



**ReneSola**

**Q2 2007 Financial Results &  
Business Updates**

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## Safe Harbour Statement

**Except for historical information contained herein, the matters set forth in this presentation are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially, including the impact of competitive products and pricing, timely design acceptance by our customers, timely ramp up of production capacity, ability to ramp new products into volume, industry wide shifts in supply and demand for PV products, industry overcapacity, availability of manufacturing capacity, financial stability in end markets, and other risks.**

## Agenda

Financial Results – Mr. Charles Bai  
CFO

Q&A Session – Mr. Xian-Shou Li  
CEO

– Mr. Charles Bai  
CFO

– Mr. Paul Li  
VP of Business Development

– Mr. Bing-Hua Huang  
CTO



# Q2 2007 Financial Results

## Financial Results

	<b>2Q07</b>	<b>1Q07</b>	<b>2Q06</b>	<b>QoQ</b>	<b>YoY</b>	<b>1H07</b>	<b>1H06</b>	<b>YoY</b>
Output (MW)	<b>23</b>	15.3	7.5	47%	200%	37.8	10	278%
Net Revenue	<b>45,582</b>	36,597	17,099	25%	167%	82,179	24,062	242%
Gross Profit	<b>9,653</b>	8,945	5,584	8%	73%	18,598	7,370	152%
Operating Profit	<b>7,387</b>	7,959	5,155	(7%)	43%	15,346	6,687	129%
Non Operating Items								
Inv. Revenue	<b>1,095</b>							
Finance Cost	<b>(1,670)</b>							
F/X Loss & Others	<b>(2,249)</b>							
Net	<b>5,426</b>	6,416	5,046	(15%)	8%	11,842	6,542	81%
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Gross Margin	21%	24%				23%	31%	
Op. Margin	16%	22%				19%	28%	
Shares (Mn)	<b>100</b>	100				100	100	

In '000 USD

## Key Financial Highlights



### **Revenue:** Solid industry demand, Stable pricing, and increasing toll production

- ▶ Production met our revised guidance at 23MW in 2Q 2007
- ▶ Toll production accounted for 11% of output. We expect toll production increase.

### **Gross Profit:** Stable wafer pricing, but material cost increased

- ▶ Stable wafer pricing supported by solid demand
- ▶ Continued cost control measures to mitigate rising feed stock costs

### **Operating Profit:** High startup cost for future growth, and emerging strong operational leverage

- ▶ Proactive recruiting, staff training, and startup cost for planned expansion.
- ▶ Operating expenses as % of sales expected to decline with ramp up of production

### **Net Profit:** Increased financing charges eroded profitability

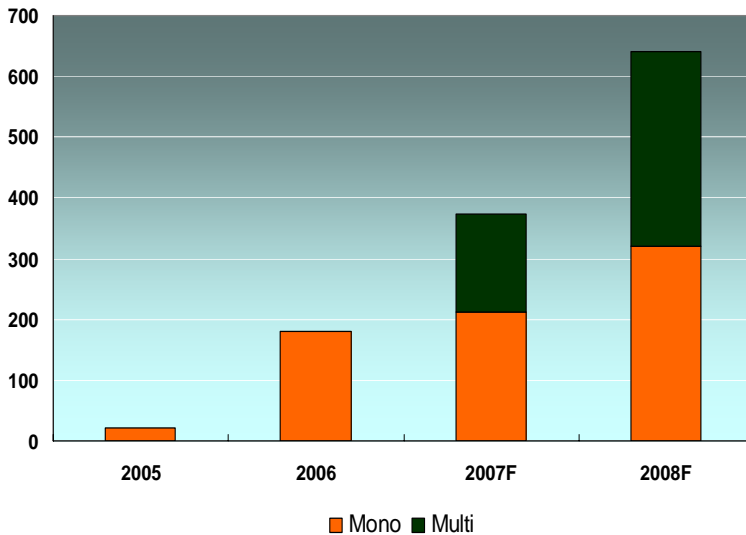
- ▶ Non cash expenses (F/X losses, and part of accrued CB interest)
- ▶ Non-cash charges have no impact on working capital
- ▶ Net EPS of US\$ 0.054 recognized in Q2 2007



# Business Outlook

## Capacity Expansion:

(MW, Year End)



Multi Furnace Installed



### End of 2007 Capacity: 373MW

- 213 MW Mono + 160 MW Multi
- Multi capacity installation now back on track
- Ramping up multi-crystal lines

### End of 2008 Capacity: 645MW

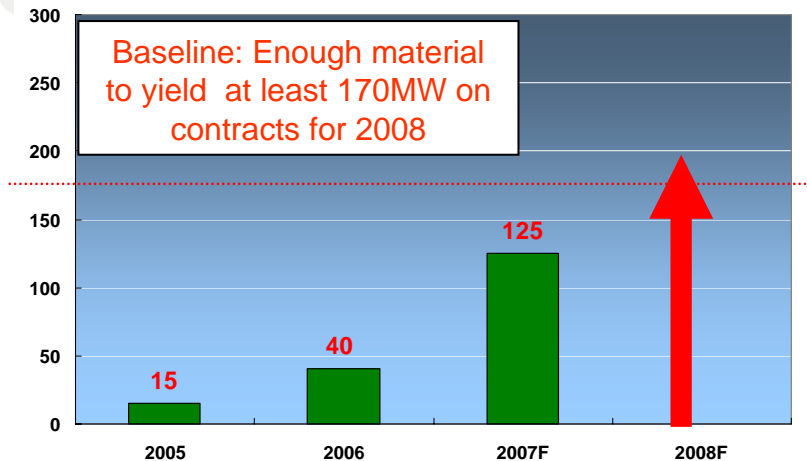
- 325 MW Mono + 320 MW Multi
- Stronger economy of scale
- Greater flexibility to meet customers' demands
- Reduction of required working capital from more toll production.

### Equipment sufficiency:

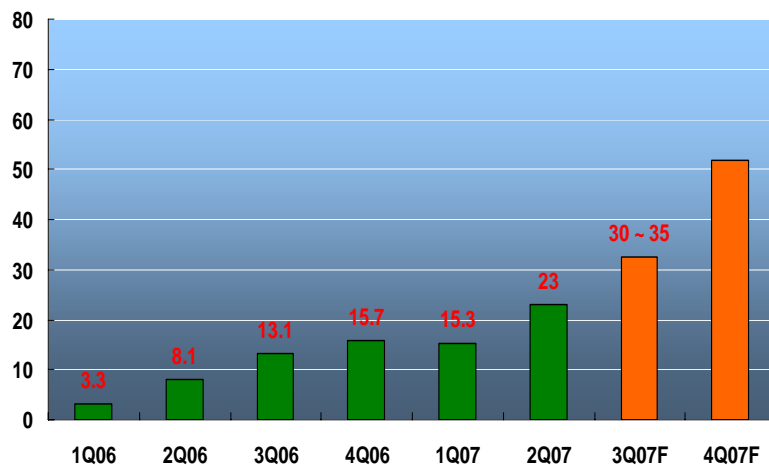
- Contracted majority of equipments for 2008
- Delivery of remainder equipments on schedule
- State of the art production lines

## Output projection – Feed stock sufficiency

Output & projection (MW)



MW Output ( & projection)



### 2007 Output: 120MW ~ 125 MW

- 38.3MW output in 1H07
- 30MW~ 35MW output expected in Q3 (419 tons feed stock inventory by end of July)
- 120MW~ 125MW output expected for 2007

### 2008 Output:

#### Raw material sufficiency of at least 180MW

- Breakthroughs in material sourcing (Own poly production, IC fabs, various poly makers, and material trading company)
- Multi - capacity expansion back
- Tolling operations to complement 2008 output



*Mono crystalline furnace*



*Meyer Burger Wire Saws*



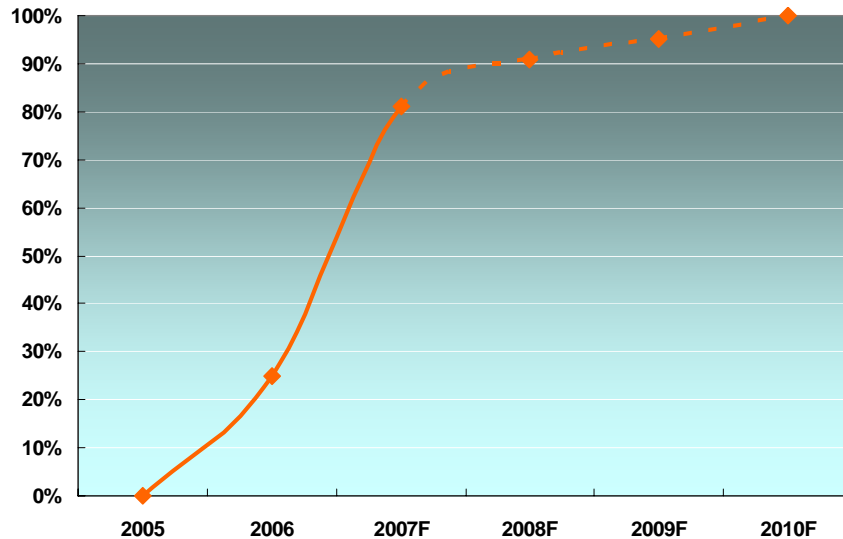
*New 10,400m<sup>2</sup> mono-crystalline facility*



*ALD Multi Crystalline furnace*

## Rising Wire Saw Sufficiency: Add to our competitiveness

Internal Saw Sufficiency % ( End of Year)



### Rising Wire Saw Sufficiency:

➤ Wire saw sufficiency rate will rise to 80% by end of 2007, from ~ 25% by end of 2006, then further increase in the long run.

➤ Shortens build production cycles Vs. wafer makers who outsource saw operations.

➤ State of the art wire saws and wafer quality control equipment

➤ Experienced operators to reduce wafer breakage and material wastage.

➤ Significant cost savings vs. outsourced

## Broadened Feed Stock Sources

### Own polysilicon capacity:

- Investment of US\$ 14mn in a JV located in Central China
- 750ton capacity by end of 2008. Phase 1 (350tons) fully operational by end of Q108
- 90% of all polysilicon output supplied to Renesola
- Estimated output of 300tons in 2008 at competitive production cost structure.
- Recruited 11 top notch domestic engineers who had solid polysilicon production experiences in China.

### Semiconductor IC fabs:

- Key breakthroughs to secure additional scrap wafers directly from leading semiconductor fabs in Asia and US.
- Capable to source > 100 ton of scrap wafer supply from semiconductor fabs for 2008
- Our advanced recycling technology allows efficient processing of reclaimed wafers.

### Domestic feed stock suppliers:

- Well established sourcing network in China.
- 240 tonnes contracted for 2008

### Polysilicon manufacturers:

- Steady progress to develop strong business relationship with leading virgin polysilicon manufactures
- We are positioned as a strategic, growing customer to polysilicon makers.

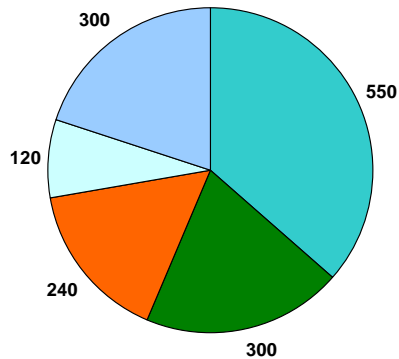
### Toll production opportunity:

- Expect rises in tolling operations in 2008.
- Tolling: Raises ROIC, and helps our material sufficiency, and operating capital.

## Feedstock Sufficiency & Pre-sold contracts:

### 2008 feedstock sources

Tonnes

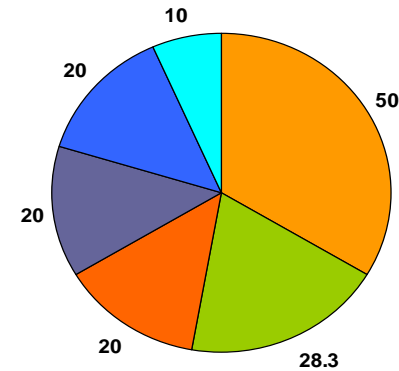


■ scarp wafer ■ Own poly plant ■ Scrap wafer partner ■ IC Fabs ■ Tolling

- 1500 tons well in pipeline
- Equivalent to 170MW output
- Potential toll production under negotiation
- Rest of 07: Feedstock secured to meet target

### Strong pre-sell contracts for 2008

MW Sold to respective customers



Customers: ■ A ■ B ■ C ■ D ■ E ■ F

- We sold > 140 MW for 2008
- Additional demands from existing heavy customers
- New customers to diversify revenue sources



# Appendix

## Income Statements (US\$000)



	Three months ended 30-Jun-07	Three months ended 31-Mar-07	Six months ended 30-Jun-07	Six months ended 30-Jun-06
Net Revenue	45,582	36,597	82,179	24,062
Cost of sales	-35,929	-27,652	-63,581	-16,692
Gross profit	9,653	8,945	18,598	7,370
Sales & Distribution Exp.	-195	-104	-299	-125
Admin expenses	-2,171	-932	-3,103	-580
Other operating expenses	-11	-	-11	-
Other operating income	111	50	161	22
Operating Profit	7,387	7,959	15,346	6,687
Investment revenue	1,095	59	1,154	
Foreign exchange loss	-1,670	-62	-2,311	
Finance costs	-2249	-616	-2,286	-145
Profit before income tax	4,563	7,340	11,903	6,542
Taxation	863	-924	-61	-
Profit for the period	5,426	6,416	11,842	6,542

## Balance Sheet (US\$000)

	30-Jun 07	31 Dec 06	30 Jun 06		30-Jun- 07	31-Dec- 06	30 Jun 2006
<b>Non-current assets</b>				<b>Current liabilities</b>			
Property, plant and equipment	52,879	19,200	9,839	Payables and accruals	35,235	41,909	33,401
Deposits and prepayments	41,647	19,997	-	Tax liabilities	14	-	2
Deferred tax asset	3,479	3,359	-	Bank loans	58,929	14,675	10,336
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	98,005	42,556	9,839		94,178	56,584	43,739
<b>Current assets</b>				<b>Non current liabilities</b>			
Inventories	75,214	44,849	18,655	Convertible bond payable	112,948	-	-
Receivables and prepayments	65,721	34,310	17,249	Warranty cost	65	-	-
Cash and cash equivalents	67,899	9,862	6,714	Non current bank loans	4,739	-	-
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	208,834	89,021	42,618		117,752		
<b>Total assets</b>	<hr/>			Capital and Reserves	<hr/>		
	306,839	131,577	52,457		94,909	74,993	8,718
				<b>Total equity</b>	<hr/>		
					94,909	74,993	8,718
					<hr/>		

## Cash Flow (US\$000)



	Three months 30-Jun-07	Three months 31-Mar-07	Six months 30-Jun-07	Six months 30-Jun-06
<b>Op. Cash Flow</b>				
Cash (used)/generated by operations	(43,699)	(7,924)	(51,623)	6,661
Interest paid	(537)	(616)	(1,153)	(109)
Net Op. Cash	(44,236)	(8,540)	(52,776)	6,552
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(26,783)	(7,811)	(34,594)	(9,896)
Deposits for property, plant and equipment	(11,655)	(9,890)	(21,545)	-
Interest received	1,095	59	1,154	6
Net cash used in investing activities	(37,343)	(17,642)	(54,985)	(9,890)
<b>Cash flows from financing activities</b>				
Net proceeds from bond issue	-	115,771	115,771	-
Proceeds from borrowing	17,771	38,273	56,044	9,612
Repayment of bank loans	(803)	(7,106)	(7,909)	-
Net cash provided by financing activities	16,968	146,938	163,906	9,612
Net (decrease) / increase in cash and cash equivalents	(64,611)	120,756	56,145	6,274
Cash and cash equivalents at beginning of the period	131,034	9,862	9,862	404
Effects of exchanges rate restatements on cash and cash equivalents	1,476	416	1,892	36
Cash and cash equivalents at end of the period	67,899	131,034	67,899	6,714

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Thank you

# Thank you

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## 3Q07 Reporting Date:

# Nov 19