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SOI ENABLES NEW GENERATIONS OF LOWER-POWER CONSUMPTION DEVICES

***SOI Poised for Further Adoption as Semiconductor Industry Tackles
Energy Conservation and Consumption Challenges***

SEMICON WEST, San Francisco, Calif., July 17, 2007—Soitec (Euronext Paris), the world’s leading supplier of silicon-on-insulator (SOI) wafers and other engineered substrates, today announced it is intensifying its focus to ensure that the low-power advantages of SOI are accessible to semiconductor companies grappling with a new era where energy consumption has become a key design criteria. To enable new devices that are more environmentally friendly, consume less energy and have longer battery lives, Soitec is reaching out to support customers and design and manufacturing partners, while continuing its legacy of substrate innovation.

The SOI ecosystem of industry leaders is accelerating SOI adoption, particularly within the fabless design community. With power concerns becoming more critical, companies that have traditionally looked at SOI as a high-speed logic technology are now increasingly considering adoption due to its energy consumption advantages over bulk silicon.

“The era where speed alone was paramount to leading-edge semiconductor manufacturers has been replaced with one where power-related environmental, energy costs and battery life concerns are also of critical importance,” said André-Jacques Auberton-Hervé, president and CEO of Soitec. “Today, power consumption is of pivotal importance, regardless of whether it’s about reducing the environmental impact and costs from huge energy-hungry server farms, or simply extending the battery life of an advanced cell phone. With this fundamental industry shift well underway, interest in tapping the low-power advantages of SOI are rising. At Soitec, we are participating and supporting closer industry cooperation, as well as new designer innovations that are transforming the low-power potential of SOI into a reality for companies throughout the IC value chain. Construction of our new Pasir-Ris 1 SOI fab in Singapore also continues on schedule—so we can meet future SOI demand.”

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Due to its performance and power-consumption advantages, SOI, as measured in revenue, now accounts for more than a third of the 300-mm logic market and continues to gain acceptance as the foundation for some of today's most advanced microelectronic products. Recent industry announcements highlight the emerging momentum around SOI outside of the ultra-high-speed logic market. Among the most important SOI developments are the breakthrough embedded memory technologies using SOI, with cost efficiency of up to 40 percent; and UMC's successful tape out of a test chip based on its new 65-nm SOI process using ARM SOI libraries. This successful tape out means fabless design companies can now begin SOI pilot projects, including those looking to tap the power advantages of SOI for the portable consumer electronics market. Given its proven speed and low-power advantages and the burgeoning SOI ecosystem that will help facilitate adoption, SOI is now set to play an increasingly important role in enabling new generations of advanced low-power, high-performance devices.

Editors and analysts interested in learning more about Soitec are invited to visit the company's booth #5428 located in the North Hall of the Moscone Center in San Francisco from July 17-19, 2007.

About the Soitec Group:

The Soitec Group is the world's leading innovator and provider of the engineered substrate solutions that serve as the foundation for today's most advanced microelectronic products. The group leverages its proprietary Smart Cut™ technology to engineer new substrate solutions, such as silicon-on-insulator (SOI) wafers, which became the first high-volume application for this proprietary technology. Since then, SOI has emerged as the material platform of the future, enabling the production of higher performing, faster chips that consume less power.

Today, Soitec produces more than 80 percent of the world's SOI wafers. Headquartered in Bernin, France, with two high-volume fabs on-site, Soitec has offices throughout the United States, Japan and Taiwan, along with a new manufacturing site under construction in Singapore.

Two other divisions, Picogiga International (Les Ulis) and Tracit Technologies (Bernin), complete the Soitec Group. Picogiga focuses on delivering advanced substrates solutions, including III-Vs epiwafers and gallium nitride (GaN)-based wafers, to the compound material world for the manufacture of high-frequency electronics and other optoelectronic devices. Tracit, on the other hand, focuses on thin-film layer transfer technologies used to manufacture advanced substrates for power ICs and microsystems, as well as generic circuit transfer technology for applications such as image sensors and 3D-integration. Both shares and convertible bonds for the Soitec Group are listed on Euronext Paris. For more information, visit www.soitec.com.

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