



Update to cautious stance for the short term

Bernin, France, 2nd July 2007 – Soitec, leader in SOI (Silicon on Insulator) wafer material today announced that as expected the supply chain continued to absorb excess inventories held by its main customers throughout the first quarter. Taking into account the sequential recovery in the second quarter that is in line with information currently available, the Group now anticipates that the first half of the financial year 2007-2008 will be below the previous year by around 15% in performance (which translates into around 20% in absolute terms at the current Dollar exchange rate). New products launched by main customers come on stream in the second half of the year but given the current uncertainty with regard to the timing of the ramp up in volume of these products, the Group cannot exclude that full year sales may be below the prior year. Lower levels of demand combined with the weak Dollar exchange rate will significantly impact this year's margins particularly in the first six months. The Group confirms its commitment to implement all possible measures to reduce costs without impacting future prospects for the continuing industry adoption of Smart Cut™ based advanced materials, notably the implementation of the new plant in Singapore.

Agenda

Sales for the first quarter will be published on Monday 16 July 2007 after the close of the Paris Stock Exchange.

About the Soitec Group: The Soitec Group is the world's leading innovator and provider of the engineered substrates that serve as the foundation for today's most advanced electronic products and nanotechnologies. Headquartered in Bernin, France, the company manufactures its comprehensive portfolio of engineered substrates, including silicon-on-insulator (SOI) and strained SOI (sSOI), using Soitec's proprietary Smart Cut™ technology—the de facto industry standard. With its strong global presence, patented technology and industry-leading production capacity, Soitec is helping to drive the performance and power advantages that are key to the smaller, more power efficient, and increasingly mobile electronic products favoured by consumers worldwide. Both shares and the convertible bond (OCEANE) are listed on Euronext Paris. For more information, visit the company's website located at www.soitec.com

*SOI: Silicon On Insulator - sSOI: strained Silicon On Insulator

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