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## E-ton gross margin set to improve after completion of Adema consolidation

*Nuying Huang, Taipei; Esther Lam, DIGITIMES [Wednesday 2 April 2008]*

Following the completion of consolidation with silicon wafer supplier Adema Technologies, E-Ton Solar Tech, which is expected to include Adema's financial figures in its first-quarter earnings, will see an enhanced gross margin due to the contribution from Adema, industry players commented.

E-ton completed a stock swap with Adema on January 24. Following the procedure, about 90% of Adema's financials will be reflected in E-ton's consolidated first-quarter sales accordingly. Given that Adema has maintained its gross margin in the 30% range, whereas the gross margin of E-ton averaged 13% in the fourth quarter of 2007, posting sales on a consolidated basis will result in a noticeable enhancement in profits, the industry players projected.

With M.Setek to supply polysilicon to E-ton starting from the second quarter, Adema is expected to handle mono-crystalline solar wafer production for E-Ton, boosting Adema's solar ingot production utilization rate past the present 60%, the industry players estimated. Sources at E-ton indicated that Adema has an expansion plan for solar ingots this year, but the expansion will depend on E-ton's partnership with M.Setek. Adema is currently running at a solar ingot capacity of 50 peak megawatt (MWp), the sources added.

In separate news, investors estimated that E-ton will see its March sales up about 30% on month as some of its contract material deliveries were postponed to March and that M.Setek has started supplying polysilicon in small volume. E-ton responded in saying that March sales will be released soon but did not provide further comment.

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