STR Holding’s Strategic Transaction - Quality Assurance

August 16, 2011

STR Holdings, Inc.

Safe Harbor Statement

STR Holdings, Inc.

This presentation contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including with respect to our guidance. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in STR Holdings’ Form 10-K filed March 11, 2011 with the SEC, as well as in subsequent periodic SEC filings. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you see or hear during this presentation reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.

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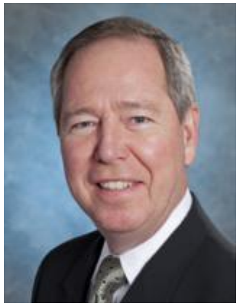
Dennis Jilot, Chairman, President
and Chief Executive Officer

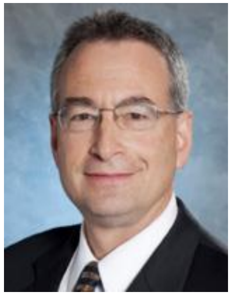


Strategic Rationale

- Full fair value sale price
  - ~18x 2011 guidance mid-point Adjusted EBITDA
  - ~20x trailing twelve month Adjusted EBITDA
- Timely – QA industry multiples up, Solar industry multiples down
- Expected annual accretion of ~$0.04 to Non-GAAP EPS from continuing operations
- Focus resources on attractive growth opportunities in Solar and related businesses
- Replacement of current credit facility will allow for share buybacks and provide more flexible terms to pursue growth initiatives
- Allow corporate leadership to focus 100% on Solar

STR Holding's Strategic Transaction - Quality Assurance

Barry Morris, Executive Vice President
and Chief Financial Officer



Proposed Transaction Overview

- Purchase of STR's Quality Assurance Business by UL (Underwriters Laboratories, Inc.)
- Price: $275 million cash purchase, plus assumed cash
- Anticipated Closing: No later than September 30, 2011
- Anticipated After-Tax Proceeds: ~$187 million
  - Represents a net purchase price of ~$4.40 per share
- Use of Proceeds: Prepayment of $238 million of 1st and 2nd lien debt with sale proceeds and existing cash
- Requires the repatriation of ~$45 million of QA foreign cash that will result in ~$27 million of after-tax proceeds

Preliminary Pro-forma Balance Sheet

STR Holdings, Inc.

All amounts in thousands

	June 30, 2011	Removal of QA June 30, 2011	Net Proceeds June 30, 2011	Debt Settlement June 30, 2011	Pro-forma June 30, 2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ASSETS					
Cash and cash equivalents	$ 95,377	$ -	$ 169,000	$ (237,628)	$ 26,749
Other current assets	117,733	(21,274)	-	-	96,459
Property, plant and equipment, net	84,959	(19,542)	-	-	65,417
Other long term assets	428,164	(129,406)	-	(3,807)	294,951
Total assets	$ 726,233	$ (170,222)	$ 169,000	$ (241,435)	$ 483,576
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of long-term debt	$ 1,850	$ -	$ -	$ (1,850)	$ -
Other current liabilities	44,870	(14,341)	-	(28)	30,501
Total current liabilities	46,720	(14,341)	-	(1,878)	30,501
Long-term debt, less current portion	235,750	-	-	(235,750)	-
Other long-term liabilities	88,626	(32,289)	(18,000)	-	38,337
Total liabilities	371,096	(46,630)	(18,000)	(237,628)	68,838
Stockholders' equity	355,137	(123,592)	187,000	(3,807)	414,738
Total liabilities and stockholders' equity	$ 726,233	$ (170,222)	$ 169,000	$ (241,435)	$ 483,576

Preliminary Pro-Forma Full Year Accretion Analysis

	2010 Actual (Unaudited)	2011 Guidance – Low (Unaudited)	2011 Guidance – Mid (Unaudited)	2011 Guidance – High (Unaudited)
Loss of Earnings:				
QA EBITDA	$15.0M	$15.0M	$15.8M	$16.5M
Depreciation	$6.4M	$6.7M	$6.7M	$6.7M
Pre-tax income	$8.6M	$8.3M	$9.1M	$9.8M
Tax impact @ 36.5%	($3.1)M	($3.0)M	($3.3)M	($3.6)M
Loss of pro-forma earnings	$5.5M	$5.3M	$5.8M	$6.2M
Savings:				
Net interest expense*	$10.4M	$9.7M	$9.7M	$9.7M
Corporate savings	$1.3M	$2.0M	$2.0M	$2.0M
Total pre-tax savings	$11.7M	$11.7M	$11.7M	$11.7M
Tax impact @ 36.5%	$(4.3)M	$(4.3)M	$(4.3)M	$(4.3)M
Total savings	$7.4M	$7.4M	$7.4M	$7.4M
$ Accretion	$1.9M	$2.1M	$1.6M	$1.2M
Shares outstanding	42.1M	42.5M	42.5M	42.5M
EPS accretion	**$0.05**	**$0.05**	**$0.04**	**$0.03**

***Net interest expense includes interest expense, interest income and gain on interest rate swap. It does not include amortization of deferred financing costs which is excluded for non-GAAP EPS purposes.**

2011 interest expense is calculated at current LIBOR rates. A 100 basis point increase in LIBOR would increase savings on interest expense by approximately $2.38M and increase EPS accretion by approximately 3.5 cents.

Non-GAAP EPS From Continuing Operations - Previously Reported and Guidance Reconciliation

PRIOR AMOUNTS	Q1 2011 Actual (Unaudited)	Q2 2011 Actual (Unaudited)	Q3 2011 Mid-point Guidance (Unaudited)	Q4 2011 Mid-point Guidance (Unaudited)	FY 2011 Mid-point Guidance (Unaudited)
Net earnings	$ 10.8	$ 9.7	$ 5.0	$ 11.8	$ 37.3
Amortization of deferred financing	0.3	0.3	0.3	0.3	1.2
Stock based compensation expense	1.3	1.3	1.4	1.4	5.4
Intangible asset amortization	2.9	2.9	2.9	2.9	11.6
Pre-tax non-GAAP net earnings	15.3	14.2	9.6	16.4	55.5
Tax effect	(1.5)	(1.5)	(1.5)	(1.5)	(6.0)
	$ 13.8	$ 12.7	$ 8.1	$ 14.9	$ 49.5
Weighted-average common shares outstanding:					
Diluted	42.2	42.0	42.5	42.5	42.5
Non-GAAP net earnings per share					
Diluted	$ 0.33	$ 0.30	$ 0.19	$ 0.35	$ 1.17

RECASTED AMOUNTS	Q1 2011 Recasted (Unaudited)	Q2 2011 Recasted (Unaudited)	Q3 2011 Mid-point Guidance (Unaudited)	Q4 2011 Mid-point Guidance (Unaudited)	FY 2011 Mid-point Guidance (Unaudited)
Net earnings from continuing operations	$ 12.2	$ 9.2	$ 3.6	$ 12.2	$ 37.2
Amortization of deferred financing	0.3	0.3	0.3	-	0.9
Stock based compensation expense	1.1	1.1	1.1	1.1	4.4
Intangible asset amortization	2.1	2.1	2.1	2.1	8.4
Pre-tax non-GAAP net earnings	15.7	12.7	7.1	15.4	50.9
Tax effect	(1.1)	(1.2)	(1.1)	(1.0)	(4.4)
Non-GAAP earnings from continuing operations	$ 14.6	$ 11.5	$ 6.0	$ 14.4	$ 46.5
Weighted-average common shares outstanding:					
Diluted	42.2	42.0	42.5	42.5	42.5
Non-GAAP net earnings per share from continuing operations					
Diluted	**$ 0.35**	**$ 0.27**	**$ 0.14**	**$ 0.34**	**$ 1.10**
Difference	$ 0.02	$ (0.03)	$ (0.05)	$ (0.01)	$ (0.07)
QA DISCONTINUED OPERATIONS IMPACT					
QA EBITDA	$ 0.6	$ 4.0	$ 5.1	$ -	$ 9.7
Depreciation Expense	(1.7)	(1.7)	(1.7)	-	(5.1)
	(1.1)	2.3	3.4	-	4.6
Tax	(0.4)	0.9	1.3	-	1.7
QA Net Income	(0.7)	1.4	2.1	-	2.9
EPS	$ (0.02)	$ 0.03	$ 0.05	$ -	$ 0.07

Q3 and Full Year 2011 Recasted Guidance

Q3 2011	Low	High
Net Sales	$51M	$57M
Non-GAAP EPS	$0.12	$0.16

2011 3rd Quarter Assumptions:

- Reduced Encapsulant Demand
    - Module inventories continue to decline
    - Uncertainty in subsidy cuts reside
    - Encapsulant order patterns gradually improve
- Average Euro of 1.40
- Effective Tax Rate of 33%
- Shares Outstanding of 42.5 Million
- Removal of QA Earnings
- No Adjustments for Future Accretive Items

2011	Low	High
Net Sales	$261M	$275M
Non-GAAP EPS	$1.05	$1.15

2011 Full-Year Assumptions:

- Strong Uptick in Encapsulant Demand in Q4
    - Module inventories need replenishment
    - Lower module ASPs provide demand elasticity
    - Strong pull-in effect ahead of 2012 FiT cuts
- Average Euro of 1.39
- Effective Tax Rate of 33%
- Shares Outstanding of 42.5 Million
- All Debt Repaid At Closure
- Partial SG&A Savings in Q4