

Excerpt from Reuters, February 24, 2012

<http://uk.reuters.com/article/2012/02/24/us-solarcos-research-idUKTRE81N0UU20120224>

Germany's faster subsidy cuts to add to solar companies woes

Top solar consumer [Germany](#)'s plans to advance the date of subsidy cuts could spell further trouble for companies such as First Solar and Trina Solar Ltd already weighed by low selling prices, some analysts said.

On Thursday, German government sources told Reuters they plan to bring forward cuts in solar power subsidies of up to 30 percent by almost a month to March 9, to thwart any last-minute boom in projects.

"In our view, the pricing environment is just too difficult and likely won't improve given additional subsidy cuts in Germany and import tariff risk in the United States," Wells Fargo analyst Sam Dubinsky said, and downgraded Trina Solar to market perform from outperform.

Most panel makers have indicated that they are moving to emerging solar markets like United States, [China](#) and India, but demand is yet to pick up significantly leading to lower margins.

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Shares of solar companies have been battered last year, with most of module manufacturers suffering share price declines of more than 60 percent.

First Solar shares, which have lost 77 percent of their value in the last one year, closed at \$37.20 on Thursday on the [Nasdaq](#).

Trina Solar shares have shed about 70 percent of their value during the past year and closed at \$8.63 on Thursday on the New York Stock Exchange.

The wider WilderHill Clean Energy index is down 43 percent in the last one year.