



2010 Earnings Release
Revenue Up 182% year-over-year
EPS of NT\$3.16

Taoyuan, Taiwan, R.O.C. – March 2, 2011 - DANEN (TWSE: 3686), a specialized solar ingot and wafer manufacturer based in Taiwan, announces its financial report for the fourth quarter 2010 and the full year. The information is according to ROC GAAP in millions of NT\$, except where otherwise indicated.

Highlights

- Net sales of NT\$3,607 million, 182% higher year-over-year
- Gross margin of 21%, up 22 p.p. year-on-year
- Operating profit of NT\$554 million, representing an operating profit margin of 15%, a 24 p.p. improvement over the -9% in the previous year
- EPS of NT\$3.16 for the full year, largely increased from NT\$-0.97 year-over-year

Message from the Management

Due to the progress of expansion for wafer makers largely fall behind cell makers, it is expected that the wafer supply still keeps tight in 1H, 2011. Our revenue for fourth quarter 2010 grew positively, up 208% compared with previous year the same period, and also margins sustained at high levels. In order to fulfill the customers' demand for solar wafer capacity, Danen accelerate the expansion plan, and the 200MW capacity of plant II will be fully utilized by Q2, 2011. The construction of plant III is expected to be completed by Q3'2011 to achieve total capacity of 520MW.

I. Profit & Loss

Net Sales: Benefiting from rising shipment volume and ASP, Danen recorded net sales of NT\$1,330 million in Q4'10, up 43% from NT\$929 million in Q3'10. Net sales for full year was NT\$3.6 billion, climbed 182% from 2009.

Gross Profit and Gross Margin: Danen registered gross profit of NT\$243 million in the quarter, up 11% from NT\$219 million in Q3'10. Gross margin was down from Q3'10, mainly impacted by

price raise-up of poly-Si material. Yet the Gross margin of full year is 21.1%, up 22% on year.

Operating Profit Margin: Operating profit totaled NT\$184 million in the quarter, up 11% from Q3'10 and representing an OP margin of 14%. For the full year, the OP margin reached 15.4%, grew about 24% then the previous year.

Net Income: Net income grew 16% from the previous quarter to NT\$149 million, or NT\$0.98 per share. For the full year 2010, net profit margin pre-tax grew to NT\$545 million, with a net profit margin of NT\$479 million, or NT\$3.16 per share, up 21% on year.

TWD in millions	Q4'10	Q3'10	Q4'09	QoQ	YoY
Revenue	1,330	929	432	43%	208%
Gross margin	18%	24%	8%	-5%	11%
Operating Expenses	(59)	(53)	(29)	11%	103%
Operating Income	184	166	4	11%	4500%
Operating Margin	14%	18%	1%	-4%	13%
Net Operating Income	149	128	18	16%	728%
Net Margin	11%	14%	4%	-3%	7%
EBITDA	260	208	31	25%	739%
EBIT	184	160	6	15%	2967%
EPS(NTD)	0.98	0.87	0.17	13%	476%

II. Balance Sheet

TWD in millions	Q4'10	Q3'10	Q4'09
Cash and Cash Equivalent:	1,235	1,137	195
Accounts Receivable	231	209	67
Inventories	327	277	125
Net Fixed Assets	3,377	2,720	1,243
Short-term Loans	383	141	172
Long-term Bank Loans	1,005	564	326
Total Liabilities	2,334	1,611	630
Shareholders' equity	3,136	2,987	1,389
Total Assets	5,470	4,598	2,018

At the end of 2010, Danen held cash and cash equivalents of NT\$1.2 billion.

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

Inventory grew in anticipation of new production coming on-line and strong demand in the beginning of 2011.

Short-term and long-term bank loans increased for purchasing equipments for expansion.

III. Ratio Analysis

	4Q10	3Q10	4Q09
Gross Margin*	18%	24%	8%
Net Profit Margin*	11%	14%	4%
Return on Assets	13%	10%	-4%
Return on Equity	21%	15%	-9%
Liability to Asset Ratio	43%	35%	31%
Current Ratio	156%	172%	220%
Quick Ratio	123%	135%	156%
AR Turnover Ratio(x)	24	22	38
AR Turnover Days	15	17	10
Inventory Turnover Ratio(x)	13	12	8
Inventory Turnover Days	29	31	44

*applies to the fourth quarter only

Gross Margin and Net Profit Margin decreased slightly from Q3, because of the price of poly-Si material raised in Q4. However there was still a significant growth on both compared with previous year.

At the end of fourth quarter 2010, return on assets and return on equity largely improved to 13% and 21%.

Liability to Asset Ratio increased slightly, reflecting the short-term and long-term bank loans for capacity expansion.

IV. Cash Flow

TWD in millions	Q4'10	Q3'10	Q4'09
Cash Flow from Operating Activities	323	133	67
Net Income	149	128	18
Depreciation & Amortization	76	49	26
Others	98	(44)	23
Cash Flow from Investing Activities	(906)	(472)	(310)
Capital Expenditure	(828)	(498)	(131)
Others	(78)	26	(179)
Cash Flow from financing Activities	682	777	156
Bank Loans	682	(66)	14
Cash from right issue	0	840	142
Others	0	3	
Net Cash Flow	99	438	(87)
Beginning Cash Balance	1,137	699	282
Ending Cash Balance	1,235	1,137	195

Cash generated from operating activities was NT\$323 million in the fourth quarter, up 382% from the year-ago period.

NT\$828 million was spent for production capacity expansion at Q4 2010.

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 till year-end. 200 MW installation of Plant II will come on-line at the second quarter of 2011. The construction of Plant III will be completed by third quarter of 2011. Total capacity will reach 520MW till the end of 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 be completed for production by end of the 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.