MESA AIR GROUP INC
Form S-1
January 23, 2009

As filed with the Securities and Exchange Commission on January 23, 2009
Registration No. 333-________

PDF provided as courtesy

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM S-1
REGISTRATION STATEMENT
THE SECURITIES ACT OF 1933

Mesa Air Group, Inc.

*(Exact Name of Registrant as Specified in Its Charter)*

| Nevada<br>(State or Other Jurisdiction of Incorporation or Organization) | 4512<br>(Primary Standard Industrial Classification Code Number) | 85-0302351<br>(I.R.S. Employer Identification Number) |
|---|---|---|

410 North 44th Street, Suite 700
Phoenix, Arizona 85008
(602) 685-4000

*(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)*

Brian S. Gillman
Executive Vice President, General Counsel and Secretary
Mesa Air Group, Inc.
410 North 44th Street, Suite 700
Phoenix, Arizona 85008
(602) 685-4000

*(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)*

Copies to:

Gregory R. Hall, Esq.
DLA Piper LLP (US)
2415 East Camelback Road, Suite 700
Phoenix, Arizona 85016
(480) 606-5100

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ý

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ¨ Accelerated filer ý

Non-accelerated filer ¨ Smaller reporting company ¨

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Security To be Registered | Amount to be Registered | Proposed Maximum Offering Price per Share (1) | Proposed Maximum Aggregate Offering Price (1) | Amount of Registration Fee |
|---|---|---|---|---|
| Common Stock, no par value per share | 2,692,800 | $0.16 | $430,848 | $16.93 |

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act on the basis of the average of the high and low prices of Mesa Air Group, Inc.'s common stock as reported on The NASDAQ Global Select Market on January 20, 2009.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Subject to Completion

Preliminary Prospectus Dated January 23, 2009

Common Shares

Mesa Air Group, Inc.

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This prospectus relates to the offer and sale of up to 2,692,800 shares of our common stock held by the selling shareholder identified in this prospectus. The selling shareholder intends to sell the shares of our common stock held by it in a single transaction, or a set of simultaneous transactions, at a time that is determined based on their assessment of market conditions.

We will not receive any of the proceeds from the sale of these shares by the selling shareholder. Subject to any agreement that we may in the future reach in connection with the offer and sale of shares pursuant to this prospectus, we will bear all expenses of this offering, except that the selling shareholder will pay all transfer taxes and any underwriting discounts or commissions or equivalent expenses applicable to the sale of its shares.

We are registering the offer and sale of these shares pursuant to an agreement with the selling shareholder. The shares offered under this prospectus are being registered to permit the selling shareholders to sell the shares in the public market at a time that they determine based on their assessment of market conditions. The selling shareholder may sell the shares through an underwritten offering or through any other means described in the section titled "Plan of Distribution."

The common stock is listed on The NASDAQ Global Select Market under the symbol "MESA." The last reported sale price of the common stock on January 6, 2009, was $0.28 per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 12.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is January 23, 2009

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

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## ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus. We and the selling shareholder have not authorized anyone to provide you with information different from that contained in this prospectus. This prospectus may only be used where it is legal to sell these securities. You should assume that the information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

## PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary sets forth the material terms of the offering, but does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully before making an investment decision, especially the risks of investing in our common stock described under "Risk Factors." Unless the context otherwise requires, the terms "we," "us," "our," and "Mesa" refer to Mesa Air Group, Inc. and its predecessors, direct and indirect subsidiaries and affiliates.

## MESA AIR GROUP, INC.

### Our Company

Mesa Air Group, Inc. ("Mesa" or the "Company") is a holding company whose principal subsidiaries operate as regional air carriers providing scheduled passenger and airfreight service. As of September 30, 2008, the Company served 124 cities in 38 states, the District of Columbia, Canada, and Mexico and operated a fleet of 159 aircraft with approximately 800 daily departures.

Approximately 96% of our consolidated passenger revenues from continuing operations for the fiscal year ended September 30, 2008 were derived from operations associated with code-share agreements. Our subsidiaries have code-share agreements with Delta Air Lines, Inc. ("Delta"), United Airlines, Inc. ("United Airlines" or "United") and America West Airlines, Inc. ("America West"), which currently operates as US Airways and is referred to herein as "US Airways." The current US Airways agreement is the result of a merger between America West and US Airways, Inc. These code-share agreements allow use of the code-share partners' flight designator code to identify flights and fares in computer reservation systems, permit use of logos, service marks, aircraft paint schemes and uniforms similar to the code-share partner and provide coordinated schedules and joint advertising. Our remaining passenger revenues from continuing operations are derived from our independent ***go!*** operations in Hawaii.

In addition to carrying passengers, we carry freight and express packages on our passenger flights and have interline small cargo freight agreements with many other carriers. We also have contracts with the United States Postal Service for carriage of mail to the cities we serve and occasionally operate charter flights when our aircraft are not otherwise used for scheduled service.

Our airline operations are conducted by the following airline subsidiaries:

- Mesa Airlines, Inc. ("Mesa Airlines"), a Nevada corporation, flies regional jet and turboprop aircraft and operates as US Airways Express under code-share agreements with US Airways, as United Express under a code-share agreement with United Airlines and independently in Hawaii as ***go!*** The ***go!*** flights are "Independent Operations" and are not subject to a code-share agreement with a major carrier.

- Freedom Airlines, Inc. ("Freedom Airlines"), a Nevada corporation, flies ERJ-145 50-seat regional jet aircraft and CRJ-900 aircraft and operates as "Delta Connection" under code-share agreements with Delta.

### Discontinued Operation

In the fourth quarter of fiscal 2007, the Company committed to a plan to sell Air Midwest or certain of its assets. Air Midwest consisted of Beechcraft 1900D turboprop operations, which included our independent Mesa operations and Midwest Airlines and US Airways code-share operations. In connection with this decision, the Company began soliciting bids for the sale of the twenty Beechcraft 1900D aircraft in operation and exited all of its Essential Air Service ("EAS") markets on or before June 30, 2008. All assets and liabilities, results of operations, and other financial and operational data associated with these assets have been presented in the accompanying consolidated financial statements as discontinued operations separate from continuing operations, unless otherwise noted.

Corporate Structure

Mesa is a Nevada corporation with its principal executive office in Phoenix, Arizona. We were incorporated in Nevada in 1996.

In addition to operating the airline subsidiaries listed above, we also have the following other subsidiaries:

- MPD, Inc., a Nevada corporation, doing business as Mesa Pilot Development and MPD, operates training programs for student pilots in conjunction with San Juan College in Farmington, New Mexico and Arizona State University in Tempe, Arizona.

- Regional Aircraft Services, Inc. ("RAS"), a California corporation, performs aircraft component repair, certain overhaul services, and ground handling services, primarily to Mesa subsidiaries.

- MAGI Insurance, Ltd., a Barbados, West Indies based captive insurance company, was established for the purpose of obtaining more favorable aircraft liability insurance rates.

- Ritz Hotel Management Corp., a Nevada corporation, was established to facilitate the Company's acquisition and management of a Phoenix area hotel property used for crew-in-training accommodations.

- Mesa Air Group -Airline Inventory Management, LLC ("MAG-AIM"), an Arizona limited liability company, was established to purchase, distribute and manage Mesa's inventory of spare rotable and expendable parts.

- Nilchii, Inc., a Nevada corporation ("Nilchii"), was established to invest in certain airline related businesses.

- Mesa In-Flight, Inc., a Colorado corporation, was established to hold liquor licenses services for airline operations.

- Regional Aviation Advisors, Inc., a Nevada corporation, was established to provide aircraft financing advisory services.

- Patar, Inc., a Nevada corporation ("Patar"), was established to invest in certain foreign businesses.

- Mesa Air New York, Inc., a New York corporation, was established to hold and own aircraft parts and equipment to support the Company's New York flight operations.

- Ping Shan, SRL, a Barbados society with restricted liability ("Ping Shan"), was established for the purpose of being a holding company of our interest in Kunpeng Airlines Co., Ltd. ("Kunpeng Airlines"), a regional airline based in the People's Republic of China.

## Aircraft

The following table sets forth our aircraft fleet (owned and leased) by aircraft type and code-share service as of September 30, 2008:

| | Canadair Regional Jet-200 (CRJ-200) (A) | Canadair Regional Jet-700 (CRJ-700) | Canadair Regional Jet-900 (CRJ-900) (B) | Embraer Regional Jet-145 (ERJ-145) (C) | Beechcraft 1900D (D) | DeHavilland Dash 8 | Total |
|---|---|---|---|---|---|---|---|
| US Airways Express | 11 | - | 38 | - | - | 6 | 55 |
| United Express | 26 | 20 | - | - | - | 10 | 56 |
| Delta Connection | - | - | 7 | 30 | - | - | 37 |
| Mesa Airlines (dba *go!*) | 5 | - | - | - | - | - | 5 |
| Mesa Air Group-Operating | 2 | - | - | 4 | - | - | 6 |
| Subtotal | 44 | 20 | 45 | 34 | - | 16 | 159 |
| Kunpeng Airlines (sublease) | 5 | - | - | - | - | - | 5 |
| Trans States Airlines (sublease) | - | - | - | 2 | - | - | 2 |
| Subtotal | 49 | 20 | 45 | 36 | - | 16 | 166 |
| Discontinued Operations | - | - | - | - | 20 | - | 20 |
| Non-Operating Aircraft (E) | 3 | - | - | - | - | - | 3 |
| Total | 52 | 20 | 45 | 36 | 20 | 16 | 189 |

(A) Five CRJ-200's are currently in China in a sublease agreement with Kunpeng Airlines.

(B) Subsequent to fiscal year-end 2008, the company removed the 7 CRJ 900 aircraft from the Delta Connection program.

(C) Two ERJ-145's are currently subleased to an unaffliated airline, Trans States Airlines.

(D) As previously discussed, in the fourth quarter of fiscal 2007, we committed to a plan to sell certain assets used by Air Midwest and to discontinue our Air Midwest turboprop operations. The net book value of these aircraft are included within "Assets of discontinued operations" on the Consolidated Balance Sheets.

(E) Three CRJ-200's which are parked and held for lease return in first quarter of 2009.

## Code-Share Agreements

Our airline subsidiaries have agreements with Delta, US Airways and United Airlines to use those carriers' designation codes (commonly referred to as "code-share agreements"). These code-share agreements allow use of the code-share partner's flight designator code to identify flights and fares in computer reservation systems, permit use of logos, service marks, aircraft paint schemes and uniforms similar to the code-share partner's and provide coordinated schedules and joint advertising. Our passengers traveling on flights operated pursuant to code-share agreements receive mileage credits in the respective frequent flyer programs of our code-share partners, and credits in those programs can be used on flights operated by us.

Our code-share agreements consist of the following:

- our subsidiary, Mesa Airlines, operates CRJ-900, CRJ-200 and Dash-8 aircraft under our code-share agreement with US Airways (the "US Airways Code-Share Agreement");
- our subsidiary, Mesa Airlines, operates CRJ-200, CRJ-700 and Dash-8 aircraft under our code-share agreement with United (the "United Code-Share Agreement");
- our subsidiary, Freedom Airlines, operates ERJ-145 aircraft under a code-share agreement with Delta that was amended and assumed by Delta as part of its bankruptcy in the second quarter of 2007 (the "Amended DCA"); and

- our subsidiary, Freedom Airlines, operates CRJ-900 aircraft under a code-share agreement with Delta, which was a new code-share agreement entered into in connection with Delta's bankruptcy (the "Expansion DCA").

The financial arrangement under each of our code-share agreements with our code-share partners involves a revenue-guarantee arrangement. The US Airways Code-Share Agreement, United Code-Share Agreement, Amended DCA and Expansion DCA are all revenue-guarantee code-share agreements, pursuant to which the major carrier controls marketing, scheduling, ticketing, pricing and seat inventories. We receive a guaranteed payment based upon a fixed minimum monthly amount plus amounts related to departures and block hours flown in addition to direct reimbursement of expenses such as fuel, landing fees and insurance. Among other advantages, revenue-guarantee arrangements reduce our exposure to fluctuations in passenger traffic and fare levels, as well as fuel prices.

The following table summarizes our available seat miles ("ASMs") flown and passenger revenue recognized under our code-share agreements and independent operations for the years ended September 30, 2008 and 2007:

| | Fiscal 2008 | | | | | Fiscal 2007 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ASM's (000's) | | | Passenger Revenue (000's) | | ASM's (000's) | | | Passenger Revenue (000's) | |
| US Airways (Revenue-Guarantee) | 4,105,517 | 51% | $ | 635,439 | 48% | 4,331,579 | 48% | $ | 576,257 | 44% |
| United (Revenue-Guarantee) | 2,573,519 | 32% | | 382,392 | 29% | 3,074,054 | 34% | | 461,732 | 35% |
| Delta (Revenue-Guarantee) | 1,182,271 | 15% | | 252,530 | 19% | 1,438,698 | 16% | | 249,774 | 19% |
| ***go!*** | 166,659 | 2% | | 43,075 | 4% | 152,629 | 2% | | 25,457 | 2% |
| Total - Continuing Operations | 8,027,966 | | $ | 1,313,436 | | 8,996,960 | | $ | 1,313,220 | |
| Discontinued Operations | 75,089 | | $ | 12,588 | | 185,557 | | $ | 30,188 | |

Our Executive Offices

Our principal executive offices are located at 410 North 44th Street, Suite 700, Phoenix, Arizona 85008, and our telephone number is (602) 685-4000. Our website is located at www.mesa-air.com. The information on, or accessible through, our website does not constitute part of, and is not incorporated into, this prospectus.

Recent Developments

Fiscal 2008 was a year of challenges and modest successes for us. We reached legal settlements with both Hawaiian Airlines, Inc. ("Hawaiian Airlines") and certain affiliates of The Yucaipa Companies LLC (collectively, "Yucaipa"), which purchased the rights of a lawsuit initially brought by Aloha Airlines, Inc. and Aloha Air Group Inc. (collectively, "Aloha Airlines"). In the Hawaiian Airlines settlement, we recovered $37.5 million from a bond being held by the United States Bankruptcy Court for the District of Hawaii. Our settlement with Yucaipa resolved litigation and provided both parties the opportunity to benefit through a licensing agreement which allows Mesa to operate under the Aloha Airlines name. Pursuant to the settlement, we paid Yucaipa $2.0 million cash and issued to Yucaipa stock equal to 10% of our current outstanding shares. We agreed to the terms of these settlements without admitting any wrongdoing. For more information regarding the terms of our settlement with Yucaipa, see "Business-Legal Proceedings."

Also during the fiscal year, we expanded capacity in Hawaii; available seat miles increased by 9.2% over the prior year. After only 17 months in operation we congratulated our one millionth passenger. We look forward to the opportunity to grow the Hawaiian segment of our operation.

In the first three quarters of the fiscal year we took strides to grow our fuel efficient CRJ-900 fleet flying for Delta as Freedom Airlines under the Expansion DCA. We placed seven 900's into service in the first three quarters with the intent to fulfill a contract with Delta to increase the CRJ-900 fleet to a total of 14 aircraft. In August 2008, Delta notified Mesa of the termination of the Expansion DCA, citing an alleged failure to meet certain contractual benchmarks contained in the Expansion DCA. Mesa denies having violated the Expansion DCA and we intend to challenge Delta's decision. For more information regarding this dispute, see "Business-Legal Proceedings."

During the third quarter 2008 Mesa won a preliminary injunction in the United States District Court for the Northern District of Georgia enjoining Delta from terminating the Amended DCA. This injunction was in response to Delta's notification of its intent to terminate the Amended DCA as a result of Freedom Airlines' alleged failure to maintain a specified completion rate with respect to its Delta Connection flights during three months of the six-month period ended February 2008. For more information regarding this litigation, see "Business-Legal Proceedings."

In May 2008 we sold 14 of our 34 Beechcraft 1900D's to Raytheon Aircraft Credit Corporation. The transaction included the elimination of $28 million of long term debt associated with the aircraft and resulted in a net gain on extinguishment of debt of $5.8 million for the Company.

Air Midwest ceased operating in all markets at the end of the third quarter 2008. This was consistent with an announcement made in fiscal 2007 of the Company's intent to do so.

In July 2008, we entered into a new time and material maintenance program with GE. This agreement terminates the terms of a previous contract for the maintenance and repair of Mesa's owned or operated CF34-3B1 engines, settled Mesa's prior payment obligations and awarded a new exclusive 5-year contract for the maintenance repair, and overhaul of Mesa's CF34-3 engines. In accordance with the agreement, Mesa entered into a note payable for $22.0 million in addition to a $6.0 million payment for past due receivables.

In January 2004, we exercised options to purchase twenty CRJ-900 aircraft under our contract with Bombardier, Inc. ("Bombardier"). As of the end of fiscal 2008 we had taken delivery of thirteen CRJ-900 aircraft and five CRJ-700 aircraft. The obligation to purchase the remaining two CRJ-900's was terminated in June 2007 in connection with our agreement to purchase 10 new CRJ-700 NextGen aircraft. In conjunction with this purchase agreement, Mesa has $500,000 on deposit with Bombardier that was included in lease and equipment deposits on September 30, 2008. The deposit amount is expected to be returned upon completion of permanent financing on each of the ten aircraft. On September 26, 2008, the Company and Bombardier amended the purchase agreement to return $6.0 million of the $6.5 million previously held on deposit, delayed deliveries of the 10 CRJ-700 aircraft and advanced rebates related to Bombardier's heavy maintenance service agreement.

In the third quarter of fiscal 2008 we entered into a letter of intent to sell our interest in Chinese carrier Kunpeng Airlines to Shenzhen Airlines, the majority shareholder, for $4.8 million. We engaged in extensive negotiations with Kunpeng Airlines over the terms of the proposed agreement during the past two quarters. A valuation of the interest was conducted by both companies, resulting in Mesa recording a loss on its investment in Kunpeng Airlines of $1.3 million as of the end of the fiscal year. This loss reflects the expected proceeds from the sale of $4.8 million less the Company's investment of $5.8 million and estimated transaction costs of $300,000.

The Company will continue to sublease five regional jets to Kunpeng Airlines. These leases are not affected by the letter of intent. Total sublease revenue for fiscal 2008 was $4.4 million. At year end the Company had gross receivables from Kunpeng Airlines of approximately $2.9 million.

While the airline industry in general, and Mesa in particular, face a number of challenges in today's operating environment, we remain resolutely committed to returning the Company to sustained profitability and delivering the best service possible to our passengers and airline partners.

During the third quarter ended June 30, 2008, the Company recorded an impairment charge of $1.3 million on its investment in Kunpeng Airlines which is classified in loss from equity method investment in the consolidated statement of operations. (See Note 8 to the Consolidated Financial Statements included elsewhere in this prospectus). In addition, the Company sold 14 of its 34 Beechcraft 1900D aircraft. In connection with these negotiations and in preparation for marketing the remaining 20 Beechcraft 1900D aircraft the Company concluded that the fair value of the remaining 20 aircraft was less than the carrying value and therefore recorded an impairment charge of $9.1 million during the second quarter ended March 31, 2008. The impairment charge is included within loss from discontinued operations in the consolidated statement of operations. (See Note 2 to the Consolidated Financial Statements included elsewhere in this prospectus).

On January 7, 2009, we announced that our shareholders approved the following proposals at our special meeting of shareholders: (1) the issuance of such number of shares of the Company's common stock as may be necessary to repurchase all of our outstanding senior convertible notes due 2023 and senior convertible notes due 2024 if we are required by noteholders to repurchase such notes in accordance with the indentures under which the notes were issued and certain related contractual agreements with respect to the 2023 notes, and if the Company elects to satisfy all or a portion of its repurchase obligations by issuing shares of its common stock; (2) the issuance, if necessary, of shares of the Company's common stock that may result in a person, persons, a group, or groups acquiring more than 20% of our outstanding common stock due to issuance of shares of common stock in satisfaction of our note repurchase obligations; and (3) the amendment of our Articles of Incorporation to increase the number of authorized shares of common stock from 75,000,000 shares to 900,000,000 shares.

## OFFERING SUMMARY

Common Stock Offered hereby

2,692,800 shares.

Common Stock Outstanding After this Offering

29,610,959 shares.

Use of Proceeds

We will not receive any proceeds from the shares sold by the selling shareholder.

Plan of Distribution

The selling shareholder plans to sell up to all of the shares being offered in this offering in a single transaction or a set of transactions at a time determined by its assessment of market conditions. See "*Plan of Distribution*" for additional information.

Risk Factors

You should carefully read and consider the information set forth under the heading titled "Risk Factors" and all other information set forth in this prospectus before deciding to invest in shares of our common stock.

Nasdaq Global Select Market Symbol

"MESA"

The share information above is based on 26,918,159 shares of common stock outstanding as of January 14, 2009.

## SELECTED FINANCIAL DATA AND OPERATING STATISTICS

The selected Consolidated Statements of Operations and Consolidated Balance Sheet as of and for each of the five years ended September 30, 2008, are derived from the Consolidated Financial Statements of the Company and its subsidiaries and should be read in conjunction with the Consolidated Financial Statements included elsewhere in this prospectus and the related notes thereto and the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." In the fourth quarter of fiscal 2007, we committed to a plan to sell Air Midwest or certain assets thereof. Air Midwest includes our independent Mesa operations, Midwest Airlines code-share operations, and our Beechcraft 1900D 19-seat turboprop code-share operations with US Airways. All assets and liabilities and results of operations associated with these assets have been presented in the accompanying consolidated financial statements as discontinued operations separate from continuing operations.

Consolidated Statement of Operations and Balance Sheet data as of September 30 (000's):

| | 2008(1) | 2007 (2) | 2006 (3) | 2005 (4) | 2004 (5) |
|---|---|---|---|---|---|
| **Consolidated Statements of Operations Data - Continuing Operations:** | | | | | |
| Net operating revenues | $ 1,326,111 | $ 1,298,064 | $ 1,284,903 | $ 1,076,005 | $ 815,098 |
| Operating expenses | 1,316,106 | 1,371,836 | 1,182,514 | 943,006 | 741,137 |
| Operating income (loss) | 10,005 | (73,772) | 102,389 | 132,999 | 73,961 |
| Interest expense | 36,081 | 39,380 | 34,209 | 41,324 | 21,892 |
| Income (loss) before income taxes | (1,412) | (108,922) | 61,942 | 99,400 | 55,011 |
| Net income (loss) from continuing operations | (5,735) | (71,538) | 37,103 | 61,563 | 32,000 |
| Net income (loss) per share-continuing operations | | | | | |
| Basic | $ (0.21) | $ (2.31) | $ 1.11 | $ 2.11 | $ 1.02 |
| Diluted | $ (0.21) | $ (2.31) | $ (0.91) | $ 1.45 | $ 0.78 |
| **Net loss from discontinued operations** | $ (23,425) | $ (10,023) | $ (3,136) | $ (4,696) | — |

Name: Jifan Gao

Title: Director

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**Jifan Gao**

/s/ Jifan Gao

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**Chunyan Wu**

/s/ Chunyan Wu

**Wonder World Limited**

By: /s/ Jifan Gao

Name: Jifan Gao

Title: Authorized Signatory

**Jiangsu Panji Investment Co., Ltd.**

By: /s/ Jifan Gao

Name: Jifan Gao

Title: Director

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**Shanghai Xingsheng Equity Investment & Management Co., Ltd.**

[Company chop is affixed]

By: /s/ Xiaoqiang Zhuang

Name: Xiaoqiang Zhuang

Title: Executive Director

**Shanghai Xingjing Investment Management Co., Ltd.**

[Company chop is affixed]

By: /s/ Bin Xie

Name: Bin Xie

Title: Executive Director

**Great Zhongou Asset Management (Shanghai) Co., Ltd.**

[Company chop is affixed]

By: /s/ Bu Tang

Name: Bu Tang

Title: Chairman

**Tibet Great Zhongou New Energy Investment Co., Ltd.**

[Company chop is affixed]

By: /s/ Ran Xu

Name: Ran Xu

Title: General Manager

**Liuan Xinshi Asset Management Co., Ltd.**

By: /s/ Zhizhong Cheng

Name: Zhizhong Cheng

Title: General Manager

**Changzhou Ruitai Venture Investment Management Co., Ltd.**

[Company chop is affixed]

By: /s/ Li Zhu

Name: Li Zhu

Title: Executive Director

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**Li Zhu**

/s/ Li Zhu

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**Exhibit Index**

(a)-(1) Preliminary Proxy Statement of the Company dated , 2016.

(a)-(2) Notice of Extraordinary General Meeting of Shareholders of the Company, incorporated herein by reference to the proxy statement.

(a)-(3) Form of Proxy Card, incorporated herein by reference to Annex H to the proxy statement.

(a)-(4) Form of ADS Voting Instructions Card, incorporated herein by reference to Annex I to the proxy statement.

(a)-(5) Press Release issued by the Company, dated August 1, 2016, incorporated herein by reference to Exhibit 99.1 to the Report on Form 6-K furnished by the Company to the SEC on August 1, 2016.

(b)-(1) * Debt Commitment Letter, dated July 31, 2016, by and between Jiangsu Panji Investment Co., Ltd. and Industrial Bank Co., Ltd.

(b)-(2) ** Amended and Restated Equity Commitment Letter, dated September 30, 2016, by and among Parent, Changzhou Trina Solar Energy Co., Ltd. (a limited liability company incorporated under the laws of the People's Republic of China and a wholly-owned subsidiary of the Company, "TCZ") and Jiangsu Panji Investment Co., Ltd.

(b)-(3) * Equity Commitment Letter, dated August 1, 2016, by and among Parent, TCZ, Industrial Bank Co., Ltd. and Shanghai Xingsheng Equity Investment & Management Co., Ltd.

(b)-(4) * Equity Commitment Letter, dated August 1, 2016, by and among Parent, TCZ, Industrial Bank Co., Ltd. and Shanghai Xingjing Investment Management Co., Ltd.

(b)-(5) * Equity Commitment Letter, dated August 1, 2016, by and among Parent, TCZ, Great Zhongou Asset Management (Shanghai) Co., Ltd. and Tibet Great Zhongou New Energy Investment Co., Ltd.

(b)-(6) * Equity Commitment Letter, dated August 1, 2016, by and among Parent, TCZ and Liuan Xinshi Asset Management Co., Ltd.

(b)-(7) ** Equity Commitment Letter, dated September 30, 2016, by and among Parent, TCZ and Changzhou Ruitai Venture Investment Management Co., Ltd.

(c)-(1) Opinion of Citigroup Global Markets Inc., dated August 1, 2016, incorporated herein by reference to Annex B to the proxy statement.

(c)-(2) * Discussion Materials prepared by Citigroup Global Markets Inc. for discussion with the special committee of the board of directors of the Company, dated August 1, 2016.

(d)-(1)

Agreement and Plan of Merger, dated August 1, 2016, by and among the Company, Parent and Merger Sub, incorporated herein by reference to Annex A to the proxy statement.

(d)-(2)

Amendment No. 1 to Agreement and Plan of Merger, dated October 18, 2016, by and among the Company, Parent and Merger Sub, incorporated herein by reference to Annex A to the proxy statement.

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(d)-(3)
Rollover and Support Agreement, dated August 1, 2016, by and among Parent and the Rollover Securityholders, incorporated herein by reference to Annex E to the proxy statement.

(d)-(4)
Limited Guarantee, dated August 1, 2016, by Jiangsu Panji Investment Co., Ltd., Industrial Bank Co., Ltd., Shanghai Xingsheng Equity Investment & Management Co., Ltd, Shanghai Xingjing Investment Management Co., Ltd., Great Zhongou Asset Management (Shanghai) Co., Ltd., Tibet Great Zhongou New Energy Investment Co., Ltd. and Liuan Xinshi Asset Management Co., Ltd., in favor of TCZ, incorporated herein by reference to Annex F to the proxy statement.

(d)-(5)
Assignment and Assumption Agreement to Limited Guarantee, dated September 30, 2016, by and between Jiangsu Panji Investment Co., Ltd. and Changzhou Ruitai Venture Investment Management Co., Ltd., in favor of TCZ, incorporated herein by reference to Annex F to the proxy statement.

(d)-(6)
English translation of the Consortium Agreement, dated July 31, 2016, by Mr. Jifan Gao, Shanghai Xingsheng Equity Investment & Management Co., Ltd., Shanghai Xingjing Investment Management Co., Ltd., Great Zhongou Asset Management (Shanghai) Co., Ltd. and Liuan Xinshi Asset Management Co., Ltd., incorporated herein by reference to Annex G to the proxy statement.

(d)-(7)
English translation of the Adherence Agreement to the Consortium Agreement, dated August 24, 2016, by Changzhou Ruitai Venture Investment Management Co., Ltd., incorporated herein by reference to Annex G to the proxy statement.

(f)-(1)
Dissenters' Rights, incorporated herein by reference to the section entitled "Dissenters' Rights" in the proxy statement.

(f)-(2)
Section 238 of the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, incorporated herein by reference to Annex C to the proxy statement.

(g)
Not applicable.

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