

Københavns Fondsbørs
Nikolaj Plads 6
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19.07.2000

No. 15/00

Notification to the Stock Exchange

(to be read in conjunction with today's Stock Exchange Notification No.14/00)

Semi-annual report 2000

At a meeting on Wednesday 19 July 2000, the Board of Topsil Semiconductor Materials A/S approved the unaudited accounts for the first six months of 2000.

The accounts were drawn up for the parent company, as subsidiary Riotech Inc. was sold off in mid-April 2000. The main figures for the parent company, Topsil, are given below:

DKK 1,000	First half 00	First half 99
Net sales	48,392	26,427
Profit/loss on primary operations	-8,887	-14,884
Profit/loss on ordinary operations	-12,246	-18,794
Profit/loss for the period	-25,246	-20,155
Equity capital at end of period	-13,662	20,607
Total assets	152,064	148,091
Average number of full-time employees	136	129
Depreciation on fixed assets	6,224	5,662

Key figures

DKK 1,000	First half 00	First half 99
Dividend per DKK 100 share	0	0
Net asset value	-40	79
Share price at end of period	65.72	105
Net asset value of share	-1.64	1.33
Return on shareholders' funds after tax (%)	-	-65.7
Solvency margin (%)	-9.0	13.5

Composition of equity capital:

Equity capital 1 Jan 2000	11,584
Profit/loss first half 2000	-25,246
Equity capital at end of first half 2000	-13,662

Accounting principles are unchanged from previous year.



Comments on the interim results for the first half of 2000

The substantial loss for this half-year has been affected by the structural changes mentioned in today's Stock Exchange Notification no. 14/00. The structural changes, which are part of the conditions for capital injection, involve Topsil winding up and selling off the Mechanical Department and halting the in-house production of wafers, retaining only the manufacture of crystals, the company's core activity.

Disse strukturændringer har medført, at ledelsen har måttet foretage en revurdering af de aktiviteter og forpligtelser, der især har tilknytning til denne aktivitet.

As a result of these structural changes, the management has had to reassess the activities and obligations especially associated with this activity.

In consequence the six-monthly figures include extraordinary costs totalling DKK 13 m, as follows:

- Discontinuation of wafer production means that monitor wafer stocks must be written off in full at a cost of DKK 16.9 m.
- It has been decided to write off in full the company's Russian receivable of DKK 2 m, in view of the fact that no explanation as to its settlement has been forthcoming.
- The subsidiary Riotech has been sold at a loss of DKK 1.8 m. Since a provision of only DKK 1.5 m was made for this, a further DKK 300,000 is to be set aside.
- Provisions for winding up the mechanical processing activity amount to DKK 8 m and relate to the sale and winding up of machinery and activities, as detailed in Stock Exchange Notification no. 13/00 of 17 July 2000.
- At the same time, management has decided to capitalise part of the tax-loss carry-forward. A tax loss of DKK 14 m has cautiously been included, and it is expected that this will be utilised over the next five years, as management is convinced that future profits will be sufficiently large to utilise the tax asset. The total tax asset is higher than the capitalised amount and it can therefore be expected that a more detailed assessment will be made at a later date as to whether further sums can be capitalised.



Prospects

As a result of the continuing positive trends in the silicon market, reflected in an order book currently worth DKK 42 m, sales for the year as a whole are anticipated to be in the region of DKK 110 m. Providing that refinancing of the company is effected as described in today's Stock Exchange Notification no. 14/00, a profit for the second half of 2000 of the order of DKK 5 m is expected, giving a total annual result of around minus DKK 20 m.

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Chairman of the Board
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