

September 04, 2008

LDK Spurns GT Solar, Causes Litigation, Then Buys From GT Solar. Yet Another of LDK's Inconsistent Press Releases.

Today LDK Solar Co., Ltd. (NYSE: LDK \$45.67) announced signing an agreement with GT Solar International, Inc. (NASDAQ: SOLR \$10.76) to purchase polysilicon CVD reactors for \$32 million. LDK will use the GT Solar equipment in its China-based polysilicon plant.

Like many of LDK's recent announcements, this one seems strange and inconsistent. GT Solar's stock fell two days after its IPO on July 23rd following an announcement from LDK. On July 25th LDK, one of GT Solar's biggest customers, announced that it signed a contract to purchase the same type of equipment made by GT Solar from one of GT Solar's competitors. After the July 25th announcement GT Solar's stock declined to \$9.30, 43% below the IPO price of \$16.50. The decline in GT Solar's stock prompted announcements of class action lawsuits against GT Solar, alleging that management made misleading statements on the nature of its relationship with LDK.

Today's announcement from LDK comes a day after PiperJaffray issued a buy recommendation on GT Solar, stating that GT Solar will receive "additional orders from LDK." Given the timing of LDK's announcements related to GT Solar, the evident question is whether LDK may be manipulating GT Solar's stock.

To read today's LDK press release, click [here](http://www.asensio.com/LDK/LDK9408.pdf).

To read an announcement of a lawsuit against GT Solar, click [here](http://www.asensio.com/LDK/LDKMW.pdf).

To read the PiperJaffray report, click [here](http://www.asensio.com/LDK/GTS.pdf).