

# Yingli Green Energy Posts 1Q Loss

The Associated Press

NEW YORK (AP) — Yingli Green Energy Holding Co. Ltd. posted a first-quarter loss as plunging solar prices slashed revenues even though it shipped a record number of modules.

The Chinese solar company on Wednesday reported a loss of 283.2 million yuan (\$45 million), or 1.82 yuan (29 cents) per share, for the three-month period ended March 31. That compares with a profit of 368.3 million yuan, or 2.29 yuan per share, for the same part of last year. Revenue fell by 8.8 percent to 3.15 billion yuan (\$500 million) in the period.

After excluding special items, Maxim Group analyst Aaron Chew said the company's losses were closer to 21 cents per share, which was better than Wall Street estimates. Analysts, who typically exclude special items, were expecting a loss of 23 cents per share on revenue of \$456.3 million, according to FactSet.

Chew, who has a "Hold" rating on Yingli, said the company has reasserted itself as China's top solar manufacturer. After trailing its peers in shipments at the end of 2011, Yingli "made up for it and more" in the first quarter, Chew said.

Yingli said module shipments increased by 44.4 percent from the fourth quarter. It expects to ship between 2,400 and 2,500 megawatts of solar in the 2012 fiscal year, up 49.6-55.9 percent overall from 2011.

Yet lower profit margins will make it harder for the company to generate profits this year, Chew added.

Like other solar companies, Yingli Chairman and CEO Liansheng Miao said the company has struggled with a "tough market situation" that has forced solar prices to drop around the world. Prices have fallen as a rise of competitors, especially those from China like Yingli, flooded the market with cheap solar modules. Europe, which has traditionally been the biggest market for the solar industry, also is expected to cut back on government incentives this year, trimming demand.

Yingli shares fell by 7 cents, or 2.5 percent, to \$2.69 in morning trading. The company's shares have dropped by more than half this year, after peaking at \$5.90 on Feb. 9.

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