

Københavns Fondsbørs
Nikolaj Plads 6
1067 København K

11.08.2006

No. 15/06

Long-term agreement for polysilicon / issue of shares to establish the necessary capital base

Further to the company's stock exchange announcement No. 15/05 of 1 July 2005 regarding limited availability of the company's most important raw material (polysilicon) we can hereby announce, that the company has succeeded acquiring the necessary quantities of materials to continue its activities at the present level during the period 2007-2012.

The supplies of raw materials have been secured by signing a long-term agreement with a qualified supplier of raw materials, and deliveries will start in the beginning of 2007. Consequently, no significant R. & D. activities shall be necessary in order to use these raw materials.

The price level of the concluded agreement is competitive in the present market. The company expects that the prices of polysilicon will remain at the present level for the next 2-3 years. The company has covered part of the potential long-term risk regarding future pricing of polysilicon by entering long-term sales agreements with its principal strategic customers at similar commercial terms.

In connection with entering the supply agreement Topsil is going to provide a considerable guarantee during the term of the agreement. Therefore, the company has decided to raise the necessary capital by means of a share issue with preemptive right for the present shareholders. The proceeds of the issue are expected to total approx. DKK 33m. The issue is underwritten.

It is expected that further details on the share issue can be published in connection with the announcement of the company's interim report on 29 August 2006.

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Expectations

Based on the concluded supply agreement and a very strong ongoing demand for the company's products it has been possible to further optimize the consumption of raw materials and accept more orders in 2006. Based on these facts management adjusts its expectations upwards for 2006 as a whole from a profit before tax of DKK 6-8m to a profit before tax of DKK 20-24m.

For questions concerning this announcement, please contact:
Keld Lindegaard Andersen, CEO, tel. +45 47 36 56 10

Topsil Semiconductor Materials A/S

Jens Borelli-Kjær
Chairman

Keld Lindegaard Andersen
CEO

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

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