Satcon Tech Plans To Cut 35 Percent Of Workforce

BOSTON (AP) — Satcon Technology Corp. said Wednesday it plans to cut 140 jobs, or about 35 percent of its workforce, and close a factory in Canada to reduce costs as demand slides for solar power installations around the world.

The Boston company, which makes products for large-scale solar power installations, also will write down the value of some of its inventory to reflect a downturn in solar panel prices. The write-downs will force the company to book charges of $20 million to $26 million in the fourth quarter.

Shares fell by 5 cents, or 7.9 percent, to 59 cents per share in morning trading.

Satcon has struggled financially for several years. Satcon's power-conversion devices and other products were in steady demand in 2011. But that hasn't yet translated to profitability. Satcon posted losses each year from 2005 to 2010, and it reported a loss for the first nine months of 2011.

The company said it plans to restructure its global distribution business to shift its focus from Europe, where most of the solar demand has been concentrated for the past few years, to North America and Asia.

As it does so, Satcon will lay off 140 employees and close a Canadian facility. The move will result in charges of between $2.8 million to $3 million between the fourth quarter of 2011 and first quarter of 2012.

It expects the move will save the company between $15 million and $17 million a year.

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