

Københavns Fondsbørs
 Nikolaj Plads 6
 1067 København K

20.08.2002

No. 08/02

Notification to the Stock Exchange

Semi-annual report 2002

Today the Board of Topsil Semiconductor Materials A/S approved the unaudited accounts for the first six months of 2002.

Highlights:

- The company's net turnover totalled DKK 52.2 m. in the 1st half of 2002 as compared with DKK 64.3 m. in 2001; a decrease of 19%, reflecting a general recession in the silicon market in the 1st quarter of 2002, whereas the 2nd quarter of 2002 is on a level with the 2nd quarter of 2001.
- The results for the first six months were a loss of DKK 3.9 m. against a profit of DKK 2.8 m. in 2001. Isolated the 2nd quarter yielded a profit of DKK 0.8 m.
- The results for the year as a whole are anticipated to be a profit of DKK 1-4 m.
- The company has received an order for solar cell materials of DKK 5 m.

The main figures are given below:

DKK thousands

	<u>First half 02</u>	<u>First half 01</u>
Net turnover	52,237	64,301
Results of primary operations	-309	6,101
Results of ordinary operations	-3,946	2,751
Results for the period	-3,946	2,751
Equity capital at end of period	19,259	30,416
Total assets	146,663	155,959
Average number of employees	89	90
Depreciation on fixed assets	3,868	3,690

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Key figures

Yield per share	0	0
Net asset value	1.33	0.53
Stock market price, ending	1.01	2.27
Stock market price/net asset value	0.76	4.28
Return on equity after tax (%)	-18.6	9.6
Solvency margin (%)	13.1	19.5

Explanation of the composition of the equity capital:

DKK thousands

Equity capital as at 1/1 2002	23,205
Loss first six months of 2002	<u>-3,946</u>
Equity capital as at 30/6 2002	<u>19,259</u>

Comments on the interim results for the first half of 2002

The net turnover of the period is in line with the expectations. Sales have decreased by 19% as compared with the first six months of 2001, reflecting the general recession on the silicon market, especially in the 1st quarter of 2002. In the 2nd quarter of 2002 the net turnover was on a level with the same period in 2001.

The global silicon market increased by 27% in the 2nd quarter of 2002, as compared with the 1st quarter of 2002. In the same period the company's sales increased by 60%.

The results for the first six months were a loss of DKK 3.9 m. against a profit of DKK 2.8 m. in 2001. Isolated the 2nd quarter yielded a profit of DKK 0.8 m.

Accounting practices have been changed for the inclusion of deliveries and repurchases from outsourcing partners as in 2001 (cf. Stock Exchange Notification 03/02 of 27 March 2002). Furthermore inventories have been added to the indirect costs. Figures for comparison from 2001 have similarly been compiled in line with the new accounting practices.

Expectations

For the 2nd half there will be uncertainty regarding the growth rate of the silicon market, especially for the 4th quarter of 2002.

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Based on this uncertainty the company now expects a profit in the region of DKK 1-4 m. for the whole year. This estimate is based on the current order book, in combination with feedbacks from the customers.

Development and product maturation of solar cell materials are according to schedule. In the beginning of July the company received an order for solar cell materials of DKK 5 m. The first deliveries will be made in the 3rd quarter.

As announced in the Stock Exchange Notification 07/02 the negotiations with potential investors are continuing, and a solution is expected by the end of August.

Publication

The holdings of the Board of Directors and senior management of Topsil shares, convertible bonds and warrants are as follows:

Christian Buhl	qty. 11,500 shares at a face value of DKK 0.25 each qty. 25,000 convertible bonds at a face value of DKK 0.25 each qty. 25,000 warrants at a face value of DKK 0.25 each
Erik Hansen	Erik Hansen has stated that Hansen & Meyer ApS, in which Erik Hansen has a controlling influence, owns qty. 34,000 shares at a face value of DKK 0.25 each
Jon Wulff Petersen	qty. 37,200 convertible bonds at a face value of DKK 0.25 each qty. 37,200 warrants at a face value of DKK 0.25 each
David Packness Meyer	qty. 12,190 shares at a face value of DKK 0.25 each qty. 13,000 convertible bonds at a face value of DKK 0.25 each qty. 13,000 warrants at a face value of DKK 0.25 each

Frederikssund, 20 August 2002

Christian Buhl
Chairman
45 80 72 16

David P. Meyer
Managing Director
47 36 56 12

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