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<http://www.fool.com/investing/high-growth/2007/04/19/evergreen-solar-good-news-bad-news.aspx>

Evergreen Solar: Good News, Bad News

By Jack Uldrich

When I was about seven years old, my older brother told me that the word "news" was nothing more than an acronym for the four points on a compass: North, East, West, and South. For years, I accepted this as the truth and was mildly disappointed when I later learned that it was simply a convenient coincidence.

Nevertheless, I was reminded of this coincidence yesterday as I was reading about **Evergreen Solar's** (Nasdaq: [ESLR](#)) latest quarterly report, its projections for the second quarter, and a spate of other news. This is because depending on what item I was reading at the time, I found myself thinking the company was moving in a different direction.

At first, I thought the company was moving forward (North) because Evergreen Solar reported that it had narrowed its losses in the first quarter to \$6.2 million and increased its revenues 22% to \$14.1 million.

Then, I found myself thinking the company was headed South because company officials estimated that its losses for the second quarter would *increase* to around \$8 million, and its revenues were expected to *drop* to the neighborhood of \$13 million.

Based the stock's movements, it's clear that the market favors the second scenario: The stock is off over 10% since the announcement.

As a long-term investor, though, I would advise investors to pay less attention to the quarterly reports and instead focus attention on two other news items the company reported yesterday.

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What, then, is an investor to make of all of this conflicting news? My advice: Stand still for time being. In the short term, the company isn't expected to make a profit until sometime in 2008. As such, I believe investors interested in solar are better off investing in profitable solar companies such as **Suntech Power** (NYSE: [STP](#)) and **SunPower** (Nasdaq: [SPWR](#)). I would further advise investors to consider an investment in the **PowerShares WilderHill Clean Energy Portfolio** (AMEX: [PBW](#)) ETF, which includes those stocks in its portfolio, as well as Evergreen and **First Solar** (Nasdaq: [FSLR](#)).

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