



# Q2 2014 Supplemental Earnings Call Presentation

*Investor Relations*  
*August 26, 2014*



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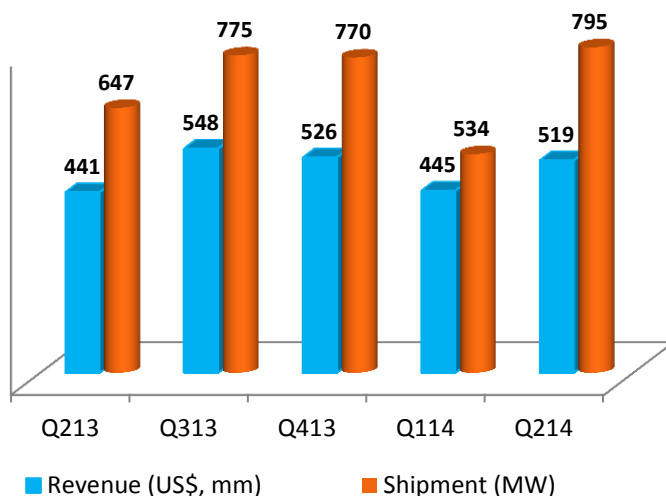
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# Q2 2014 Performance Overview

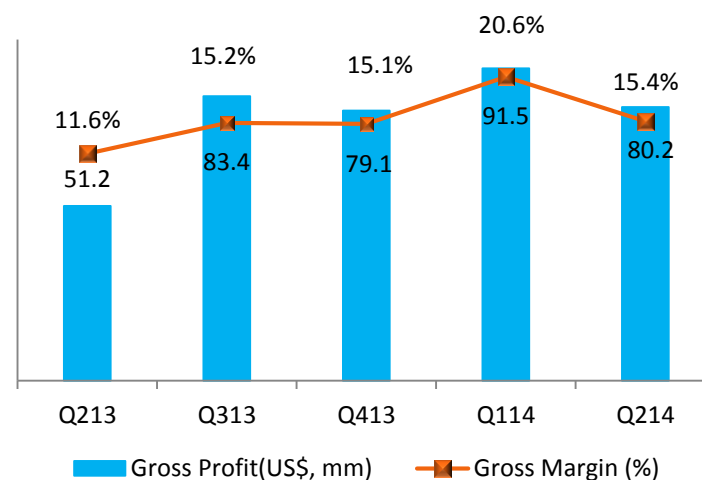
Categories	Q2 2014 Highlights	Q1 2014 Highlights
Module Shipment* (MW)	943.3	558.0
Net Revenue (US\$, MM)	519.4	444.8
Gross Margin (%)	15.4%	20.6%
Operating Margin (%)	3.0%	8.6%
Diluted Earnings per ADS (US\$)	0.14	0.37

\*The module shipment includes 148.7 MW delivered to Company's downstream project in China and the UK in Q2 and 23.8 MW shipped to its own projects in the UK in Q1, revenues of which will not be recognized for the modules shipped to the Company's own projects as required by U.S. GAAP rules.

## Quarterly Revenue and Module Shipment



## Gross Profit and Gross Margin



# Financial Highlights & Outlook

	Q3 2014 Guidance	FY 2014 Guidance
<b>Total PV Module Shipment</b>	1,060 MW-1,120 MW	3.6 GW-3.8 GW
<b>- PV Module shipment to the Company's downstream PV Projects*</b>	130 MW-150 MW	400 MW-500 MW
<b>Downstream PV Projects Completion</b>	-	400 MW-500 MW
<b>Overall Gross Margin (%)</b>	Low-end of mid-teens in %	Mid-teens in %

\* Revenues will not be recognized for the modules shipped to the Company's own projects as required by U.S. GAAP rules.

## Annualized Manufacturing Capacity\*

Value Areas	Sep. 30, 2013 (GW)	Dec. 31, 2013 (GW)	Mar. 31, 2014 (GW)	June 30, 2014 (GW)	Dec 31, 2014 Est. (GW)
<b>Modules</b>	2.4	2.8	3.0	3.6	3.8
<b>Cells</b>	2.4	2.5	2.5	2.7	3.0
<b>Wafers</b>	1.2	1.4	1.6	1.6	1.7
<b>Ingots</b>	1.2	1.4	2.0	2.0	2.2

\* Based on average manufacturing yield.

## Q2 2014 Financial Highlights

- Net revenues were \$519.4 million, an increase of 16.8% from the first quarter of 2014
- Gross profit was \$80.2 million, a decrease of 12.3% from the first quarter of 2014
- Gross margin was 15.4%, compared to 20.6% in the first quarter of 2014
- Operating income was \$15.7 million, a decrease of 59.0% from the first quarter of 2014
- Operating margin was 3.0%, compared to 8.6% in the first quarter of 2014
- Net income was \$10.3 million, a decrease of 61.1% from the first quarter of 2014

# Balance Sheet Summary

## Q2 Selected Financial Highlights

(US\$, mm)	<u>June 30, 2014</u>	<u>March 31, 2014</u>
Cash and Cash Equivalents, & Restricted Cash	562.7	577.7
Accounts Receivable, Net	457.8	347.4
Inventories	451.2	426.7
Project Assets, Current portion	47.2	39.6
Current Portion of Advances to Suppliers, Net	58.8	63.9
Property, Plant and Equipment	1019.5	898.2
Project Assets – long term	2.0	5.7
Total Assets	2880.1	2,625.0
Total Debt	774.7	982.5
-Short-term borrowings	669.5	877.1
- Long-term borrowings	105.2	105.4
Total Liabilities	1947.6	1760.6
Total Shareholders' Equity	912.9	848.0

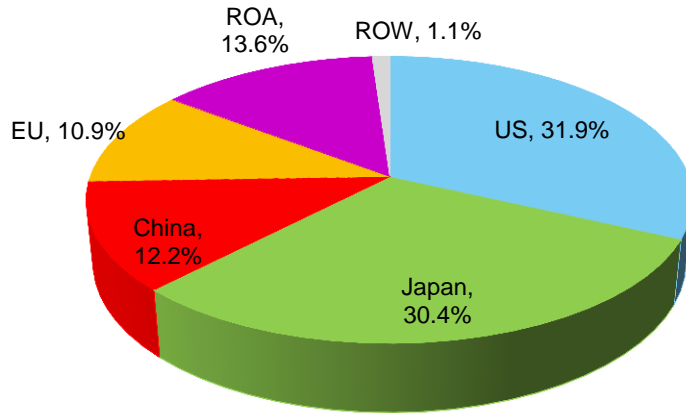
# P&L Summary

## Q2 Selected Financial Highlights

(US\$ mm, except margin)	<u>June 30, 2014</u>	<u>March 31, 2014</u>	<u>June 30, 2013</u>
Net Revenue	519.4	444.8	440.7
Gross Profit	80.2	91.5	51.2
Gross Margin (%)	15.4%	20.6%	11.6%
Total Operating Expenses	64.5	53.3	75.1
Operating Margin (%)	3.0%	8.6%	(5.4)
Interest Expenses	(8.1)	(8.7)	(11.0)
Income Tax Expense(benefit)	2.2	6.4	(0.9)
Net Income (loss)	10.3	26.5	(33.7)
Net Margin (%)	2.0%	6.0%	(7.6%)

# Quarterly Module Shipment Breakdown by Regions

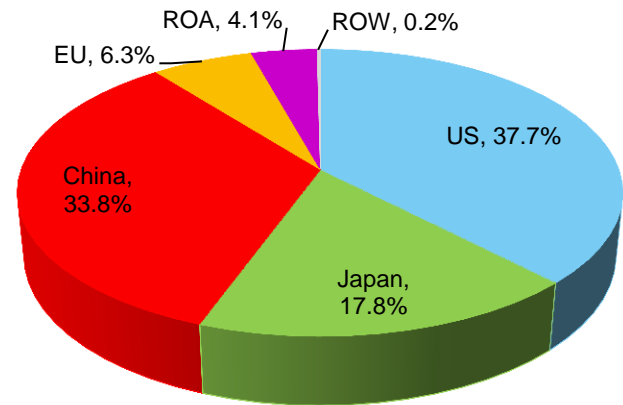
**Q1 2014 Shipment: 534 MW<sup>(1)</sup>**



■ US ■ Japan ■ China ■ EU ■ ROA ■ ROW

Note (1): Q1 2014 total shipment was 558.0 MW including 24 MW shipped to the Company's downstream PV projects in UK.

**Q2 2014 Shipment: 795 MW<sup>(2)</sup>**



■ US ■ Japan ■ China ■ EU ■ ROA ■ ROW

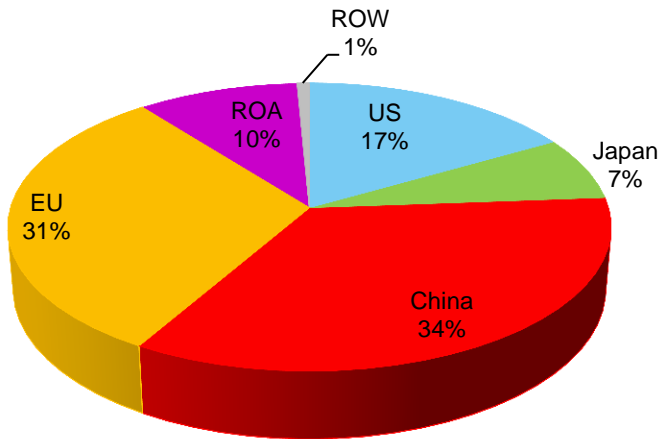
Note (2): External shipment only. Q2 2014 total shipment was 943.3 MW including 148.7 MW shipped to the Company's downstream PV projects in China and the UK.

## Q2 2014 Operational Highlights

- Continued sales momentum in key markets such as US and China
- Enhanced the geographical diversification and shipped to a more diversified client base
- Committed to technology innovation to continuously upgrade product and streamline manufacturing process
- Executed the project construction on schedule to steadily achieve the annual target
- Acquired project in UK and prudentially seek other projects overseas
- Signed several Energy Management Contract to activate downstream project development

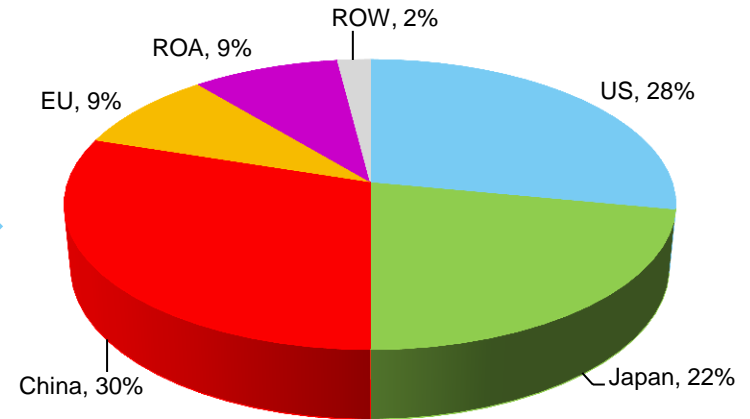
# FY 2014 Module Shipment Breakdown by Regions

FY 2013 Shipment: 2.58 GW



■ US ■ Japan ■ China ■ EU ■ ROA ■ ROW

FY 2014 External Shipment Est.\*: 3.2-3.3 GW



■ US ■ Japan ■ China ■ EU ■ ROA ■ ROW

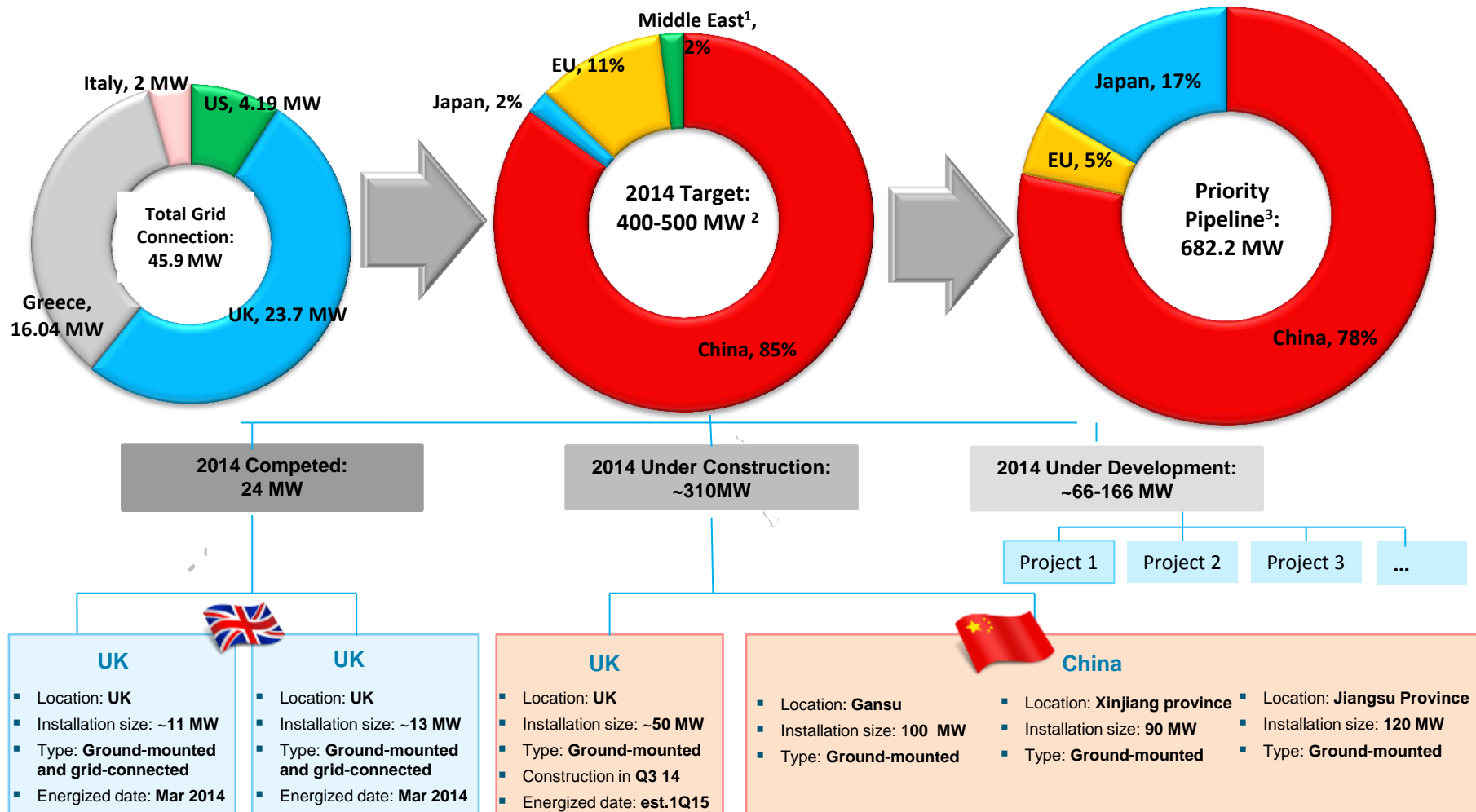
\*2014 total shipment will be 3.6-3.8 GW including 400- 500 MW shipment to Company's downstream PV project.

## 2014 Commercial Strategies

- Continue to execute the geographically diversified global strategy
- Expand manufacturing capacity to meet the growing demand through asset-light model
- Maintain a competitive cost structure
- Speed up the development of distributed generation power plant development
- Leverage advantage in module sale to boost downstream expansion in our strategically targeted markets
- Integrate to be a total solutions business

# 2014 Strategic Approach towards Developing Downstream Business

## Selected Global Downstream Projects and Pipeline



1. Middle East is EPC project

2. The target of 2014 project construction completion. Regional breakdown as of August 26, 2014

3. Priority project pipeline is beyond 400-500 MW target of 2014. It includes the projects that have been assessed and proved by Trina Solar's internal project investment committee.

Projects are subject to cancellation or delays due to various risk factors, including failure to secure all the permits, failure to secure grid connection, technical problems during construction. Projects for 2014 and priority pipelines are subject to change or cancellation from time to time.

# Strategic Approach towards Developing Downstream Business



## Core Project Development Strategy

- ✓ Stringent project selection criteria to ensure quality
- ✓ Global team with local project development expertise
- ✓ Deep project risk management capabilities
- ✓ Sufficient levels of funding support
- ✓ Collaboration with experienced EPC providers
- ✓ Hold and operate projects in China to generate stable cash flow and maximize investor's return

## China Project Construction Summary

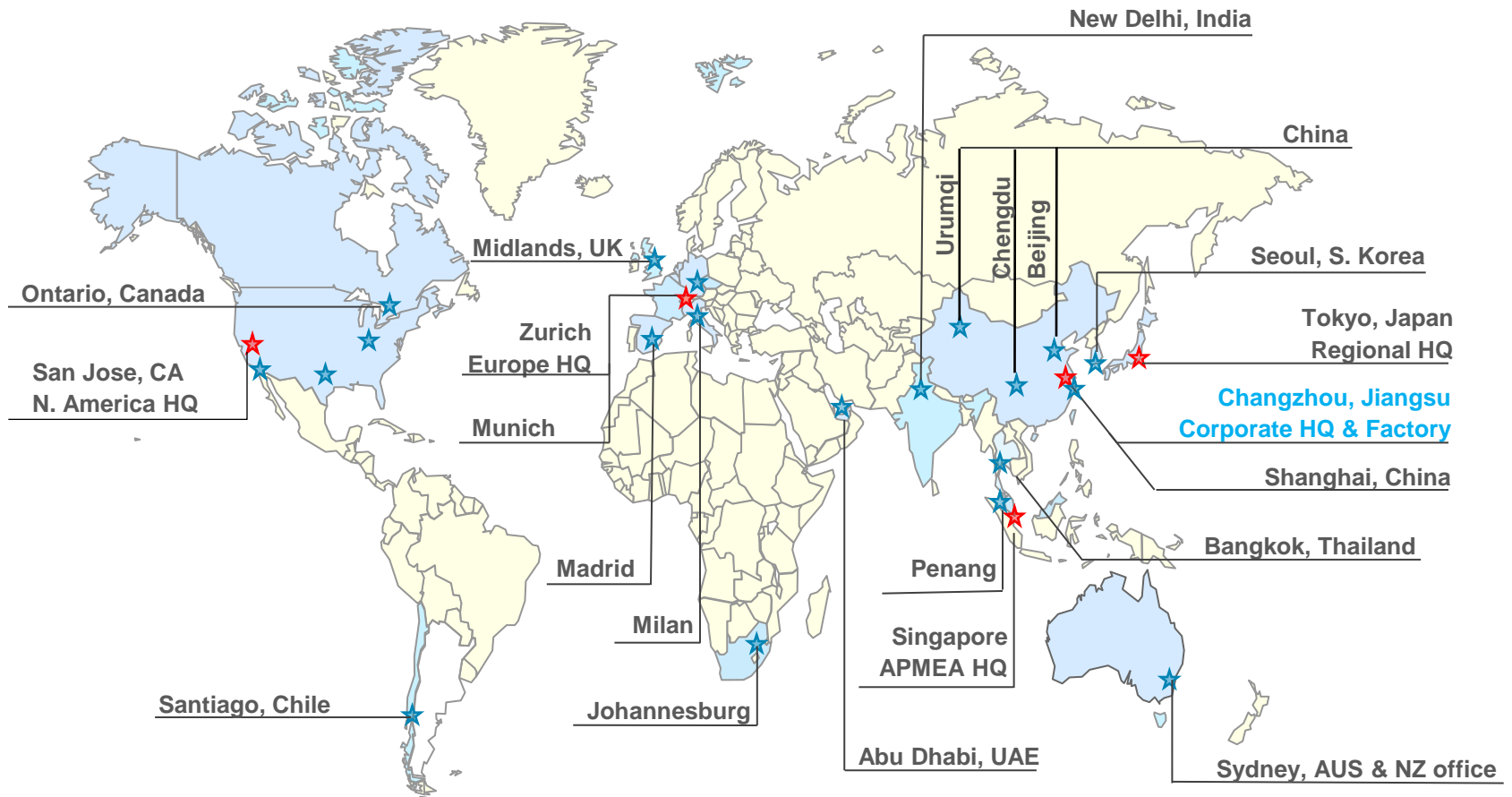
Province	Capacity	Electricity price	Type
Xinjiang	90 MW	RMB 0.95/kWh	Utility
Jiangsu	120 MW	RMB 1.0/kWh RMB 0.2/kWh ( additional provincial price for the 20 MW)	
Gansu	100 MW	RMB 0.9/kWh	
Province	Capacity	Feed-in-tariff & Grid price	Type
Jiangsu	3 MW	RMB 0.42/kWh ( FIT)	DG
Jiangsu	4.4 MW	RMB 0.43 /kWh (grid price)	
Hunan	13 MW	RMB 0.42/kWh (FIT) RMB 0.506/kWh (grid price)	

## Recent Project Development Highlights

- Constructed the 90 MW solar power plant in Xinjiang in June, 2014 on schedule
- Signed an Energy Management Contract to install 13 MW solar panels on the company's carport in Hunan province in China, expecting to commence construction of this project in November 2014
- Signed two 25-year DG Energy Management Contracts with two companies in Changzhou to invest and install 4.4 MW and 3 MW solar panels respectively on the rooftops of the companies' manufacturing facilities in Changzhou in China, expecting to commence construction of both projects in September 2014

# Global Operations

Over 20 sales and service locations worldwide



- ★ Corporate & Regional Headquarters
- ★ Regional Sales & Marketing Branches

## Q&A Session

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- Jifan Gao, Chief Executive Officer
- Teresa Tan, Chief Financial Officer
- Zhiguo Zhu, SVP and President of Trina Solar Module Business Unit
- Yvonne Young, Investor Relations Director



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