

Suntech Resets Production Capacity and Optimizes Organization

Written by news release Suntech
Monday, 17 September 2012 06:24

WUXI, China, Sept. 17, 2012 /PRNewswire/ -- **Suntech Power Holdings Co., Ltd. (ADR)(NYSE:STP)** ("Suntech" or the "Company") today announced that in order to reduce production cost and operating expenses, the Company has temporarily closed a portion of its solar cell production capacity in Wuxi, China and will continue to optimize its organization. David King, Suntech's CEO, said, "In this rapidly evolving solar market, it is crucial to evaluate market trends and adapt our business to suit. In light of the preliminary U.S. anti-dumping tariff, the European anti-dumping investigation, and oversupply of solar modules, we have decided to right-size our production capacity and continue to optimize our organization. With a smaller manufacturing base we will be able to lower production cost, increase utilization rates and improve product performance. With these and other initiatives we target to create a sustainable business model and return to positive operating cash flow in 2013." Post the restructuring, Suntech's operational solar cell capacity will temporarily be reduced to 1.8GW, module capacity will remain at 2.4GW and wafer capacity will remain at 1.6GW. The consolidation of solar cell capacity is expected to affect approximately 1,500 employees in China. The majority of employees will be offered positions at other production facilities and severance packages will be provided to all others. The restructuring initiatives are expected to substantially improve the utilization rate of solar cell production facilities. In addition, Suntech's panel cost is expected to improve as production will be concentrated at the Company's highest efficiency, lowest cost manufacturing facilities. Suntech is on track to reduce its operating expenses (excluding non-recurring items) by 20% in 2012 compared with 2011. Impairments related to the closure of facilities, severance payments and other related expenses are currently being assessed and will be disclosed in the Company's third quarter 2012 earnings report.

About Suntech

Suntech Power Holdings Co., Ltd. (NYSE: STP) produces industry-leading solar products for residential, commercial, industrial, and utility applications. With regional headquarters in China, Switzerland, and the United States, and gigawatt-scale manufacturing worldwide, Suntech has delivered more than 25,000,000 photovoltaic panels to over a thousand customers in more than 80 countries. Suntech's pioneering R&D creates customer-centric innovations that are driving solar to grid parity against fossil fuels. Suntech's mission is to provide everyone with reliable access to nature's cleanest and most abundant energy source. For more information about Suntech's people and products visit <http://www.suntech-power.com>.

Safe Harbor Statement

Suntech Resets Production Capacity and Optimizes Organization

Written by news release Suntech
Monday, 17 September 2012 06:24

This press release contains forward-looking statements. These statements constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements, and includes the ability of Suntech to cut its operating expenses (excluding non-recurring items) by 20% in 2012; its ability to substantially improve utilization; lower production cost and operating expenses, and improve product performance; and ability to return to cash flow positive in 2013. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Further information regarding these and other risks is included in Suntech's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F. Suntech does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

Investor inquiries, please contact:

Suntech Power Holdings, Co. Ltd.

Rory Macpherson

Investor Relations Director

Email: rory@suntech-power.com

Suntech Resets Production Capacity and Optimizes Organization

Written by news release Suntech
Monday, 17 September 2012 06:24

Media inquiries, please contact:

Shashin Surti
Weber Shandwick for Suntech
Tel: +86 21 2411 0046
Email: Suntech@webershandwick.com

SOURCE Suntech Power Holdings Co., Ltd.