



OMX Nordic Exchange Copenhagen
Nikolaj Plads 6
1067 København K

01.10.2008

No. 15/08

Topsil is completing acquisition of Cemat in Poland

Today, Topsil signed agreements to acquire 95.92% of the share capital in Cemat Silicon S.A. The purchase price of the shares totals PLN 74.8m, corresponding to DKK 164.4m.

Topsil anticipates that the remaining 4.08% of the share capital, which is held by the neighbour and founder of Cemat Silicon, ITME (Institute of Electronic Materials Technology), can be acquired by Topsil on similar terms. It is expected to conclude a final agreement on acquisition of the remaining shares during the coming months.

Topsil expects to take over management of Cemat Silicon S.A. in end-October 2008, and as announced in stock exchange announcement No.13/08 the former CFO of Topsil in the period 2004-2007, Martin Overgaard Hansen, will be appointed CEO of Cemat Silicon S.A.

In the fourth quarter of 2008 Cemat Silicon is expected to contribute with a turnover of about DKK 30m. After allowing for restructurings and nonrecurring costs of approximately DKK 2m in connection with the acquisition, a break-even result (EBIT) is predicted in Cemat Silicon for the accounting year 2008.

Cemat Silicon S.A.

Cemat Silicon owns about 53% of the share capital in Cemat70, who is a real estate company and owner of the buildings, in which Cemat runs its operations. Apart from Cemat Silicon Cemat70 has approximately 60 leases, and has a major rental business. Cemat70's property is situated in the centre of Warsaw. In order to concentrate resources on the company's core business, being silicon production, Topsil will investigate the possibilities of selling the ownership interest in Cemat70 within the coming 9-12 months.

With its 260 employees, Cemat Silicon S.A. had a turnover corresponding to DKK 123m in 2006 and DKK 150m in 2007. In the same period the results (EBIT) were DKK 2m and DKK 5m respectively. The subsidiary Cemat70 S.A. had a turnover of DKK 29m in 2006 and DKK 36m in 2007. The results (EBIT) amounted to DKK 2m and DKK 3m respectively. The estimate for Cemat Silicon's turnover and result in 2008 is expected to be lower than the 2007 level.

The historical numbers of Cemat70 S.A. are not consolidated in the accounts of Cemat Silicon S.A. A consolidation will be made as from the takeover date.

Synergies and expectations for Cemat Silicon S.A.

Cemat Silicon has existed as an independent company since 1992, but operated in the market for Czochralski silicon under governmental administration as far back as the beginning of the 1960'ies.

STOCK EXCHANGE ANNOUNCEMENT

Page 1 of 3



Cemat Silicon therefore has a very extensive knowledge of silicon production, and Czochralski production in particular.

It is Topsil's expectation that at the time of acquisition of Cemat the synergy potentials amount to about DKK 25m per year (EBIT). However, nonrecurring costs, including restructuring and IT-upgrading costs, are expected to exceed the synergies to be achieved in the accounting year 2009. Consequently, Cemat Silicon is expected to contribute with a break-even result (EBIT) in 2009. Topsil anticipates that a substantial part of the synergies can be realised as from 2010, and as from 2012 all synergies are expected to have full effect.

It is expected to achieve considerable synergies through:

- a change of product mix in Cemat's present sales platform,
- "In-sourcing" of wafering of selected specifications, which is today being processed by sub-suppliers, and
- A general streamlining of production and business procedures.

The last-mentioned synergy will primarily be achieved via the volume, that Topsil will be adding to Cemat Silicon's wafering processing.

Financing

As mentioned in stock exchange announcement No. 13/08 Topsil wishes to finance a substantial part of the acquisition by means of credit finance. The company has secured a total credit finance of DKK 145m, of which a major part is granted as an acquisition loan, and the remaining part as an extension of the company's existing overdraft facility.

The remaining part of the purchase amount, and the subsequent share purchase from ITME, will be financed through the company's own resources.

It is the company's expectation that a future realisation of the ownership in Cemat70 S.A. will reduce the company's borrowing requirement considerably.

A stronger Topsil Semiconductor Materials A/S

After the implementation of the transaction Topsil has gained a considerably stronger position as a supplier of silicon wafers to the semiconductor industry.

A complementary product range for medium and high power

Cemat Silicon has a strong product range, especially within EPI wafers produced on Czochralski silicon, and this product range is complementing Topsil's existing business areas. With this Topsil can offer an extended product range to its customers. The employees of Cemat Silicon contribute with an extensive knowledge and strong competences within silicon production based on the Czochralski technology. Looking forward the efforts in product and process development will be composed of employees from Cemat Silicon and Topsil respectively, which will strengthen the knowledge, competences, and the innovation in Topsil.

Better utilisation of the production equipment

Cemat Silicon S.A. is producing silicon based on the Czochralski technology, which is today's most common silicon technology. Through the acquisition of Cemat Silicon S.A. Topsil will master both technologies, and will thereby ensure a wider production platform.

STOCK EXCHANGE ANNOUNCEMENT



With the acquisition of Cemat Silicon Topsil will have 2 production plants at its disposal, which means that it will be easier to scale a future production, as Topsil sees potentials of being able to expand the existing float zone as well as the Czochralski production in Poland.

Czochralski as substrate for (FZ) Float Zone production

Topsil regards it a big advantage to be able to use the far cheaper Czochralski material as a potential raw material in the future float zone production. One of the largest float zone producers in the world market has already been successful in using CZ material as raw material in its FZ production. Topsil assesses to be able to improve its competitive and business position correspondingly in the coming years by using Czochralski as raw material. In order to continue the expansion of the float zone business the fundamental and totally necessary platform has been established through the acquisition of Cemat.

Research and development

The company Cemat Silicon is founded by silicon scientists, and originates from the research institute ITME, whose 230 scientists are working next door to Cemat Silicon. This fact has enabled Cemat Silicon to research, develop, make tests, etc. in cooperation with ITME, who is researching in electronic materials and is employing 25-30 scientists, who are only working with silicon. Furthermore, ITME is working with EPI and other substrates, including silicon carbide and gallium nitride. They are both substrates that Topsil is contemplating to investigate further in the coming years with a view to new business opportunities.

Positive effect on future raw material contracts

Topsil has a clear expectation, that the acquisition of Cemat Silicon will place Topsil/Cemat in a considerably better position in its existing efforts of concluding long-term agreements on supplies of poly silicon for production of float zone as well as Czochralski in the coming years.

Future expectations

Based on above facts company expects a turnover in 2008 ranging from DKK 250-270m and maintains its expectations for a profit before tax in 2008 of DKK 50-60m.

In the long term it is the intention to increase the production volume and turnover of Czochralski as well as float zone silicon considerably, and Topsil considers the acquisition of Cemat Silicon the first step in that direction.

Topsil Semiconductor Materials A/S

Jens Borelli-Kjær
Chairman

Keld Lindegaard Andersen
CEO

Questions may be posed to:

Jens Borelli-Kjær, Chairman, tel. +45 40 16 14 82

Keld Lindegaard Andersen, CEO, tel +45 21 70 87 72

Martin Overgaard Hansen, CEO of Cemat Silicon S.A. , tel. +45 40 21 62 99.

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

STOCK EXCHANGE ANNOUNCEMENT

Page 3 of 3