

Suntech Power guides 2010 capacity target

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Suntech Power has revised installed capacity projections for 2008 and 2009, due to strong demand for its products that sees the company fully booked for the second half of 2008, while hinting that 2009 would see a similar situation. Suntech was able to expand capacity by 120MW in 2Q08, resulting in a total installed base of 660MW. The company said that it remained on track to reach 1GW of installed capacity by the end of 2008 and reiterated its 1.4GW target for the end of 2009.

With greater visibility due to bulging order books, Suntech has now guided 2010 planned capacity as part of reporting second quarter F2008 results. The company said that it planned to reach 2GW of installed capacity by the end of 2010, doubling capacity within two years.

Suntech also raised full-year 2008 revenue guidance from \$1.9 billion to \$2.1 billion to between \$2.05 billion to \$2.15 billion. Not having raised capacity levels and greater availability of polysilicon have enabled higher utilization rates that could now be making an impact on improved MW production outputs.

The company has been very active this year in securing long-term polysilicon supplies as well as making minority investments in start-ups to meet its capacity expansion plans.

"During the first quarter we leveraged the funds raised through our convertible senior notes offering to enhance our long term cost competitiveness with new and expanded polysilicon supply agreements and strategic investment in key suppliers," said Dr. Zhengrong Shi, Suntech's Chairman and CEO. "Our ability to secure reasonably priced silicon reflects our competitive strengths with respect to our leading market position, financial strength, and close relationships with upstream suppliers. We are confident that this improved silicon outlook will help us to achieve our goal of providing grid parity solar solutions," added Shi.

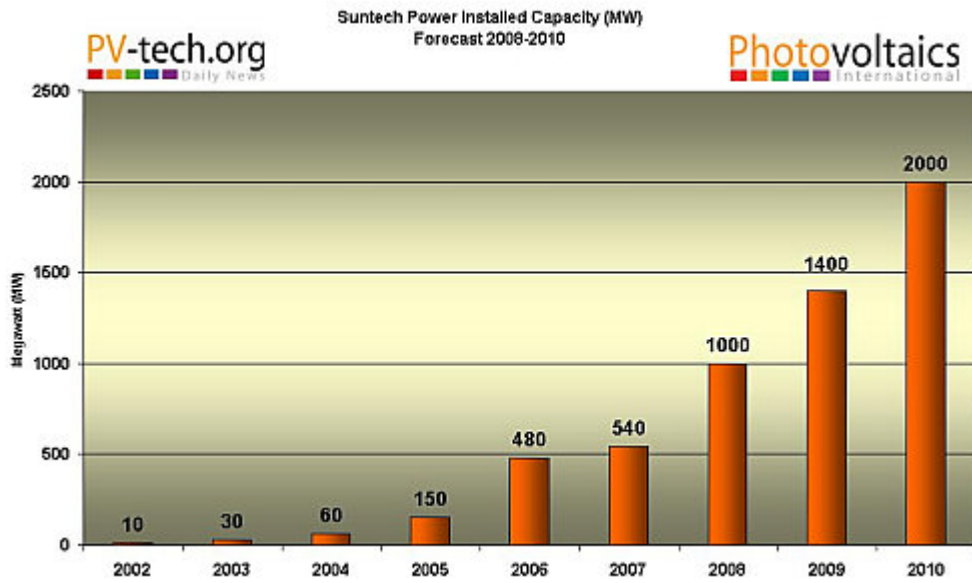
Suntech has invested \$100 million in Nitol Solar, signing a revised seven-year supply contract as well as investing \$20 million in Hoku Scientific, while increasing the supply quantities and shortening delivery times. The company has also invested in Shunda and Glory Silicon, and has announced an eight-year polysilicon supply agreement with DC Chemical Co, valued at approximately \$631 million from 2009 to 2016.

More recently, Suntech made long-term agreements with Wacker-SCHOTT, Crystalox, and ReneSola.

"Due to these agreements, we have now secured 900MW of attractively priced silicon for 2009," remarked Dr. Shi in a statement.

He also highlighted that the construction of the company's first thin-film production line was on schedule with trial production due to start before the end of the year.

Dr. Shi noted that development work of its higher cell efficiency technology, dubbed 'Pluto', was progressing well and expected a 30MW production line to be fully operating at year-end.



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