

Københavns Fondsbørs  
Nikolaj Plads 6  
1067 København K

10.05.2005

No. 10/05

## STOCK EXCHANGE ANNOUNCEMENT

### Quarterly report - 1<sup>st</sup> quarter 2005

The main figures are given below:

DKK '000	2005	2004
	<u>Jan. - March</u>	<u>Jan. - March</u>
Net turnover	25,884	28,754
Operating profit/(loss)	(1,979)	(470)
Profit or loss from ordinary activities	(2,469)	(1,046)
Net profit/loss for the period before tax	(2,469)	(1,046)
Net profit/loss for the period after tax	(3,669)	(1,046)
Equity end of period	57,190	62,593
Total assets	111,272	126,569
Number of staff end of period	87	89

### Ratios

DKK '000	2005	2004
	<u>Jan. - March</u>	<u>Jan. - March</u>
Dividends per share	0	0
Equity value per share	0.21	0.25
Quoted price at end of period	0.39	0.53
Price/equity value	1.86	2.12
Return on equity after tax (%)	(6.54%)	(1.7%)
Equity ratio (%)	50.0%	49.4%

## FINANCIAL STATEMENT Q1 2005



### **Comments on the results for the 1<sup>st</sup> quarter of 2005**

The net turnover for the 1<sup>st</sup> quarter of 2005 was DKK 25.9m, which is 10% down on net turnover in the same period in 2004, due to the low order intake in the end of 2004, cf the annual report of the company.

Throughout the quarter the order intake has been stable and at an acceptable level. At the end of the 1<sup>st</sup> quarter the order book was DKK 32.9m against DKK 29m at the end of 2004.

As estimated in the annual report results were negative in the 1<sup>st</sup> quarter. This was due to the low order intake at the end of 2004, changes in product mix, and increasing raw material prices.

There was a year-to-date operating loss of DKK 2.0m against a loss of DKK 0.5 in the same period in 2004. There was a year-to-date loss before tax of DKK 2.5m against a loss of DKK 1.0m in the same period in 2004.

As a consequence of the adjustment of expectations for the full year mentioned below under "Expectations", and the expected reduction of the corporation tax from 30% to 28%, the company has chosen to reduce the tax asset by DKK 1.2m. The expected reduction of the corporation tax amounted to approx. DKK 0.9m of this depreciation.

This resulted in a loss after tax of DKK 3.7m.

The company had a positive cash flow of DKK 0.8m in the period.

### **Expectations**

The company expects an acceptable order intake in the period to come. However, the product mix will still not be optimal. Furthermore, it is expected that raw material prices will remain at a higher level due to limitations on the raw material market.

On the basis of above mentioned circumstances and costs in connection with the change in management, the company finds itself forced to adjust expectations to the full year from a profit before tax of DKK 1-5m to a loss before tax between DKK 2m and DKK 0m.

## **FINANCIAL STATEMENT Q1 2005**



### Statement by the management

Today the board of directors and the management have reviewed and approved the quarterly report for the period 1<sup>st</sup> January – 31<sup>st</sup> March 2005 for Topsil Semiconductor Materials A/S.

The quarterly report is unaudited and has been presented in accordance with the provisions of recognition and measurement of the International Financial Reporting Standards (IFRS), cf. the section on accounting policies, Danish Statutory Orders, and the financial reporting requirements for companies listed on the Copenhagen Stock Exchange.

We consider the applied accounting policies appropriate for the quarterly report to provide a true and fair view of the Group's and Company's assets, equity and liabilities, financial position as at 31<sup>st</sup> March 2005 and the results and cash flow in the period 1<sup>st</sup> January – 31<sup>st</sup> March.

Management:

Peder Mohr Jensen

Jørgen Bødker

Board of Directors:

Kent Hansen  
Chairman  
+45 39 66 04 00

Ejvind Dam Jensen  
Vice-Chairman

Doris Hsu

Per Jørgensen

Trine Schønnemann  
Staff Representative

Theis Leth Larsen  
Staff Representative

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## Releases to the Copenhagen Stock Exchange 1/1-31/3 2005

21.01	Financial calendar 2005
21.01	Adjustment of 2004 expectations
24.01	Change in the Board of Directors
14.03	Preliminary announcement of annual accounts
18.03	New order from SunPower
23.03	Correction to announcement of financial results 2004
29.03	Notice convening annual general meeting

## Financial calendar 2005

26.08	Interim report – six months
07.11	Quarterly report, Q3 2005

## Changes in accounting policies on transition to IFRS

With effect from 1 January 2005, the accounting policies have been changed in conformity with the International Financial Reporting Standards (IFRS). All comparatives for 2004 have been restated. Recognition and measurement of the quarterly report for the first quarter of 2005 have been implemented according to all standards approved and effective at 31<sup>st</sup> March 2005.

For Topsil Semiconductor Materials A/S the transition to IFRS has affected the following areas:

- Option program costs will be recorded in the financial statement in conformity with IFRS 2 concurrently with the options being earned. The value of programs based on equity will be set off in the equity capital. The value of the options will be based on the price at the time of exercise. IFRS 2 will be applied as from 1<sup>st</sup> January 2005 in compliance with the provisions for transition.

Reclassifications in the income statement and balance will be made to the extent that classifications according to IFRS deviate from the provisions of the Danish Financial Statements Act or other Danish Accounting Standards.

The above mentioned changes in accounting policies have neither affected the results nor the equity capital of the company.

## FINANCIAL STATEMENT Q1 2005



## Income Statement for 1<sup>st</sup> January – 31<sup>st</sup> March 2005

<b>DKK '000</b>	<b>2005 1/1-31/3</b>	<b>Group 2004 1/1 – 31/3</b>	<b>2004 1/1 – 31/12</b>
Net turnover	25,884	28,754	115,657
Direct costs	(19,109)	(20,665)	(79,960)
Other external expenses and staff costs	(7,635)	(7,604)	(29,231)
Depreciation and amortisation	(1,119)	(955)	(4,470)
<b>Operating (profit)/loss</b>	<b>(1,979)</b>	<b>(470)</b>	<b>1,996</b>
Profit before tax in subsidiaries	-	-	-
Financial items, net	(490)	(576)	(2,787)
<b>Loss from ordinary activities</b>	<b>(2,469)</b>	<b>(1,046)</b>	<b>(791)</b>
Tax loss from ordinary activities	(1,200)	0	10
<b>Net loss for the period</b>	<b>(3,669)</b>	<b>(1,046)</b>	<b>(781)</b>

## FINANCIAL STATEMENT Q1 2005

## Balance sheet at 31<sup>st</sup> March 2005

	2005 1/1 – 31/3	Group 2004 1/1 – 31/3	2004 1/1 – 31/12
<b>DKK '000</b>			
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Completed development projects	18,255	13,375	16,855
Development projects in progress	5,347	9,440	6,507
Patents	42	53	45
	<b>23,644</b>	<b>22,868</b>	<b>23,407</b>
<b>Property, plant and equipment</b>			
Land and buildings	0	3,943	0
Plant and machinery	12,782	14,527	13,071
Other fixtures and fittings, tools and equipment	474	742	536
Property, plant and equipment in progress	0	0	169
	<b>13,256</b>	<b>19,212</b>	<b>13,776</b>
<b>Fixed asset investments</b>			
Other investments	0	3	3
Deferred tax	13,222	13,422	13,822
	<b>13,222</b>	<b>13,425</b>	<b>13,825</b>
<b>Fixed assets</b>	<b>50,122</b>	<b>55,505</b>	<b>51,008</b>
<b>Current assets</b>			
Inventories	21,825	27,484	26,004
Receivables	14,535	18,820	12,682
Work in progress on account of a third party	7,042	6,087	6,139
Prepayments	948	1,070	276
Cash	3,700	5,071	2,876
	<b>48,050</b>	<b>58,532</b>	<b>47,977</b>
Assets identified for sale	13,100	12,532	14,218
<b>Current assets</b>	<b>61,150</b>	<b>71,064</b>	<b>62,195</b>
<b>ASSETS</b>	<b>111,272</b>	<b>126,569</b>	<b>113,203</b>

## Balance sheet at 31<sup>st</sup> March 2005

### FINANCIAL STATEMENT Q1 2005

DKK '000	2005 1/1 – 31/3	Group 2004 1/1 – 31/3	2004 1/1 – 31/12
<b>LIABILITIES</b>			
<b>Equity</b>			
<b>Equity</b>	<b>57,190</b>	<b>62,593</b>	<b>61,074</b>
<b>Liabilities other than provisions</b>			
<b>Long-term liabilities other than provisions</b>			
Mortgage debt	2,349	4,118	2,801
Other credit institutions	18,233	16,993	15,003
	<b>20,582</b>	<b>21,111</b>	<b>17,804</b>
<b>Short-term liabilities other than provisions</b>			
Mortgage debt	1,769	1,674	1,744
Other credit institutions	3,470	7,905	7,353
Trade creditors	16,553	21,437	12,730
Other payables	11,708	11,849	12,498
	<b>33,500</b>	<b>42,865</b>	<b>34,325</b>
Assets identified for sale	0	0	0
<b>Liabilities other than provisions</b>	<b>33,500</b>	<b>42,865</b>	<b>34,325</b>
<b>EQUITY AND LIABILITIES</b>	<b>111,272</b>	<b>126,569</b>	<b>113,203</b>

## FINANCIAL STATEMENT Q1 2005



## Cash flow statement for 1<sup>st</sup> January – 31<sup>st</sup> March 2005

<b>DKK '000</b>	<b>2005 1. quarter</b>
Operating (profit)/loss	(1,979)
Adjustments	1,425
Working capital changes	4,712
	<b>4,158</b>
Interest income, etc. received	107
Interest expenses, etc. paid	(597)
<b>Cash flows from operating activities</b>	<b>3,668</b>
Acquisition of property, plant and equipment and intangible assets	(836)
<b>Cash flows from investing activities</b>	<b>(836)</b>
Instalments on liabilities other than provisions	(2,008)
<b>Cash flows from financing activities</b>	<b>(2,008)</b>
<b>Cash flows for the period</b>	<b>824</b>
Cash and cash equivalents at 1 January 2005	2,876
Cash and cash equivalents at 31 March 2005	<b>3,700</b>

## FINANCIAL STATEMENT Q1 2005