower
215 Watt Panel



Conventional
165 Watt Panel

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PowerLight's Bavaria Solarpark



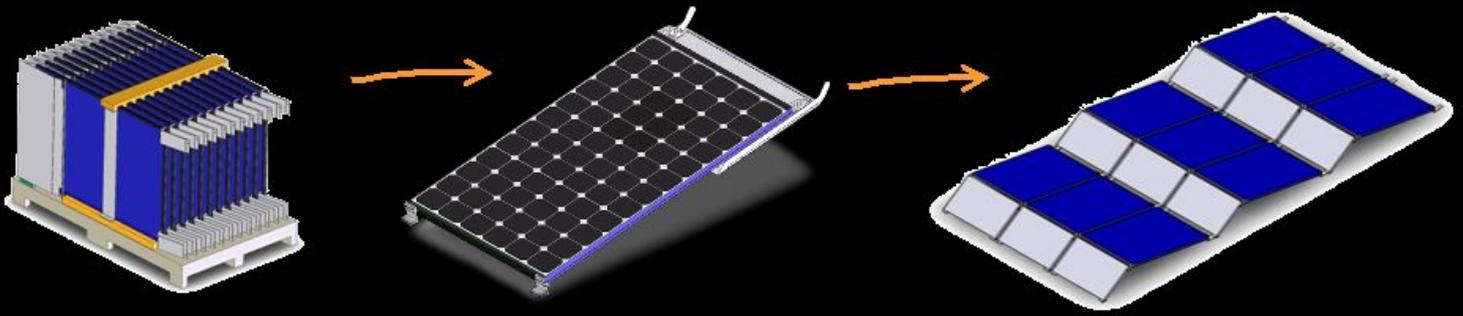
6.3 MW:
Conventional



8.3 MW:
SunPower

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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

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Synergy Example: SunTile®

- Attractive aesthetics
- Maximum power
- Space efficient
- Easy-install design



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Acquisition Financials

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

- 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.

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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

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System Design Leadership Opportunities

Opportunity	Today	Tomorrow
Components:	Nine	Five
Supply chain:	Complex	Efficient
Monitoring:	Performance	Performance + load
Features:	Redundancy	Integrated and efficient
Assembly:	Field & factory	Factory
Mark-ups:	Multiple	30% gross margin model

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Extend Technology Leadership : PowerTracker®

- Lowest cost tracker
- Up to 35% more energy
- Single controller drives 250 kW
- Leverages high-efficiency cells



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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



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California Residential Solar Customer Economics

Solar Customer Cash Flow (\$ Thousands)



SunPower Revenue Growth



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SunPower Financial Results and Plan

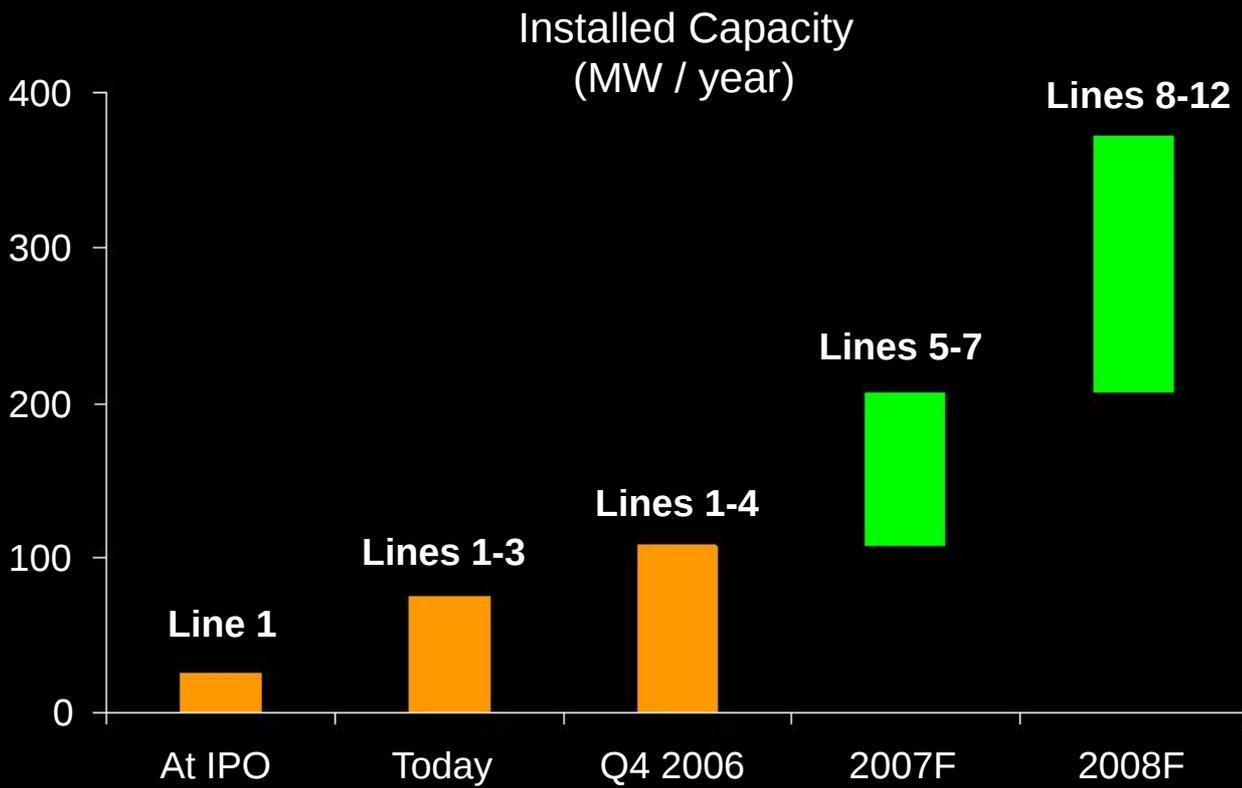
(\$ Millions)	Actual 9/30/05	Actual 9/30/06	Q4 2006 (Street)	Long Term Target
Sales ⁽¹⁾	\$22	\$65	\$71	30%+ CAGR
Gross Margin	19%	25%	26%	30%
Operating Expense	18%	12%	11%	10%
Operating Margin	0.4%	13%	15%	20%

Note: Excludes non-cash charges.

(1) Sales estimates are First Call Consensus estimates.

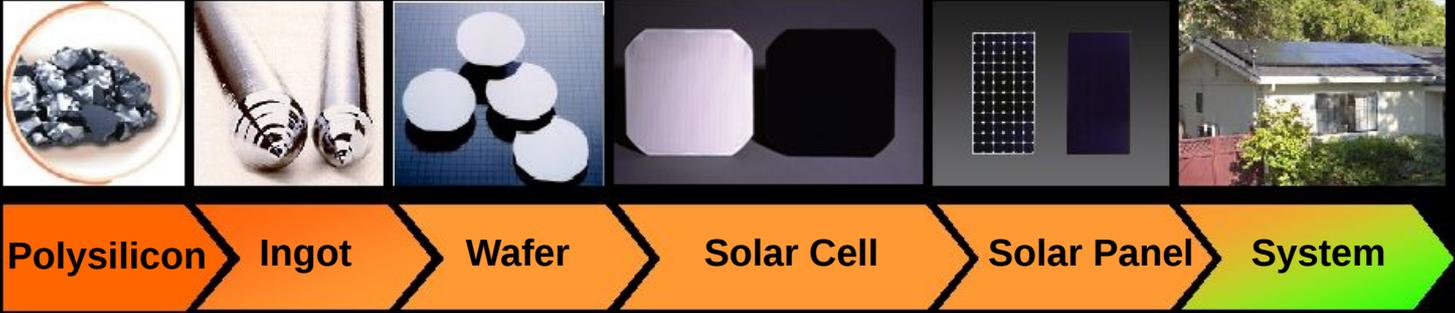
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Cell Manufacturing Ramp Plan



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Upstream Landscape

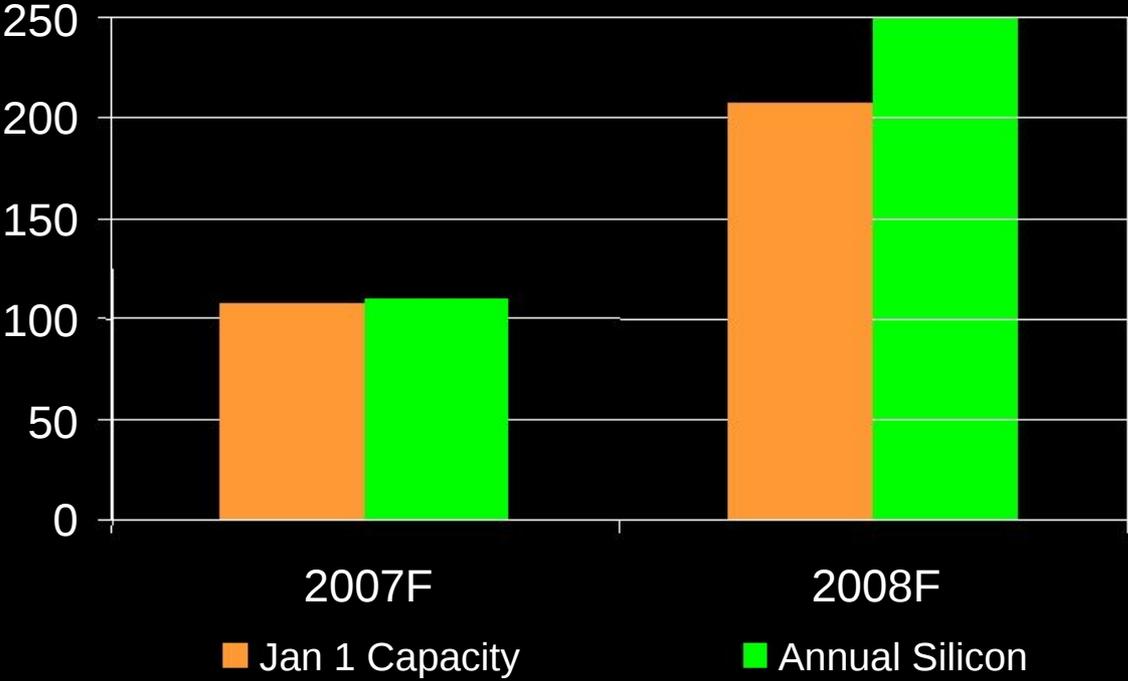


- High concentration of poly and ingot suppliers
- Poly prices and margins are attracting new entrants
 - Approach: partner with new capacity providers
- Ingot manufacturing is next supply bottleneck
 - Approach: JV in ingot manufacturing for 2007 and beyond

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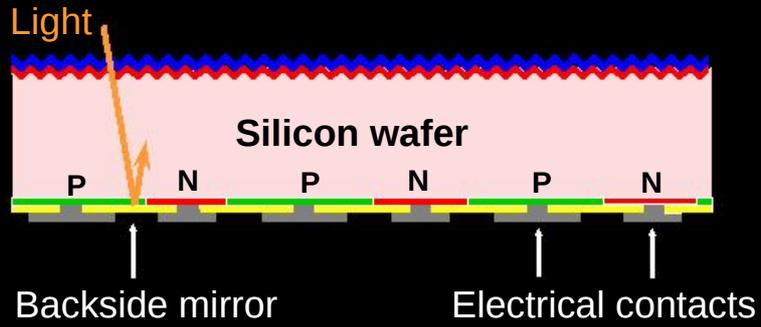
Growth Aligned With Silicon Supply

Silicon Supply Position (MW)

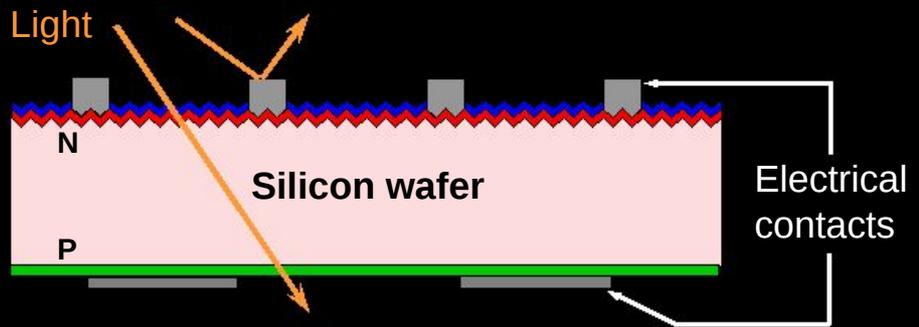


Solar Cell Technology Comparison

SunPower's
Solar Cell
20 - 22%
Efficiency



Conventional
Solar Cell
14 - 17%
Efficiency



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