

Københavns Fondsbørs
Nikolaj Plads 6
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16.11.2000

No. 19/00

Notification to the Stock Exchange

3rd quarter 2000

At a meeting on Thursday 16 November 2000, the Board of Topsil Semiconductor Materials A/S approved the unaudited accounts for the first nine 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	2000 <u>Jan.-Sept.</u>	1999 <u>Jan.-Sept.</u>
Net sales	78,390	41,332
Profit/loss on primary operations	-11,549	-25,445
Profit/loss on ordinary operations	-16,273	-30,182
Profit/loss for the period	-28,954	-31,585
Equity capital at end of period	31,708	17,469
Total assets	156,180	144,871
Average number of full-time employees	131	115
Depreciation on fixed assets	8,171	8,458

Key figures

DKK 1,000		
Dividend per DKK 100 share	0	0
Net asset value	0.56	51
Share price at the end of period	4.49	107.53
Net asset value of share	8.02	2.11
Return on shareholders' funds after tax (%)	-75.2	-180.8
Solvency margin (%)	20.3	12.1

Composition of equity capital:

DKK 1,000	
Equity capital 1 Jan 2000	11,584
Profit/loss Jan-Sept 2000	-28,954
Conversion of debt	<u>49,078</u>
Equity capital 30 Sept 2000	31,708

Compared to last year there has been a change of accounting policies as regards capitalisation of part of the tax deficit which may be carried forward. As a prudential measure a total tax deficit of DKK 14 m has been included in the accounts, an amount which is expected to be utilised within the next 5 years.

Comments on the interim results for 3rd quarter 2000

Sales have doubled compared to the first 3 quarters of 1999. Refinancing of the company, which was described in Notification to the Stock Exchange No. 14/00, was achieved in the 3rd quarter of 2000, and in that connection the sale of production equipment and outsourcing of part of the production (mechanical processing) to Sino-American Silicon Products Inc. was initiated. This decision, which is expected to be fully implemented in the 4th quarter, has resulted in a substantial reduction of the staff at Topsil by 45 employees.

The shutdown of the radiation reactor at Risø has caused production delays. The radiation capacity is now available from other reactors. Despite the delay Topsil realised positive results in the months of September and October.

Expectations

Continued positive developments in the silicon market, combined with a volume of orders of DKK 45 m, are expected to result in a turnover for the year as a whole of about DKK 110 m. The 4th quarter is expected to yield a minor profit.

In connection with the outsourcing of the mechanical processing unit and the consequential change in the flow of payments, the Board has decided as a prudential measure to make extraordinary provisions of DKK 5 m for the completion of a forward exchange transaction in dollars which was made in 1998 on the basis of the flow of payments known at that time.

For the year as a whole the company is expected to sustain a total deficit of about DKK 33 m.

The company's equity capital will then amount to approx. DKK 27 m, and will be less than half the share capital. Pursuant to Section 69a of the Danish Companies Act,



the Board will give a more detailed account in connection with the announcement of the annual accounts for the year 2000.

For the year 2001 Topsil anticipates a very considerable sales increase. With the market effect and the implemented structural changes the profit before tax is expected to amount to about DKK 10 m, yielding an equity capital of approx. DKK 37 m.

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Chairman of the Board
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