

Research report sees problems for Timminco: report

Fri Aug 22, 2008 9:25am EDT

TORONTO (Reuters) - It will be "a miracle" if Timminco Ltd (TIM.TO: [Quote](#)) can deliver on promises to produce silicon for solar cells more cheaply, according to a research report quoted in the Globe and Mail newspaper on Friday.

The paper said the 26-page report from Veritas Investment Research analysts "offers a decidedly negative take on ... Timminco's prospects."

"While Timminco claims that it can produce UMG-Si (Upgraded Metallurgical Silicon) at a cost of C\$10 to C\$15/kg, we believe that based on 3rd party verified product specifications, the full economic costs of Timminco's Si is approximately C\$57.00 kg," the newspaper quoted the report as saying.

Timminco, a market darling for just over a year from April 2007, disappointed investors earlier this month when it reported a bigger-than-expected loss and said it had shipped only 221 tonnes of solar grade silicon.

The market had expected 300 tonnes, and the stock slumped as much as 27 percent.

The shares closed at C\$15.24 on Thursday, and are now worth less than half their June peak around C\$34.50.

(Reporting by Janet Guttman; Editing by Scott Anderson)