

Excerpt from Chicago Tribune, April 30, 2012

<http://www.chicagotribune.com/business/sns-rt-us-ldksolarbre83t08o-20120430,0,3951686.story>

LDK Solar cuts jobs as margins collapse

Solar products maker LDK Solar Co Ltd said it cut more than 5,000 jobs this year as the industry grapples with a steep decline in prices that has decimated profit margins and pushed several companies into bankruptcy.

LDK Solar's shares, which had touched a six-month low of \$2.55 earlier in the day following weak results and a bleak outlook, reversed course to close up 7 percent at \$3.18 on the **New York Stock Exchange**.

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Prices for modules that turn sunlight into electricity halved last year, stemming largely from overproduction in China and lower subsidies in Europe.

First Solar Inc cut 2,000 jobs, or 30 percent of its work force, earlier this month, following cuts at wafer producer MEMC Electronics Materials Inc last December.

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Global demand for solar panels grew by about 40 percent last year, but excess manufacturing capacity created a glut that forced companies to slash prices.

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The company said it expects revenue of \$190 million to \$230 million for the first quarter. Analysts were expecting \$397.2 million, according to Thomson Reuters I/B/E/S.

The stock has lost nearly three-fourths of its value in the past 12 months. The broader WilderHill Clean Energy index fell 24 percent during the same period.

LOW POLYSILICON PRICES

LDK expects to produce 1,800 metric tons (MT) to 1,900 MT of polysilicon -- the main raw material in the solar industry -- in the first

quarter. The company produced 2,317.8 MT in the fourth quarter.

A frenzy in solar power demand pushed up prices of polysilicon to around \$500 per kg in 2008, before the global financial crisis struck. The resulting oversupply hammered the spot prices of the material down to around \$20 per kg.

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