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Company [Jetion Holdings Limited](#)
TIDM JHL
Headline Preliminary Results
Released 07:02 31-Mar-08
Number 1126R

RNS Number: 1126R
Jetion Holdings Limited
31 March 2008

For Immediate Release

31 March 2008

Jetion Holdings Limited

Preliminary Results for the year ended 31st December 2007

Jetion Holdings Limited (AIM:JHL), a leading designer, manufacturer and supplier of high quality solar cells and modules, today announces its preliminary results for the twelve months ended 31 December 2007.

Key Points

- Successful IPO on AIM in July 2007, raising US\$57m net of expenses for the company
- Sales up by 135% to US\$106.9m (2006: US\$45.5m)
- Gross profit up by 155% US\$17.0m (2006: US\$6.7m)
- Operating profit* up by 101% to US\$11.3m (2006: US\$5.6m)
- Profit after tax* up by 125% to US\$11.2m (2006: US\$5.0m)
- Net cash of US\$8.4m (2006: net debt of US\$9.6m)
- Cell manufacturing capacity doubled in the year to 50MW pa; module capacity increased to 40MWpa.
- In house silicon wafer slicing commenced
- Joint Venture established in Europe to broaden customer base and to capture additional value downstream
- Cell manufacturing capacity scheduled to double again to 100MW p.a. by Q4 2008
- Silicon wafer supplies secured for 2008 production

* before equity based expense under IFRS 2 of US\$3.3m relating to the arrangements made at the time of the admission process and as described in the Company's AIM Admission Document

Commenting on the Results, Dipesh Shah, Chairman said:

"I am pleased to witness Jetion's rapid development and the very substantial progress during 2007 which has exceeded expectations. This augurs well for the continued expansion of the Company in 2008... The trading outlook for calendar year 2008 is in line with market expectations. Demand for Jetion

products has continued to outstrip supply... Overall the solar industry is forecast to grow rapidly again during 2008."

For further information please contact:

Jetion Holdings Limited 020 7466 5000(today)
Dipesh J. Shah, OBE Chairman

Collins Stewart Europe Limited 020 7523 8000
Adrian Hadden
Adam Cowen

Buchanan Communications 020 7466 5000
Mark Edwards
Ben Willey
Christian Goodbody

CHAIRMAN'S STATEMENT

2007 has been a milestone year in the development of Jetion Holdings Ltd. In May 2007, the Company commissioned a second 25MW p.a. production line increasing its solar cell production capacity to 50MW p.a.. Additionally, Jetion expanded its module capacity to 40MW p.a. by the year end. This capacity enables the Company to move further along the value chain and closer to the end user with its branded products, in line with the Company's stated strategy.

In July 2007, the Company was successfully admitted to trading on AIM, a market operated by the London Stock Exchange, the "IPO" raising approximately US\$57m net of expenses for the company through a placing of shares. The proceeds of the Placing are being used primarily for the next phase of production expansion, which is currently underway, and which will double cell manufacturing capacity to 100MW p.a. with four fully commissioned production lines by October 2008.

Following its IPO, Jetion embarked on other initiatives to consolidate its position in the market. In October 2007, the Company announced a European Joint Venture with two European distributors to broaden its customer base. This joint venture is already increasing demand for the Company's products in Western Europe which is a key market for the solar industry. Jetion also commissioned three wafer slicing machines to further underpin its requirements for good quality wafers. Furthermore, the Company negotiated new wafer supply arrangements to enable it to mitigate industry wide cost pressures.

In 2007, Jetion recorded sales revenues of US\$106.9m and profit after tax of US\$11.2m*. These are year on year increases of 135% and 125% respectively, demonstrating the Company's ability to deliver profitable growth.

As Chairman, I am pleased to witness Jetion's rapid development and the very substantial progress during 2007. This augurs well for the continued expansion of the Company in 2008.

The trading outlook for calendar year 2008 is in line with market expectations. Demand for Jetion products has continued to outstrip supply. Overall, the solar industry is forecast to grow rapidly again during 2008, and it is encouraging that uncertainty in Spain, an important market, has eased following its recent general election. Sales prices have held up in this environment. Despite poor weather in China for a part of the first quarter, production has been in line with management expectation. In addition, the further expansion of cell and module capacity is on schedule.

Jetion's success to date is, in large part, due to the commitment and unwavering support of our employees, senior management and Board and I would like to take this opportunity to thank them all. I would also like to thank you, our shareholders, for your support since the IPO.

Dipesh J. Shah OBE, FRSA

* before equity based expense under IFRS 2 of US\$3.3m relating to the arrangements made at the time of the admission process and as described in the Company's AIM Admission Document.

CHIEF EXECUTIVE REVIEW

In 2005 Jetion made the strategic decision to enter the Photovoltaic market and since that time has been focused upon realising its ambitious plans and demanding targets. 2007 has been an exciting year for the Group with sales growing by 135% to US\$106.9m and operating profit before equity based expense by 101% to US\$11.3m.

Strategy

Solar power generation has emerged as one of the most rapidly growing renewable sources of electricity and the strong growth seen in the past decade is forecast by independent energy research consultants Solarbuzz LLC, to continue. Jetion will continue to take advantage of the strong anticipated growth in the global renewable energy market to become a major player within the worldwide solar power industry. Its strategy will continue to focus upon scaling up manufacturing capacity, driving production efficiencies, moving up the value chain, exploring partnerships or selective acquisitions for new solar technologies, expanding its geographic reach and strengthening its brand.

Operations

The IPO significantly strengthened Jetion's financial position and provided it with the finance necessary to pursue the above strategic objectives. In May 2007, 25MW of additional capacity was successfully installed and commissioned bringing total manufacturing capacity to 50MW p.a. Output of solar cells for the year was 35.2MW (2006: 14MW), 13.7MW in the first half and 21.5MW in the second. By the end of the year solar cell output was running at close to maximum capacity. A further 50MW p.a. of production capacity will be installed and commissioned by Q4 2008.

The Group also added capacity to produce solar modules as the proportion of manufactured cells converted to solar modules was increased. 8.2MW (2006: 1.7MW) of the total output of solar cells in the year of 35.2MW was converted to solar modules. Incorporating more solar cells into modules has not only had a beneficial impact upon margins but also allowed the Group to increasingly access European end-users and drive an increased awareness of the Jetion brand. Module production capacity had increased to 40MW by the end of 2007.

In the second half of 2007 the first of a series of wafer slicing machines were installed giving the Group the ability to slice wafers from ingots/crystals. This has also allowed the Group to capture a greater proportion of the value chain. Plans are in place to increase this capacity further in 2008.

There was a strong emphasis over the year on continual improvements to reduce costs and improve margins. There were improvements in efficiency and yields through material supply, the production environment, set up and development modifications. Jetion's average cell efficiency of 16.5% makes it one of the leaders in the industry. This keen strategic focus on cost, performance and quality will continue in 2008. Fundamental to success in this area is the Group's investment in research and development ("R&D") that was increased during the year. A key R&D focus in the year was on improving conversion efficiency rates in wafers of differing qualities and specifications as well as studying polysilicon texturing and solar applications such as solar traffic lights, solar vehicle chargers and various solar power sources. R&D is also key to securing various product accreditations fundamental to leveraging sales and achieving product acceptance in the European and US solar markets e.g. in October of 2007 Jetion achieved TUV accreditation for the global sale of its solar module products.

Throughout the year there was strong demand for the Group's products and customer satisfaction was high. This was a reflection of the focus on product quality and customer service. Average industry selling prices per watt of both silicon cells and modules declined by over 5%. The impact on Jetion was mitigated by changes to its sales mix with a growing proportion of module sales. The number and quality of customers increased during 2007 as did the geographic spread of those customers, again principally as a result of the move into module supply where over 90% of module production was exported. 64% of the Company's solar cell production was sold to Chinese module manufacturers where they were processed into modules and then exported. In October 2007, the Group also established a European joint venture, Jetion Europe, with the objective of

increasing its European market penetration and Jetion brand recognition. It reported sales in the last quarter of 2007 of 2.89MW. Demand for modules is strong as witnessed by the announcement in February 2008 of an agreement to supply the German systems integrator Solar Tec AG with 22MW of solar modules throughout 2008.

Supplies of high purity solar grade silicon both in the form of wafers and ingots was tight in 2007. Supply shortages and supply/demand imbalances put pressure on the industry and average wafer prices generally increased by circa 10% in the year. However, Jetion had negotiated its raw material silicon supplies for its anticipated 2007 requirements early in the year, which mitigated this pressure. During the second half of 2007, the Group negotiated contracts for its additional requirements for 2007. Furthermore, all of its supplies of silicon wafers and ingots for 2008 and 2009 were secured with a limited number of suppliers giving the Company a high level of material supply visibility. Some two thirds of the agreements for 2008 are at a discount to prevailing market prices, giving confidence that Jetion can manage any cost pressures in its raw material supplies. In order to secure these agreements, it was necessary, as envisaged, to make prepayments to suppliers. By reducing the number of silicon raw material suppliers and increasing the volume from each supplier, Jetion has better control over its raw material and can set up larger production runs that would in turn improve conversion efficiency rates. The emphasis on maintaining strong long term silicon supply visibility is continuing and in mid March 2008 Jetion announced that it had entered into an agreement with a Japanese company to purchase 100MW of solar polycrystalline silicon feedstock with immediate effect through until 2011.

Outlook

It is anticipated that worldwide demand for solar products will continue to grow rapidly in the future, and we believe that we are in a strong position to benefit from this growth.

By October 2008, the Group plans to double its solar cell production capacity to 100MW and extend its in-house wafer slicing capability. It also has plans to further extend its solar module production capacity and capture additional downstream value. Silicon raw material supply agreements have been negotiated covering most of 2008 production at prices that reflect a discount to the prevailing market price.

The Group will also maintain its position among the leaders in the solar industry by focusing upon continual improvements in production efficiency and yield as well as research and development. Jetion will seek to increase its European market penetration by leveraging its European joint venture, Jetion Europe, and will benefit from the growth of solar energy in other parts of the world including the United States.

This strong market outlook together with the above action plan allows the Group to view 2008 with confidence.

March 2008
Lijin Gai
Chief Executive Officer

FINANCIAL REVIEW

Overview

Total group sales during the year were US\$106.9 million (2006: US\$45.5 million). The increase in turnover

reflects a more than doubling of production to 35.2MW (2006: 14MW), and an increase in conversion of cells to modules which attracted a higher price.

Gross profit increased to US\$ 17.0 million (2006: US\$6.7 million) and the gross margin percentage was 15.9% (2006: 14.7%). Gross margin compared with the prior year reflects improvements in efficiency and yield and the increase in the proportion of solar cells converted into solar modules that were sold at higher margins. These positive effects together with the benefits from new wafer supply arrangements that commenced in September compensated for the unfavourable trend in the solar industry towards higher wafer supply prices.

Operating profit before equity based expense for the year rose to US\$11.3 million (2006: US\$5.6 million). The European joint venture contributed US\$0.2 million. The profit after tax before the equity based expense related to the IPO in July was US\$11.2 million.

Net finance costs were US\$0.1 million (2006: US\$0.6 million). They include the favourable impact of the fund raising and IPO in July 2007 that generated US\$57 million, net of expenses for the Company. They also include the adverse effect of supplier prepayments to secure future silicon raw material supplies that amounted to US\$34.1 million at the year end. Finally, they have also been impacted by the growth in working capital during the year to fund the rapid growth in the business.

There was no charge for tax in the year (2006: Nil) as it reflects the impact of the tax holiday enjoyed by the Group in its Chinese operations.

Earnings per share and dividends

The profit attributable to the equity holders of the Company amounted to US\$7.9 million (2006: US\$5.0 million). After adding back the adjustment for the equity based expense arising in connection with the IPO this amounted to US\$11.2 million. Basic earnings per share is arrived at by dividing these figures by the weighted average number of shares in issue during the year. Basic earnings per share before the adjustment for equity based expense amounted to US30cents and basic earnings per share after the adjustment amounted to US21cents. Adjusting for the share capital reorganization in June, proforma earnings per share before share based expense rose to US\$18cents (2006: US\$10cents)

Key performance indicators

The Group uses financial and operational key performance indicators (KPIs) to monitor its business. The key financial KPIs used are sales, gross margin, operating profit, working capital to sales ratio and profit after tax.

Balance sheet & cash flow

At the year end, total equity was US\$77.6million (2006: US\$9.7million). The Group had net cash of US\$8.4million at the year end (2006 : net debt of US\$9.6million). The change in net debt in the year was positively impacted by the funds raised at the time of the IPO in July less the impact of prepayments to equipment and silicon raw material suppliers (US\$ 40.1million at 31 December 2007) and the growth of working capital related to the rapid growth in the business. The return on invested capital calculated as profit after tax before finance charges, divided by the average of opening and closing shareholders equity and net debt was 25%. The percentage after adjusting for share based charges related to the IPO in July was 18%.

The net cash outflow in the year from operating activities after interest and taxation payments was US\$28.3 million (2006: US\$1.3million). Excluding prepayments for silicon raw material supplies, buildings, plant and equipment there was an inflow of US\$11.8million. Net cash used in investing activities in 2007 was US\$9.9million (2006: US\$2.9million) being principally the addition of 25MW of solar cell production capacity and fixed assets in construction relating to the planned 2008 production capacity.

European Joint Venture

A joint venture was established last October to enhance the Company's distribution and capacity in Europe. Jetion owns 51% of the new company with the balance owned equally by Andreas Gruenburg of Zurich, Switzerland and Sunlynx Anstalt based in Lichtenstein

Treasury

The Group's treasury activities are conducted in accordance with policies agreed periodically with the Board. Those policies are aimed at reducing financial risk, ensuring that the Group has sufficient liquidity available to

meet all foreseeable needs and managing cash and funding requirements. The Group makes limited use of instruments to hedge foreign currency exposures but does not make speculative transactions.

Going concern

In accordance with the recommendations of the Combined Code, the Directors have duly considered the budgets, forecasts, cash flows and the outlook from the operating companies and consider that the Company and the Group have adequate financial resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these accounts

March 2008
Stephen Hon Cheung So
Finance Director

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 \$000	2006 \$ 000	
Revenue		106,860	45,454	
Cost of sales		(89,848)	(38,770)	
Gross profit		<u>17,012</u>	<u>6,684</u>	
Other operating income		167	-	
Administrative expenses		(3,158)	(905)	
Other operating expenses		(2,958)	(183)	
Share of results of joint venture		207	-	
Operating profit before equity-based expense		<u>11,270</u>	<u>5,596</u>	5,596
Equity-based expense*	2	(3,279)	-	
Operating profit		<u>7,991</u>	<u>5,596</u>	
Investment revenues		905	80	
Finance costs		(1,000)	(705)	
Profit before tax		<u>7,896</u>	<u>4,971</u>	
Tax		-	-	
Profit after tax		<u>7,896</u>	<u>4,971</u>	
Attributable to:				
Equity holders of the parent		<u>7,896</u>	<u>4,971</u>	
Earnings per share	3			
Basic before share-based expense		\$0.30	\$55,854	
Basic		\$0.21	\$55,854	
Pro-forma before share-based payment		\$0.18	\$0.10	

* The equity-based expense above is as described in the AIM admission document and relates to the arrangements made at the time of the admission process. The operating profit for the year before this equity-based expense is presented as the Company considers it to be the appropriate measurement of the Company's

ongoing economic performance and the Company uses this adjusted profit internally to assist in evaluating and managing the Company's operations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

Share	Treasury Capital \$000	Share Shares \$000	Exchange Premium \$000	Retained Reserve \$000	Reserves \$000
At 1 January 2006	4,947	-	-	-	(441)
Translation difference	-	-	-	223	-
Profit for the year	-	-	-	-	4,971
Balance at 31 December 2006	4,947	-	-	223	4,530
=====					
At 1 January 2007	4,947	-	-	223	4,530
Cancellation of shares	(4,947)	-	-	-	-
Issue of shares	-	-	71,699	-	-
Costs of share issue	-	-	(6,313)	-	-
Treasury shares	-	(3,395)	-	-	-
Translation difference	-	-	-	3,007	-
Profit for the year	-	-	-	-	7,896
Balance at 31 December 2007	-	(3,395)	65,386	3,230	12,426
=====					

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

Notes	2007 \$ 000	2006 \$ 000
ASSETS		
Non-current assets		
Construction in progress	2,277	631
Property, plant and equipment	13,326	6,125
Intangible assets	1,849	1,766
Investments in joint venture	283	-
	<u>17,735</u>	<u>8,522</u>
Current assets		
Inventories	7,763	3,819
Trade and other receivable	5,247	10,761
Trade receivable from joint venture	7,738	-
Payments in advance	40,056	-
Tax refundable	1,037	-
Cash and cash equivalents	22,499	2,947
Total Current assets	<u>84,340</u>	<u>17,527</u>
TOTAL ASSETS	<u>102,075</u>	<u>26,049</u>
Current liabilities		
Trade and other payables	10,351	3,709

Bank loans	13,087	12,589
Other borrowings	990	-
Tax liabilities	-	51
Total liabilities	<u>24,428</u>	<u>16,349</u>
NET ASSETS	<u>77,647</u>	<u>9,700</u>
EQUITY		
Share capital	4	4,947
Share premium account	4	65,386
Treasury Shares	(3,395)	-
Translation reserve	3,230	223
Retained earnings	12,426	4,530
TOTAL EQUITY	<u>77,647</u>	<u>9,700</u>

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 \$ '000	2006 \$ '000
Operating profit from continuing operations		11,270
Adjustments for:		5,596
Depreciation and amortisation	966	587
Share of Joint Venture profits	207	-
Operating cash flows before movement in working capital	<u>12,443</u>	<u>6,183</u>
Increase in Inventories	(3,944)	(3,268)
Increase in Trade and other receivable	(43,317)	(4,973)
Increase in Trade and other payable	6,642	1,272
Cash used in operations	<u>(28,176)</u>	<u>(786)</u>
Interest received	905	80
Interest paid	(1,000)	(705)
Income tax (paid)/recovered	(51)	88
Net cash from operating activities	<u>(28,322)</u>	<u>(1,323)</u>
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(8,043)	(2,443)
Construction in progress	(1,732)	76
Purchase of intangibles	-	(514)
Investment in Joint Venture	(76)	-
Net cash used in investing activities	<u>(9,851)</u>	<u>(2,881)</u>
FINANCING ACTIVITIES		
Repayments of borrowings	(6,832)	-
Proceeds on issue of shares	68,304	-
New bank loans raised	2,331	6,293
Other borrowings	990	-
Share issue costs	(6,313)	-
Net cash from financing activities	<u>58,480</u>	<u>6,293</u>
NET INCREASE IN CASH	<u>20,307</u>	<u>2,089</u>
CASH AT BEGINNING OF YEAR	2,947	686
Effect of foreign exchange rate changes	(755)	172
CASH AT END OF YEAR	<u>22,499</u>	<u>2,947</u>

1. BASIS OF PREPARATION

The financial information set out above does not constitute statutory accounts but is derived from the full financial statements for the Company, and as such, does not contain all information required to be disclosed in the financial statements prepared in accordance with International Financial Reporting Standards ('IFRS'). The auditors' report on the full financial statements for 2007 is yet to be signed.

The financial information presented has been prepared using accounting policies consistent with International Financial Reporting Standards as endorsed by the European Union.

2. EQUITY-BASED EXPENSE

In advance of the AIM Admission process, and as fully described in the Company's Admissions document, the Company established a discretionary Employee Benefit Trust (EBT) which acquired Ordinary Shares in the Company at a nominal value to be used at the relevant time to generate proceeds to satisfy an award granted to the Chairman at the time of the AIM Admission. The award was made for services in respect of the flotation and the development of the Company. No other Ordinary Shares will be issued in order to satisfy the award.

The equity-based expense reflects an award equivalent to 1,096,700 Ordinary Shares (representing 1.5 per cent. of the Ordinary Shares) at the placing price of 151 pence per Ordinary Share and will not normally be accessible until 6 July 2008, twelve months from Admission.

3. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	2006
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Profit attributable to equity holders of the Company (\$ 000)	7,896	4,971
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Weighted average number of ordinary shares in issue (thousands)	37,765	89
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Earnings per share (\$ per share)	0.21	55,854
	=====	=====

Basic earnings per share before equity-based expense

Basic earnings per share before equity-based expenses is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	2006
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Profit before equity-based expenses attributable to equity holders of the Company (\$ 000)	11,175	4,971
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Weighted average number of ordinary shares in issue (thousands)	37,765	89
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Earnings per share (\$ per share)	0.30	55,854
	=====	=====

Proforma diluted earnings per share before equity-based expenses

Proforma earnings per share based on the profit for the year before equity-based expenses is presented as the Company considers this to be a more meaningful presentation of the Company's ongoing economic performance.

For this proforma calculation it is assumed that the reorganisation of the share capital took place on 1 January 2006 rather than on 26 June 2007.

	2007	2006
	\$ 000	\$ 000

Profit before equity-based expense attributable to equity holders of the Company (\$)	11,175	4,971
	-----	-----

Proforma weighted average number of ordinary shares in issue (thousands)	62,104	50,000	
Proforma earnings per share (\$ per share)		0.180	0.099
	=====	=====	

4. SHARE CAPITAL

	Number of shares	Amount	
		\$	
Authorised:			
18 July 2006 - on incorporation	50,000	50,000	
28 June 2007 cancellation	(50,000)	(50,000)	
	-----	-----	
	-	-	
	-----	-----	
26 June 2007 C increase in No Par Value shares	100,000,000	-	
	-----	-----	
At 31 December 2007	100,000,000	-	
	-----	-----	
			Share Premium
Issued and fully paid:			
18 July 2006 - issue of ordinary shares of \$1 each on incorporation	89	89	
7 February 2007 C issue and allotment of ordinary shares of \$1 each	11	11	
26 April 2007 issue and allotment of ordinary shares of \$1 each	9,900	9,900	
	-----	-----	
	10,000	10,000	
	-----	-----	
26 June 2007 C allotment of No Par Value shares in consideration of cancellation of par value shares (Note a)	50,000,000	10,000	
	-----	-----	
	50,000,000	10,000	
6 July 2007 C issue to Sun Power Capital Ltd	1,817,600	5,000,000	
6 July 2007 C issue to EBT at a nominal value	1,096,700	20	
6 July 2007 C issue to EBT by way of subscription	1,096,700	3,394,835	
6 July 2007 C issue by way of placement (Note b)	20,198,676	63,293,750	

		71,698,605	

Less: Share issue costs		(6,313,100)	

At 31 December 2007	74,209,676	65,385,505	
	=====	-----	

Note :

a. By special resolutions passed on 26 June 2007, the authorised share capital was increased to 100,000,000 shares of No Par Value and the Par Value shares were cancelled.

b. On 6 July 2006, trading of the Ordinary Shares of the Company commenced on AIM, a market operated by the London Stock Exchange. 20,198,676 new Ordinary Shares of No Par Value were issued in the Placing at the Placing Price of 151 pence per share.

END