

Canadian Solar, Inc.

(CSIQ – NASDAQ)

CSIQ: Zacks Company Report – BUY

OUTLOOK

CSIQ's recent bullishness has been boosted due to improving company fundamentals and a steep rise in the price of oil. Going forward, on the back of solar panel sales growth in various global markets, extension of product lines, material cost savings through the company's more vertically-integrated production structure, higher captive generation of solar cells, long-term supply agreements and a silicon reclamation program should, collectively, generate significant earnings growth. However, the company's requirement for funds to finance its expansion plans may put pressure on its profitability over the short-term. Nevertheless, with a predominantly bullish outlook, we maintain our BUY recommendation on CSIQ with a six-month target price of \$41.75. Price appreciation to our near-term valuation target represents 19.8% upside potential.

| | |
|-------------------------------|----------------|
| Current Recommendation | Buy |
| Prior Recommendation | Hold |
| Date of Last Change | 11/28/2007 |
| | |
| Current Price (07/15/08) | \$34.84 |
| Six-Month Target Price | \$41.75 |

SUMMARY DATA

| | |
|---------------------------|-----------|
| 52-Week High | \$51.80 |
| 52-Week Low | \$6.50 |
| One-Year Return (%) | 213.87 |
| Beta | 1.51 |
| Average Daily Volume (sh) | 3,465,527 |

| | |
|-------------------------------|---------|
| Shares Outstanding (mil) | 27.7 |
| Market Capitalization (\$mil) | \$967.5 |
| Short Interest Ratio (days) | 1.6 |
| Institutional Ownership (%) | 32.2 |
| Insider Ownership (%) | 58.6 |

| | |
|----------------------|--------|
| Annual Cash Dividend | \$0.00 |
| Dividend Yield (%) | 0.00 |

5-Yr. Historical Growth Rates

| | |
|------------------------|-----|
| Sales (%) | N/A |
| Earnings Per Share (%) | N/A |
| Dividend (%) | N/A |

| | |
|-------------------------|------|
| P/E using TTM EPS | 48.4 |
| P/E using 2008 Estimate | 16.2 |
| P/E using 2009 Estimate | 11.2 |

| | |
|------------|---|
| Zacks Rank | 1 |
|------------|---|

| | |
|------------------------|----------------------|
| Risk Level | High |
| Type of Stock | Small Cap – Growth |
| Industry | Energy – Alternative |
| Zacks Rank in Industry | 1 of 36 |

ZACKS ESTIMATES

Revenue

(in millions of \$)

| | Q1 (Mar) | Q2 (Jun) | Q3 (Sep) | Q4 (Dec) | Year (Dec) |
|------|-------------|-------------|-------------|-------------|---------------|
| 2006 | 9 A | 17 A | 18 A | 24 A | 68 A |
| 2007 | 17 A | 60 A | 97 A | 127 A | 303 A |
| 2008 | 171 A | 190 E | 229 E | 266 E | 856 E |
| 2009 | 298 E | | | | 1,454 E |

Earnings per Share

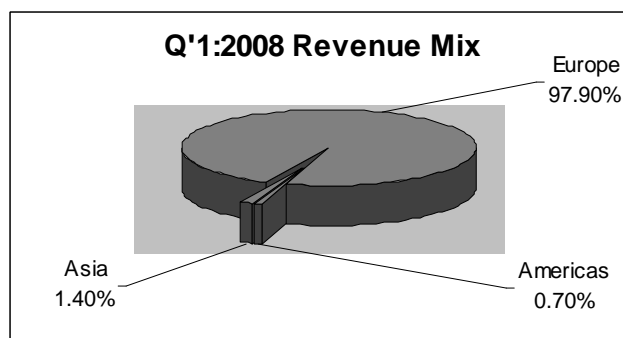
(EPS is operating earnings before non recurring items)

| | Q1 (Mar) | Q2 (Jun) | Q3 (Sep) | Q4 (Dec) | Year (Dec) |
|------|-------------|-------------|-------------|-------------|---------------|
| 2006 | -\$0.46 A | \$0.16 A | \$0.01 A | -\$0.21 A | -\$0.49 A |
| 2007 | -\$0.14 A | -\$0.11 A | \$0.02 A | \$0.20 A | -\$0.02 A |
| 2008 | \$0.61 A | \$0.46 E | \$0.51 E | \$0.57 E | \$2.15 E |
| 2009 | \$0.60 E | | | | \$3.12 E |

| | |
|--|----|
| Zacks Projected EPS Growth Rate – Next 5 Years % | 28 |
| Consensus Projected EPS Growth – Next 5 Years % | 31 |

OVERVIEW

Canadian Solar, Inc. (NASDAQ: CSIQ) was incorporated by Dr. Shawn Qu in Canada in 2001. In the People's Republic of China, the company has three manufacturing facilities located at Suzhou, Changshu and Luoyang. CSIQ came out with its maiden public offering in November 2006. The company engages in the design, development, manufacture, and sale of solar module products (ranging from 5 W to 300 W and using both polycrystalline and monocrystalline solar cells) that convert sunlight into electricity for various uses. Its products include a range of standard solar modules to general specifications for use in various residential, commercial, and industrial solar power generation systems. The company also designs and produces specialty solar modules and products based on customers' requirements. Its specialty solar modules and products consist of customized modules that its customers incorporate into their own products, such as solar-powered bus stop lighting, and complete specialty products, such as solar-powered car battery chargers. The company also implements solar power development projects, primarily in conjunction with government organizations, to provide solar power generation in rural areas of China. The company currently has an annual solar module production capacity of 400MW. By the 3rd quarter of 2008 the company plans to expand its annual solar cell manufacturing capacity to 250MW from the existing 100MW. Also, Phase One of Canadian Solar's solar ingot and wafer plant at Luoyang is on track for completion by mid-2008. This will provide the company with annual solar wafer capacity of 40MW to 60MW. Canadian Solar sells standard solar modules to distributors and system integrators, and specialty solar modules and products to various manufacturers, who integrate these solar modules into their own products or sell and market them as part of their own product portfolio. The company offers its products to customers located in various markets worldwide, including Germany, Spain, Canada, China, and Japan. Canadian Solar operates through six wholly-owned subsidiaries: CSI Solartronics, CSI Solar Manufacturing; CSI Solar Technologies; CSI Luoyang, Ltd.; CSI Cells.; and CSI Advanced. Canadian Solar, Inc. was incorporated in Canada in October of 2001.



During the 1st quarter of 2008, the company generated the vast majority of its revenue (97.9%) from Europe, while Asia contributed 1.4%, with the remainder being generated from North and South America.

BULL STORY

Canadian Solar is well positioned to successfully achieve its corporate objective of becoming a global leader in the development and manufacture of solar module products. A study by Solarbuzz reveals that worldwide installations of solar power systems are expected to grow at an annual rate of 17.4% up to 2010, led by on-grid shipments. The company's operating strategy is to pursue a balanced and diversified supply channel mix by entering into long-term supply contracts and toll manufacturing arrangements in addition to in-house solar cell, wafer and ingot manufacturing. Solar modules, which are an array of interconnected solar cells encased in a weatherproof frame, use solar cells as a primary component.

In the current market environment, a couple of factors are causing high prices for solar modules, such as an industry-wide shortage of silicon (a primary constituent of solar cells) and higher demand caused by the expansion of the solar power and semiconductor industries. The average long-term silicon feedstock contracted price increased by more than 60% from 2003 to 2007 and demand is expected to remain strong over the near-term. Part of Canadian Solar's strength is its ability to mitigate rising silicon prices by properly managing the supply chain through toll manufacturing arrangements with suppliers of ingots, wafers and cells as well as its silicon reclamation program. In the 4th quarter of 2007, the company diversified its silicon wafer supply base by signing supply contracts with four new suppliers. These cost-effective arrangements should continue to yield positive results in 2008. Canadian Solar grew rapidly since its first sale of solar module products in March 2002. Net revenue increased from \$4.1 million in 2003 to \$298.3 million in 2007, representing a CAGR of 192%. Likewise, the company projects solar module sales to increase from 14.9MW in 2006 to 200-220MW in 2008. This is slated to rise with the introduction of e-Modules in Canadian Solar's product portfolio in the 1st quarter of 2008. The company projects 30-40MW of e-Modules sales in 2008. We expect revenue to continue to increase through 2009, albeit at a slower rate and expect the company to record a long-term CAGR in net income of approximately 25%. The company's other major source of revenue generation is the implementation of solar power development projects, primarily in conjunction with government organizations, to provide solar power generation in rural areas of China. The company also recorded sustained product demand in Spain and Germany. CSIQ is the sole supplier in projects such as the 2.8 MW solar park project developed in Spain with Ra Solar Espana and BIPV solar glass roof system in China in collaboration with Luoyang Polysilicon Company. This assures a regular intake of CSIQ's products. The company is also making its presence felt in the price-sensitive market of USA. It bagged an order in October 2007, with Massachusetts-based American Capital Energy of Chelmsford for supplying solar modules.

CSIQ successfully completed the installation of four of its 25MW in-house solar cell production lines. With conversion efficiency steadily improving, the company opened its first commercial production in April 2007. This resulted in CSIQ having 100MW of in-house solar cell production capacity in place. At the end of 2007, the company had an annual capacity of 100MW of solar cells. It plans to increase capacity to 250MW annually by the 3rd quarter of 2008. With higher captive generation of in-house solar cell production, operating margins are expected to improve during 2008, due to improved cost structure and operating efficiencies.

The company recently passed the factory audit for UL1703 certification on its solar module products which are necessary for sales of products to residential market in the US. In August 2007, the company's Changshu factory completed its audit for the QC 080000 IECQ Hazardous Substance Process Management (HSPM) qualification. It became operational in the 1st quarter of 2008. CSIQ also recently secured its first building integrated photovoltaic (BIPV) contract in China. The company signed an annual project sales contract with City Solar in January 2007 to supply approximately 31 MW of solar modules to seven specific projects in Germany and Spain. The company is also constructing a solar ingot and wafer plant in Luoyang, China. Phase One of the plant is expected to be operational by the summer of 2008. The plant is expected to provide 40 MW to 60 MW solar ingots and wafer by mid-2008.

Canadian Solar's vertical integration plan through captive generation of ingots, wafers and cells will effectively increase its module capacity. In the recent 1st quarter of 2008, the company started producing e-Modules, a cost-effective medium power solar module product to cater to its European and US customers.

In November, 2006, Canadian Solar announced the pricing of its initial public offering of 7.7 million common shares at \$15 per share, valuing the company's equity at \$115.5 million. Of the total 7.7 million shares, the company sold 6.3 million shares while selling shareholders sold 1.4 million shares. Out of the offering's total net proceeds of approximately \$83.2 million, approximately \$30.0 million was allocated toward the purchase of, or prepaying for, solar cells and silicon raw materials; and approximately \$35.0 million for expansion into solar cell manufacturing, including purchasing solar cell equipment and construction of the solar cell manufacturing facilities. Following its successful IPO, Canadian Solar is well-funded to finance future growth in a hot solar power industry. Till the end of December 2006, CSIQ repaid bank borrowing of \$20 million, made capital investment of nearly \$8.0 million mainly on in-house cell production facility. Subsequently, short term borrowing rose to \$40.4 million at year-end 2007. The company also took on more than \$17 million worth of long-term debt to finance its ongoing capital expenditure plans. In June 2008, however, the company converted \$74 million worth of Convertible Senior Notes to common shares.

The company was able to register positive income at the operating level only after the later half of 2007 subsequent to a gap of three consecutive quarters of negative operating income. This was achieved through higher top-line results, improved production yields, better inventory controls, improved cash management and stable pricing. This offsets the rise in price of materials. As a result, Canadian Solar was able to increase product shipments and improve profit margins. The situation is expected to improve further with improved supply situation on the basis of more vertically-integrated production structure.

BEAR STORY

Supply chain management is critical to Canadian Solar's success, particularly during the current industry-wide shortage of high-purity silicon. Although the company proactively manages its supply chain, through sourcing of silicon feedstock, its silicon reclamation program and toll manufacturing arrangements, there is typically a lag between the time of Canadian Solar's prepayment for solar cells and silicon raw materials and the time that CSIQ's customers make prepayments to Canadian Solar. As a result, the purchase of solar cells and silicon feedstock, and other silicon raw materials through toll manufacturing arrangements, has required, and will continue to require, the company to make significant working capital commitments beyond that generated from operating cash flow to support the company's estimated production. According to a study by Solarbuzz, the average long-term silicon feedstock contracted price increased from approximately \$28 - \$32 per kilogram in 2004 to \$60 - \$65 per kilogram in 2007, while spot prices during this period increased as high as \$300/kg. This may constrain revenue growth and decrease the company's margins and profitability. Furthermore, the reduction or elimination of government subsidies and economic incentives for on-grid solar power applications could cause a reduction in demand for the company's products and thereby decrease revenues.

Canadian Solar conducts substantially all of its manufacturing operations through its subsidiaries in China. These subsidiaries are generally subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to wholly foreign-owned enterprises. The People's Republic of China (PRC) legal system is based on written statutes. Since these laws and regulations are relatively new and the PRC legal system continues to evolve rapidly, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties, which may limit legal protection available to Canadian Solar. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. Furthermore, as a portion of CSIQ's costs and expenses is denominated in Renminbi, the revaluation in July 2005 and potential future revaluation has and could further increase expenses in

U.S. dollar terms. Between July 2005 and December 2007, the Chinese Renminbi currency appreciated more than 12% against the U.S. dollar. Any further increase could potentially increase the company's operational costs. In addition, as the company relies entirely on dividends paid to it by its operating subsidiaries in China, any significant revaluation of the Renminbi may have a material adverse effect on Canadian Solar's revenues and financial condition, and the value of, and any dividends payable on, the common shares.

Canadian Solar also does not maintain a stable customer base. Volatility shows in the fact that its largest customers have changed from year to year, primarily because of the short product life cycles of its specialty solar modules and products and its recent entry into the standard solar module business. For strategic purposes, the company regularly changes its product mix. However, a change in the product mix often adversely affects the company's net income. At the end of the 2nd quarter of 2007, Canadian Solar had approximately \$90 million of available credit line, including loans from Industrial and Commercial Bank of China and China Communications Bank, which supports the three-year growth plan undertaken by the company.

At year-end 2006, CSIQ had \$40 million in cash and virtually no debt. However, pushed by capacity expansion plans, after the end of 2007, the company added \$40.4 million in short-term debt along with more than \$17.9 million in long-term debt. Its cash balance also fell to approximately \$32 million and long-term debt increased to nearly \$20 million at the end of the 1st quarter of 2008. However, this will force the company to rely more on equity issuance to relieve its debt load and source funds for its expansion plans, which may be dilutive to existing shareholders. We cite the conversion of convertible senior notes in June 2008 as an instance.

RECENT NEWS

July 15, 2008: Canadian Solar announced a 9MW sales agreement for its e-Modules with Conergy USA. The contract runs for 12 months until June 2009 and delivery will start this month.

July 14, 2008: Canadian Solar announced that it expects net revenues for the 2nd quarter 2008 to be in the range of \$210-\$214 million, compared to the forecasted range of \$185-\$190 million. The preliminary net revenue includes approximately \$6 million of silicon and other sales. The Company also announced that it remain on track to meet or exceed its fiscal 2008 revenue guidance of \$750-\$870 million, based on solar module shipments of 230-260MW.

July 14, 2008: Canadian Solar announced that it filed a shelf registration statement, along with a preliminary prospectus supplement with the U.S. Securities and Exchange Commission relating to a follow-on public offering of 3.5 million common shares in the United States. The common shares to be sold in the Offering are expected to be listed on the Nasdaq Global Market. In addition, the Company granted the underwriters an option to purchase up to 525,000 additional common shares within 30 days of the closing of the Offering solely to cover over-allotments. Deutsche Bank Securities Inc. and Piper Jaffray & Co. are acting as joint book runners for the Offering.

June 30, 2008: Canadian Solar signed a ten-year supply contract with LDK Solar, a leading manufacturer of multi-crystalline and mono-crystalline solar wafers. This ten-year supply contract is in addition to the pre-existing three-year supply contract signed between CSI and LDK in October 2007. Under the terms of the new agreement, LDK will supply an additional 800 MW of solar wafers to CSI through 2018. Delivery under the new agreement is expected to start in July 2009, with approximately 40MW being shipped in 2009 and approximately 80MW annually in 2010 and beyond. This will bring total contracted wafer deliveries from LDK to CSI to 120MW in 2009 and 170MW in 2010, respectively.

June 27, 2008: Canadian Solar announced the final settlement of its conversion offer with respect to its 6.0% Convertible Senior Notes due 2017. As per the offer Canadian Solar converted 98% of the notes worth \$74,000,000 with 3,966,841 common shares and \$404.67 cash paid in settlement of the Offer.

June 17, 2008: Canadian Solar announced that it will increase its 2008 annual revenue and output guidance to reflect the sales of its e-Module products. These sales will be realized in the second half of the current year. The company announced that it commenced delivery of e-Modules to Pro Solar Solarstrom GmbH and Iliotec Solar GmbH of Germany. The total shipments to these two companies are estimated at 24.5 MW before the end of 2008. Canadian Solar's total committed sale of e-Modules in 2008 is 35 MW, with approximately another 20 MW expected from additional customers. The company is accordingly raising its annual guidance for 2008 from 200 - 220 MW to 230 - 260 MW in output and its estimated annual revenue from \$650 - \$750 million to \$750 - \$870 million. The company estimates that it will ship approximately 10 - 12 MW of e-Modules in the USA and South Korea in 2008. Based on robust market demand for the products, the company plans to increase its annual ingot and wafer capacity from the previous target of 40 - 60 MW to 150 - 200 MW; to increase its internal cell capacity from the previous target of 250 MW to 400 MW and to increase module capacity to 800 MW.

June 2, 2008: Canadian Solar signed a five-year supply contract with Neo Solar Power. Under the terms of the agreement, Neo Solar Power will supply several hundred megawatts of solar cells through 2013. The total contract value exceeds US\$500 million.

May 27, 2008: Canadian Solar announced the commencement of an offer to holders of the company's 6.0% Convertible Senior Notes, due 2017, of converting their notes into common shares at an increased conversion rate. The conversion offer is intended to reduce the company's ongoing fixed interest obligations, and to improve the trading liquidity of its common shares by increasing the number of common shares available for trading. As of May 27, 2008, \$75.0 million principal amount of the notes were outstanding.

May 13, 2008: Canadian Solar reported unaudited results for its 1st fiscal quarter of 2008, ended March 31, 2008. Net revenue during the reported quarter totaled \$171.2 million compared to \$17.5 million in the 1st fiscal quarter of 2007. Net income for the reported quarter was \$19.0 million, or \$0.61 per diluted share (\$0.69 basic) compared to a net loss of \$3.9 million or \$0.14 per basic and diluted share in the prior-year quarter. Excluding share-based compensation expenses of \$2.2 million, net income for the 1st quarter of 2008 would have been \$21.2 million, or \$0.65 per diluted share.

Revenue in the reported quarter included \$2.2 million of silicon materials sale compared to \$2.8 million in the 1st quarter of 2008. The European market accounted for 97.9% of the company's sales, up from 69.4% in the 1st quarter of 2007. Sales from the North American market decreased to 0.7% in the reported quarter compared to \$11.7% in the prior-year quarter. Sales from Asia also decreased to 1.4% in the reported quarter from 18.9% of sales in the year-ago quarter.

Outlook: Based on current market conditions, order backlog and production capacity, the company expects net revenues in the 2nd quarter of 2008 to be in the range of \$185 - \$190 million, with non-GAAP net income, determined by excluding share based compensation expenses, expected to be in the range of \$17 - \$18 million. Shipments for Q208 are expected to be approximately 45MW, including some tolling business. The company also reaffirmed its prior guidance of shipping 200 -220MW of regular solar modules in 2008, not including shipments of e-Modules. It also reaffirmed its % gross margin target of 13% - 15% for 2008.

VALUATION

As of the date of this report, CSIQ stock trades at a very reasonably priced 16.2x our current-year 2008 earnings per share estimate and only 11.2x our forward 2009 EPS estimate, which represents a significant discount compared to the alternative energy industry and its comparable peers, presenting opportunity for the share price to appreciate with earnings growth and forward P/E multiple expansion. Previously, until the recently reported fiscal 2007 results, CSIQ did not trade at a meaningful positive P/E multiple. Likewise, CSIQ also trades at the lower-end of the range of its comparable alternative energy peers based upon relative price multiples of sales, yet at nearly the average multiple of its industry peers based on relative book value multiples. The company's very high price to cashflow has only recently become meaningful. Currently, a steep rise in the price of oil, burgeoning global energy needs, new contracts and successful execution in the high growth potential solar panel market warrant premium multiples to the broader industry and Canadian Solar is well-positioned to take advantage of this opportunity. Moreover, we note that despite CSIQ's position in a strong growth industry, many alternative energy stocks significantly underperformed the broader market over extended periods in 2006-07. Going forward, on the back of solar panel sales growth in various global markets, material cost savings through the company's more vertically-integrated production structure, extension of product lines, higher captive generation of solar cells, long-term supply agreements and silicon reclamation programs should collectively generate significant earnings growth. However, we cautiously note that the company's funding requirement to finance its expansion plans may put pressure on short-term profitability. Accordingly, with a predominantly bullish outlook and a high growth market opportunity in the alternative energy industry, partially offset by several uncertainties, risks and competitive market factors, we maintain CSIQ at a BUY recommendation with a six-month target price of \$41.75, or 19.4x and 13.4x, respectively, our 2008 and 2009 EPS estimates, representing 19.4% upside potential.

Industry Comparables

| | Pr Chg YTD | P/E CurrFY | EPS Gr. 5Yr Est. | Price/ Book | Price/ Sales | Price/ CF |
|-----------------------------|---------------|---------------|---------------------|----------------|-----------------|---------------|
| CSIQ: CANADIAN SOLAR | 36.4 | 16.2 | 31.2 | 6.9 | 2.3 | 1026.6 |
| <i>Industry Mean</i> | -38.0 | 41.8 | 31.4 | 4.2 | -76.7 | 80.0 |
| <i>Industry Median</i> | -52.0 | 22.1 | 33.8 | 2.0 | 2.7 | 17.3 |
| <i>S&P 500</i> | -16.3 | 13.0 | NA | 3.9 | 2.4 | 12.2 |
| SOLF: SOLARFUN POWER | -54.5 | 15.7 | 76.0 | 3.0 | 1.8 | 49.5 |
| JASO: JA SOLAR | -29.1 | 17.8 | 35.2 | 4.2 | 5.3 | 74.0 |
| TSL: TRINA SOLAR | -43.7 | 9.3 | 35.0 | 2.0 | 2.0 | 18.9 |
| ORA: ORMAT TECHNOLOGIES | -15.0 | 41.5 | 24.4 | 3.0 | 7.0 | 26.5 |

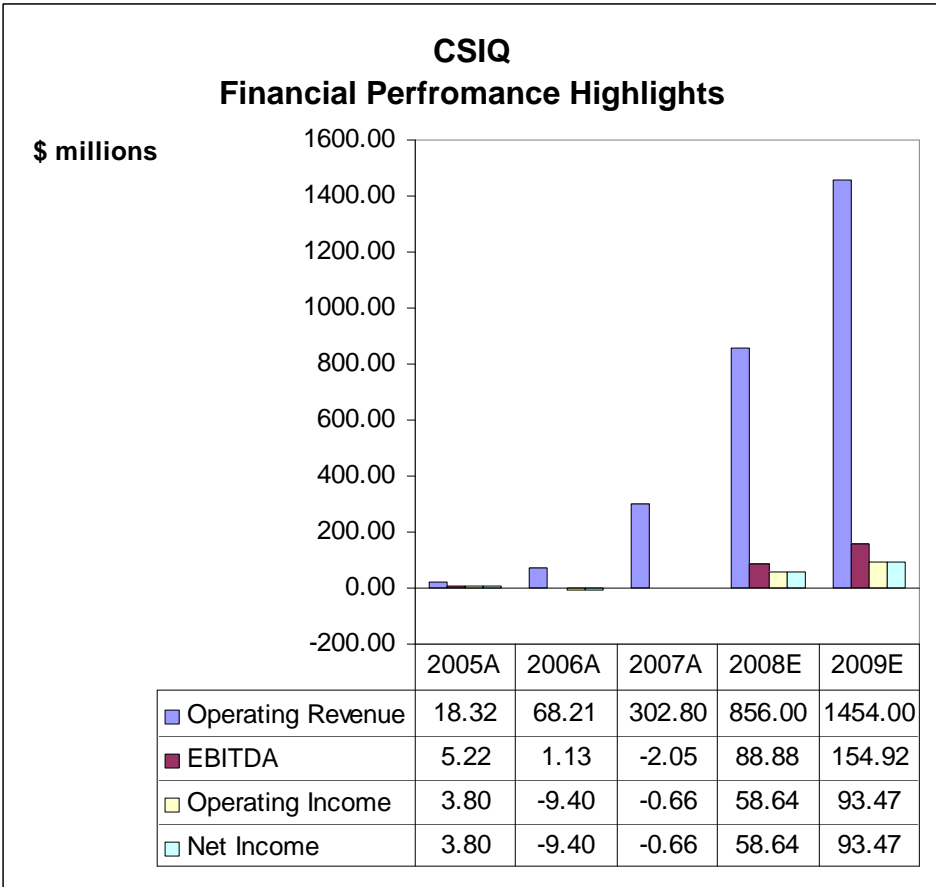
Return on Equity Analysis (ROE) DuPont Decomposition Analysis:

| <i>Fiscal Year</i> | <i>Operating Profit Margin</i> | <i>Asset Turnover</i> | <i>Leverage</i> | <i>Cost of Debt</i> | <i>Tax Retention Rate</i> | <i>Return on Equity</i> |
|--------------------|--------------------------------|-----------------------|-----------------|---------------------|---------------------------|-------------------------|
| 2009 E | 0.11 | 3.20 | 1.63 | 0.91 | 0.725 | 37.71% |
| 2008 E | 0.10 | 2.42 | 1.91 | 0.91 | 0.725 | 31.77% |
| 2007 A | -0.01 | 1.07 | 2.26 | 0.24 | 1.34 | -0.53% |
| 2006 A | 0.02 | 0.53 | 1.15 | -7.94 | 1.05 | -8.33% |
| 2005 A | 0.28 | 0.67 | 3.94 | 0.84 | 0.86 | 54.52% |
| 2004 A | 0.19 | 1.58 | 2.07 | 0.99 | 0.78 | 48.99% |

Following nearly 50% ROE in 2004 and 2005, due strong operating profit margins, high asset turnover, and low leverage at a low cost of debt, the company's annual ROE declined significantly in 2006 as operating profit margins declined significantly, due to increases in cost of goods sold (particularly polysilicon) and SG&A expenses, as well as a decline in revenue per dollar of assets, substantially greater financial leverage and higher cost of debt. In 2007, however, ROE closed slightly behind break-even, despite a loss at the operating level, and continued high leverage at a high cost of debt. Looking ahead through 2008-09, ROE is expected to improve significantly through steady improvements in operating profit margins, lower cost of debt in-line with declining leverage, and bottom-line profitability.

PROJECTED INCOME STATEMENT & BALANCE SHEET

| CANADIAN SOLAR (NYSE: CSIQ) | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|
| <i>(All figures in millions except per share data)</i> | | | | | | |
| INCOME STATEMENT | 2004 A | 2005 A | 2006 A | 2007 A | 2008 E | 2009 E |
| Product revenue | \$8.94 | \$17.89 | \$68.14 | \$298.29 | 844.76 | 1,439.93 |
| Other revenue | 0.74 | 0.43 | 0.07 | 4.51 | 11.24 | 14.07 |
| Total Operating Revenue | 9.68 | 18.32 | 68.21 | 302.80 | 856.00 | 1,454.00 |
| Cost of goods sold | 6.47 | 11.21 | 55.87 | 279.02 | 671.24 | 1,140.16 |
| Gross Profit | 3.21 | 7.11 | 12.34 | 23.78 | 184.76 | 313.84 |
| SG&A | 1.30 | 1.87 | 10.82 | 24.83 | 93.00 | 153.80 |
| R&D | 0.04 | 0.02 | 0.39 | 1.00 | 2.88 | 5.12 |
| Operating Expenses | 1.34 | 1.89 | 11.21 | 25.83 | 95.88 | 158.92 |
| EBITDA | 1.87 | 5.22 | 1.13 | -2.05 | 88.88 | 154.92 |
| Interest and other expenses | 0.02 | 0.81 | 10.10 | -1.56 | 8.00 | 26.00 |
| Income Taxes | 0.40 | 0.61 | 0.43 | 0.17 | 22.24 | 35.45 |
| Income from continuing operations | 1.45 | 3.80 | -9.40 | -0.66 | 58.64 | 93.47 |
| Extraordinary gain | | | | | | |
| Net Income | 1.45 | 3.80 | -9.40 | -0.66 | 58.64 | 93.47 |
| Weighted average number of shares outstanding (Basic) | 15 | 15 | 19 | 27 | 27 | 30 |
| Weighted average number of shares outstanding (Diluted) | 15 | 15 | 19 | 27 | 27 | 30 |
| Diluted EPS before NRI | 0.09 | 0.25 | -0.49 | -0.02 | 2.15 | 3.12 |
| Reported EPS | 0.09 | 0.25 | -0.49 | -0.02 | 2.15 | 3.12 |
| BALANCE SHEET | 2004 A | 2005 A | 2006 A | 2007 A | 2008 E | 2009 E |
| Cash & Marketable Securities | \$2.06 | \$6.28 | \$40.91 | 37.67 | 46.81 | 60.21 |
| Total Current Assets | 5.66 | 26.43 | 117.81 | 223.65 | 277.92 | 357.45 |
| Net property, plant and equipment & Goodwill | 0.45 | 0.93 | 7.91 | 51.90 | 64.49 | 82.95 |
| Deferred tax assets | 0.03 | 0.07 | 2.79 | 3.96 | 4.92 | 6.33 |
| Other Assets | 0.00 | 0.00 | 1.14 | 1.20 | 1.49 | 1.92 |
| Total Assets | 6.14 | 27.43 | 129.66 | 284.14 | 353.09 | 454.13 |
| Current Liabilities | 2.75 | 15.37 | 15.87 | 59.21 | 104.88 | 95.04 |
| Other long term liabilities | 0.43 | 5.09 | 0.88 | 6.16 | 25.19 | 15.11 |
| Shareholder's Equity | 2.96 | 6.97 | 112.91 | 125.91 | 168.54 | 176.11 |
| <i>Sequential Growth - Revenue</i> | 135.52% | 89.26% | 272.33% | 343.92% | 182.70% | 69.86% |
| <i>Sequential Growth - EBITDA</i> | 192.19% | 179.14% | -78.35% | -281.77% | -4427.19% | 74.30% |
| <i>Sequential Growth - Operating Earnings</i> | 253.66% | 162.07% | -347.37% | 92.94% | 8,931.08% | 59.40% |
| <i>Sequential Growth - Net Income</i> | 90.79% | 162.07% | -347.37% | 92.94% | 8,931.08% | 59.40% |
| <i>Operating Margin</i> | 19.32% | 28.49% | 1.66% | -0.68% | 10.38% | 10.65% |
| <i>Net Profit Margin</i> | 14.98% | 20.74% | -13.78% | -0.22% | 6.85% | 6.43% |
| <i>Current Ratio</i> | 0.75 | 0.41 | 2.58 | 0.64 | 0.45 | 0.63 |
| <i>Debt Equity Ratio</i> | 1.07 | 2.94 | 0.15 | 0.52 | 0.70 | 0.40 |

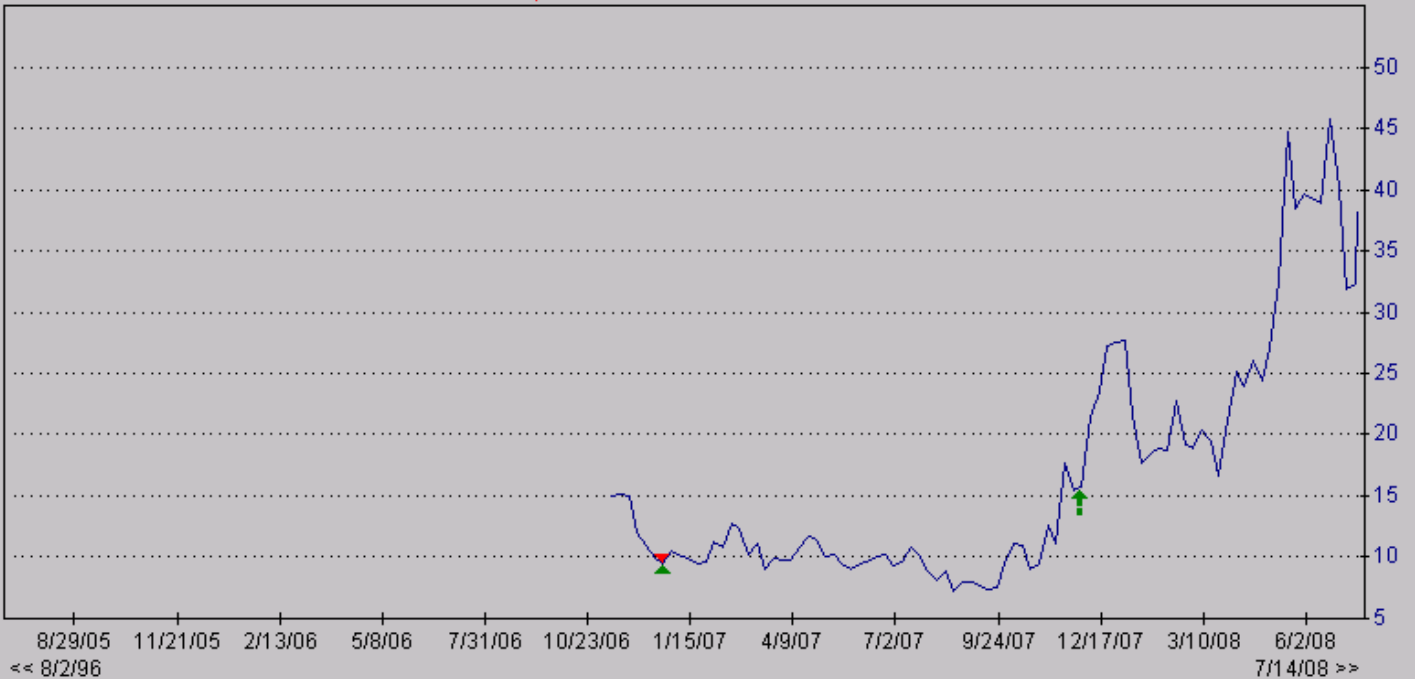


HISTORICAL ZACKS RECOMMENDATIONS

CANADIAN SOLAR (W)
Price

↑ ↓ Zacks Rec

Price (\$)



↑ Buy

△ Hold

↓ Sell

DISCLOSURES

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