



NEWS

LDK Solar Reports Financial Results for the Second Quarter 2008

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Chinese wafer manufacturer, LDK Solar today reported its unaudited financial results for the second quarter ended June 30, 2008.

Net sales for the second quarter of fiscal 2008 were \$441.7 million, up 89.2% from \$233.4 million for the first quarter of fiscal 2008, and up 345.9% year-over-year from \$99.1 million for the second quarter of fiscal 2007.

Gross profit for the second quarter of fiscal 2008 was \$112.3 million, up 73.9% from \$64.6 million for the first quarter of fiscal 2008, and up 221.8% year-over-year from \$34.9 million for the second quarter of fiscal 2007. Gross profit margin for the second quarter of fiscal 2008 was 25.4% compared with 27.7% in the first quarter of fiscal 2008 and 35.2% in the second quarter of fiscal 2007. Operating profit for the second quarter of fiscal 2008 was \$100.3 million, up 90.9% from \$52.5 million for the first quarter of fiscal 2008, and up 225.4% year-over-year from \$30.8 million for the second quarter of fiscal 2007. Operating profit margin for the second quarter of fiscal 2008 was 22.7% compared with 22.5% in the first quarter of fiscal 2008 and 31.1% in the second quarter of fiscal 2007.

Income tax expense for the second quarter of fiscal 2008 was \$13.3 million. One of our operating subsidiaries in the PRC, after the first two years of exemptions, is now subject to the tax rate of 12.5% under the PRC Enterprise Income Tax Law that became effective on January 1, 2008.

Net income for the second quarter of fiscal 2008 was \$149.5 million, or \$1.29 per diluted ADS, compared to net income of \$49.8 million, or \$0.45 per diluted ADS for the first quarter of fiscal 2008.

LDK Solar ended the second quarter of fiscal 2008 with \$83.7 million in cash and cash equivalents and with \$261.9 million in pledged bank deposits.

"We experienced substantial revenue growth during the second quarter as our wafer capacity expansion exceeded our expectations," stated Xiaofeng Peng, Chairman and CEO of LDK Solar. "We were also pleased to introduce our first Nova wafers using Upgraded Metallurgical Silicon (UMG), which began shipping to certain customers, ahead of schedule during the quarter. Customer demand remains strong and we have signed nine long-term wafer supply agreements year-to-date, further diversifying our customer base. In response to our sales backlog, we are again raising our target annualized capacity to 1.2 GW by the end of 2008, 2.2 GW by the end of 2009 and 3.2 GW by the end of 2010."

"We are pleased with our continued success of executing our growth strategies. In addition to our wafer capacity expansion, tremendous progress has been made to date on the construction of our polysilicon plants and the project remains on schedule," concluded Mr. Peng.

For the third quarter of fiscal 2008, LDK Solar estimates its revenue to be in the range of \$486 million to \$496 million with wafer shipments between 210 MW to 220 MW. LDK Solar also updated its outlook for the full year of fiscal 2008. For the full year of fiscal 2008, LDK Solar currently estimates:

- Revenue to be in the range of \$1.65 billion to \$1.75 billion;
- Wafer shipments in the range of 750 MW to 770 MW;
- Gross margin in the range of 23% to 28%; and
- Annualized wafer production capacity to be 1.2 GW by the end of 2008.

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