



Københavns Fondsbørs
Nikolaj Plads 6
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No. 17/06

Topsil Semiconductor Materials A/S issues prospectus in connection with rights issue

On 18 September, 2006 Topsil Semiconductor Materials A/S will be publishing a prospectus in connection with a rights issue. The group's shareholders have pre-emption rights to subscribe for new shares at a ratio of 2:1 at a price of DKK 0.2625 per share of DKK 0.25 each. The issue is expected to yield proceeds of approx DKK 33m, and will be used to strengthen the group's liquidity reserves for the purpose of fulfilling a long-term contract for poly silicon.

The issue

The issue comprises a total of 131,050,037 new shares of a nominal value of DKK 0.25 with pre-emption rights for the group's existing shareholders.

Subscription price

The new shares are offered at a price of DKK 0.2625 per share of DKK 0.25 each.

Subscription ratio

Topsil's shareholders have pre-emption rights to subscribe for the new shares at a ratio of 2:1, to the effect that shareholders will be entitled to subscribe for 1 new share of DKK 0.25 for each 2 existing shares held.

Subscription period

New shares can be subscribed for in the period commencing on 2 October, 2006 and expiring on 13 October, 2006 both days inclusive.

Subscription rights

Trading in subscription rights will take place in the period commencing on 27 September, 2006 and expiring on 10 October, 2006 both days inclusive.

Allocation of subscription rights

Subscription rights will be allocated to shareholders registered with the Danish Securities Centre as shareholders of the group on 29 September, 2006 at 12:30 (Danish time).

Underwriting

The Issue is underwritten in full by Gudme Raaschou Bank A/S.

Gudme Raaschou Bank A/S has received binding advance commitments, implying that any unsubscribed shares will be purchased by:

EDJ-Gruppen, Bangs Gård, Torvet 21, Denmark

Sino-American Silicon Products Inc. , 8, Industrial East Road, Sec. 2, Science-Based Industrial Park, Hsin-Chu, Taiwan.

Sustainable Energy Ventures, Kalkkaai 6, 1000 Brussels, Belgium

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Paul Decraemer, Koningin Astridlaan 9, 9080 Lochristi, Belgium

Background for the rights issue and use of the proceeds

Topsil has entered into a long-term agreement of six years with one of the world's largest producers of poly silicon and thereby secured the supply of raw material for further processing until 2012. A precondition for the supply agreement is a guarantee provided by Topsil to the producer of poly silicon. Such guarantee requires a minimum of DKK 45m in liquidity, and the share issue of about DKK 33m should be viewed as a central factor in raising the capital. Moreover, Topsil has entered into an agreement with customers on fixed sale of more than 30% of the expected turnover for the period 2007-2012.

The proceeds from the rights issue of about DKK 33m combined with the group's other financial resources (per 30 June, 2006 approx. DKK 19m) should secure the necessary liquidity to meet the terms of the long-term agreement regarding the provision of a guarantee as well as the group's current cash requirements in the present situation.

Lead Manager

The issue is arranged and carried out by Gudme Raaschou Bank A/S.

Publication and distribution of prospectus

The prospectus prepared for the purpose of the pre-emption issue of Topsil Semiconductor Materials A/S, will be published through the Copenhagen Stock Exchange on Monday, 18 September, 2006.

The prospectus will be available for inspection at the head office of Topsil Semiconductor Materials A/S' headquarters, Linderupvej 4, 3600 Frederikssund. A summary of the prospectus will be sent to the shareholders having effected name registration of their shares. The prospectus is also accessible on the group's website at www.topsil.com, or upon request from:

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Topsil Semiconductor Materials A/S

Jens Borelli-Kjær
Chairman

Keld Lindegaard Andersen
CEO

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For investors in the US

This rights offering is made for the securities of a Danish company. The offer is subject to the disclosure requirements of Denmark that are different to those of the United States. Financial statements included in the documents, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in Denmark, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue the foreign company or its officers or directors in a foreign court for violations of the US securities laws. It may be difficult to compel a foreign company and its subsidiaries to subject themselves to a US court's judgment.

Forward-looking statements

This prospectus contains forward-looking statements regarding, inter alia, the group's financial position, business strategy and market expectations. These statements can be identified by the use of words such as "expects", "estimates", "will", "may", "anticipates", "would" or similar expressions or their negative. Such forward-looking statements involve known and unknown risks and uncertainties which may cause the group's actual results and performance to be materially different from any future results and performance expressed or implied by such forward-looking statements. The forward-looking statements in relation to the group are based on a number of assumptions regarding the group's present and future business strategies and the environment in which the group may operate in the future. Additional factors that could cause the group's actual results or performance to differ materially from the expectations include, but are not limited to, those discussed under "Risk factors".

Topsil Semiconductor Materials A/S is an international, high technology industrial group that is developing, producing, and marketing silicon ingots and wafers. The group's products are exported 100% to the electronics industry world-wide. The group has more than 40 years' experience in crystal growth, and the headquarters is situated in Frederikssund, Denmark.

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