INTERIM REPORT
Q3 2012

"Demand remained weak in Topsil's primary market, the power market, in the third quarter, and sales performed in line with most recently announced expectations. Topsil continued its efforts to enhance the efficiency of every corner of the company, and the first employee groups were relocated to the new plant. The development of 200 mm silicon showed considerable progress during the period, and processes are now being stabilised to the effect that the first wafers will be submitted for customer qualification at the end of the year".

KALLE HVIDT NIELSEN
CEO

22-11-2012
NASDAQ OMX Copenhagen · Nikolaj Plads 6 · 1067 København K

STOCK EXCHANGE ANNOUNCEMENT NO. 14/12

The Board of Directors of Topsil Semiconductor Materials A/S has today considered and adopted the interim report for the three months ended 30 September 2012. The highlights of the interim report, which is unaudited, are shown below:

OVERVIEW

Revenue and earnings

Topsil's revenue was DKK 62.6 million in Q3 2012 against DKK 86.1 million in the same period last year, corresponding to a decline of 27%. In the nine months ended 30 September 2012, revenue declined by 23% year on year. The decline in revenue is in line with previously announced expectations for the year and is mainly due to weaker demand from large contract customers.

Topsil's EBITDA for Q3 2012 was DKK (1.6) million against DKK 5.5 million in Q3 2011. The EBITDA margin for the quarter was (2.6)% against 6.4% for the same period last year. The performance was in line with expectations.

Main events

Market developments and the introduction of new products
Topsil's primary market, the power market, continued to show weak demand for silicon for the most complex components. Customer qualifications of the new FZ-PFZ silicon and CZ-EPI continued according to plan.

R&D
The development of 200 mm FZ silicon showed considerable progress during the third quarter where production of full diameter silicon was achieved several times. The first wafers were distributed according to plan for initial customer testing.

New plant
The first employee groups were relocated to the new plant during the third quarter, and production equipment installed was tested and modified during the period. The official opening ceremony was held on 1 October 2012.

Outlook for 2012

Topsil's guidance is unchanged: Revenue is expected in the range of DKK 260-280 million and EBITDA in the range of DKK 5-15 million as announced in stock exchange release on 8 August 2012.

Further information
Any queries regarding this stock exchange announcement may be addressed to the company's CEO and CFO through: Christina Fris Bjørling, Communications, tel.: +45 2152 1011

FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

DKK'000	Q3 2012	Q3 2011	9M 2012	9M 2011	FY 2011
Income statement					
Revenue	62,575	86,096	217,060	281,715	367,439
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(1,647)	5,500	12,747	24,518	35,106
Operating profit/(loss) (EBIT)	(8,189)	279	(6,388)	10,233	6,027
Net financials	189	(4,571)	(4,174)	(7,807)	(9,165)
Profit/(loss) for the period after tax	**(5,930)**	**(4,305)**	**(10,546)**	**(509)**	**(6,818)**
Of which attributable to parent company shareholders	(5,950)	(4,413)	(10,545)	(661)	(5,750)
Cash flows:					
Cash flows from operating activities	(8,331)	19,457	(3,820)	9,115	4,663
Capital expenditure excluding investments in assets held for sale	23,081	24,915	112,068	57,100	102,945

	Q3 2012	Q3 2011	9M 2012	9M 2011	FY 2011
Balance sheet:					
Share capital	132,029	132,029	132,029	132,029	132,029
Equity attributable to parent company shareholders	398,044	398,457	398,044	398,457	394,010
Equity attributable to non-controlling shareholders	18,656	36,359	18,656	36,359	35,096
Total equity of the group	416,700	434,816	416,700	434,816	429,106
Total assets	684,790	573,798	684,790	573,798	601,495
Net interest-bearing debt (asset)	138,014	(24,026)	138,014	(24,026)	4,301
Invested capital	490,059	386,046	490,059	386,046	388,351
Net working capital	141,160	124,246	141,160	124,246	138,905
Financial ratios:					
EBITDA margin (%)	-2.6	6.4	5.9	8.7	9.6
EBIT margin/profit margin (%)	-13.1	0.3	-2.9	3.6	1.6
Contribution ratio (%)	43.3	50.3	48.6	48.1	49.0
Equity ratio	61	76	61	76	71
Current number of shares (thousands)	528,114	526,108	528,114	526,108	528,114
Market value, DKK per share	0.41	0.49	0.41	0.49	0.48
Average number of full-time employees *	366	388	366	388	383

MANAGEMENT REPORT

Topsil's revenue was DKK 62.6 million in Q3 2012 against DKK 86.1 million in the same period last year, corresponding to a decline of 27%. For the year to date, revenue declined by 23% compared to the same period of 2011, which is in line with the expectations announced in the interim report for Q2 2012. This decline in revenue is essentially believed to be market-driven, since demand for ultra-pure silicon (FZ silicon) in the power market remained weak, particularly in the highest voltage segments where Topsil has a large market share.

Product launches
The qualifications initiated of new PFZ and CZ-EPI proceeded according to plan in the third quarter. The generally subdued market continued to affect the overall number of ongoing qualifications. Sales of the new PFZ product are expected to have a moderately positive impact on the full year and to pick up from 2013 onwards.

R&D
There was considerable progress in the development of 200 mm FZ silicon during the quarter. Full diameter silicon (200 mm) was achieved several times during the period, and the production process is now being stabilised. The first wafers were submitted for initial customer testing (engineering samples) according to plan, and distribution of qualification wafers is still expected to take place at the end of this year, while initial revenue is expected in 2013.

New plant opened on 1 October 2012 – qualification wafers expected to be on schedule
The first employee groups were relocated to Topsil's new plant during the course of the third quarter, and production equipment installed was modified and tested. This process is expected to continue for the rest of the year. The first qualification material is continuously expected to be finalised towards the end of the year. The new plant was officially opened by EU Climate Commissioner Connie Hedegaard on Monday 1 October 2012, and some of Topsil's primary customers and suppliers took part in the opening ceremony.

Focus on costs
The tight cost management programme continued with the aim of exploiting the synergies and reducing costs across the organisation. Further integration and efficiency measures were implemented during the period, including Cemat Silicon S.A.'s change of name to Topsil Semiconducor Materials S.A. and the establishment of a Finance and HR Shared Service Centre between Topsil Semiconductor Materials S.A. and Cemat'70. The name change is consistent with Topsil's strategy to strengthen the company's overall position in the power market over the coming years.

Cemat'70
Topsil continues its endeavours to divest either the entire shareholding in the property company Cemat'70 or to divest the Cemat'70 properties individually. Cemat'70 is a positive contributor to the company's operations.

Q3 EBITDA performance
The group's EBITDA was DKK (1.6) million in Q3 2012 against DKK 5.5 million in the year-earlier period. The EBITDA margin for the quarter was (2.6)% against 6.4% for the same period last year. EBITDA for the quarter was adversely affected by the lower revenue and consequently the lower capacity utilisation rate, but was at the same time partly offset by the effect of the cost reduction programmes cutting staff and other external expenses by approximately 24% compared to the year-earlier period.

Topsil's EBIT for Q3 2012 was DKK (8.2) million against DKK 0.3 million in Q3 2011.

Net financials amounted to an income of DKK 0.2 million in Q3 2012, comprising capital losses of DKK 0.6 million, net interest expenses of DKK 1.6 million and capitalisation of interest expense related to construction of the new plant by DKK 2.4 million for the construction period in 2012.

Topsil generated a loss before tax of DKK 8.0 million in Q3 2012 against a loss of DKK 4.3 million in Q3 2011.

Total assets and interest-bearing debt
At 30 September 2012, Topsil had total assets of DKK 684.8 million against DKK 573.8 million at the year-earlier date, the increase being primarily attributable to the addition of fixed assets consisting of a new plant and higher inventories.

Net working capital at the balance sheet date amounted to DKK 141.2 million, which was an improvement of DKK 16.9 million compared to a year earlier. Net working capital increased by DKK 4.8 million compared to the end of the previous quarter, primarily as a result of lower amounts outstanding to suppliers.

The capital tie-up is higher compared to the year-earlier period partly due to a continued subdued market and partly as a result of the ongoing relocation to the new plant.

At 30 September 2012, the net interest-bearing debt was DKK 138.0 million against DKK 4.3 million at the beginning of the year and a net asset of DKK (24.0) million at 30 September 2011. This change was mainly due to investments in property, plant and equipment relating to the construction of the new plant in Frederikssund and higher inventories.

Cash flows from operating activities
Cash flows from operating activities were DKK (8.5) million at 30 September 2012 against 21.3 million at 30 September 2011. The reduced cash flows are essentially due to a significant decline in EBITDA and the change in working capital described above.

Following net investments totalling DKK 25.5 million for Q3 2012, the company recorded a total cash outflow of DKK (12.8) million. Cash and cash equivalents (credit drawings less cash) amounted to DKK 0.7 million at 30 September 2012.

Outlook for 2012 unchanged
The company's expectations for the year are unchanged in relation to stock exchange announcement of 8 August 2012.

Topsil expects revenue in the range of DKK 260-268 million in 2012 against DKK 367 million in 2011.

EBITDA is expected to be approximately DKK 5-15 million against DKK 35 million in 2011.

The implemented cost reductions will take full-year effect in 2012, moderately offset by the costs of operating at two locations in Denmark. These expectations are based on exchange rates of DKK 600/USD 100 and DKK 180/PLN 100.

Recent developments do not give grounds to change the long-term expectations for the market which under normal circumstances is expected to grow by 5-10% per year.

INVESTOR INFORMATION

List of announcements to NASDAQ OMX Copenhagen, from 1 January 2012 to date:

Date	Announcements
26.09.2012	no. 13/12: Insiders' trading
26.09.2012	no. 12/12: Strategy 2013-2015
29.08.2012	no. 11/12: Interim report Q2
09.08.2012	no. 10/12: Topsil lowers its revenue and EBITDA expectations for 2012
13.06.2012	no. 09/12: Insiders' trading
23.05.2012	no. 08/12: Interim report Q1
09.05.2012	no. 07/12: Warrant programme
09.05.2012	Updated Articles of Association
08.05.2012	no. 06/12: Updated Articles of Association
26.04.2012	no. 05/12: Topsil establishes a warrant programme
26.04.2012	no. 04/12: Decisions of Annual General Meeting
02.04.2012	no. 03/12: Notice to convene Annual General Meeting 2012
28.03.2012	no. 02/12: Annual report 2011
27.01.2012	no. 01/12: Acquisition of Cemat'70 minority shares

Further information:

Further information about Topsil A/S is available at www.topsil.com.

This interim report has been prepared in Danish and translated into English. In the event of any discrepancy between the Danish text and the English-language translation, the Danish interim report will prevail.

STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT BOARD

The Board of Directors and Management have today considered and adopted the interim report of Topsil Semiconductor Materials A/S for the three months ended 30 September 2012.

The interim report is presented in accordance with IAS 34 *"Interim financial reporting"* as adopted by the EU and Danish disclosure requirements for the 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 2012 and of the results of the group's operations and cash flows for the third quarter of 2012.

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, 22 November 2012

Management Board:

Kalle Hvidt Nielsen
CEO

Jørgen Bødker
EVP, Director of Logistics, Sales & Marketing

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

Disclaimer:

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 differ materially from expectations include, but are not limited to, general economic developments and developments in financial markets, changes in the silicon market, market acceptance of new products as well as the launch of competing products. Topsil is only under an obligation to update and adjust the expectations provided to the extent required by Danish law, including the Danish Securities Trading Act and similar legislation.

INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER

DKK'000	**Q3 2012**	**Q3 2011**	**9M 2012**	**9M 2011**	**FY 2011**
Revenue	62,575	86,096	217,060	281,715	367,439
Direct production costs	(35,459)	(42,791)	(111,668)	(146,101)	(187,454)
Other external expenses and staff costs	(28,763)	(37,805)	(92,645)	(111,096)	(144,879)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**(1,647)**	**5,500**	**12,747**	**24,518**	**35,106**
Depreciation, amortisation and impairment	(6,542)	(5,221)	(19,135)	(14,285)	(29,079)
Operating profit / (loss) (EBIT)	**(8,189)**	**279**	**(6,388)**	**10,233**	**6,027**
Net financials	189	(4,571)	(4,174)	(7,807)	(9,298)
Profit / (loss) before tax	**(8,000)**	**(4,292)**	**(10,562)**	**2,426**	**(3,271)**
Tax on profit for the period	2,070	(13)	16	(2,935)	(3,547)
Profit / (loss) for the period	**(5,930)**	**(4,305)**	**(10,546)**	**(509)**	**(6,818)**

Appropriation of profit / (loss) for the period:

Parent company shareholders	(5,950)	(4,413)	(10,545)	(661)	(5,750)
Non-controlling interests	20	108	(1)	152	(1,068)
	(5,930)	**(4,305)**	**(10,546)**	**(509)**	**(6,818)**

Earnings per share:

	Q3 2012	**Q3 2011**	**9M 2012**	**9M 2011**	**FY 2011**
Profit/(loss) attributable to the group's shareholders (DKK'000)	(5,950)	(4,413)	(10,545)	(661)	(5,750)
Average number of shares (thousands)	528,114	526,108	528,114	526,108	528,114
Average number of shares, diluted (thousands)	538,891	549,095	538,891	549,095	548,973
Earnings per share (DKK)	(0.01)	(0.01)	(0.02)	0.00	(0.01)
Diluted earnings per share (DKK)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	**Q3 2012**	**Q3 2011**	**9M 2012**	**9M 2011**	**FY 2011**
Profit/(loss) for the period	(5,930)	(4,305)	(10,546)	(509)	(6,818)
Foreign exchange adjustment relating to foreign companies	5,406	(13,866)	9,651	(14,740)	(14,737)
Comprehensive income for the period	**(524)**	**(18,171)**	**(895)**	**(15,249)**	**(21,555)**
Parent company shareholders	(1,923)	(14,410)	(3,654)	(11,299)	(16,342)
Non-controlling interests	1,399	(3,761)	2,759	(3,950)	(5,213)
	(524)	**(18,171)**	**(895)**	**(15,249)**	**(21,555)**

TOPSIL

CASH FLOW STATEMENT

DKK'000	Q3 2012	Q3 2011	9M 2012	9M 2011	FY 2011
Operating profit/(loss) (EBIT)	(8,189)	279	(6,388)	10,233	6,027
Depreciation, amortisation and impairment	6,542	5,221	19,135	14,285	29,079
Change in net working capital	(6,758)	13,668	(3,139)	(4,705)	(16,594)
Others	(115)	4,860	(4,393)	511	2,721
Cash generated from operations (operating activities)	**(8,520)**	**24,028**	**5,215**	**20,324**	**21,233**
Tax paid on account	0	0	(4,861)	(3,402)	(7,435)
Net financials	189	(4,571)	(4,174)	(7,807)	(9,165)
Cash flows from operating activities	**(8,331)**	**19,457**	**(3,820)**	**9,115**	**4,633**
Acquisition of intangible assets	(2,384)	(977)	(5,252)	(8,224)	(4,807)
Acquisition of property, plant and equipment	(23,081)	(24,915)	(112,068)	(57,100)	(102,945)
Cash flows from investing activities	**(25,465)**	**(25,892)**	**(117,320)**	**(65,324)**	**(107,752)**
Raising of money market loans	21,000	0	111,000	0	30,000
Acquisition, non-controlling interests	0	0	(12,129)	30	0
Proceeds from the issue of shares, net	0	0	0	5,846	5,847
Others	0	0	0	2,634	0
Cash flows from financing activities	**21,000**	**0**	**98,871**	**8,510**	**35,847**
Change in cash and cash equivalents	**(12,796)**	**(6,435)**	**(22,269)**	**(47,699)**	**(67,272)**
Cash and cash equivalents at beginning of period	13,884	48,633	23,449	90,387	90,387
Market value adjustment of cash and cash equivalents	(352)	662	(444)	172	334
Cash and cash equivalents at end of period	**736**	**42,860**	**736**	**42,860**	**23,449**
Specification of cash and cash equivalents:					
Cash and cash equivalents	11,402	53,018	11,402	53,018	23,482
Overdraft facilities drawings	(10,666)	(10,158)	(10,666)	(10,158)	(33)
Net cash and cash equivalents at end of period	**736**	**42,860**	**736**	**42,860**	**23,449**

The cash flow statement for Q3 2011 is stated inclusive of "assets and liabilities held for sale."

BALANCE SHEET

Assets

	2012	2011	31.12.2011
Completed development projects	9,948	12,206	11,715
Goodwill	17,945	16,697	16,636
Other intangible assets	15,641	752	14,714
Development projects in progress	12,840	8,069	8,568
Intangible assets	**56,374**	**37,724**	**51,633**
Land and buildings	56,515	5,549	56,462
Plant and machinery	116,043	95,547	102,801
Other fixtures and fittings, tools and equipment	3,059	5,362	4,903
Property, plant and equipment under construction	193,156	61,247	99,075
Property, plant and equipment	**368,773**	**167,705**	**263,241**
Other non-current receivables	23,049	28,860	26,818
Financial assets	**23,049**	**28,860**	**26,818**
Deferred tax asset	**17,461**	**8,531**	**10,497**
Non-current assets	**465,657**	**242,820**	**352,189**
Inventories	**160,462**	**128,679**	**146,338**
Receivables	41,759	59,195	70,670
Other receivables	4,301	4,617	7,692
Prepayments	1,209	672	1,124
Receivables	**47,269**	**64,484**	**79,486**
Cash and cash equivalents	**11,402**	**45,169**	**23,482**
Assets held for sale	0	92,646	0
Current assets	**219,133**	**330,978**	**249,306**
Assets	**684,790**	**573,798**	**601,495**

Equity and liabilities

	2012	2011	31.12.2011
Share capital	132,029	132,029	132,029
Translation reserve	(23,464)	(23,063)	(23,017)
Reserve for share-based payments	6,750	6,115	5,970
Retained earnings	282,729	283,376	279,028
Equity attributable to parent company shareholders	**398,044**	**398,457**	**394,010**
Equity attributable to non-controlling interests	**18,656**	**36,359**	**35,096**
Equity	**416,700**	**434,816**	**429,106**
Finance lease liabilities	5,831	8,583	8,236
Prepayments received on account from customers	19,187	24,043	24,043
Other non-current liabilities	1,119	1,095	1,003
Deferred tax liabilities	21,030	7,374	16,798
Non-current liabilities	**47,167**	**41,095**	**50,080**
Debt to credit institutions	151,666	10,158	30,033
Finance lease liabilities	2,688	2,813	2,688
Trade creditors	47,853	56,611	65,987
Prepayments received on account from customers	366	114	278
Income tax payable	0	2,943	2,668
Provisions	2,709	1,163	3,198
Other payables	15,641	11,177	17,457
Current liabilities	**220,923**	**84,979**	**122,309**
Liabilities relating to assets held for sale	0	12,908	0
Total liabilities	**268,090**	**138,982**	**172,389**
Equity and liabilities	**684,790**	**573,798**	**601,495**

TOPSIL

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 01.01.2011	**130,022**	**(12,425)**	**6,118**	**278,069**	**401,784**	**40,309**	**442,093**
Comprehensive income for the period	0	(10,638)	0	(661)	**(11,299)**	(3,950)	**(15,249)**
Share-based payment	0	0	2,125	0	**2,125**	0	**2,125**
Cash capital increase	2,007	0	0	3,840	**5,847**	0	**5,847**
Share-based payments, share options exercised	0	0	(2,128)	2,128	**0**	0	**0**
Equity at 30.09.2011	**132,029**	**(23,063)**	**6,115**	**283,376**	**398,457**	**36,359**	**434,816**
Equity at 01.01.2012	**132,029**	**(23,017)**	**5,970**	**279,028**	**394,010**	**35,096**	**429,106**
Comprehensive income for the period	0	(447)	0	(3,207)	**(3,654)**	2,759	**(895)**
Share-based payment	0	0	780	0	**780**	0	**780**
Acquisition, non-controlling interests	0	0	0	6,908	**6,908**	(19,199)	**(12,291)**
Cash capital increase	0	0	0	0	**0**	0	**0**
Share-based payments, share options exercised	0	0	0	0	**0**	0	**0**
Equity at 30.09.2012	**132,029**	**(23,464)**	**6,750**	**282,729**	**398,044**	**18,656**	**416,700**

NOTES

Accounting policies

The interim report is presented in accordance with the recognition and measurement provisions of the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies, cf. IFRS 34 "Interim Financial Reporting", issued pursuant to the Danish Financial Statements Act and the rules of the NASDAQ OMX Copenhagen.

The interim report is unaudited and unreviewed. The accounting policies are consistent with those of the annual report for 2011. See the Annual Report 2011 for a comprehensive description of the accounting policies.

Judgments and estimates

The preparation of interim reports requires Management to make accounting judgments and estimates that affect the accounting policies applied and the assets, liabilities, income and expenses recognised. Actual results may differ from these estimates. The most significant estimates made by Management in applying the group's accounting policies and the most significant uncertainty attached thereto are the same as those applying to the preparation of Annual Report 2011.

Significant financial risks

Currency risks comprise the risk of loss (or the possibility of a gain) when exchange rates change. Currency risks arise when income and expense items in foreign currency are recognised in the income statement or from value adjustment of balance sheet items denominated in other currencies.

A substantial part of the group's sales takes place in USD and EUR. Raw materials etc. are also typically purchased in USD and EUR, whereas other cost items are typically incurred in DKK or PLN. The group does not use derivative financial instruments to hedge currency risks from cash flows or balance sheet items. Instead, the group uses foreign currency to settle same currency debt items, which generally reduces the currency risk. A currency fluctuation in USD/DKK of ± DKK 0.50 would subject the group to a currency risk of about ± DKK 0.5 million based on the balance sheet items in USD at the balance sheet date. Similarly, a currency fluctuation in PLN/DKK of ± DKK 0.20 would subject the group to a currency risk of about ± DKK 0.5 million based on the balance sheet items in PLN at the balance sheet date. The group's currency risk in connection with fluctuations in EUR/DKK is considered immaterial.

TOPSIL SEMICONDUCTOR MATERIALS A/S

Siliciumvej 1
DK-3600 Frederikssund
Tel.: +45 47 36 56 00
Fax +45 47 36 56 01
E-mail: topsil@topsil.com
www.topsil.com

CVR no.: +45 24 93 28 18