



Power Your Life

# Yingli Green Energy Holding Company Limited

Q2 2014 Earnings Supplementary Presentation  
August 27, 2014

## Safe Harbor Statement

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This presentation contains forward-looking statements. These statements constitute “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “target” and similar statements. Such statements are based upon management's current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond Yingli Green Energy's control, which may cause Yingli Green Energy's actual results, performance or achievements to differ materially from those in the forward- looking statements. Further information regarding these and other risks, uncertainties or factors is included in Yingli Green Energy's filings with the U.S. Securities and Exchange Commission. Yingli Green Energy does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

# Agenda

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## Business and Development Highlights

**Mr. Liansheng Miao**,  
*Chairman & Chief Executive Officer*  
**Ms. Qing Miao** (Interpreter),  
*Vice President of Corporate Communications*

## Financial Review and Update

**Mr. Yiyu Wang**,  
*Chief Financial Officer*

## Q&A Session

**Mr. Bryan Li**, *Executive Director & Chief Strategy Officer*  
**Mr. Robert Petrina**, *VP of Sales & MD of Yingli Americas*  
**Mr. Darren Thompson**, *VP of Sales & MD of Yingli Europe*  
**Mr. Jason Wang**, *Financial Controller*  
**Mr. Zhenhua Fan**, *Director of Legal Affairs*  
**Ms. Jean Tian**, *Director of Investor relations*

## Q2 2014 Financial Summary and Outlook

- Total PV module shipments increased by 40.8% to 887.9 MW, due to the strong demand from China, Japan, U.K., as well as other emerging markets
- In Q2 2014, overall gross margin and gross margin for sales of PV modules was 15.6% and 16.2% respectively; maintained an upward trend
- Both of PV module shipments and overall gross margin in Q2 2014 are in line with our previous guidance

	Q2 2014 Results	Guidance	
		Q3 2014E	FY 2014E
<b>Total PV Module Shipments<sup>(1)</sup> (MW)</b>	887.9 <sup>(1)</sup> (71.8)	900-1,000 (50-100) <sup>(2)</sup>	3,600-3,800 (400-600) <sup>(2)</sup>
<b>Net Revenue (US\$ mm)</b>	549.5	-	-
<b>Overall Gross Margin</b>	15.6%	15-17 %	-
<b>EBITDA<sup>(3)</sup></b>	46.5	-	-
<b>Net Loss (US\$ mm)</b>	(46.0)	-	-
<b>Diluted EPS (US\$)</b>	(0.26)	-	-

Notes: (1) Total PV module shipments including shipments for PV systems, including 71.8 MW shipments for our own downstream power plants in China

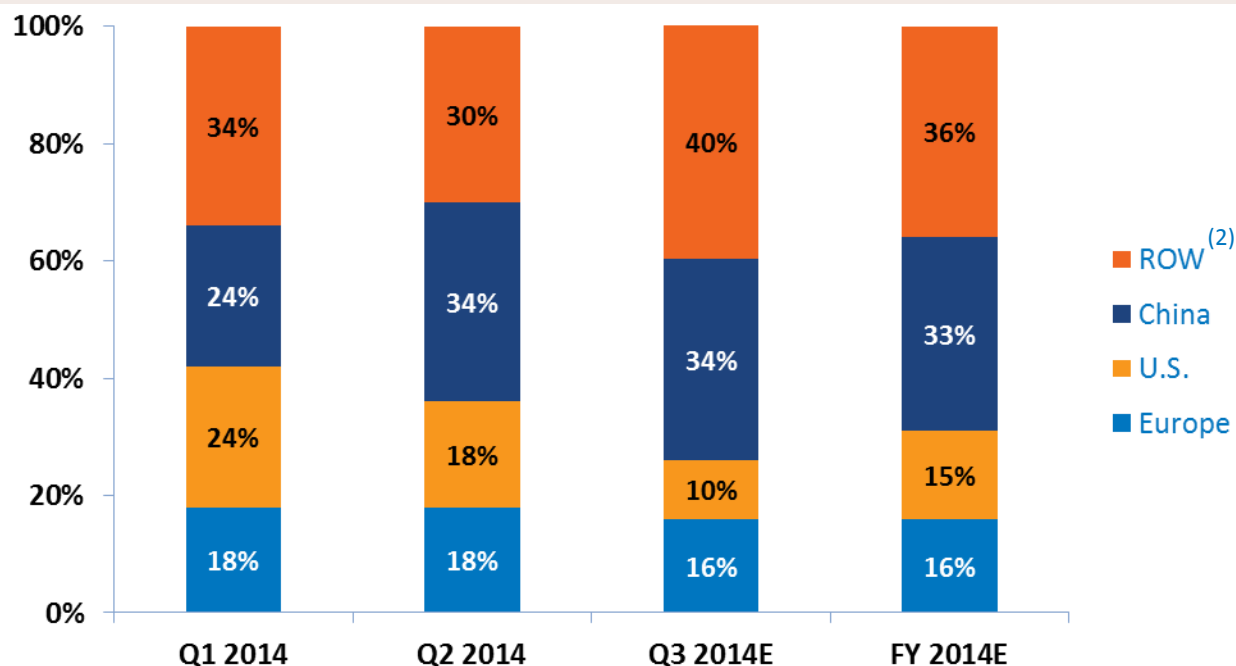
(2) Referring to shipments for PV systems

(3) Referring to Earning before Interests, Taxes, Depreciation, and Amortization

## Remarkable and Diversified Global Sales

- The Company has surpassed 10 GWs of cumulative solar module deliveries worldwide by June 30th, 2014
- In Q2 of 2014, shipments to emerging markets increased approximately 18% QoQ while customer base doubled compared to Q2 2013
- In Japan, shipments in H1 2014 have exceeded the total shipments for full year of 2013

Shipments by Geography <sup>(1)</sup> (MW)



Notes:

(1) Based on countries where customers are located, not countries where modules are installed. Including internal shipments to the Company's downstream PV projects.

Q1 2014 total shipments was 630.4 MW including 6.1MW shipped to the Company's downstream PV projects.

Q2 2014 total shipments was 887.9 MW including 71.8 MW shipped to the Company's downstream PV projects.

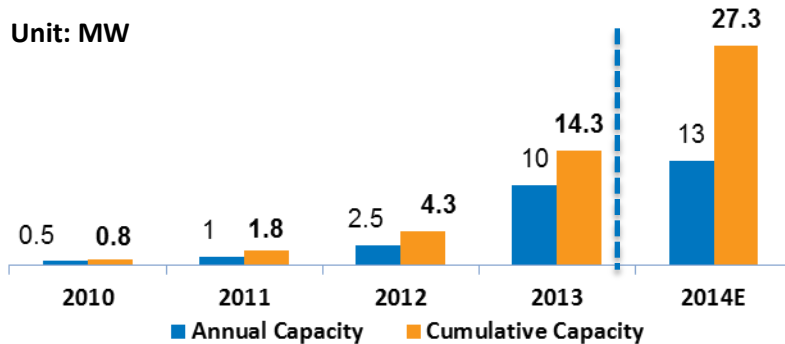
(2) Referring to markets excluding Europe, U.S., and China

# China: New Policies Lead to New Opportunities (1/2)

## Government Policy

PV power capacity installation in China

Unit: MW



Source: Government Policy

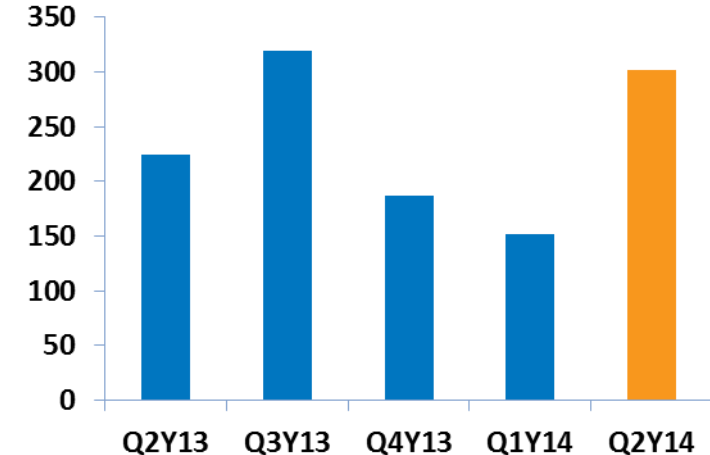
- Demand growth in China was slower than expected during H1 2014. In an effort to accelerate the development of distributed generation projects, the National Energy Administration (NEA) is planning to announce further incentive policies to:
  - ✓ Encourage the application by diversifying the DG locations, such as brownfields, agricultural buildings, and other available resources
  - ✓ Guarantee that the DG project owners could enjoy the same feed-in-tariff as local large-scale PV plants
- Recently, the NEA also stated the goal of at least 13 GW of PV grid connection for 2014. Since only 3.3 GW of PV plants were installed in China according to NEA in H1 2014, we believe that the demand growth in the China market will accelerate significantly in H2 2014

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## Shipments in Q2 2014 <sup>(1)</sup>

Total Shipments to China

Unit: MW



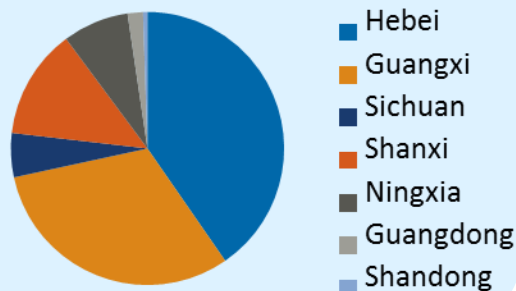
- Total module shipment to China in Q2 2014 doubled compared to Q1 2014
- Total module shipment to China in Q3 2014 is expected to increase steadily QoQ, due to the substantial uptick in demand from China

Notes: (1) Including the shipments to self-constructed projects

# China: New Policies Lead to New Opportunities (2/2)

## Downstream Business Update

As of today, projects pipeline is ~1.4 GW, of which 400~600 MW will be developed in 2014



Province	City	Capacity (MW)
Hebei	FuPing	10
	GuangZong	15
	GuangPing	50
Sichuan	PanGang	20
Guangxi	PanAn	60
H1 2014 Total		155
Q3 2014 Plan		168

## Downstream Business Highlight

- We expect to develop 400MW-600MW of projects in 2014. These projects will be mainly sold to third parties or our joint ventures
- ~60% of our projects have already secured buyers
- The remaining 40% of the projects are to be sold as well, pending negotiation
- The projects under development with large scale state owned entities and the JVs are well on track (*More details, please refer to below chart*)



### Partnership Status Update:

- The joint venture with **China National Nuclear Corporation (CNNC)** has begun construction of 10 MW of utility-scale projects and 20 MW of distributed generation projects <sup>(1)</sup>
- The renewable energy fund formed with **Sailing Capital** has acquired a 15 MW projects of Yingli <sup>(1)</sup>
- In Q3 2014, the joint venture with **Datong Coal Mine Group** will start construction of the 50 MW utility-scale project in Shanxi province.



中国核工业集团公司  
China National Nuclear Corporation



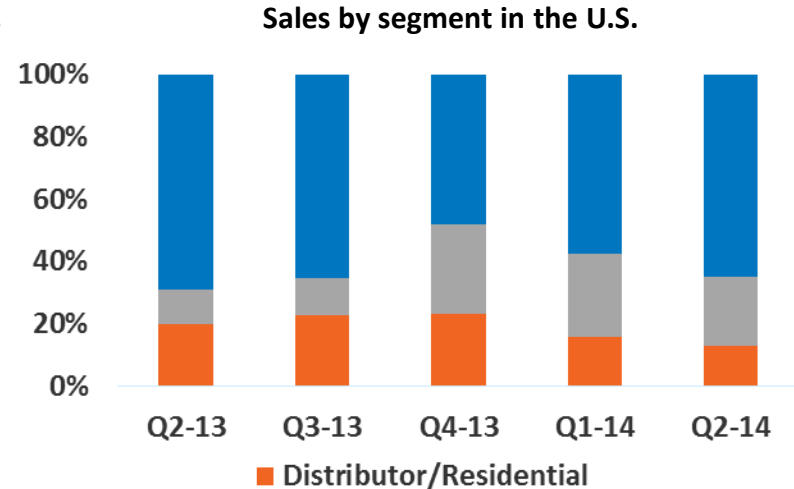
SAILING  
CAPITAL



## Americas: Sustainable Market Growth and Market Broadening

### Steady Market Growth in Q2

- Registered 16% more sales in H1 2014 than H1 2013
- Total Q2 2014 sales increased 6% QoQ
- Q2 2014 utility sales increased 19% QoQ
- Sold to 30 customers in Q2 2014 and 46 total customers in H1 2014
- Completed largest single-quarter utility project shipment since inception in Q2 2014
- Shipped products to 57 US cities in Q2 2014 and 70 cities in H1 2014



### Expanding Operation in Latin America

- 18 new customers were added in Q2 2014
- Total orders within the region increased 124% QoQ and 109% YoY
- Expanded operations by establishing a permanent office in Santiago, Chile
- Leads from our World Cup sponsorship are expected to start converting to sales
- Looking forward, orders for utility scale projects within Central America are expected to increase significantly



# Europe: Market Conditions and Sales Continue to Improve

## Market Status in Q2 2014

- Global shipment contribution of sales to Europe in Q2 2014 was 18.4%, remaining flat sequentially, against a background of global shipments increasing by 41%
- ASPs remain stable and relatively high versus global average given floor price set by the EU Undertaking Agreement
- Sales in Europe in Q2 increased by 39% sequentially driven by solid performance in Germany, high levels of demand from UK market and growing demand from emerging markets particularly Turkey
- The German market showed signs of seasonal growth with installation volumes improving by over 20% in Q2 versus Q1
- UK market continues to develop strongly particularly the utility scale segment under 1.4 ROCs
- In co-operation with a UK project developer, Yingli was awarded module supply contracts for 4 UK projects totalling 66 MW with anticipated fulfilment in H2
- Our support to European partners, diversifying to markets outside of Europe, begins to pay-off with the awarding of a supplying contract for a 31.6 MW project in Japan with a Spanish developer
- Yingli co-operates in Senegal with the national electricity company to deliver a 2 MW power plant with expected operation in November
- Yingli signed an agreement with an experienced Polish developer with a commitment to co-develop a portfolio of 30 MWs of projects in Poland ready for inclusion into the new auction system beginning in 2015

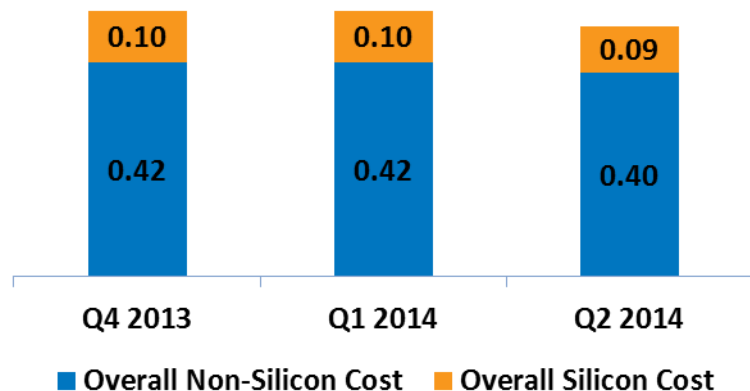
## Europe: Looking forward

- Expecting continued solid shipments to Europe during the H2 2014
- We continue to pursue early and late stage project opportunities in Europe and Africa congruent with our strategy to move downstream in utility scale projects

# Cost Efficiency & Profitability

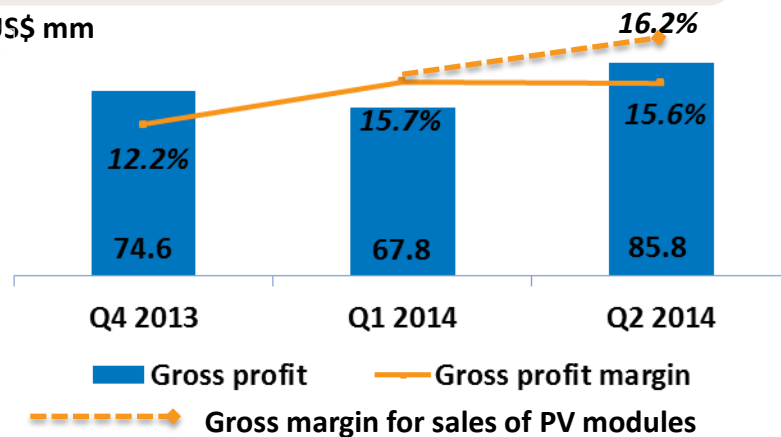
## Overall Cost (Mono & Multi) <sup>(1)</sup>

Unit: US\$/W



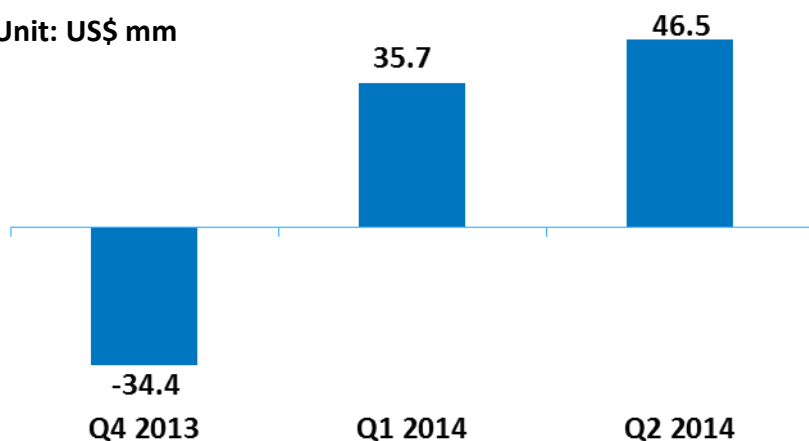
## Gross Profit & Gross Margin

Unit: US\$ mm



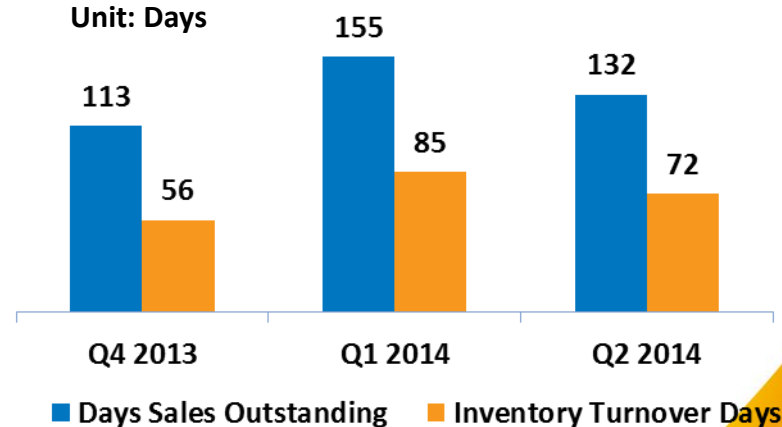
## EBITDA <sup>(2)</sup>

Unit: US\$ mm



## Other Financial Results

Unit: Days



Note: (1) Only account for the in-house production costs

(2) Referring to Earning before Interests, Taxes, Depreciation, and Amortization

## P & L Summary

US\$ mm	Q2 2013	Q1 2014	Q2 2014	QoQ	YoY
Net Revenue	550.4	432.2	549.5	↑26.9%	↑0.9%
Gross Profit (Loss)	64.8	67.8	85.8	↑26.3%	↑33.9%
Gross Margin	11.8%	15.7%	15.6%	-	-
OPEX	85.8	85.5	99.6	↑12.3%	↑17.4%
Income (Loss) from Operations	(21.2)	(20.7)	(13.9)	-	-
EBITDA <sup>(1)</sup>	54.3	35.7	46.5		
Interest Expenses	36.6	40.5	37.5	↓7.8%	↑3.3%
Net Income (Loss)	(52.3)	(55.0)	(46.0)	-	-
Diluted EPS	(0.33)	(0.35)	(0.26)	-	-

Note:

(1) Referring to Earning before Interest, Taxes, Depreciation, and Amortization

## Balance Sheet Summary

US\$ mm	As of June 30, 2013	As of March 31, 2014	As of June 30, 2014
Cash and Restricted Cash	591.0	482.5	399.0
Accounts Receivable	722.6	742.6	805.2
Inventories	504.3	342.6	369.1
Advances to Suppliers	84.2	117.2	156.4
Net PP&E	2,191.3	2,137.3	2,036.1
Total Assets	4,755.2	4,437.4	4,453.0
Short-term Borrowings	1,415.8	1,201.7	1,229.9
Medium-term Notes	637.9	629.4	630.4
Long-term Borrowings	749.0	610.7	548.4
Total Liabilities	4,219.7	4,156.3	4,132.8
Total Shareholders' Equity	535.5	280.8	320.2

## IR Activities

Date	Events	Location
October 20-23, 2014	Solar Power International	Las Vegas, U.S.
October 21, 2014	YGE's fifth Annual Investor Day	Las Vegas. U.S.
October 28-30, 2014	2014 China New Investment Conference	Hong Kong
November 12-14, 2014	13 <sup>th</sup> Annual Asia Pacific Summit	Singapore



# Thank you!

Please contact our IR team at [ir@yingli.com](mailto:ir@yingli.com)  
or visit [www.yinglisolar.com](http://www.yinglisolar.com) for more information.