



Business Update

July 2009

Disclaimer



The presentation is prepared by LDK Solar Co., Ltd. (“LDK Solar” or the “Company”) and is being presented solely for the purpose of corporate communication and general reference. The presentation is not intended as an offer to sell, or to solicit an offer to buy or form any basis of investment decision for any class of securities of the Company in any jurisdiction. All such information should not be used or relied on without professional advice. The presentation is a brief summary in nature and do not purport to be a complete description of the Company, its business, its current or historical operating results or its future prospects.

This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

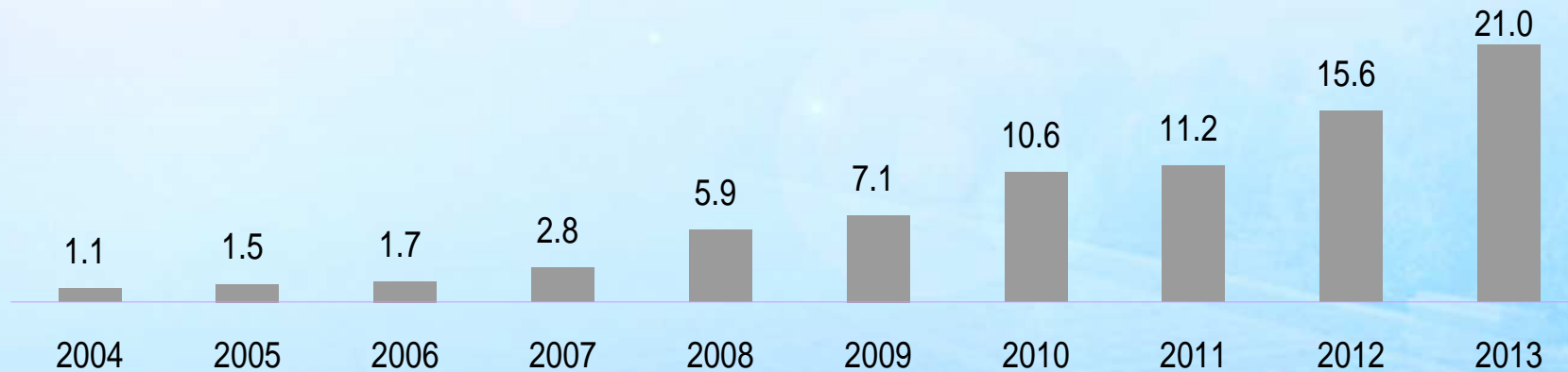
This presentation is provided without any warranty or representation of any kind, either expressed or implied. The Company specifically disclaims all responsibilities in respect of any use or reliance of any information, whether financial or otherwise, contained in this presentation.

Solar Market Growing Rapidly



Worldwide PV Industry Demand (1)

(GW)



- Solar market growing rapidly

- Strong support from government around the world in forms of subsidies

Note:

1. Marketbuzz 2009, Production Led Scenarios

Development of Markets for Solar Installations



China (+)

- China announced an upfront subsidy of RMB 20/W (\$2.94/W) for BIPV projects greater than 50 kW and certain rooftop solar systems for 2009
- China introduces RMB 1.09/kWh preferential feed-in tariff for solar power that supplies to grid
- Jiangsu provincial NDRC announced a solar PV incentive plan, which targets a 400 MW on-grid installation over the next three years, with 260 MW for rooftops, 10 MW for BIPV and 130 MW for ground-mounted systems. The plan also details a feed-in tariff for each type of system, which may result in very attractive IRRs
- China announced it is planning a stimulus package worth RMB 3 trillion to expand its renewable energy use. China targets to reach an installation capacity of 20 GW of solar power by 2020



U.S.(+) / Canada (+)

- U.S. government signed an eight-year extension of the federal solar tax credit in Oct 2008, eliminated prohibition on use of the Investment Tax Credit by utilities, and removed the \$2,000 cap on residential electric systems
- \$5.5 Bn set aside in Feb 2009 for government procurement of energy efficiency and renewable energy projects such as solar PV conversion to electricity
- U.S. additional subsidies are granted on the state level
- Canada's newly proposed feed-in tariff includes: Solar PV rooftop systems below or equal to 10kW would receive a tariff of CAD 80¢/kWh; 10 - 100kW, 71.3¢/kWh; 100 - 500kW, 63.5¢/kWh; > 500 kW, 53.9¢/kWh. For ground mounted systems below or equal to 10MW, the rate would be CAD 43¢/kWh



Germany (-) / France (+) / Greece (+)

- Germany decreased the feed-in tariff by almost 10% at the start of 2009
- German state bank, KfW, increased availability for PV projects by increasing lending limit from EUR 10 MM to EUR 50 MM and increasing term from 8 to 15 years
- France raised official solar power output target, and also introduces tariffs to non building-integrated systems
- Greece introduces new incentives for rooftop projects up to 10 kW, and sets new feed-in tariff at EUR 0.55/kWh



Japan (+) / Korea (+)

- Japan's subsidy remains the same at Y70/W for eligible solar cell modules, with total subsidy amount capped at Y20 Bn (implying 286 MW)
- Japan requires that maximum system output be less than 10 kW
- Japan is not contemplating preferential feed-in tariff
- Korea's government targets 1.3GW of PV capacity by 2011, and has a feed-in tariff of EUR 0.40/kWh for less than 30 kW systems and up to EUR 0.30/kWh for systems greater than 3MW



Italy (+) / Spain (-)

- Italy's feed-in tariff, approved in 2007, guarantees operators up to EUR 0.49/kWh of produced power for 20 years (implying >10% unlevered IRR)
- Spain plans to limit incentive program to 500 MW of new installation in 2009 (prior 400 MW) and 30% lower feed-in tariff



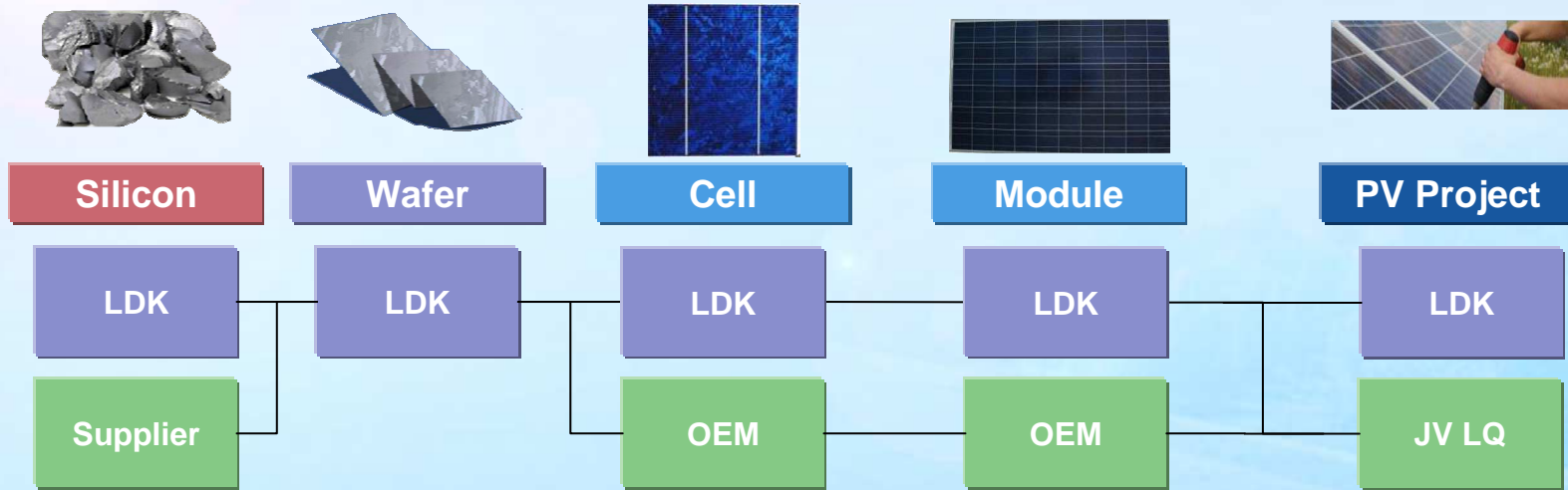
Company Overview

Evolution of LDK Solar with the Solar Industry



	To Date	Going Forward
Industry Size	<ul style="list-style-type: none">● Small	<ul style="list-style-type: none">● Increasingly large
Solar Industry Challenges	<ul style="list-style-type: none">● Constrained by availability of wafers	<ul style="list-style-type: none">● Declining generation cost creates opportunities
LDK Solar	<ul style="list-style-type: none">● Leadership in wafer production	<ul style="list-style-type: none">● Vertical integration to reduce cost● Development and installation of solar projects● Technological innovation

Our Vision – Vertical Integration



	Supplier	Wafer	Cell	Module	Total Module Cost	BOS Cost	Total System Cost
Today	65¢	30¢	35¢	45¢	\$1.75	80¢ - \$1.70	\$2.55 - \$3.45
2010	35¢	28¢	25¢	37¢	\$1.25	70¢ - \$1.60	\$1.95 - \$2.85
2013	15¢	20¢	15¢-20¢	30¢-35¢	80¢ - 90¢	40¢ - \$1.00	\$1.20 - \$1.90

Note: All cost estimates based on full production capacity



Key Investment Highlights



1

Leading, Low-Cost Wafer Manufacturing Operations

2

Ramp-up of High Quality, Low Cost Polysilicon Operations

3

Fast Growing Project Business in China and Abroad

4

Strong Backlog of Wafer Commitments and Projects

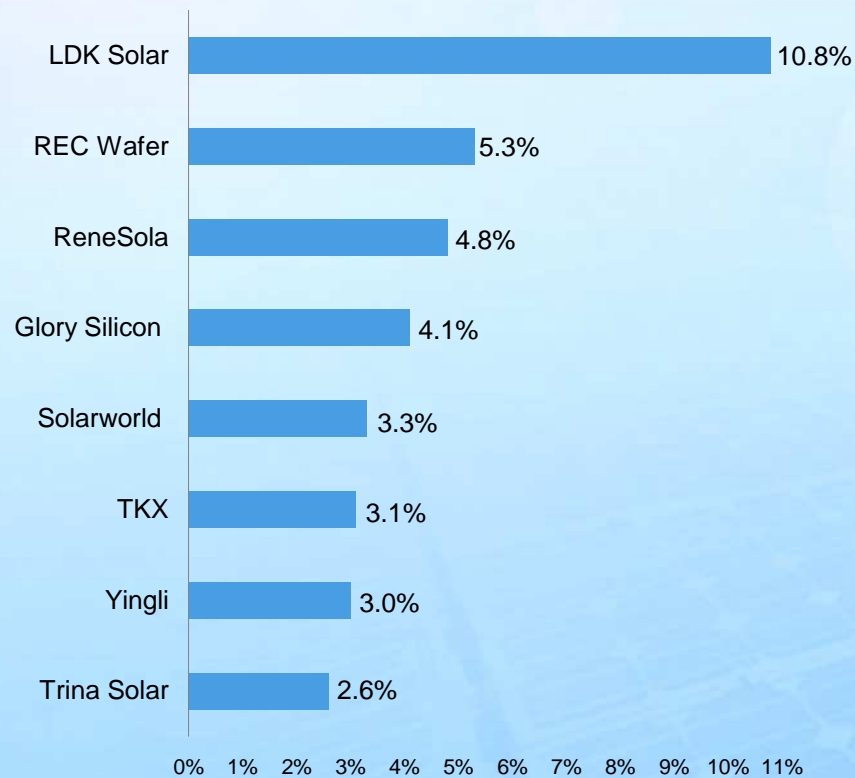
5

Attractive Growth Strategies – Well Positioned for Vertical Integration

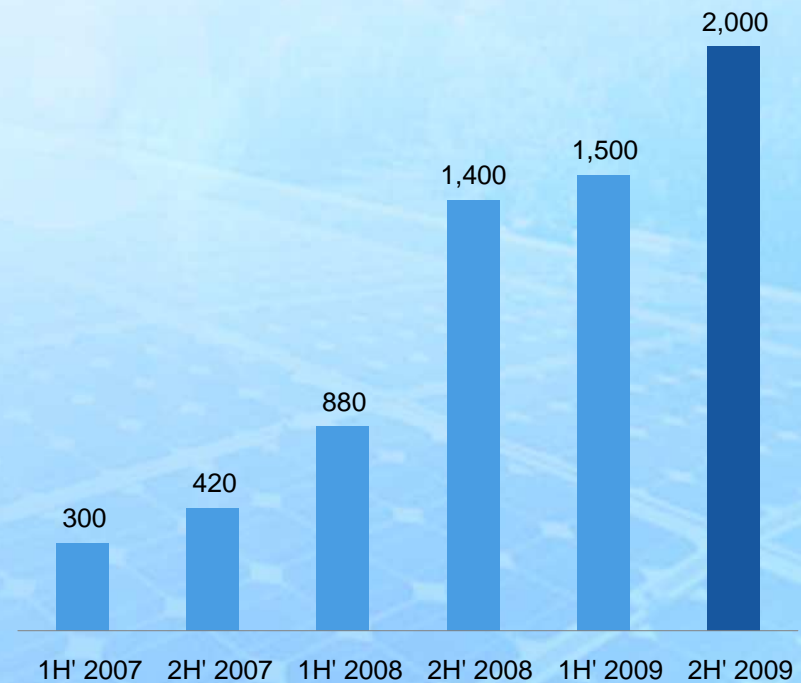
1 Leading Wafer Manufacturer – Scale



Major Wafer Manufacturers Capacity Share 2008



Wafer Capacity (MW)



Source: Marketbuzz 2009



Process

- Production Process
 - Ingot size
 - Wafer thickness
 - Kerf loss

- Recycling
 - Slurry
 - Silicon

- Use of domestic equipment and consumables

Progress

- Up to 660Kg ingots
- Wafer thickness 180 μ m
- Wire width 100 μ m

- 30,000 metric ton slurry recovery system

- Using China made casting furnaces, consumables and recycling systems
- Crucibles manufactured locally in Xinyu

We are targeting wafer conversion costs of 20¢ - 25¢

2 Cost and Quality Control from Polysilicon Production



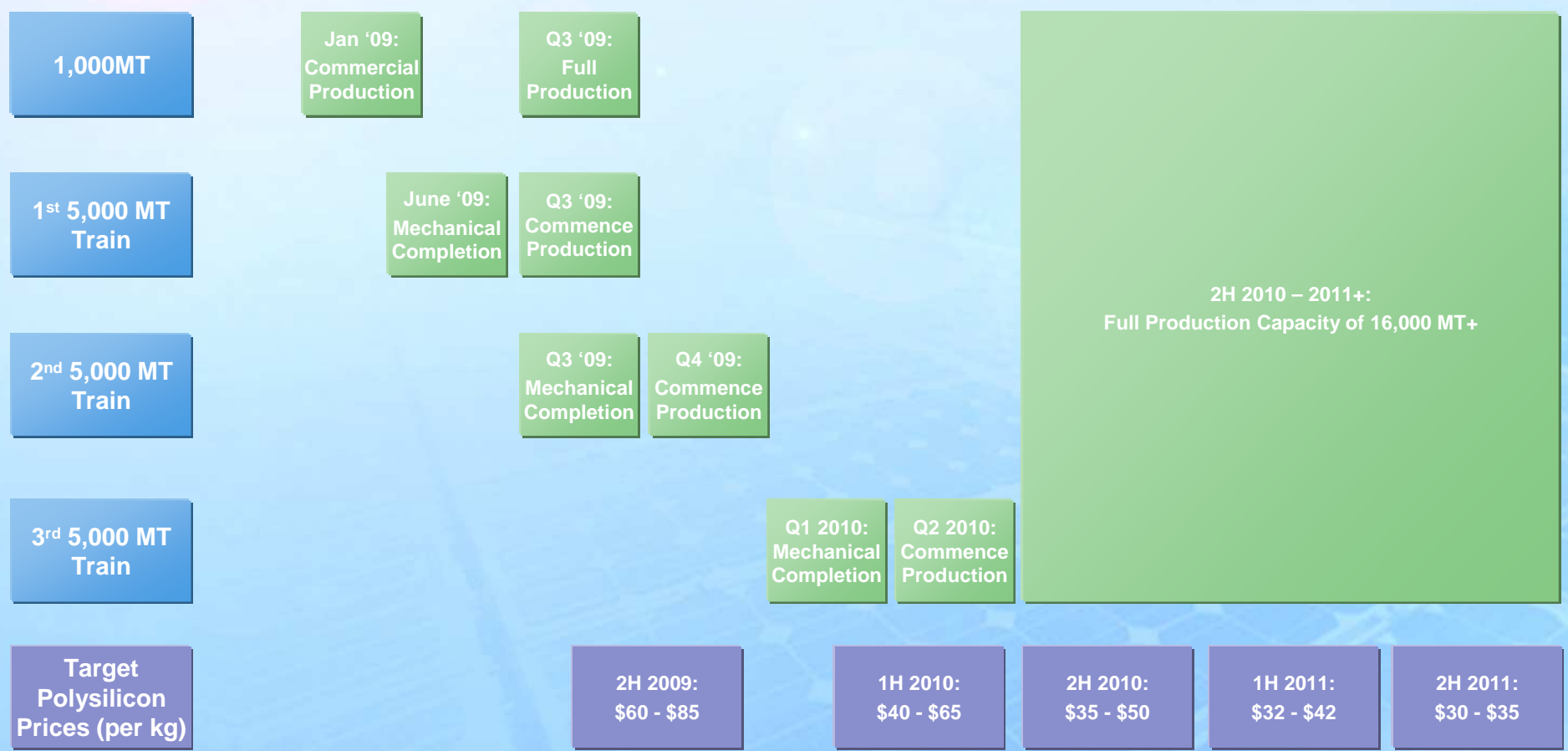
- Commercial production of 1,000 MT facility
- All 20 reactors installed for the first 5,000 MT train, which will commence production in Q3 2009
- Second 5,000 MT train is scheduled to reach mechanical completion by Q3



Cost Competitiveness of In-house Production

- One of the largest polysilicon complexes in the world
- Advanced process design and equipment
- High level of vertical integration
- Low electricity cost
- China operations
- Proximity to wafer facilities

2 Polysilicon Production Milestones



3 Project Development Capabilities

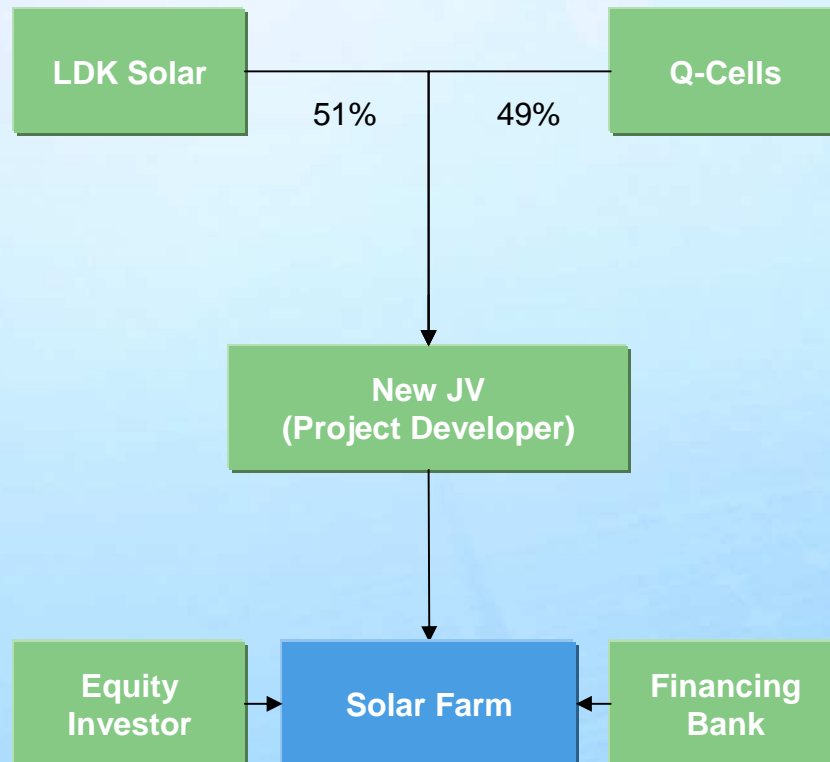


	China	Europe / US
Capabilities	<ul style="list-style-type: none"> ● EPC ● Project Development ● Operational / Project Management 	<ul style="list-style-type: none"> ● Project Development ● System Integration ● JV with Q-Cells: LQ Energy
Focus	<ul style="list-style-type: none"> ● BIPV ● Rooftops ● Solar PV Projects 	<ul style="list-style-type: none"> ● Solar PV Projects ● Commercial Rooftops
Pipeline	<ul style="list-style-type: none"> ● 2–3 GW of framework agreements 	<ul style="list-style-type: none"> ● 100–200 MW of framework agreements
Announced Projects	<ul style="list-style-type: none"> ● Dunhuang: 10 MW project 	<ul style="list-style-type: none"> ● Germany: 41.5 MW with LQ Energy ● Italy: 5 MW with SPE 5 MW with SAEF

3 International Project: LQ Energy



Joint Venture Structure



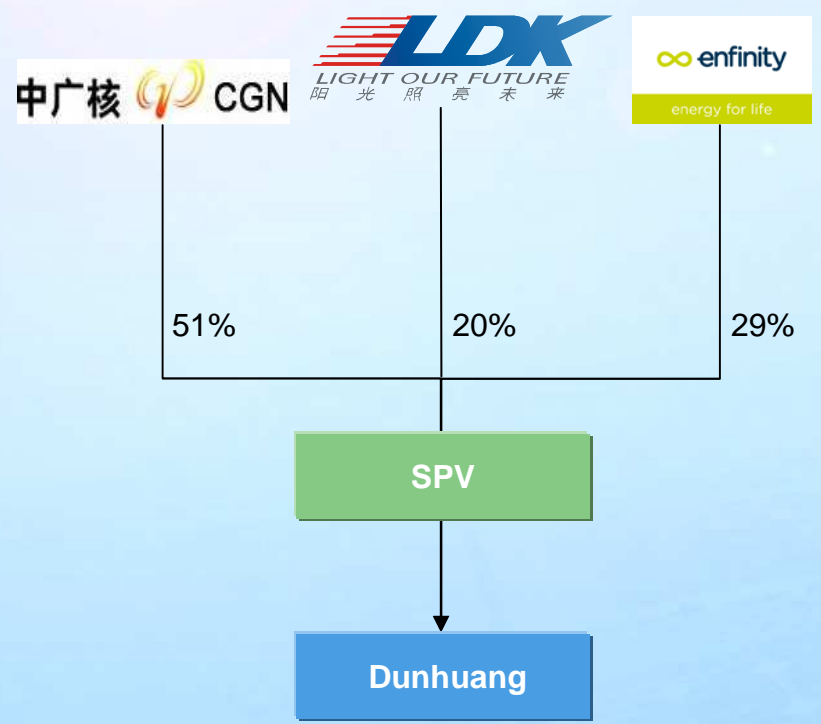
Rationale

- Complementary core business model
- Respective regional market expertise
- Value chain optimization
- Cost reduction integration
- Strategic new channel for downstream expansion
- Control of end-to-end manufacturing process

First Project

- Size: 41.5MW
- Location: Germany
- Expected completion: 2H'09
- Utilization of wafers from LDK and cells from Q-Cells
- No additional working capital financing or funding needed from either side

3 China Project: Dunhuang



- Size: 10MW
- Fit: RMB 1.09/kWh
- Term: 25 years
- Construction Completion: 18 months
- Project Financing: Regional banks in China
- Potential to increase beyond 10 MW

First government-sponsored utility-level solar project in China

3 China Project Pipeline



RMB 3 trillion stimulus package to expand the renewable energy use in China

Gansu

- Dunhuang: 10 MW
- RMB 1.09/kWh (FIT)
- 25 Years
- Partners: China Guangdong Nuclear Power Holdings, Enfinity NV

Inner Mongolia

Jiangsu

- 400 MW
- 3 Years
- Feed-in Tariff
- Solar PV Incentive Plans

Qinghai

Ningxia

Shanghai

Zhejiang












Yunnan

Jiangxi



4 Strong Wafer Backlog



Customers	Country	Date of Contract	Size	Term
Q-Cells	 Germany	December 2007	6,000 MW	2009 – 2018
Sunways	 Germany	September 2007	1,000 MW	2008 – 2017
Canadian Solar	 Canada	June 2008	800 MW	2008 – 2017
Sumitomo	 Japan	September 2008	750 MW	2009 – 2016
Neo Solar	 Taiwan	August 2007 / January 2008	746 MW	2007 – 2018
Moser Baer PV	 India	April 2008	640 MW	2008 – 2017
Solartech	 Taiwan	August 2008	550 MW	2008 – 2012
Hyundai	 South Korea	August 2008	440 MW	2009 – 2015
BP Solar	  GB/USA	November 2008	435 MW	2009 – 2011
Photovoltech	 Belgium	July 2008	400 MW	2008 – 2017

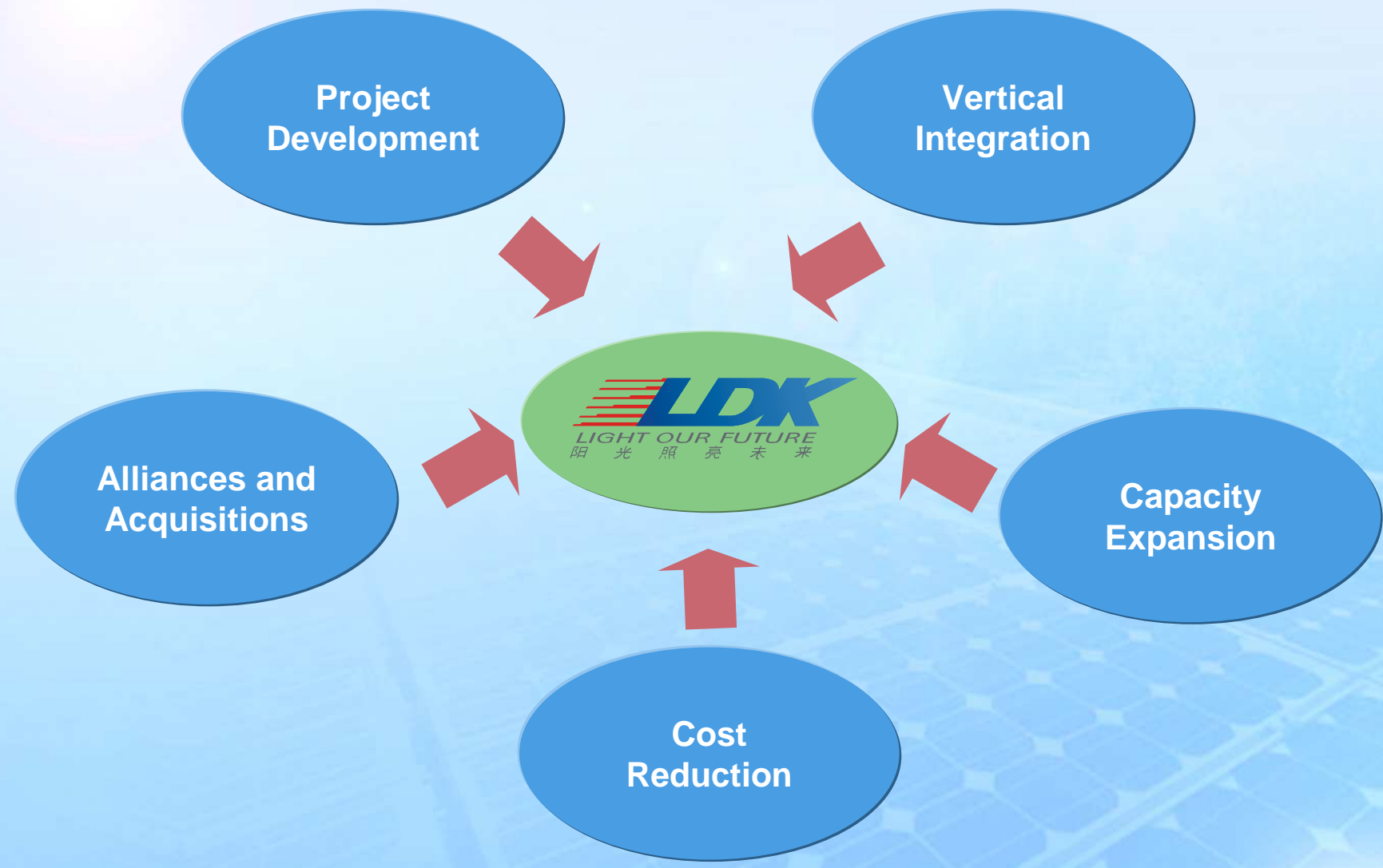
4 Advance Payments Underpin Shipments and Pricing



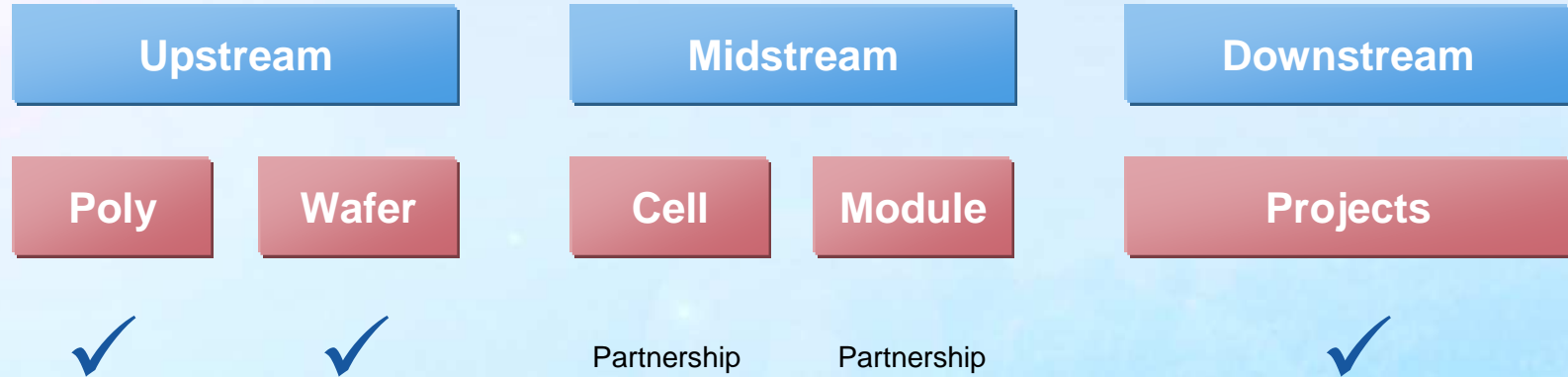
\$MM

	<u>Dec 31, 2008</u>	<u>Mar 31, 2009</u>	<u>Jun 30, 2009 E</u>
Advance payments from customers			
- Current	256	267	
- Non-current	488	442	
Total	744	709	660 - 680

5 Our Growth Strategy



5 Well Positioned for Vertical Integration



Barriers to Entry

- High Capex
- Multiple step technology process in polysilicon production
- Cost leadership: ability to produce wafers at <30¢ conversion cost
- Scale
- Quality Leadership

- Design/technological capabilities

- Financing requirement
- Development expertise
- Design and installation capability
- Government relationships required for China
- Access to low cost, high quality modules



Financial Overview

Illustrative View Our Gross Margin



Q1 2009

	<u>Actual</u>	<u>Illustrative</u> ⁽¹⁾ (Assuming Silicon Price of \$100 /Kg)
Wafer ASP / watt ⁽²⁾	\$1.54	\$1.54
Wafer Polysilicon COGS / watt ⁽²⁾	\$1.09	\$0.67
Non-Silicon COGS / watt	\$0.44	\$0.44
Total Wafer COGS / watt	\$1.53	\$1.11
Wafer Gross Margin (%)	0.6%	28.2%

Notes

1. Assumes 1,132 MT polysilicon consumed in Q1, totaling \$186MM
2. Excluding OEM

Q2 2009 Update



- **Capacity: 1.5 GW**
- **Shipment: 220 MW – 230 MW**
- **Revenue: \$215 MM – \$225 MM**
- **Cash: More than \$250 MM**
- **Pledged Bank Deposits: More than \$170 MM**
- **Customer Advances: \$660 MM – \$680 MM**

Balance Sheet



	(In US\$'000, except share data)	
	3/31/2009	12/31/2008
Current Assets		
Cash and Cash Equivalents	184,382	255,523
Receivables	190,448	97,808
Inventories	548,812	616,901
Total Current Assets	1,332,003	1,237,642
Property, Plant and Equipment, net	1,968,828	1,697,203
Deposits for Purchase of Property, Plant and Equipment	215,954	233,296
Total Assets	3,740,431	3,373,372
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term Bank Borrowings	972,294	666,200
Payables	226,627	135,472
Advance Payments from Customers	267,416	256,411
Total Current Liabilities	1,958,819	1,510,955
Long-term Bank Borrowings, excluding Current Portions	139,606	154,252
Convertible Senior Notes, Less Debt Discount	387,125	385,685
Advance Payments from Customers – Non-current	441,866	487,577
Total Liabilities	2,968,831	2,583,505
Total Shareholders' Equity	771,600	789,867
Total Liabilities and Shareholders' Equity	3,740,431	3,373,372

Access to Bank Financing



Agricultural Development Bank of China

- Received approval for RMB 1.1 Bn (equivalent in \$146 million) credit line
- RMB 1 Bn has been drawn down

Export-Import Bank of China

- Received a loan of RMB 500 MM

Huarong International Trust Co., Ltd.

- Received a loan of RMB 500 MM for a term of three years to finance polysilicon plant

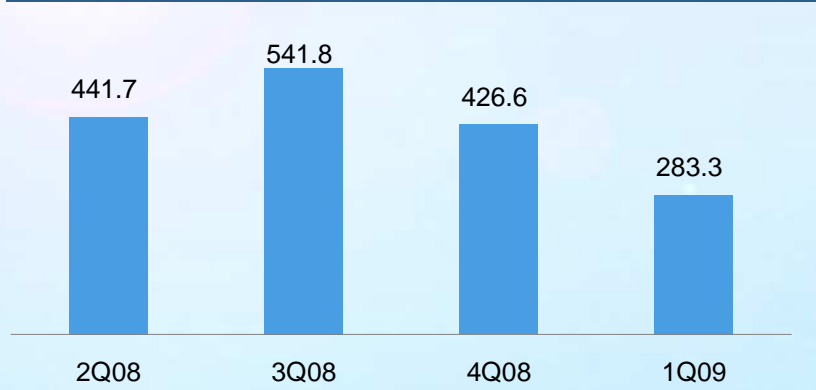


Additional Materials

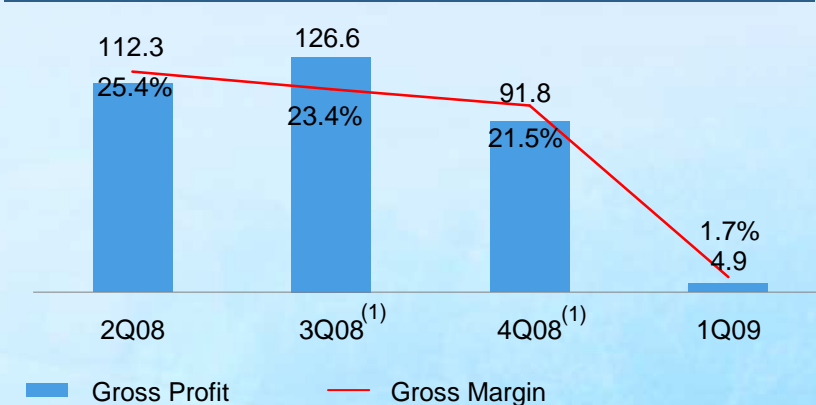
Financial Performance



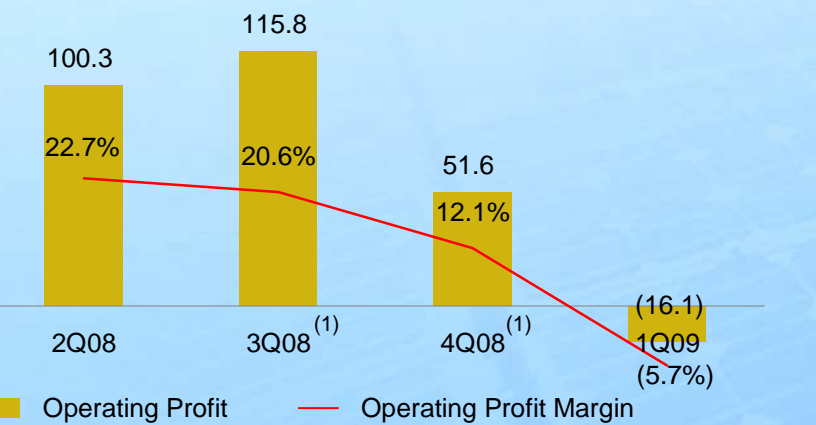
Total Revenue (US\$ MM)



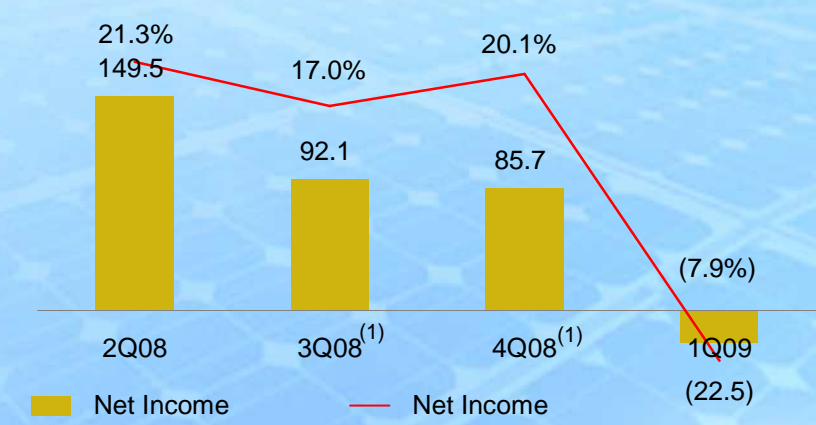
Gross Profit (US\$ MM)



Operating Profit (US\$ MM)



Net Income (US\$ MM)



Note:
1. Data adjusted for inventory write-down