

Københavns Fondsbørs
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13/04

NOTIFICATION TO THE STOCK EXCHANGE

1st quarter 2004

Today the Board of Topsil Semiconductor Materials A/S approved the unaudited accounts for the 1st quarter of 2004.

Highlights:

- The net turnover for the 1st quarter of 2004 was DKK 28.8m which is 6% better than budget and 7% higher than turnover in the same period in 2003.
- The result year-to-date was a loss of DKK 1.0m which is DKK 0.8m better than budgeted for the period.
- The balance sheet total decreased by DKK 5.5m in the 1st quarter compared to the end of December 2003.
- The result for the full year 2004 is expected to be positive.

The main figures are given below:

DKK '000	2004	2003
	<u>Jan.-March</u>	<u>Jan.-March</u>
Net turnover	28,754	26,822
Operating profit/loss	-470	-1,117
Profit/loss from ordinary activities	-1,046	992
Net profit/loss for the period	-1,046	992
Equity capital at end of period	62,593	78,156
Total assets	126,760	153,423
Number of staff at end of period	89	91
Depreciation on fixed assets	855	2,071

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Key figures

DKK '000	2004	2003
	<u>Jan.-March</u>	<u>Jan.-March</u>
Dividends per share	0	0
Equity value per share	0.25	0.30
Quoted price at end of period	0.53	0.26
Price/equity value	2.12	0.86
Return on equity after tax (%)	-1.7%	1.3 %
Equity ratio (%)	49.4%	50.9%

Explanation of the composition of the equity capital:

DKK '000	
Equity capital as at 1/1 2004	62,953
Loss first three months of 2004	-1,046
Issue of new shares*	686
Equity capital as at 31/3 2004	62,593

* 2,741,894 warrants have been converted into shares resulting in an increase of equity capital by DKK 686k.

Comments on the result for the 1st quarter of 2004

The net turnover for the 1st quarter of 2004 was DKK 28.8m which is 6% better than the budget and 7% higher than turnover in the same period in 2003.

There was a year-to-date operating loss of DKK 0.5m against a loss of DKK 1.1m in the same period in 2003.

The result year-to-date was a loss of DKK 1.0m which is DKK 0.8m better than budgeted for the period.

At the end of the 1st quarter the order book was DKK 46.5m. The order intake has been stable throughout the quarter.

The implementation of the business improvement plan is on schedule.

The balance sheet total decreased by DKK 5.5m in the 1st quarter, as a consequence of a reduction of inventories and an improved working capital management. The short- and long-term interest-bearing debt has been lowered by DKK 6.4m,

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while cash at bank and in hand has increased by DKK 1.6m compared to the end of December 2003.

The management has been strengthened with an experienced financial manager, and the number of employees has been reduced in compliance with the business improvement plan.

The execution of the photovoltaic project follows the plan, and an important milestone in the SunPower contract has been achieved 5 months earlier than expected.

Expectations

As earlier announced the company expects to make a positive net profit for the full year. The estimate is based on the present backlog of orders and the expectations to the market development in the rest of the year.

As part of the business improvement plan the company is working to enhance the production capabilities for the semiconductor market to address the expected higher demand for silicon.

Topsil Semiconductor Materials A/S

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Please note that this translation is provided for convenience only. The Danish version shall prevail in case of discrepancies.

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