

Excerpt from Forex, April 27, 2011

<http://www.forexpros.com/news/general-news/preview-solar-results-to-spotlight-italy-turmoil,-costs-211633>

PREVIEW-Solar results to spotlight Italy turmoil, costs

- * WHAT: First-quarter results for solar panel makers
- * WHEN: First Solar, the first of the panel makers, May 3
- * Q1 earnings hurt by strong winter in Germany
- * Costs for silver paste, polysilicon to weigh on margins
- * Investors eager for details on Italian demand

For solar panel makers, rising raw material costs and a looming cut in government support for solar power in Italy are likely to upstage first-quarter numbers, when the world's largest solar companies begin reporting their quarterly results next week. In solar energy incentives in Italy, a market that exploded last year due to generous government support.

Those concerns caused share prices in the industry to nosedive last year, with the WilderHill New Energy Global Innovation index of alternative energy stocks dropping 14.6 percent in 2010.

In 2011, however, the index is up more than 7 percent, in part because Italian demand for solar held up until recently.

"It's not going to be Armageddon this quarter," said Morningstar analyst Stephen Simko. "Next quarter will be the real telltale sign of where the industry is." First Solar, the world's largest solar company by market value, will kick off the earnings onslaught on May 3, followed by Norway's Renewable Energy Corp and U.S. solar wafer maker MEMC Electronic Materials Inc a day later. China's Trina Solar and U.S. panel maker SunPower Corp will report the following week. Chinese solar company LDK Solar Co Ltd, for instance, on Tuesday cut its first-quarter revenue forecast.

German companies Phoenix Solar AG and Q-Cells SE have already warned that business was hit by harsh winter weather in the first three months of the year, traditionally the industry's weakest quarter

The Italian market has slowed in anticipation of the government's decision -- expected any day now -- about a new solar subsidy scheme to begin in June.

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