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Rensola Announces First Quarter 2008 Results

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Jiashan, China: Rensola Announces First Quarter 2008 Results

Chinese wafer manufacturer, ReneSola Ltd has released its unaudited financial results for the first quarter ended March 31, 2008.

Net revenues for the first quarter of 2008 were US\$123.0 million, an increase of 28.0% sequentially and 242.4% year-over-year. The increase in first quarter revenues was primarily attributable to an increase in output from the expanded production capacity and increasing wafer ASPs.

First quarter 2008 gross profit was US\$27.2 million, a 38.8% increase sequentially and 234.1% year-over-year. The gross margin for the first quarter 2008 was 22.1% compared to 20.4% in the fourth quarter of 2007. The increase in gross margin was achieved despite an increase in average feedstock costs of 21.0% sequentially and was primarily attributable to a further reduction in silicon consumption rate to 6.3 grams per watt from 6.5 grams per watt in fourth quarter of 2007, a continuing reduction in non-raw material related production costs and an increase in wafer ASPs due to the high demand for our wafer products.

Profit before tax in the first quarter was US\$21.3 million, a 72.2% increase sequentially and 215.0% increase year-over-year. Finance costs increased by 26.9% sequentially, reflecting increased bank borrowings and interest rates. Finance costs as a percentage of net revenue decreased from 1.8% in the fourth quarter of 2007 to 1.7% in the first quarter of 2008. The first quarter foreign exchange loss was US\$0.06 million compared to foreign exchange loss of US\$1.2 million in the fourth quarter of 2007.

First quarter 2008 net profit increased 1.2% sequentially and 160.6% year-over-year to US \$17.7 million.

"We exceeded our targeted output and once again achieved record revenues for the quarter," said Mr. Xianshou Li, ReneSola's chief executive officer. "During the first quarter, we increased production output to 66.5 MW through the successful ramp-up of production capacity that was installed in the fourth quarter of 2007. This resulted in substantial

growth in revenue and operating profits. Our dedication to efficient production processes and innovation continued to yield impressive performance."

"In January 2008, we completed our initial public offering on the New York Stock Exchange, generating net proceeds of approximately US\$109.0 million," continued Mr. Li. "The listing strengthened our balance sheet and increased our brand recognition. We remain optimistic about the remainder of 2008, and are committed to growing in order to meet increasing demand for our high quality wafer products."

Renesola anticipates production output to be in the range of 75 MW to 80 MW in the second quarter of 2008 compared to 66.5 MW in the first quarter of 2008 and 23 MW in the second quarter of 2007. Gross margin for the second quarter of 2008 is expected to remain stable. On April 17, 2008, ReneSola increased previously issued full year 2008 production output to 310 MW to 320 MW and revenue guidance to US\$530 million to US\$550 million for 2008. ReneSola is once again increasing full year 2008 outlook and expects production output to be in the range of 330 MW to 340 MW with annual net revenues of approximately US\$570 million to US\$590 million.

With current facilities reaching full capacity and strong customer demand for additional wafer sales contracts, ReneSola will further expand its wafer manufacturing capacity to 1,000 MW by the end of 2009. The Company believes the new wafer manufacturing capacity will provide important ramp-up capabilities to meet increasing market demand. Negotiations on equipment purchases are currently under way and are expected to be completed within the next couple of months.

ReneSola is planning to develop a polysilicon manufacturing facility with an annualized capacity of 1,500 tons in Meishan, Sichuan province, China. With a substantial pipeline of wafer sales secured under various long term contracts and strong customer interest in signing further long-term contracts, ReneSola has decided to increase the previously announced 1,500 tons of annual polysilicon manufacturing to 3,000 tons on the same site in Meishan to secure more in-house polysilicon supplies.

Land leveling has been completed and construction has commenced with completion expected in early 2009. The facility is expected to be operational in the first half of 2009. As part of the project, ReneSola has signed purchasing contracts and made down-payments for major capital equipment from world-class international equipment suppliers.

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