Trina Solar Announces First Quarter 2009 Financial Results

For immediate release

Contact:
Trina Solar Ltd.
Vanessa Membrive
Responsable de Comunicación
Av. Diagonal 640, planta 6 A
08017 Barcelona SPAIN
Telf. +34 93 228 78 06
E-mail: vanessa.membrive@trinasolar.com

CCG Elite Investor Relations
Mr. Crocker Coulson, President
Telf: +(1) 646-213-1915 (New York)
Elaine Ketchmere, VP Financial Writing
Telf: +(1) 310-231-8600 ext 119

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Trina Solar Limited (TSL) ("Trina Solar" or the "Company"), a leading integrated manufacturer of solar photovoltaic (PV) products from the production of ingots, wafers and cells to the assembly of PV modules, announced its financial results for the first quarter ended March 31, 2009.

First Quarter 2009 Financial and Operating Highlights

-- Solar module shipments were 48.8 MW, compared to the Company's previous guidance of 50 MW to 55 MW, representing a decrease of 15.3% sequentially and an increase of 65.5% year-over-year

-- Total net revenues were $132.1 million, a decrease of 38.9% sequentially and an increase of 9.5% year-over-year

-- Gross margin was 17.2%, exceeding the Company's previous guidance of between 15% and 17%, compared to 9.6% in the fourth quarter of 2008

-- Operating income and operating margin were $6.8 million and 5.2% respectively, compared to $3.9 million and 1.8% respectively in the fourth quarter of 2008

-- Net loss was $10.6 million, which includes
-- a $6.5 million tax liability accrued in the first quarter resulting from a reversal in the government's approval for a past tax holiday

-- a charge of $4.6 million for the estimated cost in connection with the cancellation of two polysilicon supply agreements

-- Earnings per fully-diluted ADS was negative $0.42, which includes a negative impact of $0.44 per fully diluted ADS for the above reasons

"Our first quarter was adversely affected by unusually harsh weather in our key European markets, tightened credit conditions for our customers and the general slowdown in world economic activities," said Mr. Jifan Gao, Chairman and CEO of Trina Solar. "Improved conditions beginning in April have contributed to increasing customer deliveries and higher levels of new contracts and projects."

In conjunction with our recent visits involving over 30 meetings with our customers worldwide, we received positive feedback confirming satisfaction with our high quality products and greater recognition of our brand name. Our core strengths such as enhanced brand recognition, high quality products and industry leading low cost platform enable us to yield attractive margins in both new and existing PV markets, despite challenging market and macroeconomic conditions. In the first quarter, we continued to leverage our low cost platform by reducing our manufacturing cost to approximately $0.79 per watt for our multicrystalline product.

Moreover, we remain committed to ensuring that we have sufficient financial resources to maintain a strong balance sheet. In line with our focus on maintaining a strong cash position, we have increased our in-house production capacities for cells and modules to over 400 MW as of May 2009, as a result of improvements in production process enhancements and improved cell conversion efficiency, which required minimal capital investment.

Finally, we are encouraged by recent announcements by the Ministry of Finance, outlining China's national solar investment subsidy program, which is expected to commence this year. We are also involved in the development of a local Jiangsu subsidy program, which is viewed as a model provincial incentive program to potentially compliment the national subsidies. We are confident that our Changzhou presence will give us access to project opportunities created by these programs. To-date we have submitted 8 initial proposals for the national subsidy program in our name and through project joint venture.

In addition to the above, due to the current economic environment, we are continuing to focus on improvements in several areas, including accelerating the reductions in our manufacturing costs, increasing our cell and module efficiencies, leveraging our silicon procurement flexibilities, and expanding our sales capabilities to capture growth opportunities in existing and emerging PV markets.

Recent Business Highlights

During the first quarter of 2009, the Company

-- Continued to benefit from strong customer loyalty from its well- established PV partners throughout Europe and worldwide, whose businesses have greater visibility and access to commercial and project financing

-- Increased market share in growing PV markets such as Benelux, reflecting a diversification strategy that includes 20 established and emerging PV markets, such as Greece, the Czech Republic, Australia, and the United States

-- Increased sales to project system integrators, which currently represent more than half of our total sales

-- Continued to receive strong support from its Spanish partners who are increasingly active in developing projects outside of Spain

In April of 2009, the Company

-- Announced the completion of a 4.7 MW PV facility, one of the largest rooftop projects in Italy

-- Announced three new sales agreements in Germany totaling approximately 42 MW of PV modules for delivery in 2009, which has given the Company greater visibility in its order book

-- Expanded its European Sales and Marketing team with the appointments of two key management positions. Our new managers have over 33 years of combined solar PV and other renewable energy experience.

-- Submitted proposals involving eight projects for China's national subsidy program

First Quarter 2009 Results

<u>Net Revenues</u>

Trina Solar's net revenues in the first quarter of 2009 were $132.1 million, a decrease of 38.9% sequentially and an increase of 9.5% year-over- year. Total shipments were 48.8 MW, compared to 57.6 MW in the fourth quarter of 2008 and 29.5 MW in the first quarter of 2008. The sequential decline in total shipments was primarily due to weakened demand given prolonged winter conditions in our major European markets, limited customer visibilities to PV system purchase financing, and market inventory adjustments relating to government incentive reduction legislation in Spain. Net revenue includes approximately $2.3 million of non-module income.

Gross Profit and Margin

Gross profit in the first quarter of 2009 was $22.7 million, compared to $20.8 million in the fourth quarter of 2008 and $31.1 million in the first quarter of 2008. Gross margin was 17.2% in the first quarter of 2009, representing an increase from 9.6% in the fourth quarter of 2008 and a decrease from 25.8% year-over-year. The sequential increase was due primarily to the benefits of lower average silicon purchase prices. The year-over-year decrease was primarily due to lower module average selling price resulting from demand factors, which included abnormal seasonality impacts, increased industry capacity and availabilities of silicon feedstock, and the recent global economic and financial climate. The Company continued to focus its efforts on reducing its manufacturing cost per watt through ongoing efficiency gains linked to improved supply chain management, higher cell and module efficiencies, and proprietary process enhancements in our ingot, wafer, cell and module value areas.

Operating Expense, Income and Margin

Operating expenses in the first quarter of 2009 were $15.9 million. The Company's operating expenses accounted for 12.0% of its first quarter net revenues, an increase from 7.8% in the fourth quarter of 2008 and an increase from 9.0% in the first quarter of 2008. The sequential increase was a percentage of revenue as primarily due to the decline in total net revenues. Operating expenses in the first quarter of 2009 included $1.0 million in share-based compensation expenses, compared to $1.0 million in the fourth quarter of 2008 and $1.3 million in the first quarter of 2008.

Operating expenses include a charge of $4.6 million in connection with the estimated cancellation cost of two polysilicon supply agreements. Operating income in the first quarter of 2009 was $6.8 million, compared to $3.9 million in the fourth quarter of 2008 and $20.2 million in the first quarter of 2008. Operating margin was 5.2% in the first quarter of 2009, compared to 1.8% in the fourth quarter of 2008 and 16.7% in the first quarter of 2008.

Net Interest Expense

Net interest expense in the first quarter of 2009 was $5.4 million, compared to $6.5 million in the fourth quarter of 2008 and $2.2 million in the first quarter of 2008. The sequential decrease was the result of a lower average interest rate, while the year-over-year increase was primarily due to additional bank borrowings to support the growth of the Company's operations.

Foreign Currency Exchange

Foreign currency exchange loss was $7.6 million in the first quarter of 2009, compared to a $3.2 million gain in the fourth quarter of 2008 and a $4.0 million loss in the first quarter of 2008. This loss was primarily due to the depreciation of the Euro against the US dollar in the first quarter, the effect of which was partially mitigated by the Company's increased utilization of foreign currency forward contracts to hedge its exposure.

Income Tax Expense

In April 2009, we received a notice from the State Tax Bureau of Changzhou Hi-tech Development Zone notifying us that the exemption and 50% tax reduction for our taxable profit representing the proportion of increase in registered capital had expired on December 31, 2007. As a result, the Company recorded an additional one-time tax payment of $6.5 million arising from Changzhou Trina Solar Energy Co., Ltd.'s taxable profit in 2008. Please see the Company's 2008 annual report on Form 20-F filed with the U.S. Securities and Exchange Commission.

Net Income and EPS

Net loss was $10.6 million in the first quarter of 2009, a decrease from a $0.7 million loss in the fourth quarter of 2008 and a $12.9 million profit in the first quarter of 2008. Net loss includes the impact of the $4.6 million in

supply agreement cancellation charges, the $6.5 million tax charge, and a foreign currency exchange loss of $7.6 million.

Earnings per fully diluted ADS were negative $0.42. The combined effects of the supply agreement cancellation charge, the additional tax payment, and the foreign currency exchange loss, net of tax effect, were approximately $0.75 per fully diluted ADS.

Financial Condition

As of March 31, 2009, the Company had $194.1 million in cash and cash equivalents, and restricted cash. The Company's working capital balance was $81.8 million. Total bank borrowings stood at $320.2 million, of which $14.6 million were long-term borrowings. Shareholders' equity was $423.4 million, compared to $433.1 million as of December 31, 2008.

As of April 30, 2009 the Company's total short term credit lines increased to approximately $523 million, which includes approximately $183 million of unused available credit line. The Company increased its foreign currency hedging program during the first quarter of 2009 using foreign currency forward contracts between the Euro and the US dollar, with the goal of mitigating, to some extent, the effects of exchange rate volatility.