These are hard times for Suntech Power Holdings, the Wuxi, China-based maker of solar modules, but the fourth quarter was a little less rough than the company had thought.

On Friday the Chinese solar module maker said its fourth-quarter sales would range from $405.0 million to $420.0 million when it reports its results on Feb. 18. The outlook is above its previous range of $345.0 million and $360.0 million, and tops Wall Street's prediction of $357.7 million.

The better-than-expected sales won't make the company terribly profitable, however. Stung by overexuberant purchases of polysilicon, the raw material for the modules it makes for solar power systems, Suntech Power Holdings now finds itself with supplies worth $46.0 million to $58.0 million less than what it paid ahead of a price collapse. At best, it will have a piddly gross profit margin of 2.0% and it might have a margin of negative 1.0%, depending on the final size of the charge.

It also has some overvalued holdings in polysilicon supplies that will require an adjustment to its books. The company will have to take a charge of $49.0 million to $52.0 million from its investments in Ntiol Solar and Hoku Materials, reflecting the diminished values of the polysilicon suppliers. Suntech bought a $100.0 million stake in Nitol, a Russian company, starting about a year ago. It has 11.0%, or 2.3 million shares, of Hoku, which it purchased in February for $20.0 million and which is now worth $11.0 million.

A silver lining in the recent distaste for solar companies: Suntech was able to buy in $93.8 million worth of convertible notes for $61.0 million. It ended the fourth quarter with cash and equivalents of about $508.0 million. As the company is modestly profitable on an operating basis, it should be able to ride out the current economic turmoil.

Friday's announcement also comes a week after Suntech said it was cutting about 800 jobs and suspending the hiring of a further 2,000 new staff due to the difficult economic environment. It also suspended a plan to expand capacity by 40.0% in 2009 due to weak demand.

The falling price of silicon is old news, apparently the better-than-expected sales were new. Investors bid the stock's value up 1.4%, or 12 cents, to a close of $8.90. Still, over the past year Suntech stock has lost 83.4% of its value. Solar stocks are notorious for dramatic swings, having reached hysterical heights when the market was hot, and then crashing when thing went bad.

Suntech's founder and chief executive, Zhengrong Shi, owned 56.9 million shares of the company. When Suntech's stock traded at its peak of around $85.00 in late-2007, Shi's stake was worth $4.8 billion. As of Friday's closing price, the value has fallen 89.5% to $506.4 million.