



Q4 & FY2011 Earnings Call Presentation

2012-03-16



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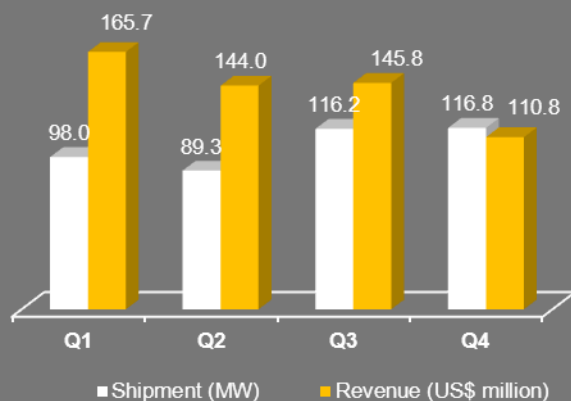
Earnings Call Agenda

- ❑ Q4 2011 & FY2011 Performance Overview — Stephen Cai
- ❑ Q4 2011 & FY2011 Financial Results — Yongfei Chen
- ❑ Q1 2012 & FY2012 Guidance — Stephen Cai
- ❑ Q&A Session

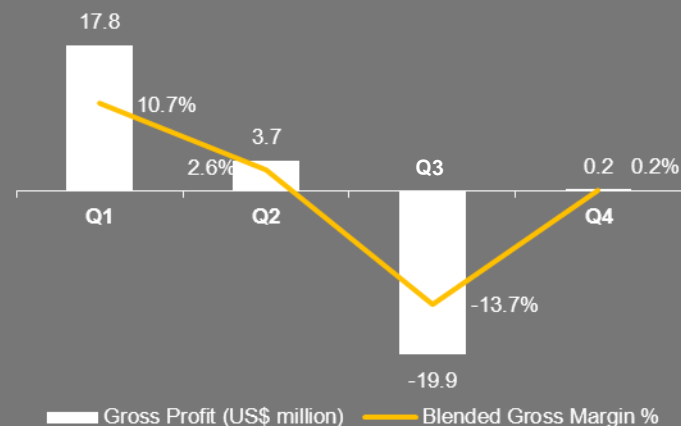
Q4 2011 Performance Overview

Items	Q4 2011 Actual	FY2011 Actual
Shipments (MW)	116.8	420.3
Revenue (US\$ million)	110.8	566.3
Blended Gross Margin (%)	0.2%	0.3%
ASP (US\$ per watt)	0.94	1.36
GAAP EPS (US\$)	-3.71	-7.05
Adjusted Non-GAAP EPS (US\$)	-2.60	-5.94

FY2011 Quarterly Revenue & Shipments



FY2011 Quarterly Gross Profit & Blended Gross Margin



Operation Highlights & Outlook

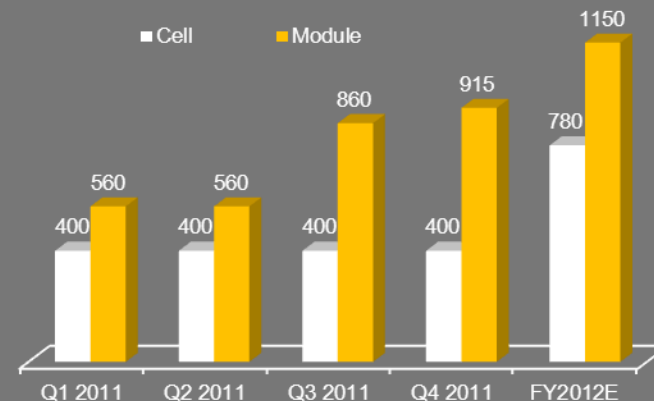
FY2011 CapEx & 2012 CapEx Estimate

Unit: US\$ million

Item	2011 Actual	2012 Estimate	
	Full Year	Q1	Full Year
CapEx	53	11	63

Annualized Manufacturing Capacity

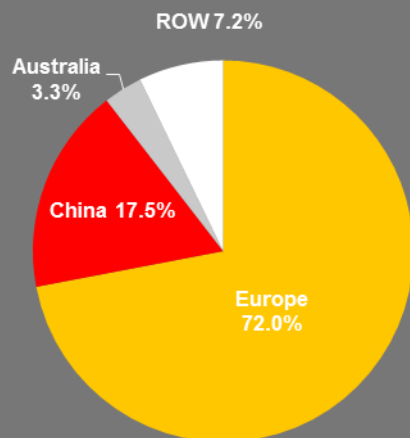
Unit: MW



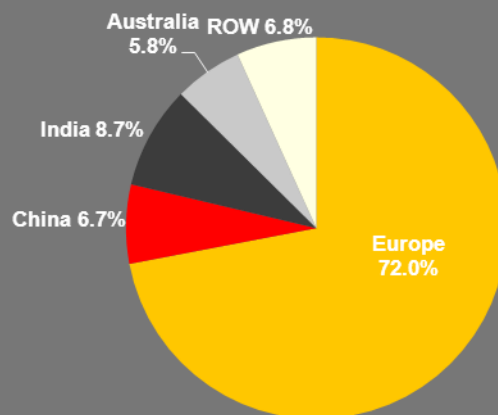
- Invest in building up QSAR™ module capacity and focus on high tech, high efficiency products
- Focus on downstream projects , work with EPC partners
- Renovate old equipment, work with strategic suppliers, reduce operating cost
- Strengthen and localize global sales force, open more global sales offices

Sales Breakdown by Region

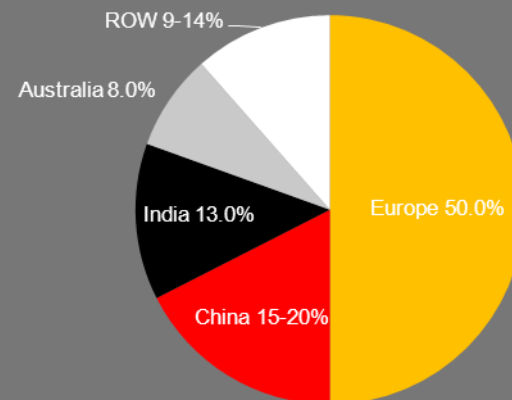
Q4 2011: US\$110.8 million



FY2011: US\$566.3 million



FY2012 Estimate



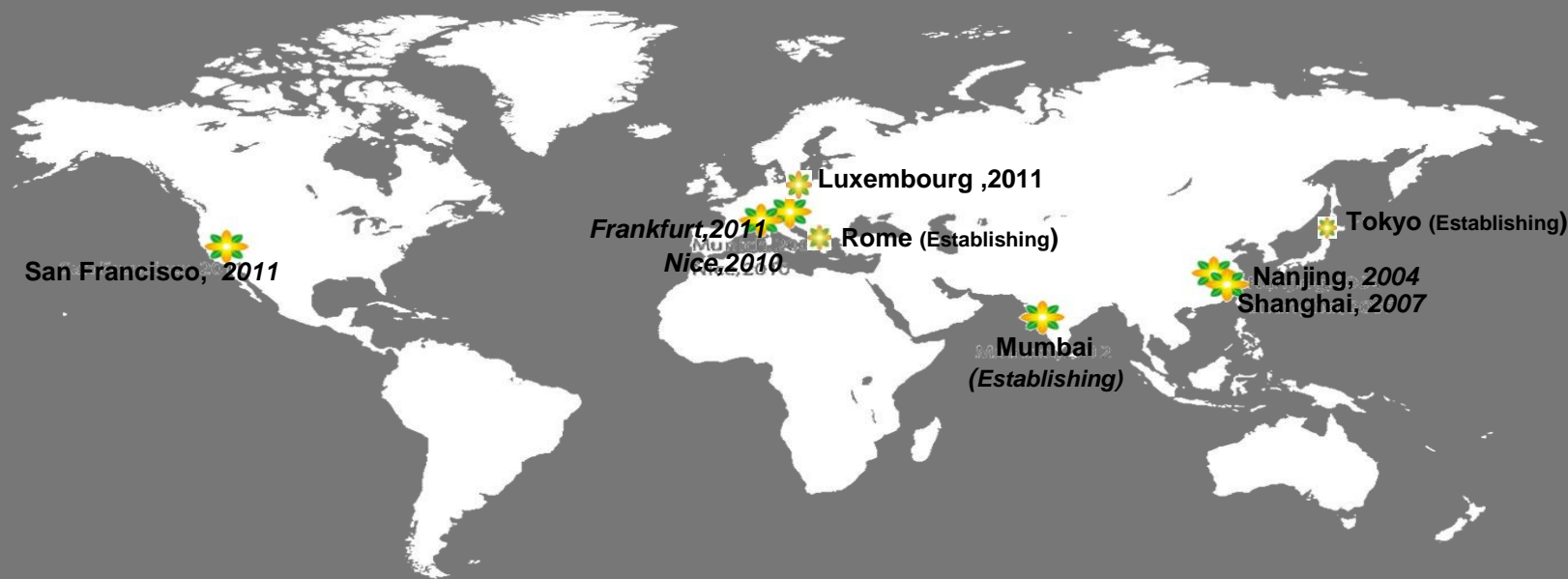
Penetrate emerging markets to diversify customer base and mitigate concentration risk

- **China Market:** Work with credit-worthy utility/grid companies to increase sales to 4-5x 2011 levels
- **India Market:** Double shipments in 2012
- **US Market:** Module OEM manufacturing; establish US module assembly plant

Global Vision — Strengthen Sales Capability

Expand our SOLAR business with GLOBAL presence

We are almost totally localized in France and Germany



Technology Highlights —



QSAR™ Module

*Formerly referred as QUASAR



Efficiency: averaged 18.4%, often topped 19.1% in the lab

Certification: awarded TÜV in Dec 2011

Shipments: first commercial shipment in October, ~2.2MW in 2011

PSAR™ Module



Efficiency: mono-like technology, higher efficiency than traditional multi modules

Certification: awarded ETL in Q1 2012

Production: start one line production from March 2012

Quarterly & FY2011 Income Statement

Key Quarterly & Yearly Income Statement Data	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY2011
(US\$ million, except share and per share data)					
Sales	165.7	144.0	145.8	110.8	566.3
Cost of goods sold	(147.9)	(140.3)	(165.7)	(110.6)	(564.5)
Gross Margin%	10.7%	2.6%	-13.7%	0.2%	0.3%
R&D	(1.3)	(1.5)	(1.7)	(2.2)	(6.7)
Administration	(5.1)	(8.0)	(11.7)	(31.1)	(56.0)
Selling & Marketing Expense	(3.4)	(5.5)	(4.5)	(5.8)	(19.1)
Total operating expense	(9.8)	(15.0)	(17.9)	(39.1)	(81.8)
Income (loss) from operations	8.0	(11.3)	(37.8)	(38.9)	(80.0)
Interest expense	(3.2)	(3.8)	(7.0)	(9.5)	(23.5)
Income(loss) before income tax	4.2	(17.0)	(40.5)	(54.9)	(108.1)
Income tax benefit (expense)	(0.7)	0.1	9.2	5.3	13.8
Net income (loss)	3.5	(16.9)	(31.3)	(49.6)	(94.3)
Weighted average ADS outstanding (diluted)	13,372,587	13,372,292	13,372,292	13,372,292	13,372,292
Net Income (loss) per ADS (diluted)	0.27	(1.26)	(2.34)	(3.71)	(7.05)

Notes*: On December 21, 2011, we effected an ADS to ordinary share ratio change, from one ADS representing six ordinary shares to one ADS representing 18 ordinary shares. The ratio change has the same effect as a one-for-three ADS consolidation.

Quarterly Balance Sheet Data & Cash Flow

Key quarterly balance sheet data	Q4 2011	Q3 2011	Q4 2010
(USD\$ in million)			
Cash and cash equivalents	209.5	188.1	106.5
Restricted cash	84.4	100.5	85.0
Accounts receivable (net)	152.1	157.6	65.6
Inventory	44.0	84.9	72.3
Advance to suppliers	5.4	13.9	8.5
Net PP&E	164.5	135.8	111.6
Total asset	809.9	838.9	578.1
Accounts payable	(47.7)	(78.3)	(51.6)
Short-term loans	(322.2)	(277.3)	(139.5)
Long-term debt	(125.4)	(92.1)	(30.2)
CB payable	(27.5)	(27.5)	(44.0)
Total liabilities	(670.8)	(650.9)	(351.3)
Total equity	(139.1)	(188.0)	(226.8)
Total liabilities & equity	(809.9)	(838.9)	(578.1)

Key cash flow data:

- Net operating cash inflow was US\$27.9 million for Q4 2011 and for FY2011, the operating cash outflow was US\$119.6 million

Q4 & FY2011 Key Financial Ratios

Financial Index	Q4 2011	FY2011
Accounts receivable turnover days	131	96
Accounts payable turnover days	50	43
Inventory turnover days	52	54
Return on equity (Yearly)	- 142.6%	-67.8%
Return on assets (Yearly)	- 24.5%	-11.6%
OPEX of revenue	35.3%	14.5%

Financial Ratios	Q4 2011	Q3 2011
Interest coverage ratio	- 478%	- 480%
Debt /equity ratio	482%	346%
Debt /asset ratio	83%	78%
Current ratio	113%	154%
Quick Ratio	102%	130%

Q1 2012 and Full Year Guidance & Assumptions

Guidance

□ Q1 2012:

Shipments: 70-80MW

Gross margin: around 1%

□ FY2012:

Shipments: approx. 500-550MW

Q1 2012 Financial Guidance Assumptions

- ✓ Blended exchange rate USD/RMB: 6.30
- ✓ Blended exchange rate EURO/RMB: 8.28
- ✓ Estimated ASP \$0.84/W
- ✓ Cell conversion cost US\$0.20/W
- ✓ Module conversion cost US\$0.25/W



Q&A Session

Stephen Cai, Chief Executive Officer

Yongfei Chen, Chief Financial Officer

Elaine Li, Senior Investor Relations Manager





Thank You

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