



# Q1 2014 Earnings Presentation

**May 29, 2014**

# 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.

# First Quarter Highlights



**Total module shipments of 521 MW with jump in sales to Japan**



**Gross profit of US\$44.0 million with gross margin of 10.6%**



**Expanding global footprint with OEM capacity of 1.1 GW  
and broad sales distribution network**



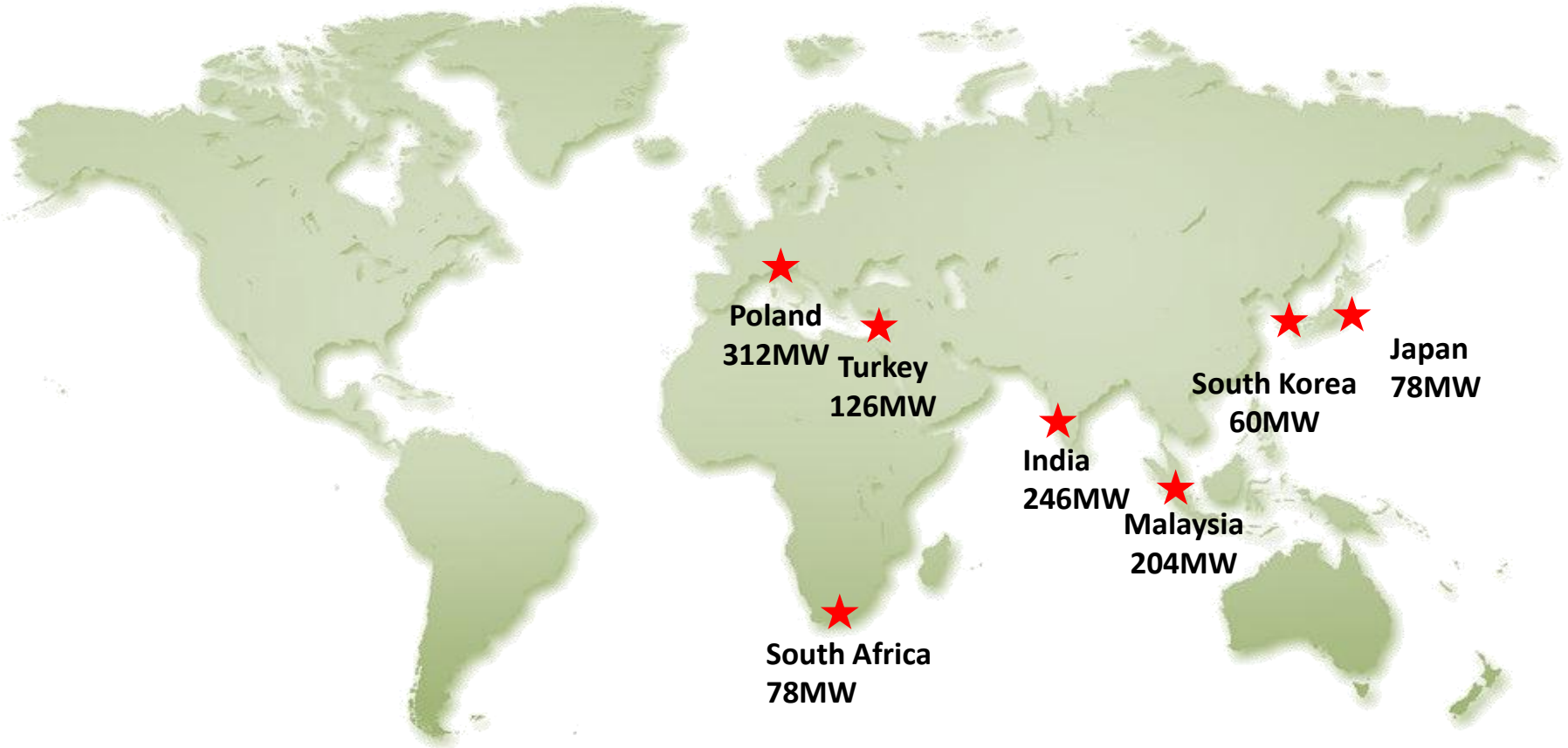
**Business-development focus on retail market,  
with cost-reduction plan in place**



# Business Highlights

# Global OEM Footprint

Total OEM capacity of 1.1 GW worldwide\*

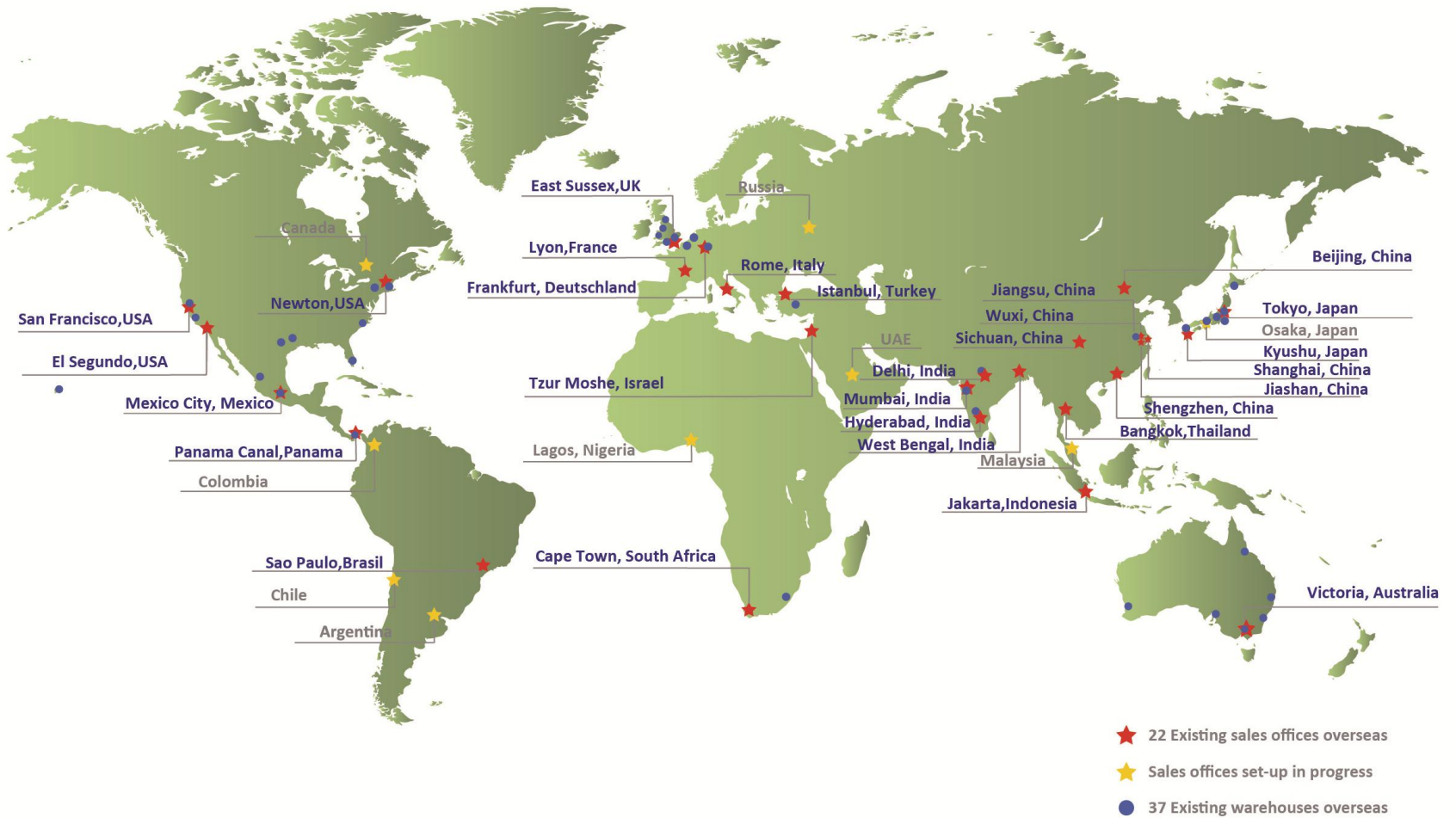


★ Existing OEM locations overseas

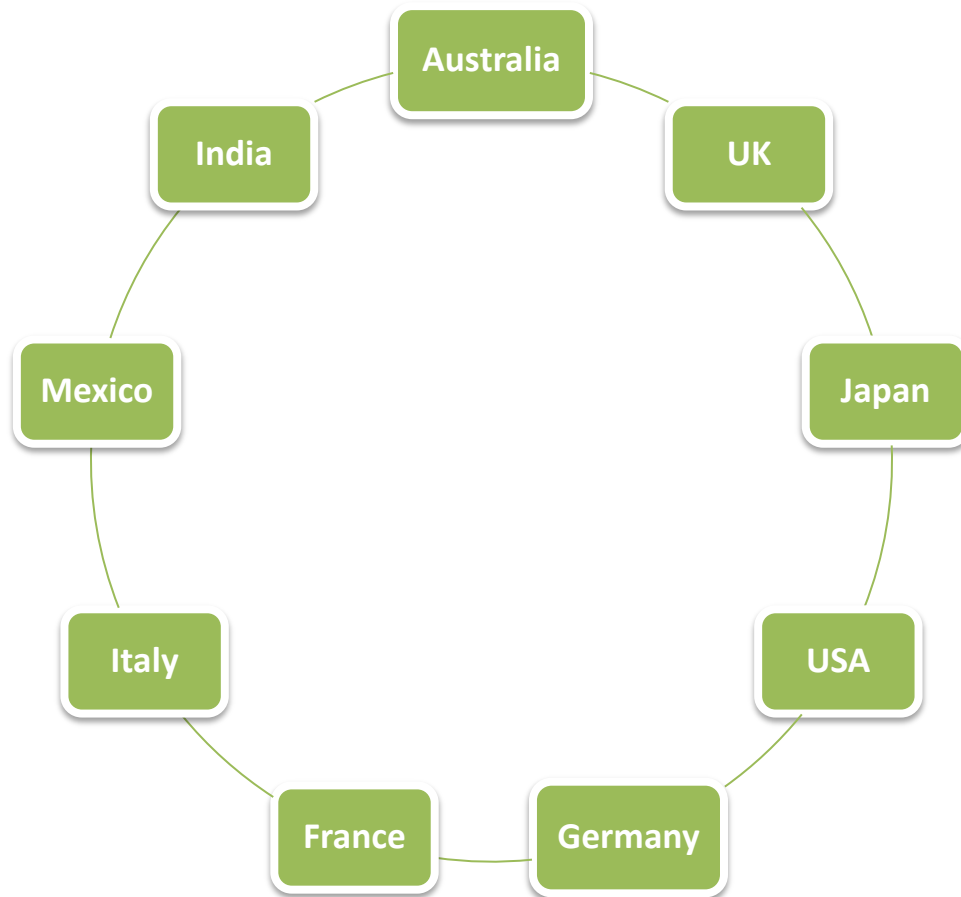
**ReneSola**

\*As of reporting date

# Global Sales Distribution Network



# Focus: Global Retail Market



- ✓ *Less affected by industry ups and downs*
- ✓ *Sustainable market growth*
- ✓ *Currently accounts for around 15% of total shipments; targeting to reach near half of total shipments by year-end*
- ✓ *Complete packages with inverters, mounting systems, etc.*
- ✓ *Higher ASPs and margins*



# Cost Reduction Plan

## ◆ Polysilicon Cost Reduction Roadmap

Full production since end of March

Approaching seasonally lowest electricity cost

Stabilized market price

## ◆ Module Cost Reduction Roadmap

Lower Taiwanese cell cost

Lower BOM cost through more efficient sourcing

Lower processing cost resulting from higher efficiency and better operation process

**Gross Margin  
Trending Upward**



# Research & Development Highlights



## Wafer and Module

The Company expects to complete the promotion of its A+++ wafer by May and start manufacturing in June. The A+++ wafer has a conversion efficiency rate of 17.8%. The Company has begun optimizing the module structure, while ensuring its carrying capacity and reliability. Such structural improvement will help reduce packing and transportation costs going forward. The Company's glass-glass module is now in the certification process. With a differentiated design, the glass-glass module is expected to enjoy a cost advantage and a higher ready-for-sale product rate.

## LED

The Company currently has 600 models of LED products and has obtained 125 UL certificates for North America, 118 CUL certificates for Canada, 150 TUV-CE certificates for the EU, 203 TUV-CB certificates for IECEE member countries, and four SAA & RCM certificates for Australia. The Company expects to obtain additional certification for its various LED products across these regions, as well as certification for other regions like Japan, Russia and Mexico. The certification process is expected to be completed by June 2014.

## Inverter

The Company's second-generation micro-inverter, Micro-Replus II, has received ETL certification in the United States and is currently undergoing pilot-scale experimentation. The Company has launched its second-generation string inverter in Australia, ranging from 3KW to 5KW in power output, featuring higher efficiency, lighter weight and longer working life. The Company's 18KW and 20KW string inverters have achieved BDEW certification in Germany. The Company has also launched new string inverter products in India and South Africa.

## Energy Storage Systems

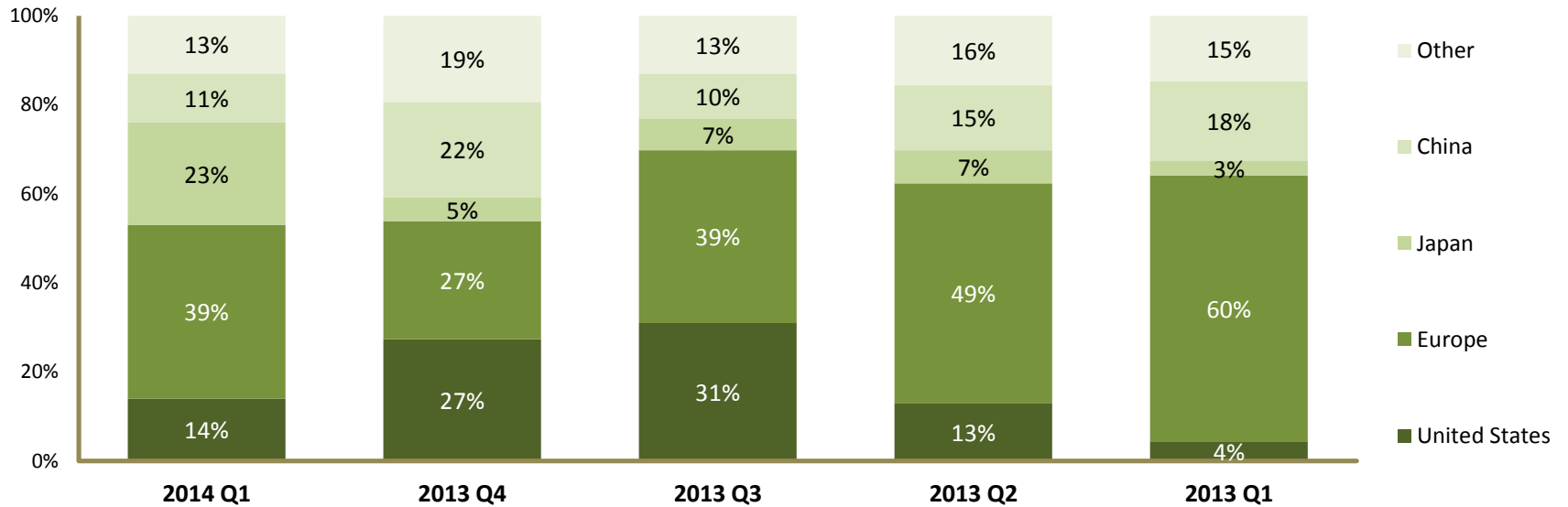
The Company has launched its off-grid, all-in-one storage system product, which incorporates a controller, MPPT battery charger, inverter and fast power switch in one system, supporting both acid and lithium batteries. It has also introduced lithium battery packs, and will provide customized products ranging from 10AH to 500AH and 12V to 360V power requirements.

## Mounting Systems

The Company has completed the research and development phase of its 30° tripod system and the product is now in trial production and awaiting patent approval. The Company has also completed research and development regarding AE Clamp Group products, which can hold in position solar panels with a thickness ranging from 35mm to 50mm. The program is also in trial production and awaiting patent approval.

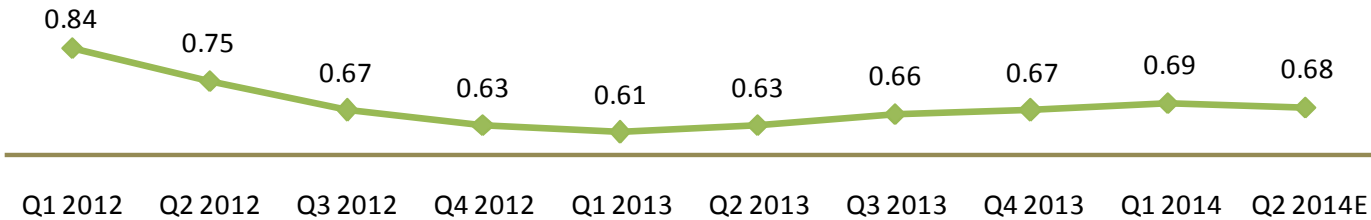
# Geographic Distribution of Modules & ASP Trend

## Module Shipment by Region



## Modules Average Selling Price (ASP)

(US\$/W)

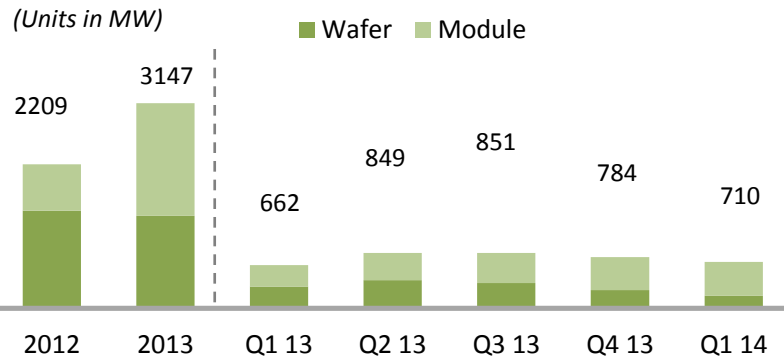




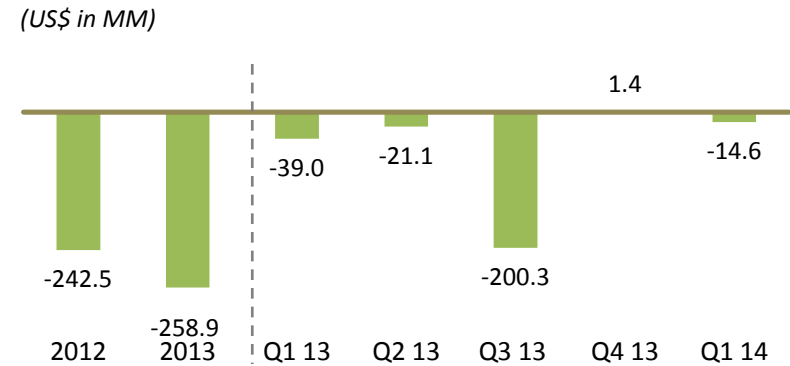
# Financial Highlights

# First Quarter Snapshot

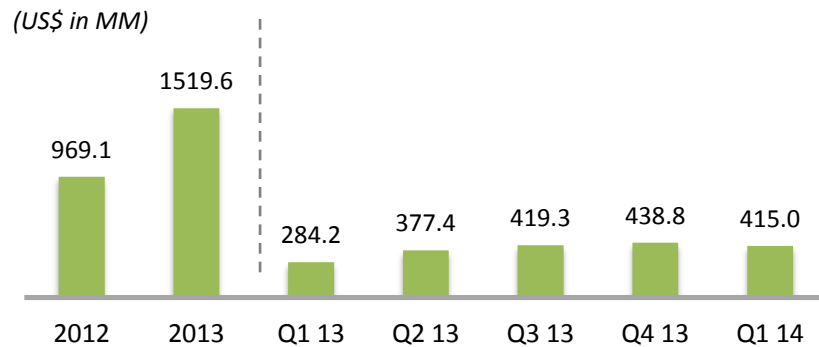
## Total Solar Wafer and Module Shipments



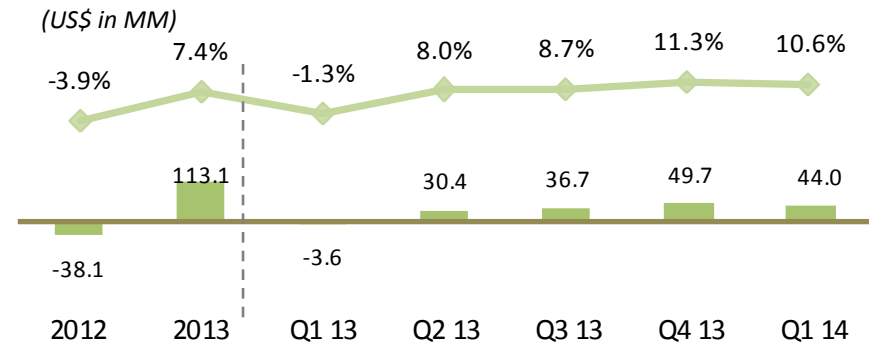
## Net Income



## Revenues



## Gross Profit and Gross Margin\*



\*Starting from Q1 2014, the Company has changed its accounting classification of warranty expense, which was previously classified as cost of goods sold, to better reflect its global OEM business operations and align its accounting policy to industry peers. Accordingly, beginning with this quarter, warranty expense has been recognized in the selling expense. The change in classification has been retroactively applied for all periods presented.

# Cash and Debt Positions

---

## Cash Flow

- Net cash outflow from operating activities was US\$112.3 million in Q1, compared to net cash outflow of US\$30.8 million in Q4 2013.

## Cash Balance

- Net cash and cash equivalents plus restricted cash were US\$214.9 million as of the end of Q1, compared to US\$348.9 million as of the end of Q4 2013.

## Debt

- Total debt was US\$723.9 million as of March 31, 2014, compared to US\$742.6 million as of December 31, 2013, excluding US\$111.6 million of convertible notes due March 15, 2018, unless repurchased or converted at an earlier date.
  - Short-term borrowings were US\$653.3 million as of the end of Q1, compared to US\$673.1 million as of the end of Q4 2013.
-

# Income Statement Summary

US\$ millions	2011	2012	2013	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
<b>Revenue</b>	985.3	969.1	1,519.6	284.2	377.4	419.3	438.8	415.0
<b>Gross Profit**</b>	99.9	-38.1	113.1	-3.6	30.4	36.7	49.7	44.0
<b>Gross Margin**</b>	10.1%	-3.9%	7.4%	-1.3%	8.0%	8.7%	11.3%	10.6%
<b>Operating Expense</b>	88.4*	140.9*	334.6	29.8	46.9	216.9*	40.9	52.8
<b>EBITDA</b>	115.4	-60.7	105.4	-5.5	12.8	48.6	49.6	24.9
<b>Interest Expense</b>	37.2	50.6	52.1	13.1	14.0	11.9	13.1	13.3
<b>Net Income (Loss)</b>	0.3	-242.5	-258.9	-39.0	-21.1	-200.3	1.4	-14.6
<b>Net Margin</b>	0.03%	-25.0%	-17.0%	-13.7%	-5.6%	-47.8%	0.3%	-3.5%

\*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 our clients in 2011, an impairment loss on long-lived assets of \$6.4 million, a goodwill impairment charge of \$6.2 million in 2012.; and an impairment loss of \$202.8 million and a one-time gain of \$34.7 million from forfeiture of a deposit in connection with a long-term supply contract in Q32013

\*\*Starting from Q1 2014, the Company has changed its accounting classification of warranty expense, which was previously classified as cost of goods sold, to better reflect its global OEM business operations and align its accounting policy to industry peers. Accordingly, beginning with this quarter, warranty expense has been recognized in the selling expense. The change in classification has been retroactively applied for all periods presented.



# Balance Sheet Summary

US \$ millions	As of December 31		As of Mar 31	As of Jun 30	As of Sep 30	As of Dec 31	As of Mar 31	
	2011	2012	2013	2013	2013	2013	2014	
Cash and Equivalents, plus Restricted Cash	437.4	268.1	348.9	442.7	405.8	438.5	348.9	214.9
Accounts Receivable	129.6	216.8	236.6	263.7	272.1	321.2	236.6	206.8
Inventory	154.2	254.9	359.6	292.8	343.3	342.2	359.6	375.7
Accounts Payable	235.8	483.0	656.2	569.4	718.5	820.0	656.2	536.1
Short-term Borrowings	570.9	733.6	673.1	832.8	763.6	695.6	673.1	653.3
Long-term Borrowings	144.7	56.6	69.5	125.9	146.3	135.6	69.5	70.6
Convertible Notes	111.6	111.6	111.6	111.6	111.6	111.6	111.6	111.6
Shareholder Equity	601.1	364.4	169.0	327.2	313.7	170.6	169.0	152.8



# Guidance

## Q2 2014 Guidance

- Solar module shipments are expected to be in the range of 480 MW to 500MW
- Gross margin is expected to be in the range of 12% to 14%

## FY 2014 Guidance

- Total solar module shipments are expected to be in the range of 2.3GW to 2.5GW



[ THANK YOU ]  
www.renesola.com

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