



ENERGY CONVERSION DEVICES INC. TO LAYOFF 900

ENERGY CONVERSION DEVICES Late on Tuesday the management of Energy Conversion Devices Inc. made an announcement that will leave several hundred workers without a job as the company reduces its size. The announcement began with the revelation that the company is getting ready to furlough roughly 400 of its workers. The furlough is in response to the fact the company is making a temporary halt in the production of its solar energy products. Making this announcement a double whammy the company also took this chance to let people know that they were going to layoff another 500 workers by the end of the current calendar year. Earlier in this year the company let go almost 300 workers from the payroll. All in all, by the end of the 2011-year the company will be down more than 1000 workers. The layoffs are occurring, according to the company, because of a surplus of stock. "As we sell through that inventory, we'll resume production," said Michael Schostak, a company spokesman, told a reporter for the Detroit News. At the same time the company has also begun a series of talks with the holders of the debts that the company currently has weighing against it. The company has about \$263 million in outstanding debts currently and they are coming due in June of 2013. The company hopes to be able to restructure their debts in order to help the company remain solvent. Currently, the company has also been a little bit sketchy about its fiscal details. The company was expected to report its 2012 first-quarter earnings and host an earnings call for analysts today, but instead they decided to postpone. In a news release they postponed the call and then the company asked the Securities and Exchange Commission to give them an extension before they had to file their quarterly report. Energy Conversion Devices is expected to show a revenue of roughly \$22 million its first quarter. The company explicitly stated that it had about \$130.2 million in cash on the books as of an announcement made on Sept. 30th of this year. Jay Knoll, ECD's interim president released a statement with the following comments, "These operating results highlight the challenges facing us and the solar industry today. With reductions in incentives in our core European markets and a volatile credit market, solar projects are having tremendous difficulty closing. These factors combined with a flood of cheap modules from foreign manufacturers have created an environment where very few projects are getting completed without self-financing and steep discounts. The economics of this environment require us to rethink our approach to the sales process and rationalize our cost structure, both of which are currently under way." Some analysts have begun to speculate that the company is headed towards bankruptcy. No proceedings have been filed at this time. Energy Conversion Devices is not the only green energy company to shed workers in a bid to stay in the black. Just last week United Solar Ovonic handed out temporary layoff slips to 140 workers based at their Greenville facility.

<https://blog.granted.com/>