

TOPSIL SEMICONDUCTOR MATERIALS A/S
Interim report, Q3 2014,
three months ended 30 September 2014

Q3 SIGNIFICANTLY AFFECTED BY CUSTOMER COMPLAINT

“We believe we are now at the final stage of the technical investigations of the customer complaint and have started the commercial processing of the matter with the customer and the third-party contractor. The case had a significant, adverse impact on our financial results for the quarter, both in terms of revenue and costs. Despite this, the underlying business was characterised by an improvement in production efficiency.”

Kalle Hvidt Nielsen, CEO

HIGHLIGHTS OF THE QUARTER

- The technical investigation of the customer complaint is now believed to be in its final stage. Topsil has received a provisional claim for compensation from the customer and has raised a claim against the third-party contractor. As a consequence of the complaint, Q3 results were adversely affected at the level of DKK 5 million, which is expected to be compensated for in the course of Q4, and which is consequently not expected to impact the full-year results.
- There are still defects in some of the replacement wafers delivered and, as a result, the deliveries have been suspended. Topsil believes to have identified the source of the defect at the third-party contractor. The customer's provisional claim for compensation does not include the defect in the replacement wafers, and the outlook for the full year does not include any costs in that respect.
- Topsil's revenue was DKK 65.8 million in Q3 2014 against DKK 79.4 million in the year-earlier period. Q3 2014 revenue includes new sales of DKK 4.7 million to the customer involved in the complaint case.
- EBITDA was a loss of DKK 3.8 million in Q3 2014 against a profit of DKK 4.0 million in Q3 2013. The contribution ratio was 46.2% in Q3, representing a year-on-year increase of 3.8 percentage points. The results include costs for the provisional claim for compensation, costs related to production at two production facilities in Denmark and costs related to a change of the sales management.
- Cash flows from operating activities were an outflow of DKK 2.1 million in Q3 2014 against an inflow of DKK 20.9 million in the year-earlier period. Working capital stood at DKK 131.1 million at 30 September 2014, representing a reduction of DKK 10.9 million compared to 30 September 2013. The cash flows for investing activities were DKK 3.6 million.
- Michael Lisby Jensen joined Topsil as new Sales Director on 1 September 2014 and has started up activities to strengthen Topsil's sales efforts.
- The next version of 150 mm float zone silicon wafers based on the 200 mm technology was approved by the first customer. The products support a more efficient production process at the customer as well as at Topsil.
- Production at the former production facility stopped in October, and the facility is currently being vacated. Final return of the leased property is expected to take place at the end of the year.

OUTLOOK FOR 2013

Topsil's guidance is specified to the lower end of the previously forecast range of revenue at the level of DKK 270-290 million and EBITDA in the range of DKK 0-10 million. Following the customer complaint issue, the updated guidance for revenue and EBITDA for the full year is subject to significantly greater uncertainty than would normally be the case just as the issue of compensation has not yet been clarified with the customer and the third-party contractor.



FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

DKK'000	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	FY 2013
Income statement:					
Revenue	65,795	79,445	204,477	237,418	312,102
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(3,754)	3,977	(5,526)	18,930	20,996
Operating profit/(loss) (EBIT)	(10,864)	(3,070)	(27,329)	(802)	(6,395)
Net financials	(3,233)	1,471	(7,093)	(4,304)	(6,315)
Profit/(loss) for the period after tax	(13,684)	(688)	(31,305)	(5,202)	(9,790)
Of which attributable to parent company shareholders	(13,661)	(703)	(31,450)	(4,998)	(9,382)
Cash flow statement:					
Cash flows from operating activities	(2,055)	20,940	(5,196)	10,463	18,321
Cash flows from investing activities	(3,613)	(4,533)	(10,975)	(16,139)	(24,065)
Balance sheet:					
Share capital	132,029	132,029	132,029	132,029	132,029
Equity attributable to parent company shareholders	345,486	378,172	345,486	378,172	376,668
Equity attributable to non-controlling shareholders	17,118	17,156	17,118	17,156	17,286
Total consolidated equity	362,604	395,328	362,604	395,328	393,954
Total assets	630,485	662,580	630,485	662,580	656,624
Invested capital	540,389	554,848	540,389	554,848	557,011
Net interest-bearing debt	175,933	156,390	175,933	156,390	158,469
Net working capital (NWC)	131,088	141,970	131,088	141,970	140,106
Financial ratios:					
EBITDA margin (%)	(5.7)	5.0	(2.7)	8.0	6.7
EBIT margin/profit margin (%)	(16.5)	(3.9)	(13.4)	(0.3)	(2.0)
Return on invested capital (%)	(2.0)	(0.5)	(5.0)	(0.1)	(1.1)
Contribution ratio (%)	46.2	42.4	45.9	46.8	46.3
Equity ratio	58	60	58	60	60
Return on equity (%)	(3.8)	(0.2)	(8.6)	(1.3)	(2.5)
Current number of shares ('000)	528,114	528,114	528,114	528,114	528,114
Earnings per share (DKK)	(0.03)	0.00	(0.06)	(0.01)	(0.02)
Price per share (DKK)	0.49	0.68	0.49	0.68	0.71
Average number of employees (FTE)	367	353*	364	351*	352*

*The calculation method in the Polish part of the organisation was changed in August 2014.



FINANCIAL PERFORMANCE

MARKET DEVELOPMENTS

Market prices remained squeezed in the third quarter of the year. SEMI, the global umbrella organisation for the semiconductor industry now forecasts a 7% sales increase in the volume of silicon wafers for the full year. The research agencies WSTS, Gartner and Cowan have most recently increased their annual growth forecasts for the semiconductor industry by overall growth rate forecasts at the level of 7-10%. Yole Développement, which focuses specifically on the power market, still forecasts overall growth in the power market at the rate of 3-8% in 2014, in terms of value.

STRATEGY

Launched in August 2012, Topsil's strategy "Executing on Opportunities" is based on the following main themes.

- 1. To increase focus on the type of products we expect to show the highest growth rates in the coming years, especially PFZ and next-generation silicon wafers (200 mm).**
- 2. To establish a stronger position on the strategically important Japanese and Chinese markets**
- 3. To reduce working capital and increase the cash flow from operating activities**
- 4. To increase capacity and make production more efficient**

The primary milestones in the period were:

- Michael Lisby Jensen joined Topsil as new Sales Director on 1 September 2014 and has started up activities to strengthen Topsil's sales efforts.
- The next version of 150 mm float zone silicon wafers was approved by the first customer and delivery started up. The products build on from the process and technology developed in connection with the 200 mm platform, supporting a substantially more efficient production process at the customer as well as at Topsil featuring better technical specifications.
- The in-house efficiency activities proceeded according to plan and are expected to have

a favourable impact on production costs for silicon wafers.

- The relocation to the new production facility is currently in process. Production at the former production facility stopped in October, and the last float zone machinery has subsequently been transferred to the new plant. Final delivery of the leased property is expected to take place by the end of the year.

CUSTOMER COMPLAINT

The technical investigation of the customer complaint is now believed to be in its final stage. Topsil has received a provisional claim for compensation from the customer and has raised a claim against the third-party contractor. As a consequence of the complaint, Q3 results were adversely affected at the level of DKK 5 million, which is expected to be compensated for in the course of Q4, and which is consequently not expected to impact the full-year results.

There are still defects in some of the replacement wafers delivered and, as a result, the deliveries have been suspended. Topsil has worked closely with both the customer and the third-party contractor in the process of identifying the defect and believes to have identified the source of the defect at the third-party contractor. The customer's provisional claim for compensation does not include the defect in the replacement wafers delivered and the outlook for the full year does not include any costs in that respect.

REVENUE

Revenue for Q3 2014 was down by 17.2% to DKK 65.8 million (Q3 2013: DKK 79,4 million). Revenue for the period was affected by the complaint from a major customer.

Revenue for Q3 2014 was DKK 204.5 million (Q3 2013: DKK 237.4 million). Silicon revenue for the nine months ended 30 September 2014 was DKK 194.0 million (9M 2013: DKK 227.1 million).

COSTS

Direct production costs were DKK 39.5 million in Q3 2014 (Q3 2013: DKK 45.8 million). The contribution margin was 46.2% in Q3 2014 (Q3 2013: 42.4%). The contribution margin was



positively affected by the underlying product mix and production improvements.

Other external expenses and staff costs were DKK 34.1 million in Q3 2014 (Q3 2013: DKK 29.7).

The increased costs include costs related to the customer complaint case at the level of DKK 5 million.

The average number of full-time employees increased by 14 in Q3, composed of a combination of fewer white-collar workers and more blue-collar workers to handle the higher production volume. A provision for severance pay was made in Q3 in respect of a former Sales Director. Other external expenses were down due to cost savings.

The third quarter of 2014 included interim costs in the region of DKK 1 million relating to the relocation of production and to maintaining parallel production lines at two locations in Frederikssund.

EBITDA

EBITDA was a loss of DKK 3.8 million in Q3 2014 (Q3 2013: DKK 4.0 million), equivalent to an EBITDA margin of (5.7)%.

EBITDA for the nine months ended 30 September 2014 was a loss of DKK 5.5 million (9M 2013: a profit of DKK 18.9 million).

Depreciation for Q3 2014 was DKK 7.1 million, which was unchanged from the year-earlier period. The 200 mm development project was completed in Q3 and reclassified to finished development projects, and depreciation has begun in the region of DKK 1.1 million per year.

Net financials amounted to an expense of DKK 3.2 million in Q3 2014 (Q3 2013: an income of DKK 1.5 million). Last year's net financials were favourably affected by foreign exchange effects and capitalisation of interest relating to new production equipment.

LOSS AFTER TAX

Topsil posted a loss after tax of DKK 13.7 million in Q3 2014 (Q3 2013: a loss of DKK 0.7 million), and an accumulated nine-month loss after tax of DKK 31.3 million (9M 2013: DKK 5.2 million).

BALANCE SHEET

Consolidated non-current assets totalled DKK 424.8 million at 30 September 2014, representing a reduction of DKK 17.4 million from the beginning of 2014. The decline was due to investments being lower than depreciation charges, and contractual reductions of deposits underlying performance bonds to suppliers.

Topsil's net working capital stood at DKK 131.1 million at 30 September 2014 (30 September 2013: DKK 142.0 million). Trade receivables stood at DKK 32.5 million, representing a year-on-year reduction of DKK 23.2 million, mainly as a result of lower sales. Other receivables stood at DKK 16.6 million and primarily consisted of a receivable from a third-party contractor as a result of the customer complaint. Inventories totalled DKK 145.9 million at 30 September 2014, representing a reduction of DKK 1.2 million compared to 30 September 2013. Inventories must be expected to increase towards the end of the year as a result of raw material procurement commitments.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities were an outflow of DKK 2.1 million in Q3 2014 (Q3 2013: an inflow of DKK 20.9 million).

Cash flows from investing activities were an outflow of DKK 3.6 million in Q3 2014, related to DKK 3.3 million invested in production plant and DKK 0.3 million invested in development projects. The cash flows from investing activities in Q3 2013 were DKK 4.5 million.

INTEREST-BEARING DEBT

The Group's net interest-bearing debt stood at DKK 175.9 million at 30 September 2014, representing a year-on-year increase and an increase of DKK 4.8 million from the end of Q2 2014.

EQUITY

The Group's equity at 30 September 2014 was DKK 362.6 million, of which DKK 345.5 million was attributable to shareholders of Topsil Semiconductor Materials A/S, and DKK 17.1 million was attributable to non-controlling interests in Cemat'70 S.A. The change in equity before non-controlling interests was mainly attributable to the net loss for the period.



The equity ratio was 58% at 30 September 2014 against 60% at 30 September 2013.

OUTLOOK FOR 2014

Topsil's guidance is specified to the lower end of the previously forecast range of revenue at the level of DKK 270-290 million and EBITDA in the range of DKK 0-10 million.

This guidance includes temporary costs of operating at two locations in Denmark and one-off costs related to the planned move of all production to the new plant and closure of the old plant. These costs are estimated to be in the region of DKK 5 million.

Following the customer complaint issue, the updated guidance for revenue and EBITDA for the full year is subject to significantly greater uncertainty than would normally be the case just as the issue of compensation has not yet been clarified with the customer and the third-party contractor.

The guidance is based on exchange rates of DKK 575/USD 100 and DKK 180/PLN 100.

The forward-looking statements in this interim report reflect Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and actual results may therefore differ materially from expectations.

Factors that may cause actual results to deviate materially from expectations include, but are not limited to, general economic developments and developments in the financial markets, changes in the silicon market, market acceptance of new products as well as the launch of competing products.

Topsil is under an obligation to update and adjust the expectations provided only to the extent required by Danish law, including the Danish Securities Trading Act and similar legislation.



INVESTOR RELATIONS COMMUNICATION

CEO Kalle Hvidt Nielsen and CFO Jesper Bodeholt will present the financial statements at a meeting with investors on Wednesday, 27 November at 12:00 noon Copenhagen time (CET) at Jyske Bank, Business Centre Copenhagen.

Please direct any questions regarding this announcement to the Company's CEO and CFO through Ms. Christina Fris Bjørling, Communications Manager, tel.: +45 2152 1011, cfb@topsil.com.

This announcement has been prepared in a Danish-language and an English-language version. In the event of any discrepancies, the Danish version shall prevail.

SHAREHOLDER PORTAL

Shareholders can get access to investor information via Topsil's shareholder portal at www.topsil.com. The portal gives access to information on the investor's current shareholding and up-to-date shareholder information via an e-mail list.

E-MAIL SERVICE

Under Contacts on Topsil's website, everybody can subscribe to and unsubscribe from Topsil's electronic e-mail service to receive annual reports, quarterly reports and other company announcements.

ANNOUNCEMENTS 2014

15	15.09	Change of Topsil Management
14	09.09	Insiders' trading
13	04.09	Major Shareholder Announcement
12	26.08	Interim report, Q2 2014
11	21.08	Change of Management
10	03.07	Profit warning
9	27.05	Interim report, Q1 2014
8	07.05	Warrant programme – updated Articles of Association
7	29.04	Topsil establishes warrant programme for members of the Management Board and managerial employees
6	29.04	Updated Articles of Association
5	28.04	Decisions of Annual General Meeting 2014
4	25.04	Framework agreements with Chinese customers
3	02.04	Notice to convene Annual General Meeting
2	25.03	Annual Report 2013
1	30.01	Topsil to expand its activities in Japan



MANAGEMENT STATEMENT

The Board of Directors and the Management have today considered and adopted the interim report of Topsil Semiconductor Materials A/S for the three months ended 30 September 2014.

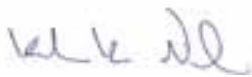
The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 September 2014 and of the results of the Group's operations and cash flows for the third quarter of 2014.

In our opinion, the management report includes a fair review of the development and performance of the business and financial position of the Group, the financial results for the period as well as the financial position in general of the consolidated companies, together with a description of the principal risks and uncertainties that the Group faces.

Frederikssund, 25 November 2014

MANAGEMENT BOARD



Kalle Hvidt Nielsen
CEO



Jesper Bodeholt
CFO



Michael Lisby Jensen
CSO

BOARD OF DIRECTORS:



Jens Borelli-Kjær
Chairman



Eivind Dam Jensen
Deputy Chairman



Jørgen Frost
Board member



Michael Hedegaard Lyng
Board member



Jens Balslev Olesen
Elected by the employees



Jesper Leed Thomsen
Elected by the employees



INCOME STATEMENT

DKK'000	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	FY 2013
Revenue	65,795	79,445	204,477	237,418	312,102
Direct production costs	(35,411)	(45,774)	(110,682)	(126,189)	(167,633)
Other external expenses and staff costs	(34,138)	(29,694)	(99,321)	(92,299)	(123,473)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(3,754)	3,977	(5,526)	18,930	20,996
Depreciation, amortisation and impairment	(7,110)	(7,047)	(21,803)	(19,732)	(27,391)
Operating profit/(loss) (EBIT)	(10,864)	(3,070)	(27,329)	(802)	(6,395)
Net financials	(3,233)	1,471	(7,093)	(4,304)	(6,315)
Profit/(loss) before tax	(14,097)	(1,599)	(34,422)	(5,106)	(12,710)
Tax on profit/(loss) for the period	413	911	3,117	(96)	2,920
Profit/(loss) for the period	(13,684)	(688)	(31,305)	(5,202)	(9,790)
Appropriation of profit/(loss) for the period:					
Parent company shareholders	(13,661)	(703)	(31,450)	(4,998)	(9,382)
Non-controlling interests	(23)	15	145	(204)	(408)
	(13,684)	(688)	(31,305)	(5,202)	(9,790)
Earnings per share:					
Earnings per share (DKK)	(0.03)	0.00	(0.06)	(0.01)	(0.02)
Diluted earnings per share (DKK)	(0.02)	0.00	(0.06)	(0.01)	(0.02)

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	FY 2013
Profit/(loss) for the period	(13,684)	(688)	(31,305)	(5,202)	(9,790)
Foreign exchange adjustment re foreign companies	(998)	3,429	(1,190)	(6,024)	(3,105)
Comprehensive income for the period	(14,682)	2,741	(32,495)	(11,226)	(12,895)
Parent company shareholders	(14,544)	2,299	(32,327)	(10,404)	(12,203)
Non-controlling interests	(138)	442	(168)	(822)	(692)
	(14,682)	2,741	(32,495)	(11,226)	(12,895)



CASH FLOW STATEMENT

DKK'000	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	FY 2013
Operating profit/(loss) (EBIT)	(10,864)	(3,070)	(27,329)	(802)	(6,395)
Depreciation, amortisation and impairment	7,110	7,047	21,803	19,732	27,391
Share-based payment recognised in the income statement	425	449	1,145	749	1,043
Change in net working capital	(3,470)	15,347	4,746	(4,608)	1,737
Tax paid/received	(116)	(291)	(243)	(291)	1,150
Financial income received	6	51	62	380	189
Financial expenses paid	(2,086)	1,407	(5,380)	(4,697)	(6,794)
Cash flows from operating activities	(2,055)	20,940	(5,196)	10,463	18,321
Acquisition etc. of intangible assets	(325)	(1,831)	(2,671)	(4,978)	(8,505)
Acquisition etc. of property, plant and equipment	(3,338)	(2,702)	(8,443)	(11,161)	(15,594)
Sale of property, plant and equipment	50	0	139	0	34
Cash flows from investing activities	(3,613)	(4,533)	(10,975)	(16,139)	(24,065)
Loans and credits raised	4,359	(16,530)	11,104	2,886	7,594
Cash flows from financing activities	4,359	(16,530)	11,104	2,886	7,594
Change in cash and cash equivalents	(1,309)	(123)	(5,067)	(2,790)	1,850
Cash and cash equivalents at beginning of period	8,093	11,073	12,349	10,905	10,905
Market value adjustment of cash and cash equivalents	857	(1,106)	359	1,729	(406)
Cash and cash equivalents at end of period	7,641	9,844	7,641	9,844	12,349



BALANCE SHEET, ASSETS

DKK'000	Q3 2014	Q3 2013	FY 2013
Goodwill	17,609	17,431	17,772
Completed development projects	28,447	7,911	7,767
Development projects in progress	2,204	19,578	22,191
Rights of use	14,286	14,330	14,562
Other intangible assets	457	563	546
Intangible assets	63,003	59,813	62,838
Land and buildings	169,566	173,177	173,307
Plant and machinery	169,115	175,445	173,697
Other fixtures and fittings, tools and equipment	1,998	2,760	2,537
Property, plant and equipment under construction	10,333	11,785	13,988
Property, plant and equipment	351,012	363,167	363,529
Other non-current receivables	10,817	18,754	15,875
Financial assets	10,817	18,754	15,875
Non-current assets	424,832	441,734	442,242
Inventories	145,860	147,067	144,416
Trade receivables	32,450	55,634	46,422
Other receivables	16,640	5,869	7,666
Income tax receivable	1,250	500	1,483
Prepayments	1,812	1,932	2,046
Receivables	52,152	63,935	57,617
Cash and cash equivalents	7,641	9,844	12,349
Current assets	205,653	220,846	214,382
Assets	630,485	662,580	656,624



BALANCE SHEET, EQUITY AND LIABILITIES

DKK'000	Q3 2014	Q3 2013	FY 2013
Share capital	132,029	132,029	132,029
Translation reserve	(17,125)	(18,833)	(16,248)
Reserve for share-based payment	2,665	1,225	1,520
Retained earnings	227,917	263,751	259,367
Equity attributable to parent company shareholders	345,486	378,172	376,668
Equity attributable to non-controlling interests	17,118	17,156	17,286
Equity	362,604	395,328	393,954
Debt to credit institutions	-	-	162,456
Finance lease liabilities	915	2,398	923
Prepayments received from customers	4,714	10,100	9,463
Other non-current liabilities	1,889	2,431	1,816
Deferred tax liabilities	8,062	13,483	11,815
Non-current liabilities	15,580	28,412	186,473
Due to credit institutions	184,171	168,484	10,611
Finance lease liabilities	2,320	3,073	5,149
Trade creditors	34,594	41,664	36,486
Prepayments received from customers	3,227	5,088	5,678
Provisions	-	1,625	266
Other payables	23,905	18,906	15,624
Deferred income	4,084	-	2,383
Current liabilities	252,301	238,840	76,197
Total liabilities	267,881	267,252	262,670
Equity and liabilities	630,485	662,580	656,624





STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Translation reserve	Reserve for share-based payment	Retained earnings	Equity attributable to parent company shareholders	Equity attributable to non-controlling interests	Total equity
Equity at 01.01.2013	132,029	(13,427)	477	268,749	387,828	17,978	405,806
Profit/(loss) for the year	0	0	0	(4,998)	(4,998)	(204)	(5,202)
Other comprehensive income	0	(5,406)	0	0	(5,406)	(618)	(6,024)
Comprehensive income	132,029	(18,833)	477	263,751	377,424	17,156	394,580
Share-based payment	0	0	748	0	748	0	748
Equity at 30.09.2013	132,029	(18,833)	1,225	263,751	378,172	17,156	395,328
Equity at 01.01.2014	132,029	(16,248)	1,520	259,367	376,668	17,286	393,954
Profit/(loss) for the year	0	0	0	(31,450)	(31,450)	145	(31,305)
Other comprehensive income	0	(877)	0	0	(877)	(313)	(1,190)
Comprehensive income	132,029	(17,125)	1,520	227,917	344,341	17,118	361,459
Share-based payment	0	0	1,145	0	1,145	0	1,145
Equity 30.09.2014	132,029	(17,125)	2,665	227,917	345,486	17,118	362,604



NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, RISKS, ETC.

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

The interim report has been neither audited nor reviewed. The accounting policies are consistent with those of the Annual Report 2013. See the Annual Report 2013 for a full description of the accounting policies.

For accounting estimates and judgments, see note 2, page 42 of the Annual Report 2013. For information on risks, see note 32, pages 66-70, and "Special risks", pages 18-19 of the Annual Report 2013. In particular, it should be noted that the adjusted guidance for the full year is subject to greater uncertainty than would normally be the case, as set out in the profit warning of 3 July 2014 and under Outlook for 2014 on page 5 of this announcement.

According to the accounting regulations, Management must consider whether the quarterly report can be prepared on a going concern basis. Based on the Company's estimated outlook, including the most recent order forecast, expectations for the Company's future cash flow, etc., Management believes that the existing cash reserves and expected future cash flows will be sufficient to maintain operations and fund any measures planned.

2 SEGMENT INFORMATION

Topsil's segments are "Sales of silicon ingots and wafers" and "Property management". See below:

DKK '000 revenue	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	FY 2013
Sales of silicon ingots and wafers	62,267	76,274	193,979	227,077	298,291
Property management	3,528	3,171	10,498	10,341	13,811
Total	65,795	79,445	204,477	237,418	312,102

DKK'000 Sales of silicon ingots and wafers	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	FY 2013
Revenue	62,267	76,274	193,979	227,077	298,291
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(4,905)	3,775	(9,876)	17,002	16,067
Depreciation, amortisation and impairment	(5,937)	(6,863)	(18,253)	(17,909)	(22,575)
Operating profit/(loss) (EBIT)	(10,842)	(3,088)	(28,129)	(907)	(6,508)
Net financials	(3,227)	1,477	(7,212)	(4,509)	(6,543)
Profit/(loss) before tax	(14,069)	(1,611)	(35,341)	(5,416)	(13,051)
Assets	539,855	578,001	539,855	578,001	577,121
Addition of property, plant and equipment	2,295	2,074	7,073	9,972	13,717
Total liabilities	254,683	268,550	254,683	268,550	263,121



2 SEGMENT INFORMATION - CONTINUED

DKK'000	Property management	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	FY 2013
Revenue		3,528	3,171	10,498	10,341	13,811
Earnings before interest, tax, depreciation and amortisation (EBITDA)		1,153	202	4,352	1,928	4,929
Depreciation, amortisation and impairment		(1,173)	(184)	(3,550)	(1,823)	(4,816)
Operating profit/(loss) (EBIT)		(20)	18	802	105	113
Net financials		(6)	(6)	119	205	228
Profit/(loss) before tax		(26)	12	921	310	341
Assets		90,630	89,308	90,630	89,308	90,330
Addition of property, plant and equipment		1,043	680	1,370	1,241	1,877
Total liabilities		13,198	3,431	13,198	3,431	12,709

Topsil still wishes to divest Cemmat'70 S.A.

3 EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

4 FINANCIAL HIGHLIGHTS AND KEY RATIOS

The financial ratios have been calculated in accordance with "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts. The individual calculation formulas are provided in note 1, page 41 of the Annual Report 2013.

Topsil at a glance

Topsil produces ultra-pure silicon in the form of wafers contributing to energy-efficient voltage management in advanced electrical components forming part of different end-user applications such as electricity distribution networks, production machinery, wind turbines, electric cars and hybrid vehicles, and electric trains. The purity level of silicon is so high that only a handful of companies worldwide have the required knowledge and capacity to produce it. Customers are primarily major multinational companies in the semiconductor industry and to a marginal extent universities and other research institutions worldwide.

Topsil mainly addresses the highest voltage segments in the power market, which constitute about 10% of the overall silicon market, corresponding to DKK 5.1 billion in 2013. The market is driven by factors such as population growth and growing prosperity. More people and growing middle classes will therefore drive up demand for energy and functional energy infrastructures as well as investments in transport, green energy and energy efficiency.

Topsil's "Executing on Opportunities" strategy aims to exploit the long-term market potential for growth, including to increase the sale of the type of silicon that we expect will show the highest growth rates in the coming years and improve Topsil's market position in the two strategically important markets, Japan and China. At the same time, the strategy aims to increase the Company's cash flows from operating activities and enhance wafer production efficiency. The strategy builds on previous capacity investments in buildings, technology and equipment.

Topsil has production plant and is headquartered in Copenhagen Cleantech Park, Frederikssund, Denmark and has production plant in Warsaw, Poland. Topsil was founded in 1959, and had an average of 344 employees in 2013. For more information, go to www.topsil.com

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