

AP

JA Solar Forecasts Revenue Above Street

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JA Solar Issues 2008 Revenue Outlook Above Wall St. Forecasts on Planned Production Ramp

NEW YORK (AP) -- JA Solar Holdings Co. issued a 2008 revenue outlook above Wall Street forecasts on Wednesday and said it has "sufficient" silicon supplies in place to cover its planned production ramp.

The company, which makes silicon-based power components for solar panels, expects revenue of \$990 million to \$1.1 billion this year. That range starts far above analyst expectations of \$520.4 million to \$936.4 million, according to a Thomson Financial survey.

It is also more than double JA Solar's 2007 revenue of \$369.3 million.

The Ningjin, China-based company expects 2008 gross margins above 20 percent and expects to be able to produce solar cells with 500 megawatts of annual generating capacity, up from 425 megawatts currently. The company has started or will start construction on 20 new solar-cell production lines throughout the year. It also plans to open a research laboratory in California's Silicon Valley.

A one-megawatt plant running continuously at full capacity can power 778 households each year, according to the U.S. Department of Energy. Solar technology has lower capacity because its power generation is constrained by availability of the sun.

"In 2008 we plan to build on JA Solar's strong brand and technology platform through increased sales and marketing efforts, greater investment in R&D, and continued expansion of our production capacity," Chief Executive Samuel Yang said in a statement.

Yang also said the company has "sufficient wafer supply" to cover its anticipated production this year. Tight silicon supplies have lifted costs for the key solar-product component, squeezing the solar industry's profit margins. Locking in long-term contracts reduces exposure to spot silicon prices, which are much higher.

The solar industry is also pushing to bring solar-power prices down to a level comparable with traditional grid-based electricity. JA Solar "strives to be a cost leader" by 2010 through technology innovations and operational efficiencies, Yang said.

The company plans to reduce the impact of foreign exchange rates through currency hedging, diversifying its supplier base and adding pricing clauses into sales contracts. The dollar's declining value against the Chinese Renminbi resulted in exchange losses of \$7.9 million during JA Solar's fourth quarter.

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