



ReneSola (SOLA - 596p)
The LSE's persistently fastest growing share price.
"Elephants don't gallop"(Jim Slater)

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Comment ahead of an imminent Trading Statement

I don't know why on the bulletin boards PIs are so surprised that SOLA continues to climb inside an unbroken upward trend channel at such a rate.

With a margin of 30 -32% and rising, SOLA is profitable indeed. High enough to cover much of capex. The rate of share price growth for those buying in early August has been **at 559%/pa. the outright best performer on the London market over the 24 weeks** since admission to AIM. Clearly as the share price rises the rate of return on the entry price declines. But the 24% rise last week still put it in the top 30

Buying today, and until fundamentals change, **the trend line still beckons at 147%/pa** - one of the highest rates available, and absolutely still the highest for a cap of £500m. Remember Jim Slater's "Elephants don't gallop" this one comes closest to doing so. **The SP is still growing faster than any other company with this size of cap.**

Explanation for the rate and stability of share price growth

Unlike other companies exposed to huge competition in the UK economy, SOLA has huge forward orders and therefore almost no risk of not meeting sales budgets.

SOLA's forward prices and input material costs are linked, so that margins are predictable.

There seem to be no shortages of labour at low cost and plenty of space to accommodate, to local standards, the 'huddled masses' flocking in as needed.. About 1400 must by now be on the books.

SOLA seem to be efficient enough to handle the exceedingly onerous and challenging logistics of mobilising continuously to meet such rapidly rising production targets. So far it is exceptional how well they have kept meticulously to targets and timetables without dropping clangers.

Forward visibility of earnings seems exceptionally clear. We shall see in the next day or two whether the results are, or are not, spot on 40+% increase in sales with other cost and profit centres closely in line.(Sales \$39m and op profits \$11.5m) In the same breath planned capacity of 265MW for end Q4 2007 is likely to generate or exceed \$130m sales and \$39.5m op profit. In such an event the forward annualised PE would be only 7.5p. Bullish factors ahead could be any possible increase in commitment by SOLA to fulfill larger orders than yet revealed by ordering and installing equipment at a higher rate than so far notified.

The only downside risk apart from flood, fire etc, is that **the wafer slicing** may or not be going to plan. That too we shall hear about with the Q4 06 update now due. Then we shall be able to go firmer on forecasts to end '07

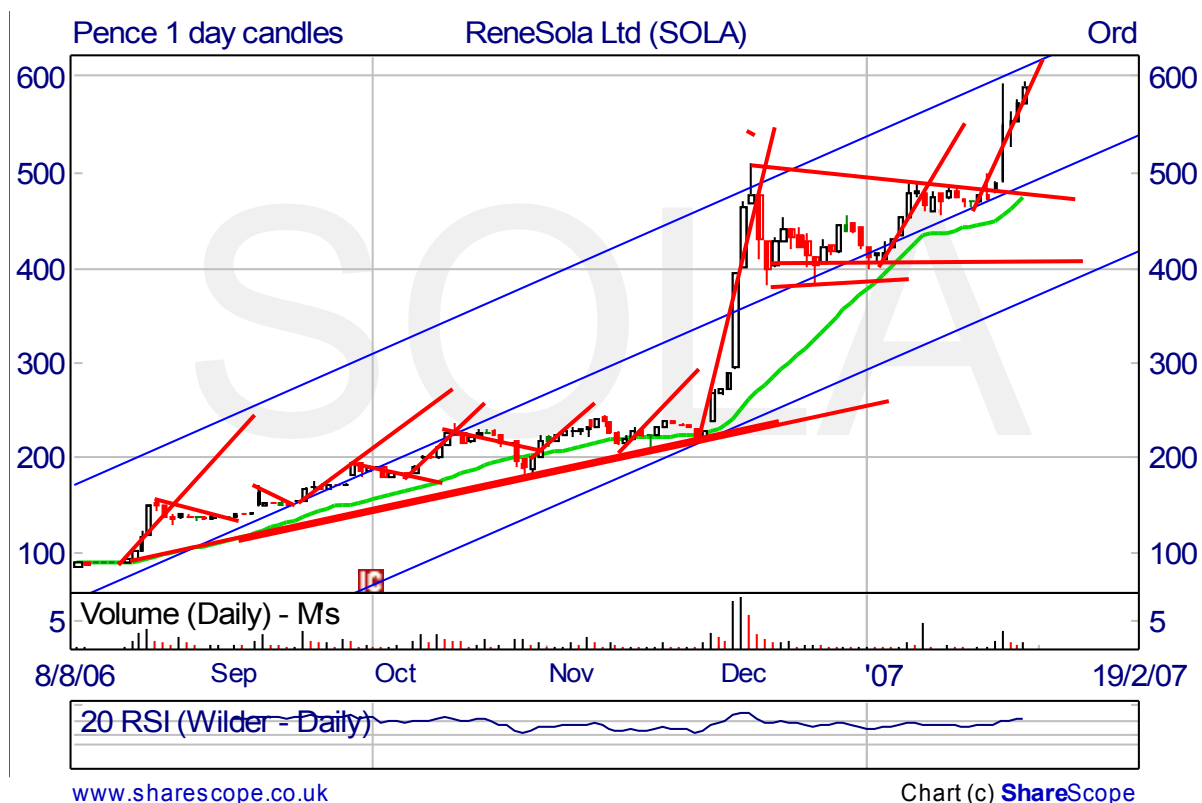
That is why in early September on return from holiday, we drew everyone's attention to this phenomenal proposition; then later went on record that this was turning out to be the Share of the Decade. Nothing has come up to challenge that assertion.

Do PIs realise that SOLA is up 559% since it was admitted to AIM 24 weeks ago today, and is thereby the NUMBER 1 in ranking for the whole of the LSE and AIM? We are proud to have been the first to spot the potential and go public with it.

The Share Price Chart Update

This shows acceleration over the last five days.

The 30 day Moving Average (in green) shows the moment of step change at the end of November when a capacity increase from 180MW to 265MW was announced. Capacity being the limitation on Sales Revenue, this is tantamount to a forward profit upgrade



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