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TOPSIL SEMICONDUCTOR MATERIALS A/S
Interim report, Q1 2016
1 January–31 March 2016

TOPSIL HAS SIGNED AN AGREEMENT TO SELL ITS SILICON BUSINESS

Topsil's Board of Directors has signed an agreement to sell Topsil's silicon business to GlobalWafers at a price of DKK 320 million. The agreement is subject to approval by the shareholders at the extraordinary general meeting to be held on 17 June 2016.

Over the past few years, Topsil has been seriously challenged by negative market developments, too expensive and too comprehensive long-term raw materials contracts and the failure of some of our subsuppliers to meet our quality standards. Thanks to our efforts during the past few years to strengthen Topsil's position within highly specialised float zone wafers for the power market, several major bidders have found our silicon business attractive despite our poor financial performance.

By becoming part of one of the leading players in the business, Topsil is taking a necessary step towards improving our competitive strength. The move will significantly reinforce our negotiating position in respect of major customers and suppliers, and GlobalWafers possesses the wafering technology that has previously caused us problems due to the failure of a sub-supplier to live up to our quality standards.

Kalle Hvidt Nielsen, CEO

Q1 HIGHLIGHTS

- On 20 May 2016, the Board of Directors signed a conditional agreement to sell Topsil's silicon business to GlobalWafers for DKK 320 million on a debt-free basis.

- The selling price cannot yet be finally determined, being subject to specific factors, including the outcome of a patent dispute, a calculation of the value of Topsil's inventories and the revenue of Topsil's silicon business for the six months ending 30 June 2016. In a worst case assumption, this is believed to involve a possible reduction of the selling price in the order of 10%.

- Considering the transaction to be in the interests of shareholders, employees and other stakeholders, Topsil's Board of Directors recommends that the Company's shareholders approve the sale of the silicon business.

- If the sale is approved by the extraordinary general meeting to be held on 17 June 2016, Management will take steps to significantly trim the continuing business, which will comprise a Danish listed holding company, whose only activity will be the Polish property business, which is currently being prepared for sale.

- On completion of the transaction and repayment of its bank debt, payment of transaction costs and management changes, the listed company is expected to have at its disposal excess liquidity in the net amount of approximately DKK 110 million, equal to DKK 0.21 per share. The Board of Directors recommends that most of these cash funds be distributed to the company's shareholders in the third quarter of 2016.

- As a result of the conditional agreement to sell Topsil's silicon business, our reporting is to be divided into continuing and discontinued operations.

- Topsil reported a loss of DKK 92.5 million for the first quarter of 2016, of which DKK 88.0 million can be attributed to depreciation, amortisation and impairment of the assets of the silicon business in accordance with the anticipated selling price of the silicon activities.

OUTLOOK FOR 2016

Our expectations are based on the assumption that the sale of Topsil's silicon business is approved by the extraordinary general meeting to be held on 17 June 2016.

If the divestment is completed effective 1 January 2016, revenue is therefore expected to amount to DKK 36 million, assuming that under the new ownership the Polish silicon business stays on as a tenant throughout 2016 and purchases utilities (hydrogen, power, water, etc.) from the property company in the same amounts as previously.

The divestment of the silicon business is expected to be finalised in the third quarter of 2016, following which steps will be taken to significantly trim the Danish listed holding company.

For the year as a whole, EBITDA is expected to amount to a loss of DKK 10-15 million, impacted by restructuring costs in the region of DKK 11 million.

If the sale of the silicon business falls through, sales efforts are expected to impact adversely on EBITDA.

Moreover, in order to implement its strategy and create additional value for its shareholders, Topsil will, the Board of Directors believes, require a significant capital contribution if the sale is not completed.

FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

DKK'000	Q1 2016	Q1 2015	FY 2015
Income statement:			
Revenue	3,663	3,859	14,456
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(2,775)	(2,739)	(8,976)
Operating profit/(loss) (EBIT)	(3,975)	(3,920)	(13,711)
Net financials	(2,553)	(3,153)	(12,534)
Profit/(loss) for the period, continuing operations	(6,538)	(7,096)	(26,752)
Profit/(loss) for the period, discontinued operations	(85,932)	(6,652)	(63,313)
Profit/(loss) for the period	**(92,470)**	**(13,748)**	**(90,065)**
Of which attributable to parent company shareholders	(92,555)	(13,755)	(90,298)
Cash flow statement:			
Cash flows from operating activities	(6,338)	2,011	(16,668)
Cash flows from investing activities	(303)	(450)	(1,473)
Investments in property, plant and equipment	(303)	(450)	(1,473)
Balance sheet:			
Share capital	132,029	132,029	132,029
Equity attributable to parent company shareholders	149,461	325,422	243,912
Equity attributable to non-controlling shareholders	16,121	16,983	16,782
Total consolidated equity	165,582	342,405	260,694
Total assets	460,487	651,451	556,092
Invested capital	429,294	511,438	440,069
Net interest-bearing debt	187,119	170,866	182,462
Net working capital (NWC)	111,298	123,412	117,643
Financial ratios:			
EBITDA margin (%)	(75.8)	(71.0)	(62.1)
EBIT margin/profit margin (%)	(108.5)	(101.6)	(94.8)
Return on invested capital (%)	(0.8)	(0.8)	(2.8)
Equity ratio	36.0	52.6	46.9
Return on equity (%)	(43.4)	(4.0)	(29.8)
Current number of shares (thousands)	528,114	528,114	528,114
Earnings per share (DKK)	(0.18)	(0.03)	(0.17)
Price per share (DKK)	0.28	0.46	0.28
Average number of employees (FTE)	35	36	35

DIVESTMENT OF THE SILICON BUSINESS

On 20 May 2016, Topsil signed an agreement to sell its silicon business to GlobalWafers Co. Ltd.

The agreed selling price is DKK 320 million on a debt-free basis. However, the selling price cannot yet be finally determined, being subject to specific factors, including:

- the outcome of a patent dispute concerning a patent for the sale and manufacture of FZ wafers with a diameter of 200 mm or more that a foreign competitor has obtained in Denmark
- a calculation of the value of Topsil's inventories
- the revenue of Topsil's silicon business for the six months ending 30 June 2016.

In a worst case assumption, this is believed to involve a possible reduction of the selling price in the order of 10%.

In addition, Topsil has issued guarantees and representations which are customary for this type of transaction.

Considering the transaction to be in the interests of shareholders, employees and other stakeholders, Topsil's Board of Directors recommends that the divestment be approved by the extraordinary general meeting to be held on 17 June 2016.

On completion of the transaction and repayment of its bank debt, payment of transaction costs and management changes, the listed company is expected to have at its disposal excess liquidity in the net amount of approximately DKK 110 million, equal to DKK 0.21 per share. The Board of Directors recommends that most of these cash funds be distributed to the company's shareholders in the third quarter of 2016.

As a result of the signing of this agreement, Topsil's results of operations for the three months ended 31 March 2016 and its assets, liabilities and cash flows at 31 March 2016 must, under IFRS, be divided into continuing and discontinued operations. This means that the comparative figures of the income statement must be restated to reflect the continuing operations. Comparative balance sheet figures are not to be restated and therefore reflect the total business at 31 December 2015 and 31 March 2016, respectively.

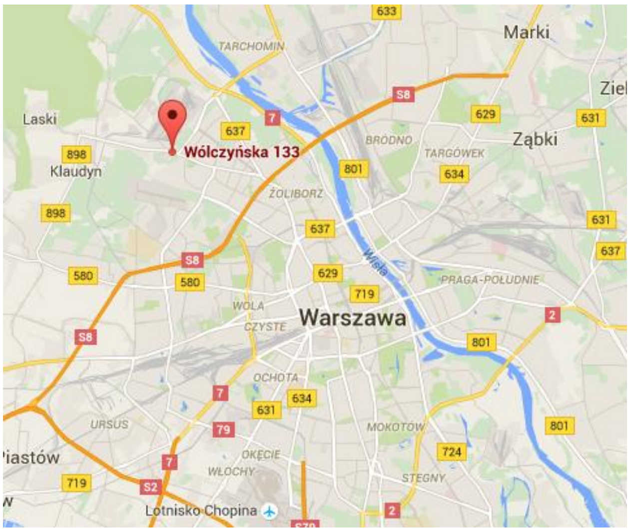
CONTINUING OPERATIONS

INTRODUCTION

The Company's continuing operations comprise a listed holding company in Denmark with a property business in Poland, operated through the 77.66%-owned subsidiary Cemat'70 S.A.

The ongoing efforts to divest the assets of the property business will continue unabated.

Cemat'70 owns 133 thousand sqm of land and 41 thousand sqm of buildings on the outskirts of Warzaw, approximately 8 kilometres from the centre of a major district called Bielany, which has undergone significant development over the past few years with a large number of housing units and new retail businesses being established. The land held by Cemat'70 is currently classified for industrial purposes, but the Company is working to reclassify it to residential and retail land to include it in the ongoing development of the district.



Cemat'70 engages in the letting of premises and land and the provision of utilities, including power, water and gas, and facility services, etc. to its tenants.

Cemat'70 has around 90 tenants, of which Topsil Semiconductor Materials S.A. is the largest.

FINANCIAL REVIEW

Revenue totalled DKK 3.7 million in Q1 2016, compared with DKK 3.9 million for the same period of 2015.

Costs amounted to DKK 6.4 million in Q1 2016, compared with DKK 6.6 million for the same period of 2015, comprising costs relating to the operation of the Polish property business and administration of the holding company (the continuing listed company in Denmark).

The holding company's costs primarily relate to the Board of Directors, the Management Board, the Executive Secretary and costs associated with being a listed company.

EBITDA was a loss of DKK 2.8 million. In the same period of last year, EBITDA was a loss of DKK 2.7 million.

PLANS FOR THE PROPERTY OPERATIONS

EBITDA has been calculated in accordance with IFRS and the accounting rules applying during the transition phase until the sale of the silicon business has been completed. Accordingly, transactions with Topsil Semiconductor Materials S.A. are still eliminated. EBITDA includes all costs relating to the current Management.

The holding company's administrative organisation will be significantly trimmed if the divestment of the silicon business is approved by the general meeting. Restructuring costs are expected to amount to DKK 11 million, which amount is not included in the financial statements for the first quarter of 2016 as the restructuring awaits the outcome of the sales process.

Adjusted for these factors, the table below illustrates the underlying continuing business as follows:

Estimated effect of sale of silicon business and reorganisation of holding Q1 2016 (DKKm)	Reported, cf. P&L in interim report	Rental income and sales of utilities to Topsil Poland	Total property operations, incl. holding	Property operations after reorganisation of holding
Revenue	3,7	5,7	9,3	9,3
Costs, property operations	-2,5	-5,2	-7,7	-7,7
EBITDA, property operations	**1,1**	**0,5**	**1,6**	**1,6**
Costs, holding	-3,9		-3,9	-0,5
EBITDA, continuing operations	**-2,8**	**0,5**	**-2,3**	**1,1**

PLANS FOR DIVESTMENT OF THE PROPERTY BUSINESS

Efforts to divest the assets of the property business continue unabated.

These efforts have been intensified over the past two years and a number of different measures have been initiated to prepare the company's assets for a divestment and sell them off.

The key issues remaining to be resolved before this can take place are the remaining claims regarding title to the land and the reclassification of the land for residential and retail purposes.

The claims relate to a dispute between the former landowner and the Polish state, which expropriated the land back in the 1970s. Our title to the land depends on these claims being resolved. While the Polish state, and thus Cemat'70, has won all the claims tested in court, this is a time-consuming process.

Up until now, the complexity and importance of these claims have been underestimated, but we have now engaged local advisers specialising in claims handling to assist us.

We are currently talking to five or six potential buyers who are interested in buying all or part of the land. Before we can sell it, however, we need to obtain title to the land and reclassify the site from industrial to residential and retail uses.

It is expected that it may take up to 5–10 years to exploit the full potential, and that a substantial gain may be made if we succeed in obtaining title and in reclassifying the use of the site.

DISCONTINUED OPERATIONS

The silicon market is still affected by price pressures, and this is reflected in the revenue for Q1 2016.

Revenue totalled DKK 55.7 million in Q1 2016, down from DKK 56.3 million in the same period of 2015.

Direct production costs were DKK 30.9 million, up from DKK 28.2 million in Q1 2015. The contribution ratio was 44.5% in Q1 2016 against 49.8% for the same period of 2015, impacted by persistent price pressures.

As part of Topsil's strategy, we are in the process of renegotiating contracts with our two raw materials suppliers in order to obtain more competitive cost prices. Renegotiations with one supplier have been completed, while talks with the other are proving very difficult and are still ongoing.

Topsil is also conducting negotiations on the formation of a strategic sales partnership with a major industrial partner. However, these negotiations are awaiting clarification of Topsil's sales process, among other things.

Other external expenses and staff costs amounted to DKK 23.9 million for Q1 2016, down 6.6% from DKK 25.6 million in Q1 2015. The DKK 1.7 million reduction was due to staff and cost reductions.

The average number of full-time employees of the discontinued operations in Q1 2016 was 295, 22 fewer than in the same period of last year.

Net assets have been written down to DKK 305 million, their expected selling price after costs, etc. As a result, carrying amounts have been reduced by depreciation, amortisation and impairment losses totaling DKK 88 million.

Cash flows from discontinued operating activities amounted to an inflow of DKK 3.5 million in Q1 2016, compared with an inflow of DKK 8.3 million in Q1 2015. A prepayment received in connection with renewal of the contract with one of Topsil's largest customers lifted the Q1 2015 figure.

With investments totalling DKK 1.4 million in Q1 2016, the cash flow from discontinued operations was a net inflow of DKK 2.1 million.

Q1 RESULTS

EBITDA was a loss of DKK 2.8 million. In the same period of last year, EBITDA was a loss of DKK 2.7 million.

Depreciation and amortisation for Q1 2016 was DKK 1.2 million, consistent with Q1 2015.

Net financials amounted to an expense of DKK 2.6 million in Q1 2016, compared with an expense of DKK 3.2 million in Q1 2015. As its activities are mainly denominated in Polish zloty, the continuing business was only mildly impacted by foreign exchange adjustments.

The continuing operations posted a loss of DKK 6.5 million for Q1 2016, compared with a loss of DKK 7.1 million in Q1 2015.

The discontinued operations reported a loss of DKK 85.9 million for Q1 2016, due, among other things, to a write-down of assets to reflect the anticipated selling price of the silicon business.

Overall, Topsil reported a loss of DKK 92.5 million after tax for the first quarter of 2016, of which DKK 88.0 million can be attributed to depreciation, amortisation and impairment of the assets of the silicon business in accordance with the anticipated selling price of the silicon activities.

CASH FLOW STATEMENT AND BALANCE SHEET

Cash flows from operating activities amounted to an outflow of DKK 6.3 million. Investments in Q1 2016 totalled DKK 0.3 million.

Consolidated non-current assets amounted to DKK 61.3 million at 31 March 2016, primarily comprising land and buildings, rights of use and the production equipment of the property business.

In the balance sheet, the discontinued operations are presented in two line items, "Assets held for sale", amounting to DKK 387.4 million, and "Liabilities relating to assets held for sale", amounting to DKK 82.4 million. The discontinued operations are measured at a net DKK 305.0 million at 31 March 2016.

INTEREST-BEARING DEBT

At 31 March 2016, the Group's net interest-bearing debt was DKK 187.1 million, up DKK 4.7 million relative to 31 December 2015.

In March 2016, Topsil made an agreement with the Group's principal bankers to extend credit facilities to 1 March 2017. The agreement was set up as a committed corporate loan with operating facilities of DKK 233 million. The previous agreement comprised DKK 250 million of bank loans and guarantees.

Based on expectations for 2016, Management believes that the existing capital resources and the expected future cash flows will be sufficient to maintain operations and finance planned investments. Liquidity is expected to be tight and liquidity forecasts include only a limited buffer for any negative deviations.

EQUITY

Consolidated equity at 31 March 2016 stood at DKK 165.6 million, of which DKK 149.5 million was attributable to shareholders of Topsil Semiconductor Materials A/S and DKK 16.1 million to non-controlling interests in Cemat'70 S.A.

The equity ratio was 36.0% at 31 March 2016.

OUTLOOK FOR 2016

Our expectations are based on the assumption that the sale of Topsil's silicon business is approved by the extraordinary general meeting to be held on 17 June 2016.

If the divestment is completed effective 1 January 2016, revenue is therefore expected to amount to DKK 36 million, assuming that the Polish silicon business stays on as a tenant throughout 2016 and purchases utilities (hydrogen, power, water, etc.) from the property company in the same amounts as previously.

The divestment of the silicon business is expected to be finalised in the third quarter of 2016, following which steps will be taken to significantly trim the Danish listed holding company effective from the start of the fourth quarter of 2016.

For the year as a whole, EBITDA is expected to amount to a loss of DKK 10-15 million, impacted by restructuring costs in the region of DKK 11 million.

If the sale of the silicon business falls through, sales efforts are expected to impact adversely on EBITDA.

Moreover, in order to implement its strategy and create additional value for its shareholders, Topsil will, the Board of Directors believes, require a significant capital contribution if the sale is not completed.

The guidance is based on an exchange rate of 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.

INVESTOR RELATIONS COMMUNICATION

Please direct any questions regarding this announcement to CEO Kalle Hvidt Nielsen or CFO Jesper Bodeholt through Susanne Hesselkjær, Executive Secretary, tel.: +45 2926 6752, sh@topsil.com.

SHAREHOLDER PORTAL
At Topsil's shareholder portal at www.topsil.com, shareholders can access information on their shareholdings and register their email addresses for electronic distribution of documents for general meetings and other material relevant to shareholders.

EMAIL SERVICE
Under "Contacts" on Topsil's website, it is possible to subscribe to and unsubscribe from Topsil's electronic email service to receive annual reports, quarterly reports and other company announcements.

Prior to the publication of an interim report, Topsil observes a four-week silent period.

ANNUAL GENERAL MEETING 2016
At Topsil's Annual General Meeting held on 25 April 2016, Jens Borelli-Kjær, Eivind Dam Jensen, Michael Hedegaard Lyng and Jørgen Frost were re-elected to the Board of Directors. The Company's website provides a description of the background and qualifications of the members of the Board of Directors.

The Annual General Meeting approved the Annual Report for 2015 and the Board of Directors' proposal that no dividend be distributed for the year.

After the Annual General Meeting, the Board of Directors elected Jens Borelli-Kjær chairman and Eivind Dam Jensen deputy chairman. The Audit Committee will continue to consist of Michael Hedegaard Lyng (Chairman) and Jørgen Frost for the remainder of the 2016 financial year. The Remuneration Committee will continue to consist of Jens Borelli-Kjær (Chairman) and Michael Hedegaard Lyng, and the Nomination Committee will consist of Jens Borelli-Kjær (Chairman) and Eivind Dam Jensen.

A complete overview of the resolutions adopted is available at www.topsil.com in company announcement no. 3/16.

ANNOUNCEMENTS 2016

11	25.05	Notice to convene Extraordinary General Meeting
10	24.05	Major Shareholder Announcement
9	23.03	Warrant programme and updated Articles of Association
8	20.05	Postponement of Q1 2016 interim report
7	20.05	Agreement on sale of silicon business
6	04.05	Warrant programme for Management Board and executive officers
5	26.04	Updated Articles of Association
4	25.04	Decisions of the Annual General Meeting
3	20.04	Company accouncement
2	01.04	Notice to convene Annual General Meeting
1	31.03	Annual Report 2015

FINANCIAL CALENDAR

25.08	Interim Report, Q2 2016
24.11	Interim Report, Q3 2016

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.

MANAGEMENT STATEMENT

The Board of Directors and the Management Board have today considered and adopted the interim report of Topsil Semiconductor Materials A/S for the three months ended 31 March 2016.

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 31 March 2016 and of the results of the Group's operations and cash flows for the three months ended 31 March 2016.

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, 31 May 2016

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	Sune Bro Duun Elected by the employees	Jesper Leed Thomsen Elected by the employees

INCOME STATEMENT

DKK'000	Q1 2016	Q1 2015	FY 2015
Revenue	3,663	3,859	14,456
Costs	(6,438)	(6,598)	(23,432)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**(2,775)**	**(2,739)**	**(8,976)**
Depreciation, amortisation and impairment	(1,200)	(1,181)	(4,735)
Operating profit/(loss) (EBIT)	**(3,975)**	**(3,920)**	**(13,711)**
Net financials	(2,553)	(3,153)	(12,534)
Profit/(loss) before tax	**(6,528)**	**(7,073)**	**(26,245)**
Tax on profit/(loss) for the period	(10)	(23)	(507)
Profit/(loss) for the period	**(6,538)**	**(7,096)**	**(26,752)**
Profit/(loss) for the period, discontinued operations	(85,932)	(6,652)	(63,313)
Profit/(loss) for the period, including discontinued operations	**(92,470)**	**(13,748)**	**(90,065)**
Appropriation of profit/(loss) for the period:			
Parent company shareholders	(92,555)	(13,755)	(90,298)
Non-controlling interests	85	7	233
	(92,470)	**(13,748)**	**(90,065)**
Earnings per share:			
Earnings per share (DKK)	(0.18)	(0.03)	(0.17)
Diluted earnings per share (DKK)	(0.16)	(0.02)	(0.16)

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	Q1 2016	Q1 2015	FY 2015
Profit/(loss) for the period	(92,470)	(13,748)	(90,065)
Foreign exchange adjustment, foreign companies	(3,012)	11,407	4,904
Comprehensive income for the period	**(95,482)**	**(2,341)**	**(85,161)**
Parent company shareholders	(94,821)	(2,739)	(85,358)
Non-controlling interests	(661)	398	197
	(95,482)	**(2,341)**	**(85,161)**

CASH FLOW STATEMENT

DKK'000	Q1 2016	Q1 2015	FY 2015
Operating profit/(loss) (EBIT)	(3,975)	(3,920)	(13,711)
Depreciation, amortisation and impairment	1,200	1,181	4,735
Share-based payment recognised in the income statement	370	402	1,511
Change in net working capital	(1,734)	10,650	7,066
Tax paid/received	(128)	(97)	(508)
Financial income received	3	7	28
Financial expenses paid	(2,074)	(6,212)	(15,789)
Cash flows from operating activities	**(6,338)**	**2,011**	**(16,668)**
Acquisition etc. of intangible assets	-	-	-
Acquisition etc. of property, plant and equipment	(303)	(450)	(1,473)
Cash flows from investing activities	**(303)**	**(450)**	**(1,473)**
Loans and credits raised	3,584	(9,678)	3,772
Cash flows from financing activities	**3,584**	**(9,678)**	**3,772**
Change in cash and cash equivalents, continuing operations	**(3,057)**	**(8,117)**	**(14,369)**
Change in cash and cash equivalents, discontinued operations	**2,073**	**6,198**	**15,716**
Change in cash and cash equivalents	**(984)**	**(1,919)**	**1,347**
Cash and cash equivalents at beginning of period	8,830	6,903	6,903
Market value adjustment of cash and cash equivalents	(89)	1,992	580
Cash and cash equivalents at end of period	**7,757**	**6,976**	**8,830**

BALANCE SHEET, ASSETS

DKK'000	31/03/ 2016	31/03/ 2015	31/12/ 2015
Goodwill	-	18,071	-
Completed development projects	-	27,442	24,986
Development projects in progress	-	5,783	10,712
Rights of use	13,753	14,974	13,877
Intangible assets	**13,753**	**66,270**	**49,575**
Land and buildings	39,380	167,447	161,956
Plant and machinery	5,416	163,807	105,900
Other fixtures and fittings, tools and equipment	46	1,548	949
Property, plant and equipment under construction	2,366	9,137	4,049
Property, plant and equipment	**47,208**	**341,939**	**272,854**
Other non-current receivables	-	7,897	4,545
Financial assets	**-**	**7,897**	**4,545**
Deferred tax asset	**382**	**4,826**	**7,553**
Non-current assets	**61,343**	**420,932**	**334,527**
Inventories	**455**	**159,884**	**163,384**
Receivables	2,212	41,381	36,558
Other receivables	97	16,760	8,902
Income tax receivable	91	2,163	2,014
Prepayments	1,157	3,356	1,877
Receivables	**3,557**	**63,660**	**49,351**
Assets held for sale	**387,375**	**-**	**-**
Cash and cash equivalents	**7,757**	**6,975**	**8,830**
Current assets	**399,144**	**230,519**	**221,565**
Assets	**460,487**	**651,451**	**556,092**

BALANCE SHEET, EQUITY AND LIABILITIES

DKK’000	31/03/ 2016	31/03/ 2015	31/12/ 2015
Share capital	132,029	132,029	132,029
Translation reserve	(21,765)	(13,423)	(19,499)
Reserve for share-based payment	4,813	3,334	4,443
Retained earnings	34,384	203,482	126,939
Equity attributable to parent company shareholders	**149,461**	**325,422**	**243,912**
Equity attributable to non-controlling interests	16,121	16,983	16,782
Equity	**165,582**	**342,405**	**260,694**
Due to credit institutions	6,858	-	6,812
Finance lease liabilities	359	713	419
Prepayments received from customers	-	18,742	-
Other non-current liabilities	506	2,438	2,579
Deferred tax liabilities	8,007	9,708	7,795
Non-current liabilities	**15,730**	**31,601**	**17,605**
Due to credit institutions	188,018	177,842	184,480
Finance lease liabilities	236	121	232
Trade payables	2,225	54,602	50,160
Prepayments received from customers	-	8,043	25,331
Income tax payable	-	77	-
Other payables	6,321	31,037	15,453
Deferred income	-	5,723	2,137
Liabilities relating to assets held for sale	82,375	-	-
Current liabilities	**279,175**	**277,445**	**277,793**
Total liabilities	**294,905**	**309,046**	**295,398**
Equity and liabilities	**460,487**	**651,451**	**556,092**

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 01.01.2015	**132,029**	**(24,439)**	**2,932**	**217,237**	**327,759**	**16,585**	**344,344**
Profit/(loss) for the year	-	-	-	(13,755)	(13,755)	7	(13,748)
Other comprehensive income	-	11,016	-	-	11,016	391	11,407
Comprehensive income	132,029	(13,423)	2,932	203,482	325,020	16,983	342,003
Share-based payment	-	-	402	-	402	-	402
Equity at 31.03.2015	**132,029**	**(13,423)**	**3,334**	**203,482**	**325,422**	**16,983**	**342,405**
Equity at 01.01.2016	**132,029**	**(19,499)**	**4,443**	**126,939**	**243,912**	**16,782**	**260,694**
Profit/(loss) for the year	-	-	-	(92,555)	(92,555)	85	(92,470)
Other comprehensive income	-	(2,266)	-	-	(2,266)	(746)	(3,012)
Comprehensive income	132,029	(21,765)	4,443	34,384	149,091	16,121	165,212
Share-based payment	-	-	370	-	370	-	370
Equity at 31.03.2016	**132,029**	**(21,765)**	**4,813**	**34,384**	**149,461**	**16,121**	**165,582**

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 2015. See the Annual Report 2015 for a full description of the accounting policies.

For accounting estimates and judgments, see note 2, page 38 of the Annual Report 2015. For information on risks, see note 32, pages 56-58, and the section on risk management on pages 16-17 of the Annual Report 2015.

A sales process to divest the Group's silicon segment has been commenced. Management expects this process to be completed by the end of 2016. As a result, Topsil's results of operations for the three months ended 31 March 2016 and its assets, liabilities and cash flows at 31 March 2016 must be divided into continuing operations (the property segment) and discontinued operations (the silicon segment), respectively. The comparative figures of the income statement have been restated to reflect the continuing operations. Comparative balance sheet figures have not been restated and therefore reflect the total business at 31 December 2015 and 31 March 2016, respectively.

According to the accounting regulations, Management must consider whether the quarterly report can be prepared on a going concern basis. Based on the estimated outlook for the continuing operations, Management believes that the existing cash reserves and expected future cash flows will be sufficient to maintain operations and fund any measures planned.

2 DISCONTINUING OPERATIONS

The comparative figures of the income statement and the cash flow statement have been restated to reflect the discontinued operations. In the first quarter of 2016, depreciation and amortisation totaling DKK 4.2 million and an extraordinary proportionate impairment loss of DKK 83.8 million were recognised on intangible assets and property, plant and equipment. The impairment loss was charged as a result of the offer received from GlobalWafers.

DKK'000 **Income statement, discontinued operations**	**Q1 2016**	**Q1 2015**	**FY 2015**
Revenue	55,672	56,259	272,846
Direct production costs	(30,904)	(28,224)	(150,457)
Other external expenses and staff costs	(23,899)	(25,576)	(95,781)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**869**	**2,459**	**26,608**
Depreciation, amortisation and impairment	(88,032)	(6,221)	(90,538)
Operating profit/(loss) (EBIT)	**(87,163)**	**(3,762)**	**(63,930)**
Net financials	(221)	(2,882)	(5,964)
Profit/(loss) before tax	**(87,384)**	**(6,645)**	**(69,894)**
Tax on profit/(loss) for the period	1,452	(7)	6,581
Profit/(loss) for the period	**(85,932)**	**(6,652)**	**(63,313)**
Financial ratios			
Contribution ratio (%)	44.5	49.8	44.9
EBITDA margin (%)	1.6	4.4	9.8
EBIT margin/profit margin (%)	(156.5)	(6.7)	(23.4)
Earnings per share (DKK)	(0.176)	(0.01)	(0.12)
Average number of employees, FTE	295	317	307

DKK'000 **Cash flow statement, discontinued operations**	**Q1 2016**	**Q1 2015**	**FY 2015**
Operating profit/(loss) (EBIT)	(87,163)	(3,762)	(63,930)
Depreciation, amortisation and impairment	88,032	6,221	90,538
Change in net working capital	2,623	5,805	(4,987)
Tax paid/received	-	-	2,014
Financial income received	-	-	-
Financial expenses paid	-	-	-
Cash flows from operating activities	**3,492**	**8,264**	**23,635**
Acquisition of intangible assets	(1,288)	(727)	(5,961)
Acquisition of property, plant and equipment	(131)	(1,339)	(2,201)
Disposal of property, plant and equipment	-	-	243
Cash flows from investing activities	**(1,419)**	**(2,066)**	**(7,919)**
Loans and credits raised	-	-	-
Cash flows from financing activities	**-**	**-**	**-**
Change in cash and cash equivalents	**2,073**	**6,198**	**15,716**
Change in cash and cash equivalents, continuing operations (financial expenses)	(2,073)	(6,198)	(15,716)
Change in cash and cash equivalents, discontinued operations	**-**	**-**	**-**
Cash and cash equivalents at beginning of period	-	-	-
Market value adjustment of cash and cash equivalents	-	-	-
Cash and cash equivalents at end of period	-	-	-

DKK'000 **Assets held for sale**	**Q1 2016**
Completed development projects	18,307
Development projects in progress	5,577
Intangible assets	**23,884**
Land and buildings	79,147
Plant and machinery	63,469
Other fixtures and fittings, tools and equipment	516
Property, plant and equipment under construction	1,265
Property, plant and equipment	**144,397**
Other non-current receivables	6,927
Financial assets	**6,927**
Deferred tax asset	**8,961**
Non-current assets	**184,169**
Inventories	**159,397**
Receivables	28,472
Other receivables	4,711
Income tax receivable	1,971
Prepayments	3,655
Receivables	**38,809**
Cash and cash equivalents	**-**
Current assets	**198,206**
Assets	**382,375**

DKK'000 **Liabilities relating to assets held for sale**	**Q1 2016**
Prepayments received from customers	-
Other non-current liabilities	2,063
Deferred tax liabilities	-
Non-current liabilities	**2,063**
Trade payables	35,956
Prepayments received from customers	22,200
Other payables	17,078
Deferred income	5,078
Current liabilities	**80,312**
Total liabilities	**82,375**

3 EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, an agreement has been signed to sell the silicon segment to GlobalWafers. The agreement is expected to be approved at the extraordinary general meeting to be held on 17 June 2016.

4 FINANCIAL HIGHLIGHTS AND KEY RATIOS

The financial ratios have been calculated in accordance with "Recommendations and Financial Ratios 2015" issued by the Danish Finance Society. The individual calculation formulas are provided in note 1, page 37, of the Annual Report 2015.

Topsil at a glance

Topsil is a market-leading manufacturer of ultra-pure silicon for the global semiconductor industry.

Topsil supplies silicon wafers, which are fitted in power components that can be used to convert and manage high-voltage currents, for example when connecting and disconnecting wind turbines, for frequency converters in motor control and power management in high-speed trains, electric cars, etc.

Topsil's market is largely driven by political initiatives, as witnessed in Europe with the prioritisation of green energy and public transport. In the longer term, the growing middle classes worldwide (urbanisation) will demand modern convenience, and the budding interest in electric vehicles will also be a growth driver.

Topsil was founded in 1959 by Dr. Haldor Topsøe. The Company is listed on the Nasdaq Copenhagen stock exchange. Topsil is headquartered in Copenhagen Cleantech Park, Frederikssund, Denmark, and has subsidiaries in Warsaw, Poland and Kyoto, Japan.

Topsil generated revenue of DKK 287.3 million in 2015 and had an average of 342 employees.

For more information, go to: www.topsil.com

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