

December 11, 2007

## *LDK to Supply Polysilicon to One of Its Polysilicon Suppliers?*

LDK Solar Co., Ltd. (NYSE: LDK) continues to impress investors with unbelievable production expectations. On December 10, LDK announced a new agreement with Q-Cells AG promising to provide the German company with as much as 43,000 tons of polysilicon over 10 years.

LDK has no polysilicon production capacity. LDK has never produced polysilicon or any other chemical product. Polysilicon has been produced in commercial quantities since the 1950s.

Q-Cells AG confirmed the contract in a press statement of its own, claiming that “LDK shall supply the silicon from their current polysilicon plant being constructed or from volumes which will be covered by LDK’s other supply sources.”

These “other supply sources” include LDK’s customers. Q-Cells is one of LDK’s polysilicon suppliers.

It is also difficult to understand what Q-Cells means by “current polysilicon plant.” LDK recently announced that it had finished clearing the ground for its new plant, but so far no plant has been built. This minor detail does not prevent LDK from issuing wild predictions about future production capacities. LDK expects to start and complete construction so quickly that it will be able to produce “6,000 metric tons of polysilicon by the fourth quarter of 2008.”

To put LDK’s remarkable expectations into perspective, in 2006, MEMC Electronic Materials, Inc., a 50-year-old producer of polysilicon with two existing plants, plans to increase its polysilicon capacity from 4,000 metric tons per year to 8,000 metric tons over a two-year period.

Should LDK’s new plant produce 6,000 metric tons of polysilicon by the fourth quarter of 2008, LDK will suddenly metamorphose into one of the largest producers of polysilicon in the world. Not bad for a company that claimed the majority of its “polysilicon feedstock came from scraps and recyclable polysilicon” only 6 months ago.