



Københavns Fondsbørs
Nikolaj Plads 6
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04.11.2004

No. 19/04

NOTIFICATION TO THE STOCK EXCHANGE

3rd quarter 2004

Today the Board of Topsil Semiconductor Materials A/S approved the unaudited accounts for the first nine months of 2004.

The turnover for the first 3 quarters of 2004 was DKK 87.9m compared to DKK 90.8m for the same period in 2003. The turnover for the first 3 quarters of 2003 was influenced by income from machine sales. The volume of ingot and wafer sales in the same period 2004 increased in line with the market, but the turnover has been impacted by falling market prices and currency rates.

Due to the impact of the business improvement plan the company has been able to produce higher volumes at lower cost. Therefore it has been possible to obtain a year-to-date operating profit of DKK 1.9m against a loss of DKK 2m in the same period in 2003. The year-to-date result was a profit before tax of DKK 37k compared to a loss of DKK 2.5m for the same nine months period in 2003.

The company is executing the existing PV contract.

At the end of the first 3 quarters of 2004 the order book was DKK 38m compared to DKK 44.5m at the end of the first half of 2004. Recently the company has seen a slowdown in the order intake in the electronic market.

The balance sheet total decreased by DKK 10.5m in the first nine months of 2004, primarily as a consequence of a reduction of inventory and improved working capital management.

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The main figures are given below:

DKK '000	2004	2003
	<u>Jan.-Sept.</u>	<u>Jan.-Sept.</u>
Net turnover	87,951	90,814
Operating profit/loss	1,861	-2,017
Profit/loss from ordinary activities	37	-2,464
Net profit/loss before tax for the period	37	-2,464
Equity capital at end of period	62,878	74,700
Total assets	121,726	151,097
Number of staff at end of period	77	92
Depreciation on fixed assets	3,332	5,474

Ratios DKK '000	2004	2003
	<u>Jan.-Sept.</u>	<u>Jan.-Sept.</u>
Dividends per share	0	0
Equity value per share	0.23	0.29
Quoted price at end of period	0.32	0.89
Price/equity per share	1.39	3.07
Return on equity (%)	0%	-3%
Equity ratio (%)	51%	49%

Explanation of the composition of the equity capital:

DKK '000	
Equity capital as at 1/1 2004	62,953
Profit/loss before tax first nine months of 2004	37
Issue of new shares*	688
Reversal of prior write-up	-800
Equity as at 30/9 2004	62,878

* 2,741,894 warrants and 9,300 convertible bonds have been converted into new shares resulting in an increase of equity capital by DKK 688k.

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Expectations

The company expects the net turnover for the year as a whole around DKK 115m.

As earlier announced the company expects to make a positive net profit before tax 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.

The slowdown in the order intake during the 3rd quarter of 2004 has continued during the first part of the 4th quarter.

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Chairman

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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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