



**ReneSola**  
Inspired by the Sun

**May 2012**

# Disclaimer



This presentation does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of ReneSola Ltd (the “Company”) in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

The information herein has been prepared by the Company solely for use in this presentation. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, advisors or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

By attending this presentation, participants agree not to remove this document, or any materials provided in connection herewith, from the conference room where such documents are provided. Participants agree further not to photograph, copy or otherwise reproduce these materials in any form or pass on these materials to any other person for any purpose, during the presentation or while in the conference room. Participants must return this presentation and all others materials provided in connection herewith to the Company at the completion of the presentation.

# Safe Harbor Statement



This presentation may contain forward-looking statements and management may make additional forward-looking statements in response to your questions. These statements are made under the "safe harbor" provisions of 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," "confident" and similar statements. Statements that are not historical facts, including statements concerning our beliefs, forecasts, estimates and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including risks related to: the risk that our results of operations may fluctuate from period to period; the risk of PRC governmental policy changes; the risk that we face intense competition from other solar companies; the risk that PRC economic, political and social conditions as well as government policies can affect our business and other risks outlined in our public filings with the Securities and Exchange Commission, including our registration statement on Form F-1, as amended.

The forward-looking statements made in this presentation relate only to events or information as of the date on which the statements are made in this presentation. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

## Company Highlights



*Continued investment in R&D and new technology*



*Expecting improved module sales due to high-quality, high-efficiency products*



*Delivered record shipments despite tough market conditions*



*Continued to reduce wafer, module and polysilicon costs*



*Maintained leadership in wafer processing and technology*

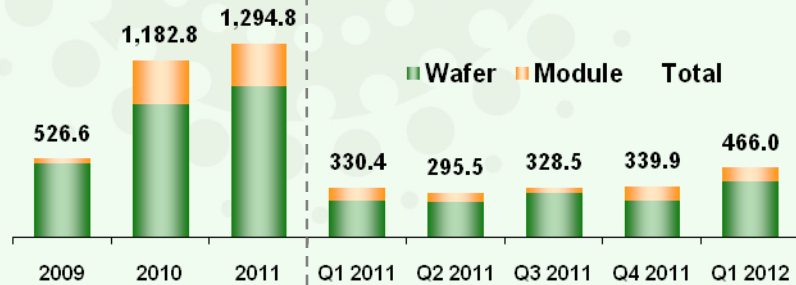


## **Business Highlights**

# Margin and Net Income Challenges due to Significant ASP Drops

## Total Solar Wafer and Module Shipments

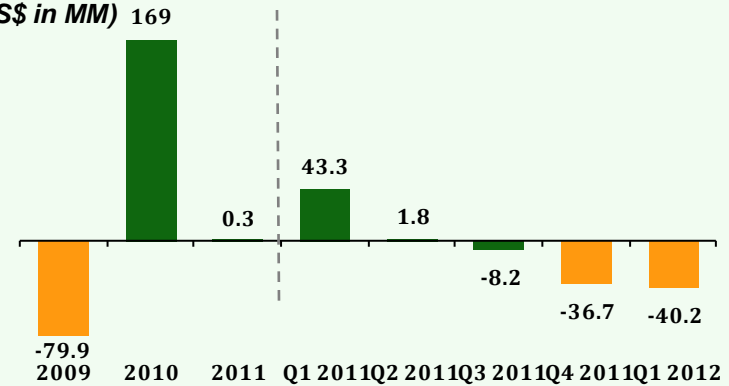
(Units in MW)



Note: The Company adjusted its efficiency calculation used in determining MW shipped starting January 1, 2010. Data before 2010 has not been adjusted.

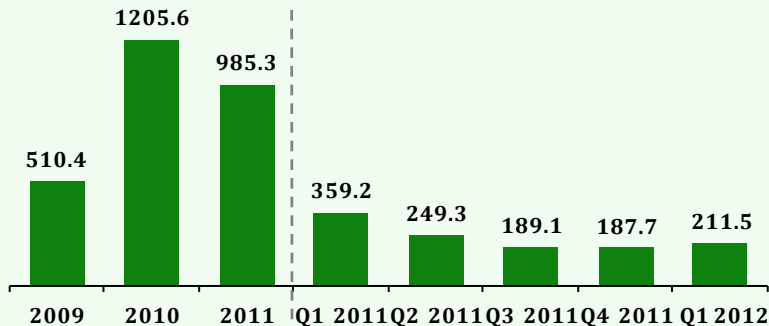
## Net Income

(US\$ in MM)



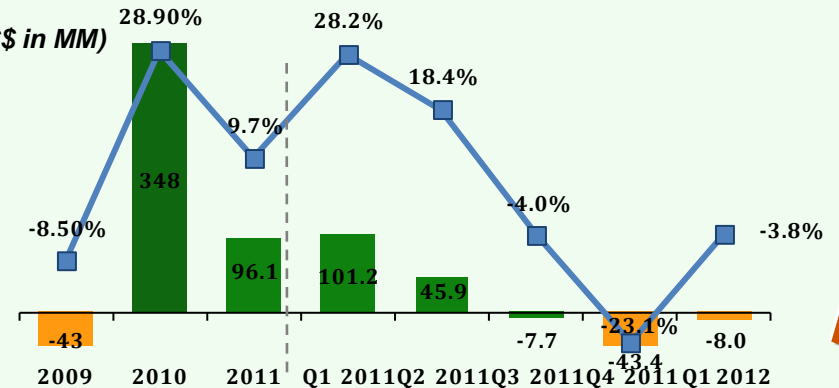
## Revenues

(US\$ in MM)



## Gross Profit and Margin

(US\$ in MM)



Gross Margin was positive in Q1 2012 not including inventory write-down

## Research and Development

- **Continue to develop and improve Virtus technology, especially for our Virtus modules**
  - High-efficiency Virtus modules now exhibiting outputs of 245-255 W
  - Virtus wafers are now exhibiting conversion efficiencies of 18.2%.
- **Successfully developed new in-house polysilicon production recycling techniques, which should further reduce costs**
- **Continued research and development into carbon composite materials**
- **Continued development of low-oxygen concentration solar wafers**
- **Plan to formally announce and kick-off marketing of our high efficiency modules and diamond wires on May 17 at the SNEC PV Power Expo**



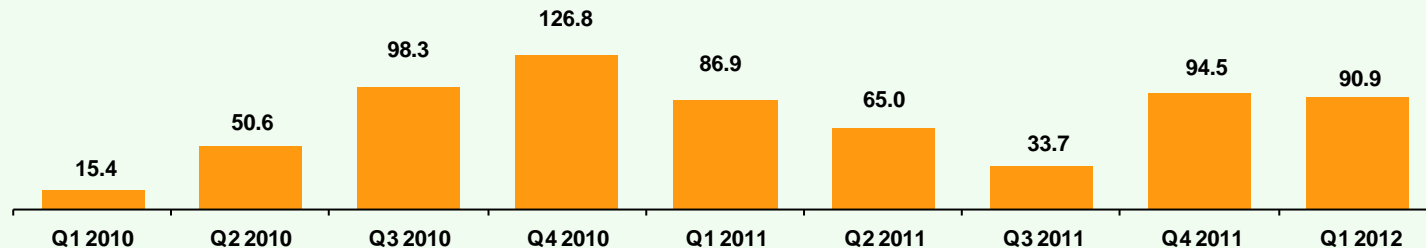
# Module Business – Increasing Sales Despite Difficult Market Conditions



- Q1 2012 module shipments were 90.9 MW with an ASP of \$0.84/W, including Virtus module shipments of 2 MW
- Our sales and marketing efforts have increased through the leadership of our new regional hires
- In Q2 2012, we expect to ship 150-170 MW of solar modules, of which 55 MW are Virtus modules
- For the full year 2012, we expect to ship 600 MW, of which 200 MW are Virtus modules
- Based on the strong demand, we will increase module capacity to 1.2 GW by the end of Q2 2012
- Total manufacturing cost for modules in Q1 2012 was \$0.74, and we expect to reduce this to under \$0.70 in Q2 2012

## Module Shipments

(Units in MW)

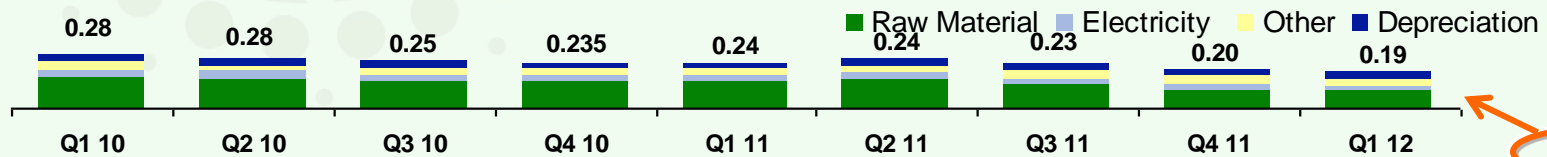




# Wafer Business – Continued Cost Reduction

## Wafer Processing Cost Breakdown

(US\$/W)

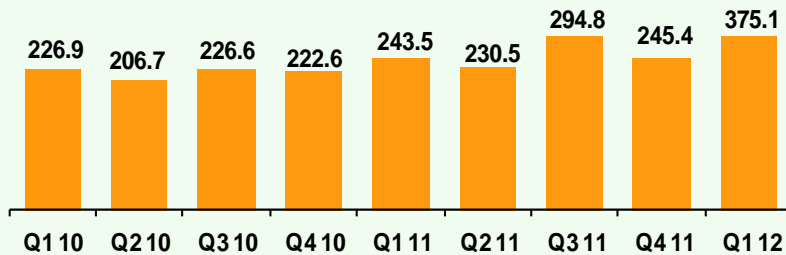


0.15

By the end of Q4 2012

## Wafer Shipment Growth

(Units in MW)

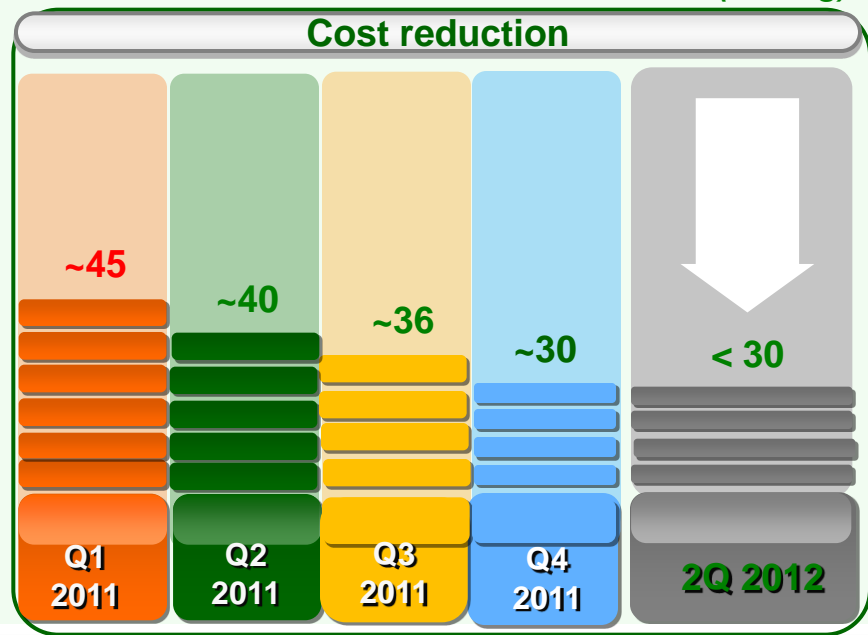
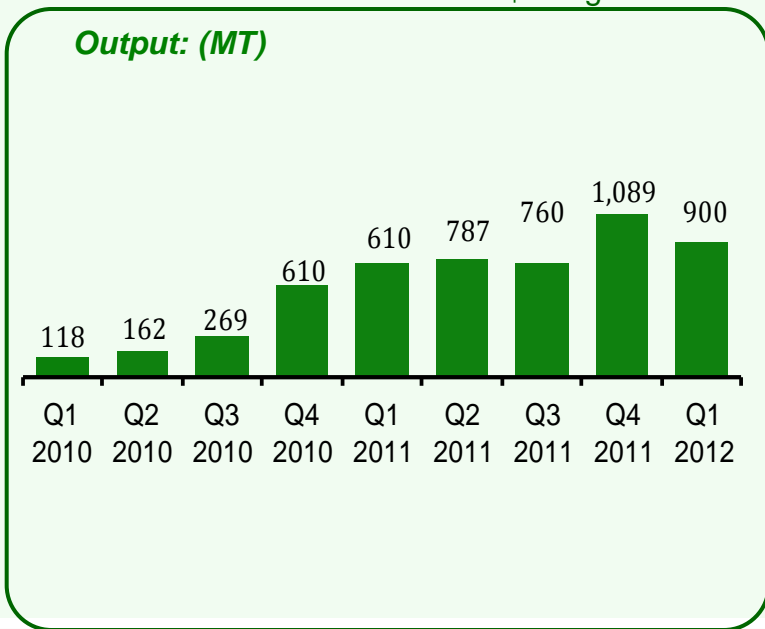


- Strong production of high-efficiency Virtus wafers, with conversion efficiencies of 18.2%, the benefits of which can be seen in our Virtus modules
- Processing cost in Q1 2012 was \$0.19/W, and we expect costs to drop to \$0.17/W by the end of Q2 2012
- Target wafer processing cost at the end of Q4 2012 is \$0.15/W
- Wafer processing cost for multicrystalline wafers was approximately \$0.16/W in Q1 2012

# Polysilicon Production – Continued Cost Reduction and Capacity Expansion ReneSola

- Internal polysilicon production cost increased to approximately US\$33/kg and production decreased to approximately 900 MT in Q1 2012 due to local infrastructure upgrades
- Internal polysilicon production cost has now been reduced back to US\$30/kg and is expected to drop to US\$25/kg (cash cost of US\$18/kg) by the end of Q2 2012, through the use of our newly developed in-house recycling methods
- In Q2 2012, the Company expects polysilicon production to be 1,000 MT
- Phase II plant is on schedule, expected to begin trial production in Q3 2012 and reach a capacity of 10,000 MT by the end of 2012
- We expect Phase II's stand-alone production cost to be under US\$20/kg, and total blended cost for Phase I and Phase II combined to be about US\$22/kg

Unit: (US\$/kg)

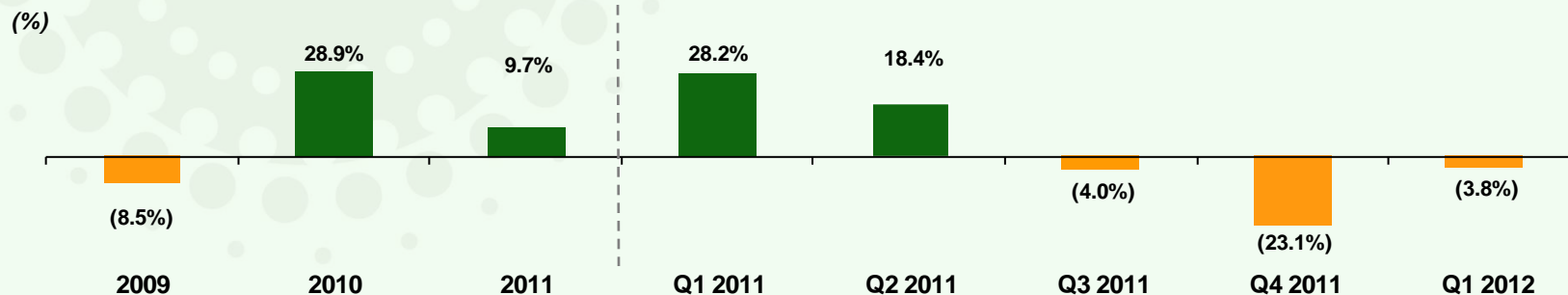




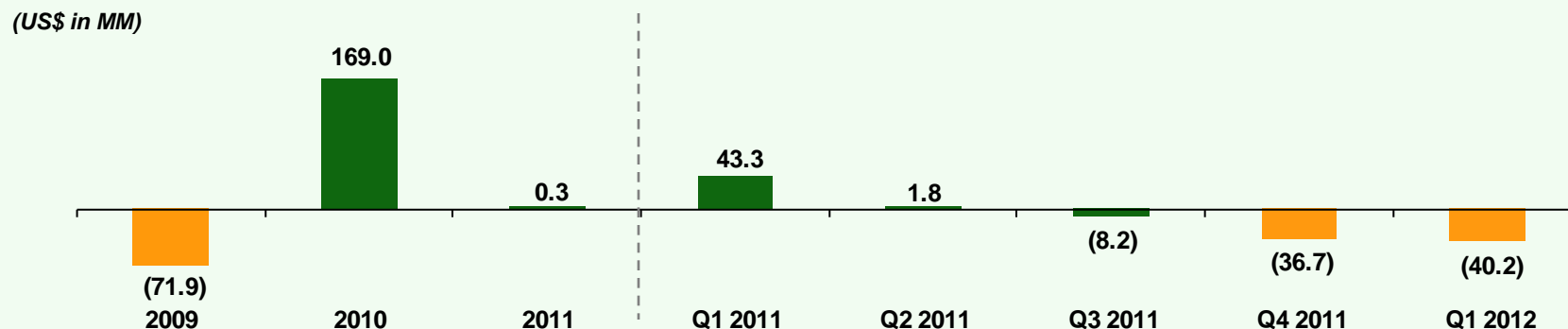
## **Financial Highlights**

# Historical Financials at a Glance

## Gross Margin



## Net Income



- Gross profit for Q1 2012 includes a write-down of \$12.2 million for inventory, without which gross profit would have been \$4.2 million
- We expect gross margins to be positive in Q2 2012

## Financial Performance – Financial Ratios



Financial Ratio	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Trade Receivable Turnover Days	28	24	34	41	51	56	64
Trade Payable Turnover Days	74	72	70	75	85	78	106
Inventory Turnover Days	61	56	60	70	87	62	68
Interest Coverage Ratio	14	12	11	2	-0.3	-3.5	-2.8
Net debt to equity	50%	34%	42%	44%	59%	65%	93%

- Our financial position is relatively healthy with strict internal controls on credit and inventory
- Low financing costs (6.12% for Q1 2012)
- Our relatively healthy balance sheet enables us to remain stable financially despite tough industry conditions

# Financial Performance – Income Statement Summary



US\$ Million	2006	2007	2008	2009	2010	2011	Q1 2012
Revenue	84.4	249.0	670.4	510.4	1,205.6	985.3	211.5
Gross Profit	24.7	53.5	-14.3	-43.2	348.0	96.1	-8.0
Gross Margin	29.3%	21.5%	-2.1% (18.3%*)	-8.5% (5.5%*)	28.9%	9.7% (14.7%*)	-3.8% (2.0%*)
Operating Expense	2.5	10.1	34.2	47.4	102.0	84.5**	29.8
EBIT Margin	27.2%	16.6%	-6.8%	-17.7%	20.4%	3.3%	-16.2%
Interest Expense	0.3	4.5	11.9	17.1	23.2	37.2	12.3
Tax Benefits (Expense)	2.7	6.2	2.4	41.2	-60.0	4.9	6.2
Net Income (Loss)	25.3	42.9	-54.9	-71.9	169.0	0.3	-40.2
Net Margin	30.0%	17.2%	-8.2% (12.2%*)	-14.1% (3.7%*)	14.0%	0.03% (4.7%*)	-19.0%

Note: \* Excludes inventory write-downs of \$137.0 million in 2008, \$71.3 million in 2009, \$45.6 million in 2011 and \$12.2 million in Q1 2012, as well as a provision of \$8.6 million in 2009

\*\* Includes a one-time gain of \$13.5 million arising from the forfeiture of a prepaid deposit due to the breach of a solar wafer contract by one of the Company's clients in 2011

# Financial Performance – Balance Sheet Summary



US\$ Million	Balance Sheet Summary						
	As of December 31						As of March 31
	2006	2007	2008	2009	2010	2011	2012
<b>Cash and Equivalents</b>	9.9	53.1	112.3	106.8	290.7	379.0	338.9
<b>Restrictive cash</b>	0	0	6.0	25.3	33.6	58.3	49.4
<b>Accounts Receivable</b>	0.7	8.8	43.2	108.0	81.5	129.6	170.8
<b>Inventory</b>	44.8	110.6	193	137.8	170.6	154.2	176.4
<b>Accounts Payable</b>	4.9	13.1	37.9	93.4	220.8	235.8	283.1
<b>Short-term Borrowings</b>	14.7	71.7	192.0	358.6	400.8	570.9	662.6
<b>Long-term Borrowings</b>	-	17.8	32.8	189.3	121.5	144.7	138.2
<b>Convertible Notes</b>	-	128.3	138.9	32.5	-	111.6	111.6
<b>Shareholder Equity</b>	72.5	125.7	381.8	396.3	586.5	601.1	561.6

- Our balance sheet position at the end of Q1 2012 was relatively healthy with approximately \$388.3 million in cash and \$800.8 million in debt (excluding convertible notes)
- We are well prepared for the difficult market conditions

## Guidance

### Q2 2012 Guidance

- Total solar wafer and module shipments to be in the range of 460 MW to 480 MW
- Module shipments of 150 MW to 170 MW
- Revenues to be in the range of \$200 million to \$220 million
- Positive gross margins

### FY 2012 Guidance

- Total solar wafer and module shipments to be in the range of 1.8 GW to 2.0 GW



Thank you!



---

**ReneSola Ltd**  
Email: [ir@renesola.com](mailto:ir@renesola.com)