

## UPDATE 1-Timminco stock slides as silicon plans questioned

---

Mon Apr 21, 2008 12:26pm EDT

(Adds details)

TORONTO, April 21 (Reuters) - Shares of specialty metals producer Timminco Ltd (TIM.TO: [Quote](#), [Profile](#), [Research](#)) tumbled on Monday after a report in the financial magazine Barron's questioned the company's plan for purifying silicon for solar cells.

Meanwhile, the Globe and Mail newspaper reported that Wall Street investor Manuel Asensio, who has a reputation for bringing down companies, has challenged Timminco's assertion that it can purify metallurgical grade silicon in a very cost-efficient way.

Timminco stock fell much as 10 percent in early trading on the Toronto Stock Exchange, but recovered to C\$22.27, still down 3 percent, or 68 Canadian cents. The stock fell more than 12 percent on Friday.

The company was one of the best performers on the Toronto market in 2007, soaring from a price of less than C\$1 to more than C\$22 in the year as it racked up commercial contracts and the price of silicon soared.

The Toronto-based company has said it can purify metallurgical grade silicon at about half of what it costs its competitors.

In December, it began production at its solar silicon unit in Becancour, Quebec. Germany's Q-Cells AG (QCEG.DE: [Quote](#), [Profile](#), [Research](#)), the world's largest solar cell maker, signed a supply contract with Timminco subsidiary Becancour Silicon Inc last month.

But on Sunday, Barron's said Timminco's shares were "far ahead of reality," noting the concentrated stock ownership makes valuing the stock problematic. Insiders and stakeholders own about 55 percent of the company, according to Reuters Data.

Timminco's sales fell and its operating losses rose last year, the magazine said, adding: "the stock is far ahead of reality and vulnerable if solar silicon disappoints."

By next year, Timminco expects to produce 14,400 tonnes of solar-grade silicon annually.

Company officials were not immediately available for comment.

(\$1=\$1.01 Canadian) (Reporting by Jonathan Spicer; Editing by Peter Galloway)

© Thomson Reuters 2008. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world. Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

