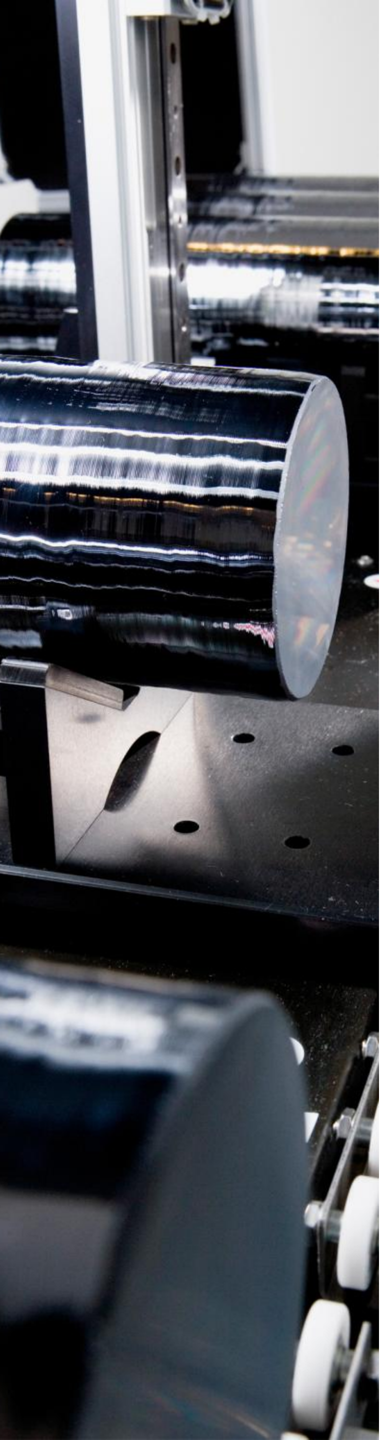

Topsil Semiconductor Materials A/S

Financial result Q3 2010

LD
19 November 2010

AGENDA

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HIGHLIGHTS FROM Q3 2010

Market – *positive outlook*

- **Positive development continues**
  - Underlying trends and sales situation remain positive for both FZ and CZ silicon. Market share maintained
  - Expected high increase in order volume due to new contracts
  - Key contract customers initiating major production expansion projects affecting short term procurement and inventory levels next 6-9 months
  - Orders reallocated from Q4 to late Q3

Revenue - *up in Q3*

- **Q3 2010: Revenue of DKK 115.6m (Up by 46.1% YoY)**
  - Growth in both FZ and CZ businesses

- **YTD 2010: Revenue of DKK 331.4m (Up by 22.4% YoY)**

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HIGHLIGHTS FROM Q3 2010

Earnings - *in line with expectations*

- **Q3 2010: EBITDA of DKK 26.4m (EBITDA margin of 22.9%)**
- **Q1-Q3 2010: EBITDA of DKK 70.0m (EBITDA margin of 21.1%)**
- **Earnings influenced by:**
    1. Modified product mix
    2. Efficiency, full capacity utilization on existing FZ pullers (2 more to be introduced)
    3. Raw materials on old poly contracts into Q3
    4. Increase in ramp up expenses

Full year guidance maintained

- Revenue: DKK 440-460m
- EBITDA: DKK 100-110m

INCREASED GROWTH IN BOTH FZ AND CZ IN Q3

DKKm	Q3 2010	Q3 2009	Q3 YTD 2010	Q3 YTD 2009
Revenue	115.6	79.1	331.4	270.6
Direct production costs	(59.0)	(32.0)	(161.0)	(122.0)
Other external costs & staff costs	(30.2)	(26.9)	(100.5)	(86.7)
EBITDA	**26.4**	**20.2**	**69.9**	**61.9**
Depreciation, amortisation and impairment	(3.3)	(4.1)	(9.6)	(11.9)
EBIT	**23.1**	**16.1**	**60.3**	**50.0**
Net financial items	(5.7)	(2.8)	(6.9)	(7.3)
Profit before tax	**17.4**	**13.3**	**53.4**	**42.7**
Tax on profit	(2.9)	(3.0)	(12.1)	(14.8)
Net profit	**14.5**	**10.3**	**41.3**	**27.9**

- **Revenue growth of 46.1% in Q3 2010 (YoY)**
  - Growth in both FZ and CZ (+14% / +56%)
  - Revenue higher than expected
  - Total Volume increase more than 25% (YoY)
- **Overall contribution margin lower YoY due to:**
  - **higher share of FZ sold in contract**
  - **Increased CZ volume**
- **EBITDA of DKK 26.4m vs. DKK 20.2m**
  - Margin at 22.9% (25.6% in 2009) reduced due to higher external costs and staff charges.
  - CEMAT70 contributes with DKK 1.6
- **Financials impacted by lower USD rates**

RATE OF TURN OVER UP ON WORKING CAPITAL

DKKm	Q3 2010	Q3 2009	FY 2009
Intangible assets	33.4	46.4	31.5
Property. plant and equipment	113.2	155.0	94.1
Financial assets	31.8	72.5	80.1
Non-current assets	**178.4**	**273.9**	**205.7**
Inventories	119.0	126.1	108.0
Receivables	92.2	88.3	118.9
Cash and cash equivalents	101.5	56.8	11.8
Assets held for sale	97.9	0.0	147.4
Current assets	**410.6**	**271.2**	**386.1**
ASSETS	**589.0**	**545.1**	**591.8**
Equity. Topsil	**377.1**	**207.1**	**236.0**
-minority interests	**40.0**	**68.3**	**64.6**
Non-current liabilities	30.0	142.2	120.9
Current liabilities	128.0	127.5	157.4
Liabilities relating to assets held for sale	13.9	0.0	12.9
Total liabilites	**171.9**	**269.7**	**291.2**
EQUITY AND LIABILITIES	**589.0**	**545.1**	**591.8**
Capital invested	336.4	287.9	330.8
Net working capital	129.9	86.7	132.2
Investment in PPP	25.7	16.4	22.2
Net interest-bearing debt (asset)	(81.9)	42.1	30.7

- **New bank agreement to leverage balance sheet**
  - Increased financial flexibility
  - Financial assets (cash deposits) converted to cash and reduce debt.
- **Assets held for sale reduced due to dividend payment (PLN 31m)**
- **NWC back at December 2009 level as activities increase**
  - Inventories at same level as per Q1 2010.
  - NWC will increase with activity
- **Debt re-paid in Q3**
- **Net interest bearing debt eliminated with proceeds from share offerings**

CONTINUEOSLY POSITIVE CASH FLOWS DUE TO HIGHER EBIT

DKKm	Q3 2010	Q3 2009	Q3 YTD 2010	Q3 YTD 2009
EBIT	23.1	16.1	60.3	50.0
Adjustments	4.1	5.9	12.9	14.0
Change in deposits and prepayments	64.6	14.3	64.6	4.3
Change in net working capital	9.5	(55.4)	3.9	(42.9)
Cash flows from operating activities	**101.3**	**(19.1)**	**141.7**	**25.4**
Income tax paid	0.0	(0.9)	(1.5)	(1.2)
Financial income received	0.1	1.0	1.6	3.1
Financial income paid	(5.8)	(3.8)	(8.5)	(10.5)
Cash flows from operations	**95.6**	**(22.8)**	**133.3**	**16.8**
Cash flows from investing activities	**(8.4)**	**(3.2)**	**(30.5)**	**(18.6)**
Cash flows from financing activities	**(121.8)**	**(5.6)**	**(55.9)**	**(8.4)**
Cash flows	**(34.6)**	**(31.6)**	**46.9**	**(10.2)**

- **CFFO impacted by change in NWC**
  - Decrease in trade receivables end Q3 (was high in Q2)
  - Inventories “flat”
  - Release of cash deposits
- **CAPEX driven by “new factory” and items in Cemat Silicon**
- **Acquisition Financing re-paid with >DKK 120m**

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AGENDA

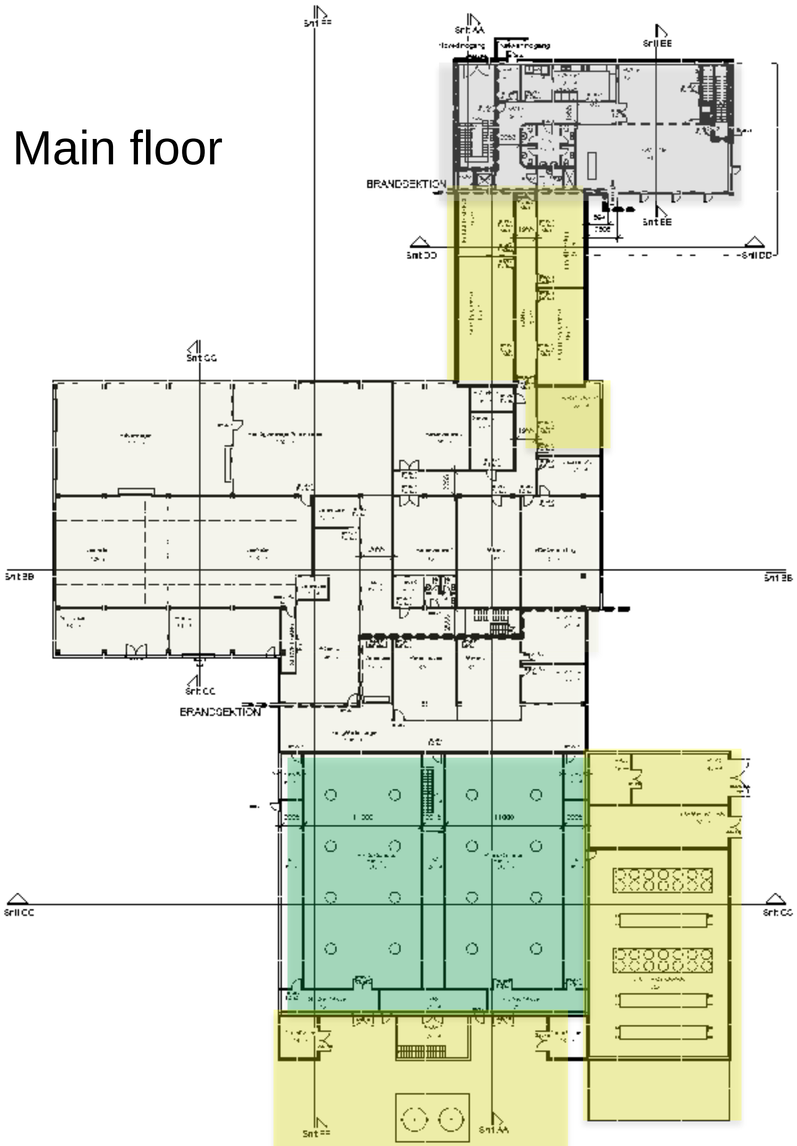
TOPSIL PURE SILICON

DESIGN OF FACILITY

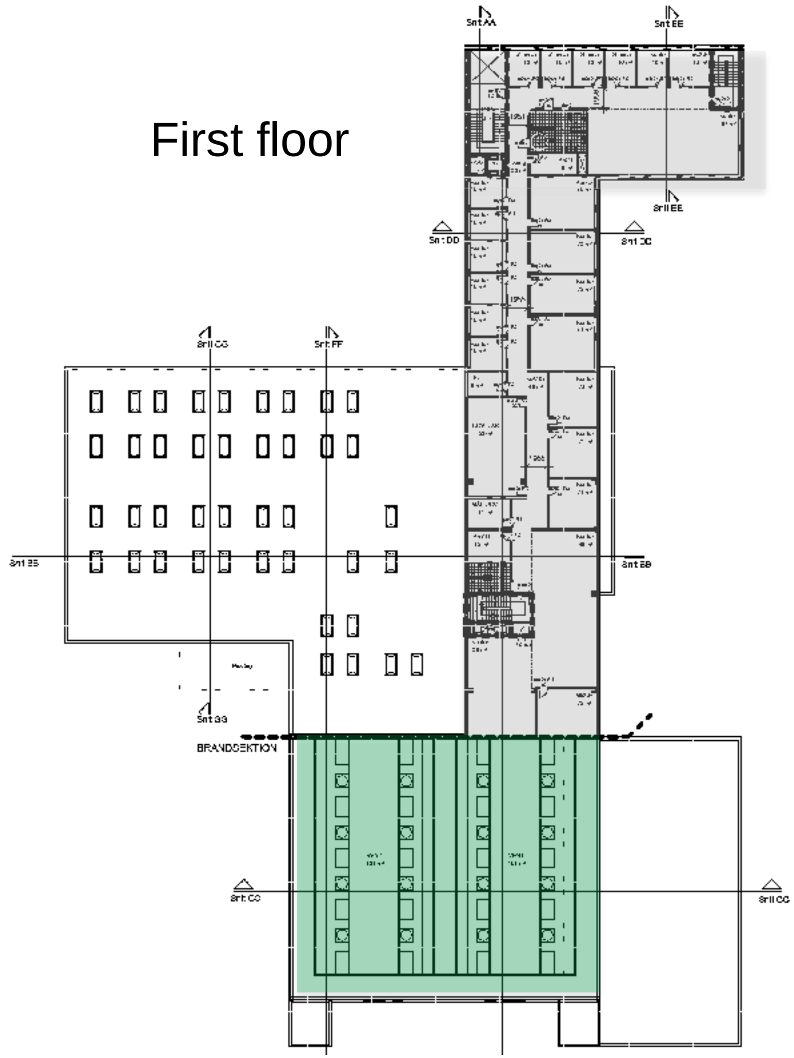
Site area m^2	15.000
Facilities m^2	5.046
Advantages	Offices adjacent to the production area. Flexible in terms of expansion
Disadvantages	Visible ventilation area – (roof top)

FACILITY LAYOUT

Main floor



First floor



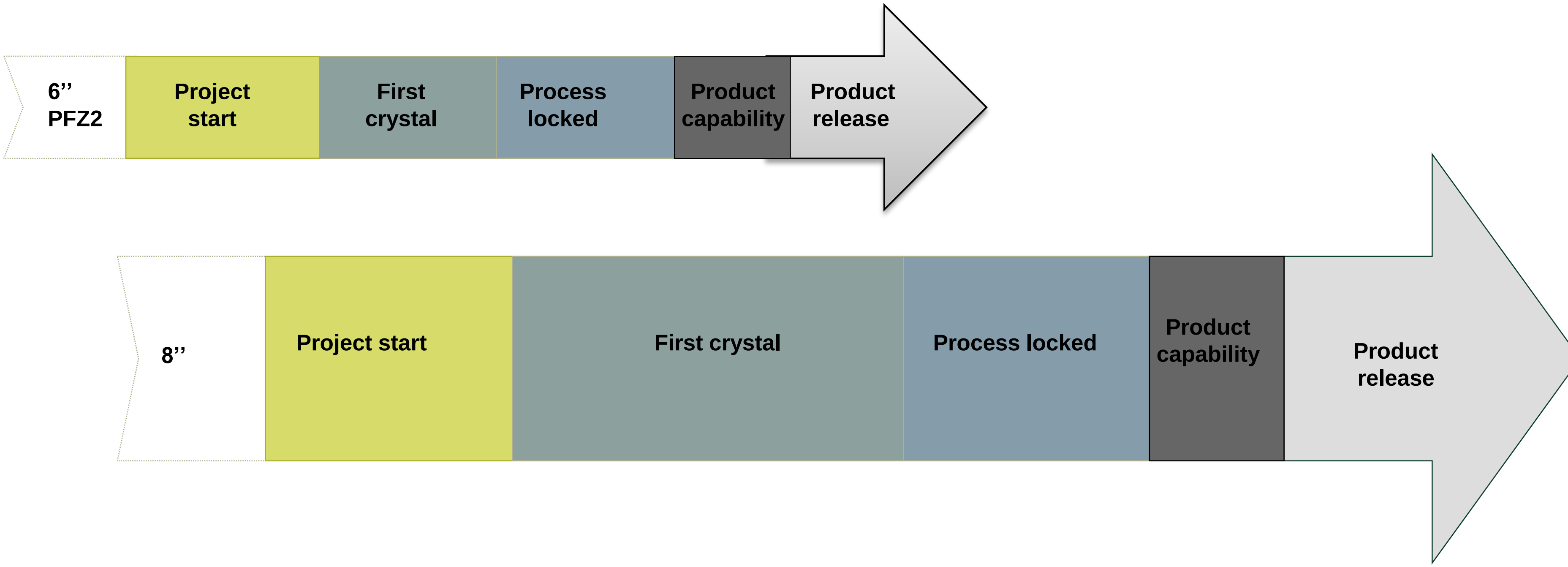
m^2 DISTRIBUTION

	Existing	Sketch	Note
Clean room	224	292	
Clean room (additional height)	296	484	
Workshop area	410	822	Additional space added
Offices	832	1040	
Storage, technical room	645	1136	Additional space added
Hallway	211	200	
Basement,FZ	325	484	
Grey Zone		540	walls incl.
Rented additional m^2	800		
Sum	**3743**	**4998**	

TIME FRAME

- Project approval: 17 November 2010
- Call for tenders (main project): 14 January 2011
- Deadline for submitting tenders: 7 February 2011
- Contract formation - construction work and building installations: 25 February 2011
- Planning permission: 1 March 2011
- Initiation of construction work: 21 March 2011
- Construction work completed: 20 January 2012
- Expected commencement of internal process installations: 1 December 2011
- Facility completed: 1 May 2012.

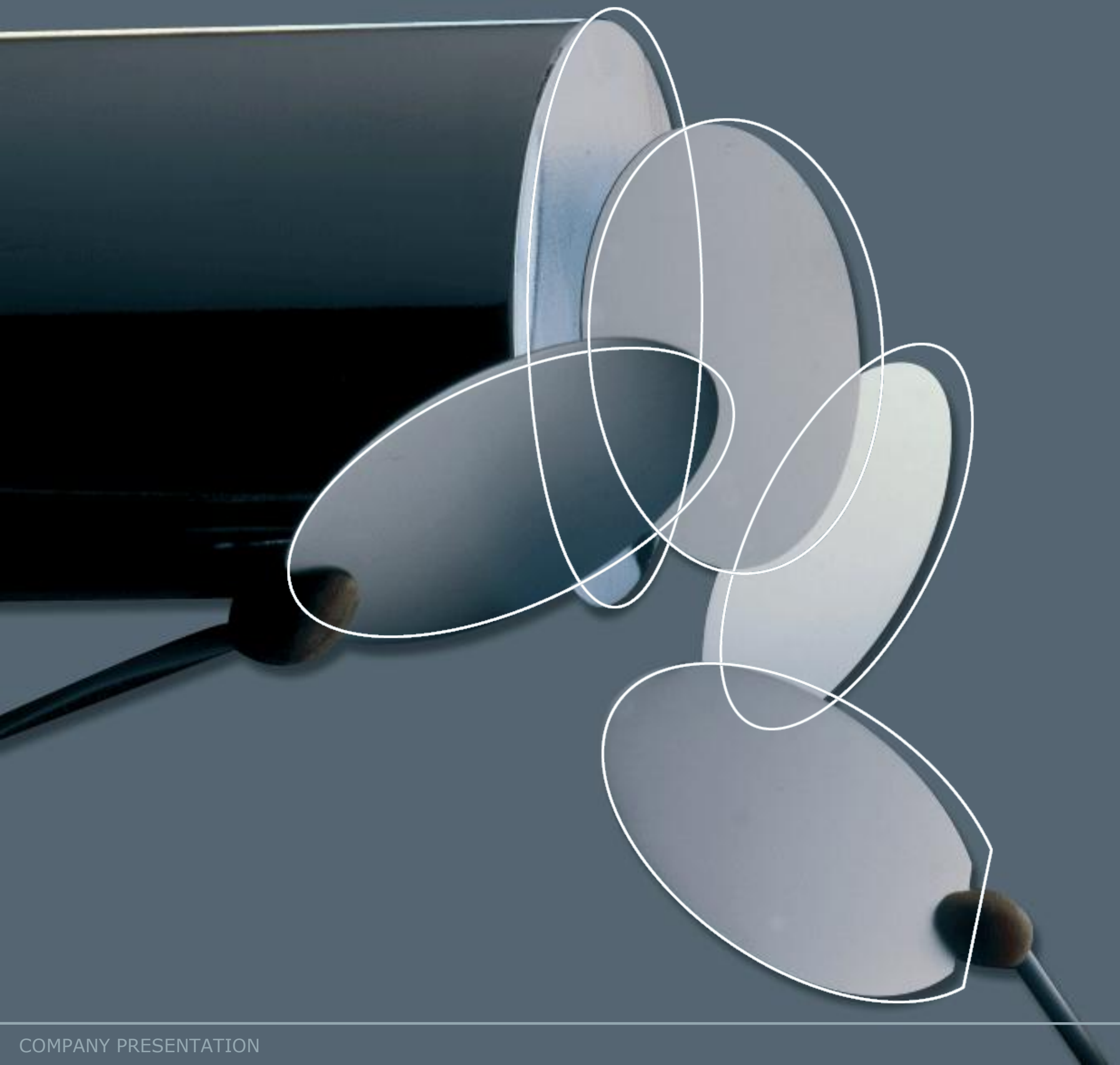
PRODUCTS IN PROGRESS



AGENDA

EXPECTIONS FOR 2010 MAINTAINED

- **The underlying markets for both FZ and CZ remain strong**
  - Topsil is however, sensitive to fluctuations on a few customers, both in FZ and CZ. Customer adjustments and fluctuations that are unrelated to the general market thus affect quarter-on-quarter order volumes
- **Change of CZ product mix to generate higher margins**
  - Topsil is in the process of changing the product mix from CZ to CZ-Epi which is a more niche-specific product with higher margins
  - CZ-Epi is currently being marketed to a number of new customers
- **New FZ machines successfully tested throughout Q3**
  - The machines will be commissioned during the last months of the year
- **FY2010 guidance maintained**
  - Revenue: DKK 440-460m (+5-10% rel. to 2009)
  - EBITDA: DKK 100-110m, maintaining the EBITDA margin around 23%

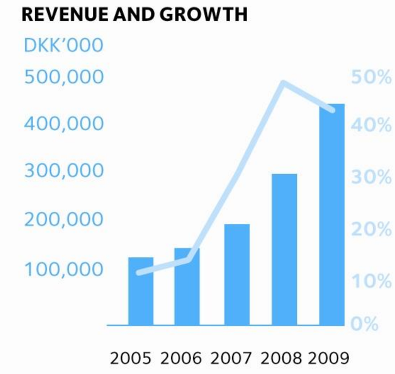


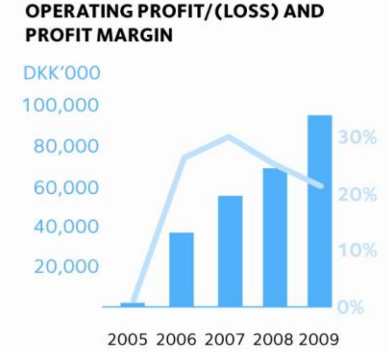
APPENDIX

Back up slides

TOPSIL – A NICHE PRODUCER OF SILICON FOR THE SEMICONDUCTOR INDUSTRY

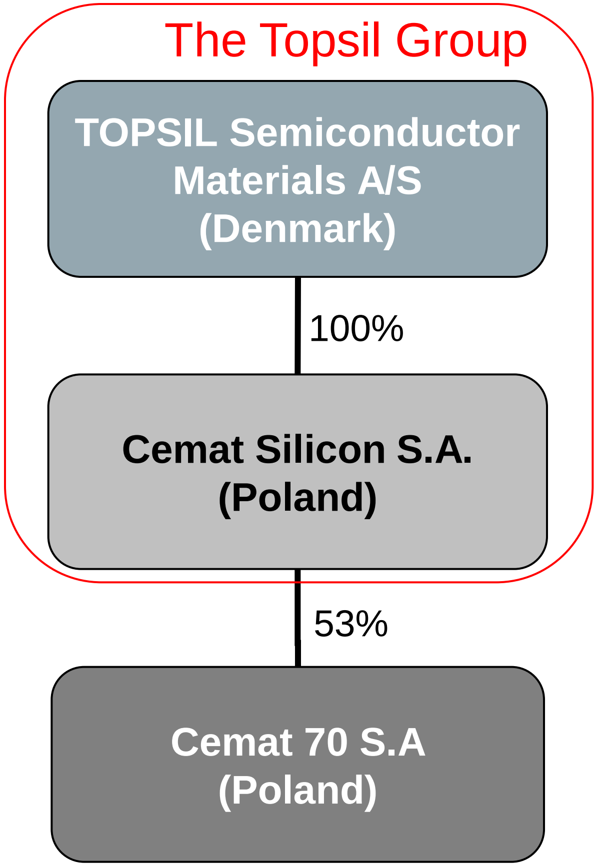
- **+50 years' experience in the processing of silicon to the semiconductor industry**
  - Strong position within the production of float zone (FZ) and since 2008 czochralski (CZ) silicon
  - Sells mainly to semiconductor markets, the Power market, MEMS, Optoelectronics & detectors as well as RF electronics / IPD, a market totalling USD 1.3bn or around 10% of the total silicon market for the semiconductor industry (2009)
  - Favourable position among the four largest suppliers of silicon with a global market share of 7% of the Power market
  - Professionalism and technological weight as core competencies
- **Strong customer and supplier relations**
  - Niche plus strategy focusing on high/medium power products for selected customers
  - Long-term contracts running until the end of 2015 and 2017 with the only two producers of the FZ raw material (polysilicon)
  - Long-term contracts running until the end of 2015 with the largest and most important customers, ensuring a significant part of revenue





TOPSIL PURE SILICON

GROUP OVERVIEW



- Production based on FZ technology
- Head office with administrative functions
- Development of FZ-based production
- 82% of 2009 revenue – about 100 employees

- Production based on CZ technology and in-house production of CZ and FZ wafers
- Development of CZ-based production
- 15% of 2009 revenue – about 220 employees

- Property company – non-core activity – held for sale
- 47% owned by the Polish state (24.7%), SPEC (9.4%) and other private investors (12.9%)
- Earnings and cash flow neutral - 55 employees

FROM SAND TO HIGH END PRODUCT

THE FLOAT ZONE PROCESS – FROM POLYSILICON TO WAFER

STEP 1


QUARTZ SAND


REDUCTION


DISTILLATION


SIEMENS PROCESS


POLYSILICON

THE FLOAT ZONE PROCESS – FROM POLYSILICON TO WAFER

FZ

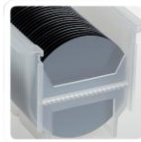
STEP 2


POLYSILICON


FZ PROCESS


IRRADIATION (NTD)


WAFERING


FINISHED WAFER

CZHOCHRALSKI PROCESS – FROM CRUSHED POLYSILICON TO WAFER

CZ

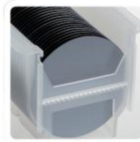
STEP 2


POLYSILICON


CZ PROCESS


WAFERING


EPITAXY PROCESS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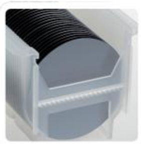
FROM TOPSIL TO CUSTOMER

STEP 3 AND 4


FINISHED WAFER

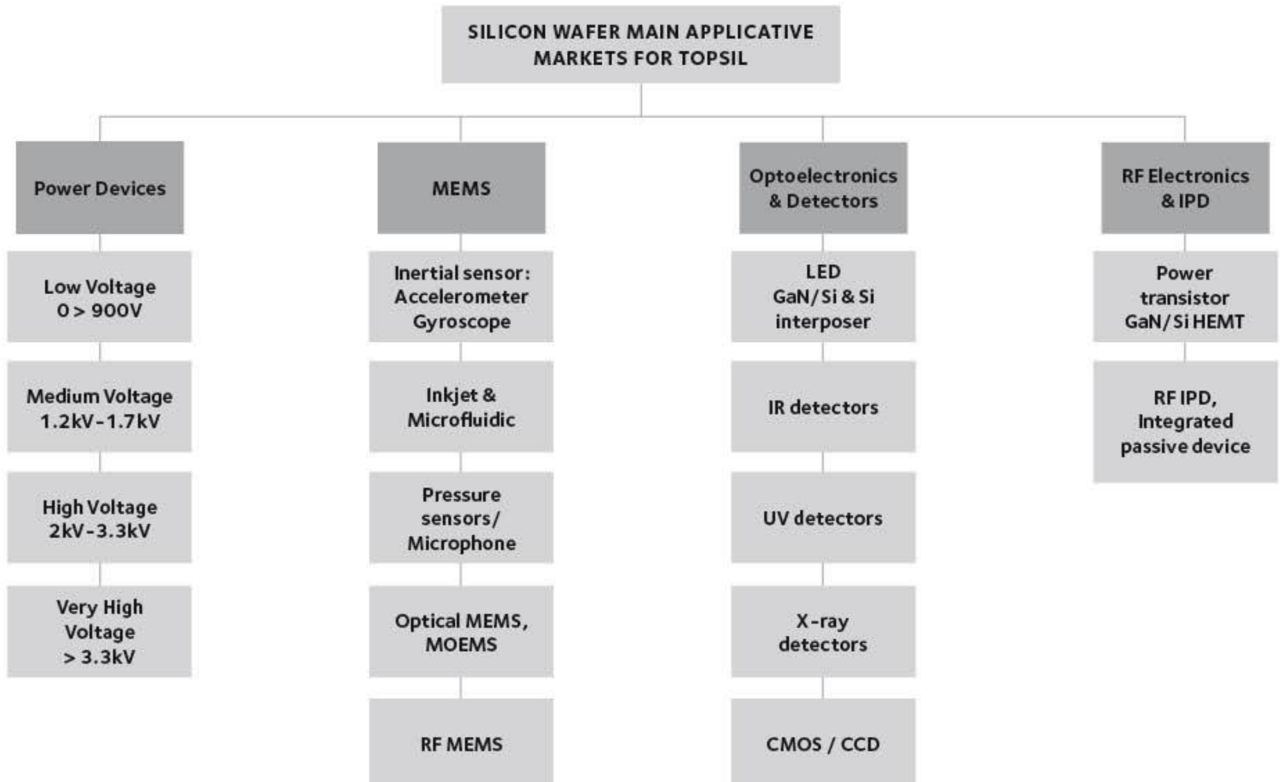

DIFFUSION


COMPONENT


ELECTRONIC CONTROL


END-USE

THE TOPSIL GROUP ADDRESSES FOUR SEMICONDUCTOR MARKETS
- THE POWER MARKET IS THE LARGEST BY FAR IN TERMS OF REVENUE



Revenue split for Topsil Group (2009)

90%	3%	2%	5%

Source: Yole Developpement and the Topsil Group, 2009

TOPSIL IS DEDICATED TO HIGH PERFORMANCE DEVICES





- High and very high power with high resistivity

NTD

PFZ

- High Power
- Increasing proliferation of medium power products







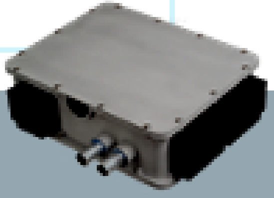



- Low to medium power
- High volumes and strong price competition

CZ

CZ EPI

- Low and medium power
- High volumes and price competition




Source: Yole Developpement, France

THE TOPSIL GROUP'S PRODUCT RANGE MATCHES THE MOST SIGNIFICANT GROWTH DRIVERS

- **According to Yole Developpement, annual growth rates in the Topsil Group's four semiconductor markets from 2009 to 2012 will be between 8% and 20% (CAGR)**

- **CAGR for the Power market is expected to be 11%**
  - <u>Above 3.3kV</u>: Expected CAGR of 9% for NTD-based components used e.g. for the distribution of energy, a not so cyclical segment
  - <u>2kV-3.3kV</u>: Expected CAGR of 15% for NTD and partly for other substrates used in e.g. industrial or transport applications or in wind turbines
  - <u>1.2kV-1.7kV</u>: Expected CAGR of more than 15% for PFZ, and in some cases also CZ-EPI and CZ used in industrial applications, medical equipment and the automobile industry
  - <u>Less than 900V</u>: Expected CAGR of around 10% for applications based mainly on CZ substrates

- **Core products FZ-NTD, FZ-PFZ and CZ-EPI expected to generate the highest growth rates**

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STRATEGY 2010-2012 – SEIZING THE OPPORTUNITY

Situation

Market growth

Access to raw material & competitive prices

New customer contracts (increased volumes)

Customer requirements:
- Reduced costs
- Stable quality
- Shorter production time
- Increased automation

Opportunities

Expansion

Improvements & expansion

Strategy chosen

Four strategic focus areas
1 – Improve Topsil's customer satisfaction
2 – A stronger Cemat
3 – Reduce Topsil's costs
4 – A stronger financial position for the group

Closely related

The Topsil Group:
- Greenfield (Topsil)
- Wafering (Cemat)
- R&D (8")

Objectives

- Significant expansion of competitive position during the strategy period
- Build up scalable production capacity, capacity to be increased by four to five times
- Profitable growth – EBITDA margin of at least 25% by the end of 2012

NEW BANK AGREEMENT TO SUPPORT IMPLEMENTATION OF GROWTH STRATEGY

- **Topsil enters into an agreement with a new bank – Jyske Bank**
  - Access to committed loan facilities with much greater flexibility and better terms than the existing bank facilities.
  - Facilities consist of both operating and investment facilities and will support the execution of the strategy plan "Seizing the Opportunity"
    - 45.0m DKK overdraft facility/80.0m DKK investment facility
    - 3-year committed facilities
    - Release of cash collateral for guarantees issued to supplier/customer
    - Headroom in covenants in order to support the strategic plan