



2011 First Quarter Earnings Release
Revenue Up 156% year-over-year
EPS of NT\$1.47

Taoyuan, Taiwan, R.O.C. – April 25, 2011 - DANEN (TWSE: 3686), a specialized solar ingot and wafer manufacturer based in Taiwan, announces its financial report for the first quarter 2011. The information is according to ROC GAAP in millions of NT\$, except where otherwise indicated.

Highlights

- Net sales of NT\$1,564 million, 156% higher year-over-year
- Gross margin of 22.5%, up 4 p.p. compared with previous quarter
- Operating profit of NT\$304 million, up 205% year-on-year, representing an operating profit margin of 19.5%, a 3 p.p. improvement on yearly basis. Net income grew more than three times to NT\$250 million from NT\$78 million in same period last year.
- EPS of NT\$1.47 for the first quarter, largely increased from NT\$0.56 year-over-year

Messages from the Management

Due to the expansion of solar wafer capacity expansion is still smaller compared with cell customers, our revenue of first quarter 2011 grew positively, up 156% compared with same period last year, and margins also sustained at same level. In order to fulfill customers' demand for capacity expansion, Danen moves forward the expansion plan, and the 200MW capacity of plant II has gradually contributed in end of Q1, 2011. The expansion will contribute shipments and revenue growth of coming quarters, the plant III capacity is expected to further contribute the sales scale from Q3 this year.

I. Profit & Loss

Net Sales: Benefiting from rising shipment volume and steady-raised ASP, Danen recorded net sales of NT\$1,564 million in Q1'11, up 17.6% compared with previous quarter, and 156% on yearly basis.

Gross Profit and Gross Margin: Registered gross profit of NT\$353 million in the quarter, up 45% from NT\$243 million of Q4'10. Gross margin was up from Q4'10, mainly contributed by raise of

ASP and capacity.

Operating Profit Margin: Operating profit totaled NT\$304 million in the quarter, up 65% from Q4'10 and representing an 19% OP margin, more than 3 times year-on-year.

Net Income: Grew 69% from the previous quarter to NT\$251 million, with a net margin of 16%, also achieved more than three times of same period last year.

TWD in millions	Q1'11	Q4'10	Q1'10	QoQ	YoY
Revenue	1,564	1,330	610	18%	156%
Gross margin	22%	18%	24%	4%	-2%
Operating Expenses	(48)	(59)	(42)	-18%	15%
Operating Income	304	184	100	65%	205%
Operating Margin	19%	14%	17%	5%	2%
Net Income	251	149	78	69%	222%
Net Margin	16%	11%	13%	5%	3%
EBITDA	400	260	132	54%	202%
EBIT	310	184	102	69%	203%
EPS(NTD)	1.47	0.98	0.56	50%	163%

II. Balance Sheet

TWD in millions	Q1'11	Q4'10	Q1'10
Cash and Cash Equivalent:	2,780	1,235	489
Accounts Receivable	362	231	151
Inventories	393	327	150
Net Fixed Assets	4,232	3,377	1,570
Short-term Loans	742	383	148
Long-term Bank Loans	1,025	1,005	313
Total Liabilities	2,731	2,334	850
Shareholders' equity	5,561	3,136	1,814
Total Assets	8,291	5,470	2,664

At the end of Q1'2011, Danen held cash and cash equivalents of NT\$2.78 billion.

Net receivables rose from the previous quarter, reflecting increased sales.

Net fixed assets grew, mainly because of capacity expansion of plant II and pre-payment for equipments for plant III.

Short-term and long-term bank loans increased due purchasing equipments for plant II & plant III expansion.

III. Ratio Analysis

	1Q11	4Q10	1Q10
Gross Margin*	22%	18%	24%
Net Margin*	16%	11%	13%
Return on Assets	15%	13%	14%
Return on Equity	23%	21%	19%
Liability to Asset Ratio	33%	43%	32%
Current Ratio	231%	156%	186%
Quick Ratio	194%	123%	142%
AR Turnover Ratio(x)	21	24	22
AR Turnover Days	17	15	16
Inventory Turnover Ratio(x)	13	13	14
Inventory Turnover Days	27	29	27

*applies to single quarter only

Gross Margin and Net Profit Margin increased from previous quarter, due to ASP rising and cost reducing. Gross Margin Rate decreased from same quarter of previous year, due to price-hike of poly-Si material.

At the end of first quarter 2011, return on assets and return on equity improved to 15% and 23% on yearly basis.

Liability to Asset Ratio remained stable compared with same period last year, reduced 10% from previous quarter, mainly due to profit increasing and cash from right issuing.

IV. Cash Flow

TWD in millions	Q1'11	Q4'10	Q1'10
Cash Flow from Operating Activities	25	322	106
Net Income	251	149	78
Depreciation & Amortization	89	76	30
Others	(315)	97	(2)
Cash Flow from Investing Activities	(1,029)	(906)	(145)
Capital Expenditure	(1,022)	(828)	(245)
Others	(7)	(78)	100
Cash Flow from financing Activities	2,549	682	333
Bank Loans	378	682	(5)
Cash from right issue	2,171	0	338
Others	0	0	0
Net Cash Flow	1,545	98	294
Beginning Cash Balance	1,235	1,137	195
Ending Cash Balance	2,780	1,235	489

Cash generated from operating activities was NT\$25 million in the first quarter, less than previous quarter, due to the pre-payment for long-term poly-Si material contract.

NT\$1,022 million was spent for production capacity expansion and equipments prepayment of plant III.

Cash flow from financing activities was NT\$2,549 million, due to cash injection from right issue in March'11.

V. Capacity Expansion

Unit:MW	4Q10	1Q11	4Q11
Plant I	120	120	120
Plant II	90	200	200
Plant III			200
Total	210	320	520

The 120 MW Plant I is 100% utilized and fully loaded by orders, 200 MW installation of Plant II has come on-line at the end of first quarter this year. The plant III of 200MW capacity is under construction, and will start to contribute on shipments from Q3 this year.

IR Contact

Daniel Wu, CFO

pr@danentech.com

<http://www.danentech.com/eng/ir.html>

Phone : +886 3 4738788

Fax : +886 3 4738368

About the Company

Established in 2007, Danen Technology is a specialized multi-crystalline silicon ingots and wafer manufacturer based in Taoyuan High- Tech Industrial Park, Taiwan. Danen owns 600 employees, and the management team is composed of highly experienced executives and engineers from semiconductor, financial, and related solar industries. Currently Plant I has a capacity of 120 MW, and Plant II started volume production in September 2010. Plant III is under construction, and will start to deliver shipments this year. Since its establishment, Danen has obtained certifications from several international Solar cells manufacturers, and expects to be on top of the professional Solar wafer industry in Taiwan by increasing cost advantage, flexibility of customization, and diversity of products.