

Trina Solar LTD
Form 6-K
August 23, 2007
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2007

Commission File Number: 001-33195

TRINA SOLAR LIMITED

No. 2 Xin Yuan Yi Road

Electronics Park, New District

Changzhou, Jiangsu 213031

People's Republic of China

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

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Yes _____ No X

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

82- N/A

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TRINA SOLAR LIMITED

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRINA SOLAR LIMITED

By: /s/ Jifan Gao

Name: Jifan Gao

Title: Chairman and Chief Executive Officer

Date: August 23, 2007

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Exhibit 99.1

Contact:

Trina Solar Limited
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Trina Solar Announces Second Quarter 2007 Results

Changzhou, China August 23, 2007 Trina Solar Limited (NYSE: TSL) (Trina Solar or the Company), an integrated manufacturer of solar PV products based in Changzhou, China, today announced its financial results for the second quarter of 2007.

Second Quarter 2007 Highlights

Total net revenues increased 77.0% sequentially and 160.4% year-over-year to \$75.3 million

Gross profit increased 49.5% sequentially and 78.7% year-over-year to \$14.2 million

Net income increased 51.4% sequentially and 540.0% year-over-year to \$7.2 million

Solar module shipments increased 93.3% to 20.33 MW from 10.52 MW in the first quarter of 2007 and 187.6% from 7.07 MW in the second quarter of 2006

We are extremely pleased with our record results for the second quarter of 2007. We experienced continued strong growth in both revenues and profits, while further demonstrating the strengths of our sales and marketing, organizational capability, and strong brand in strategic European markets, such as Germany, Spain, and Italy. In addition, we have achieved key milestones in the execution of our business plan with the successful commercial launch of our solar cell manufacturing lines, taking us one step closer to becoming a fully vertically integrated solar PV manufacturer, said Mr. Jifan Gao, Trina Solar's Chairman and CEO.

Second Quarter 2007 Results

Trina Solar's net revenues in the second quarter of 2007 were \$75.3 million, an increase of 77.0% sequentially and 160.4% year-over-year. Total shipments increased to 20.33 MW, up from 10.52 MW in the first quarter of 2007 and 7.07 MW in the second quarter of 2006. Average sales price (ASP) was \$3.70 in the second quarter of 2007, compared to \$3.80 in the first quarter of 2007, and \$4.03 in the second quarter of 2006. Sales to customers in Europe accounted for almost all of Trina Solar's revenues in the second quarter of 2007.

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At June 30, 2007, Trina Solar's ingot, wafer, and module annual manufacturing capacities were 100 MW. In April 2007, Trina Solar commenced commercial production of its newly installed solar PV cell lines that are currently delivering an average cell efficiency of 16.3% and have an annual manufacturing capacity of approximately 50 MW. The Company plans to achieve an annual manufacturing capacity of 150 MW for its ingot, wafer, cell and module production by the end of 2007.

Cost of revenues in the second quarter of 2007 was \$61.1 million, an increase of 84.9% sequentially and 191.4% year-over-year due to growth of Trina Solar's solar module business. Cost of revenues in the second quarter of 2007 included approximately \$15,000 of share-based compensation expenses.

Gross profit in the second quarter of 2007 was \$14.2 million, an increase of 49.5% sequentially and 78.7% year-over-year. Gross margin was 18.9% in the second quarter of 2007, a decrease from 22.3% in the first quarter of 2007 and 27.5% in the second quarter of 2006. The sequential and year-over-year decline in gross margin was due primarily due to a lower module ASP.

Operating expenses in the second quarter of 2007 were \$6.1 million, an increase of 21.6% sequentially and 21.7% year-over-year. The sequential and year-over-year increases were primarily due to higher selling expenses and general and administrative expenses to support the rapid growth of the Company's business. Operating expenses in the second quarter of 2007 included approximately \$296,000 of share-based compensation expenses.

Operating income in the second quarter of 2007 was \$8.1 million, an increase of 81.0% sequentially and 177.2% year-over-year. Operating margin was 10.7% in the second quarter of 2007, compared to 10.5% in the first quarter of 2007 and 10.1% in the second quarter of 2006.

Interest expense in the second quarter of 2007 was \$1.6 million, compared to \$1.2 million in the first quarter of 2007 and \$0.5 million in the second quarter of 2006. The sequential increase was due to additional bank borrowings in the second quarter of 2007.

The Company recorded an income tax benefit of \$56,000 in the second quarter. The Company received approval from the tax authority of additional tax benefit in the second quarter under qualified export enterprise classification.

Net income from continuing operations reached \$7.2 million in the second quarter of 2007, an increase of 53.2% sequentially and 280.6% year-over-year.

Net income was \$7.2 million in the second quarter of 2007, an increase of 51.4% sequentially and 540.0% year-over-year.

First Half 2007 Results

Revenues for the six months ended June 30, 2007 increased 171.7% over the comparable period in 2006, to \$117.9 million. Gross profit increased 89.3% over the comparable period in 2006, to \$23.7 million, yielding a gross margin of 20.1%. Operating expenses in the first half of 2007 increased 83.9% over the comparable period in 2006 to \$11.2 million as a result of the Company's rapid growth. Operating income in the first half of 2007 was up 94.4% over the comparable period in 2006 to \$12.6 million, reflecting an operating margin of 10.7%.

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Net income for the six months ending June 30, 2007 was \$12.0 million, an increase of 201.6% over the comparable period in 2006.

Financial Condition

As of June 30, 2007, the Company had \$173.5 million in cash and cash equivalents and working capital of \$224.9 million. Total bank borrowings stood at \$114.8 million, \$5.3 million of which were long-term borrowings. Shareholders' equity was \$335.6 million, up from \$171.6 million at the end of the first quarter 2007.

Business Outlook

The Company affirms its previous guidance of total net revenues in the range of \$270 million to \$300 million and net income in the range of \$34.5 million to \$36.5 million for the full year 2007. The Company expects to ship between 75 MW to 80 MW of modules for the full year 2007.

Trina Solar is on track to meet its year end capacity expansion goals of 150 MW and 350 MW for 2007 and 2008, respectively. The Company has successfully upgraded its infrastructure, including installation of utilities such as electrical power supply and new water cooling facilities. In line with its technology roadmap, Trina Solar has achieved commercial production of wafers of 200-micron thickness from 220-micron thickness to reduce the usage of silicon during the third quarter. Such wafers currently account for over 70% of its output, with the remaining wafers being produced at 220-micron thickness. We are currently converting our remaining equipment to produce all wafers of 200-micron thickness by the end of the third quarter.

In terms of polysilicon supply, the Company has entered into contracts covering approximately 90% and 60% of its 2007 and 2008 feedstock requirements, respectively, and continues to pursue an optimal mix of short-term and medium-term contracts with polysilicon manufacturers, semiconductor companies and silicon reclamation companies.

Our outlook is positive as recent sales contracts have confirmed our strengths to successfully execute our sales and marketing strategies in key European markets, particularly in Southern Europe where climatic conditions and government policies are more favorable towards the solar power industry. Market demand is still extremely strong, and we are currently sold out through the rest of the year. With additional cell lines and ingot and wafer capacities being installed for production in the fourth quarter, we are on track to realize increased scale efficiencies under a vertically integrated business model. Our focus remains to achieve cell efficiencies in excess of 16.5% by the year end, to enhance our product quality and to improve our cost structure, especially in the area of silicon feedstock utilization, said Mr. Gao. Our efforts to expand our geographic footprint into new markets and diversify our customer base have proven increasingly successful, as evidenced by an increasing percentage of new customers from Spain and Italy during the quarter. Going forward, our sales force will continue to target large and medium-sized companies in these and other markets.

During the second quarter of 2007, the Company diversified its revenue base by adding 12 new customers to end the quarter with approximately 30 active customers and a total portfolio of over 50 customers. The geographic breakdown of our sales for the second quarter was approximately 57% Germany, 28% Spain, and 11% Italy, thus bringing our first half of 2007 geographic breakdown to approximately 40% Germany, 31% Spain, and 15% Italy.

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Recent Events

On May 21, 2007, Trina Solar announced the appointment of Mr. Qian Zhao as independent director to the Company's Board of Directors. Mr. Zhao is a lawyer by training and has practiced law for 17 years specializing in corporate finance, cross-border investments, securities and M&A.

On May 31, 2007, the Company raised approximately US\$155 million in net proceeds through its follow-on offering of 3,600,016 American Depository Shares. The net proceeds will be used to expand manufacturing lines for the production of silicon ingots, wafers, solar cells and modules, research and development, raw materials purchases and general working capital purposes.

On July 9, 2007, the Company confirmed initial shipments on four recently signed contracts covering 88 to 99 MW of sales to new key accounts in Italy and Germany over the next two to three years.

Conference Call

The company will host a conference call at 8:00 a.m. ET on August 23, 2007, to discuss the results for the quarter ended June 30, 2007. Joining Jifan Gao, Trina Solar's Chairman and Chief Executive Officer, will be Sean Shao, Chief Financial Officer, Sean Tzou, Chief Operations Officer, Andy Klump, Vice President of Business Development, Arturo Herrero, Vice President of Sales and Marketing, and Thomas Young, Director of Investor Relations. To participate in the conference call, please dial the following number five to ten minutes prior to the scheduled conference call time: (+1 888) 482-0024. International callers should dial (+1 617) 801-9702. The passcode for the call is 13859684.

If you are unable to participate in the call at this time, a replay will be available on Thursday, August 23 at 10:00 a.m. ET, through Thursday, August 30, at 10:00 a.m. ET. To access the replay, dial (+1 888) 286-8010, international callers should dial (+1 617) 801-6888 and enter the passcode 87710119. Callers in Southern China may also dial 10 800 130 0399.

This conference call will be broadcast live over the Internet and can be accessed by all interested parties on Trina Solar's website at <http://www.trinasolar.com>. To listen to the live webcast, please go to Trina Solar's website at least fifteen minutes prior to the start of the call to register, download, and install any necessary audio software. For those unable to participate during the live broadcast, a replay will be available shortly after the call on Trina Solar's website for 90 days.

About Trina Solar Limited

Trina Solar Limited (NYSE: TSL), through its wholly-owned subsidiary Changzhou Trina Solar Energy Co., Ltd., is an integrated solar PV manufacturer based in China. The company began

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research and development efforts in solar products in 1999 and in 2002 it started the system integration business. The company moved into the assembly of solar modules in 2004 as well as the manufacturing of monocrystalline ingots, wafers and cells in 2005, 2006 and 2007, respectively. The company's solar modules provide reliable and environmentally-friendly electric power for residential, commercial, industrial and other applications worldwide. The company sells its products to customers around the globe, including a number of European countries, such as Germany, Spain and Italy, where government incentives have accelerated the adoption of solar power. For further information, visit the company's website at <http://www.trinasolar.com>.

Safe Harbor Statement

This announcement contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact in this announcement are forward-looking statements, including but not limited to, the company's ability to raise additional capital to finance the company's activities; the effectiveness, profitability, and marketability of its products; the future trading of the securities of the company; the ability of the company to operate as a public company; the period of time for which its current liquidity will enable the company to fund its operations; the company's ability to protect its proprietary information; general economic and business conditions; the volatility of the company's operating results and financial condition; the company's ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed in the company's filings with the Securities and Exchange Commission. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about the companies and the industry. The company undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or to changes in its expectations, except as may be required by law. Although the company believes that the expectations expressed in these forward looking statements are reasonable, they cannot assure you that their expectations will turn out to be correct, and investors are cautioned that actual results may differ materially from the anticipated results.

- FINANCIAL TABLES FOLLOW -

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(US dollars in thousands, except ADS and share data)

| | For the three months ended | | For the six months ended | |
|--|----------------------------|---------------------|--------------------------|---------------------|
| | June 30, | | June 30, | |
| | 2007 (unaudited) | 2006 (unaudited) | 2007 (unaudited) | 2006 (unaudited) |
| Net revenues | \$ 75,305 | \$ 28,921 | \$ 117,852 | \$ 43,373 |
| Cost of revenues | 61,090 | 20,966 | 94,129 | 30,841 |
| Gross profit | 14,215 | 7,955 | 23,723 | 12,532 |
| Operating expenses | | | | |
| Selling expenses | 2,335 | 716 | 3,929 | 1,094 |
| General and administrative expenses | 3,354 | 2,804 | 6,025 | 3,386 |
| Research and development expenses | 439 | 1,518 | 1,214 | 1,594 |
| Total operating expenses | 6,128 | 5,038 | 11,168 | 6,074 |
| Operating income | 8,087 | 2,917 | 12,555 | 6,458 |
| Interest expenses | (1,632) | (464) | (2,834) | (653) |
| Interest income | 563 | 57 | 955 | 64 |
| Other income (expenses) | 138 | (29) | 28 | (55) |
| Income before income taxes | 7,156 | 2,481 | 10,704 | 5,814 |
| Income tax expenses | 55 | (586) | 1,213 | (1,025) |
| Net income from continuing operations | 7,211 | 1,895 | 11,917 | 4,789 |
| Net income (loss) from discontinued operations | (13) | (770) | 35 | (826) |
| Net income | \$ 7,198 | \$ 1,125 | \$ 11,952 | \$ 3,963 |
| Earnings per ordinary share from continuing operations | | | | |
| Basic | 0.003 | 0.002 | 0.005 | 0.005 |
| Diluted | 0.003 | 0.002 | 0.005 | 0.005 |
| Earnings per ADS from continuing operations | | | | |
| Basic | 0.321 | 0.190 | 0.546 | 0.479 |
| Diluted | 0.315 | 0.190 | 0.537 | 0.479 |
| Earnings per ordinary share | | | | |
| Basic | 0.003 | 0.001 | 0.005 | 0.004 |
| Diluted | 0.003 | 0.001 | 0.005 | 0.004 |
| Earnings per ADS | | | | |
| Basic | 0.320 | 0.113 | 0.548 | 0.396 |
| Diluted | 0.315 | 0.113 | 0.538 | 0.396 |
| Weighted average ordinary shares outstanding | | | | |
| Basic | 2,246,839,501 | 1,000,000,000 | 2,181,736,235 | 1,000,000,000 |
| Diluted | 2,287,462,645 | 1,000,000,000 | 2,221,166,769 | 1,000,000,000 |
| Weighted average ADS outstanding | | | | |
| Basic | 22,468,395 | 10,000,000 | 21,817,362 | 10,000,000 |
| Diluted | 22,874,626 | 10,000,000 | 22,211,668 | 10,000,000 |

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Trina Solar Limited
Consolidated Balance Sheet
(US dollars in thousands)

| | June 30, | December 31, |
|--|---------------------|-------------------|
| | 2007 (unaudited) | 2006 (audited) |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 173,494 | \$ 93,380 |
| Restricted cash | 11,249 | 5,004 |
| Inventories | 65,686 | 32,230 |
| Accounts receivable, net | 67,856 | 29,353 |
| Other receivables | 2,573 | 1,228 |
| Advances to suppliers | 37,134 | 34,606 |
| Value-added tax recoverable | 1,020 | 1,035 |
| Deferred tax assets | 34 | 613 |
| Current assets of discontinued operations | 280 | 353 |
| Total current assets | 359,326 | 197,802 |
| Property, plant and equipment | 92,725 | 51,419 |
| Intangible assets, net | 2,408 | 2,372 |
| Advances to suppliers - long-term | 22,795 | |
| Deferred tax assets | 650 | 152 |
| TOTAL ASSETS | \$ 477,904 | \$ 251,745 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |
| Current liabilities: | | |
| Short-term borrowings, including current portion of long-term debt | \$ 109,515 | \$ 71,409 |
| Accounts payable | 20,526 | 9,147 |
| Accrued expenses | 3,545 | 5,029 |
| Advances from customers | 384 | 1,200 |
| Income tax payable | 84 | 850 |
| Current liabilities to be disposed | 389 | 434 |
| Total current liabilities | 134,443 | 88,069 |
| Long-term bank borrowings | 5,252 | 5,122 |
| Accrued warranty costs | 2,602 | 1,400 |
| Total liabilities | 142,297 | 94,591 |
| Ordinary shares | 22 | 21 |
| Additional paid-in capital | 304,124 | 139,671 |
| Retained earnings | 27,543 | 15,622 |
| Other comprehensive income | 3,918 | 1,840 |
| Total shareholders equity | 335,607 | 157,154 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | \$ 477,904 | \$ 251,745 |