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**SOITEC AND THE FRENCH AGENCY FOR INDUSTRIAL INNOVATION (AII)  
ANNOUNCE THE EUROPEAN COMMISSION APPROVAL FOR THE FUNDING OF  
THE STRATEGIC R&D PROGRAM, NANOSMART**

**BERNIN, FRANCE, September 13, 2007**—Soitec (Euronext Paris), the world’s leading supplier of silicon-on-insulator (SOI) wafers and other engineered substrates, and the French Agency for Industrial Innovation today announced the European Commission’s authorization for the funding of the strategic R&D program, *NanoSmart*. The total cost of the program, for all partners, comes to 200 million Euros over five years. The Soitec Group will receive public money amounting to 62 million Euros, with 34 million Euros consisting of a direct subsidy, and 28 million Euros representing an advance to be refunded—depending on the program’s commercial success.

This ambitious R&D project will involve Soitec, its subsidiary Picogiga, based in Les Ulis, France, and Leti (the electronic and information technology laboratory), part of the public French body CEA.

*NanoSmart* is a strategic program for Europe, and will develop advanced substrates for microelectronic and optoelectronic components, spotlighting the significant role played in substrate engineering innovation, not only by France but more specifically by Bernin and *Minalogic*, the “Pôle de Compétitivité” near Grenoble.

As a nanotechnology research platform, *NanoSmart* will develop a new generation of advanced materials to improve the performance and electrical consumption of image processors, high-frequency telecommunications components, power components for the automotive industry and home audiovisual equipment and LEDs for lighting.

“We are very pleased to have received the European Commission’s approval for this ambitious and strategic program, not only for Soitec, but also for France and Europe. Advanced substrates represent a unique opportunity to strengthen Europe’s position in the high-tech industry, where competitiveness is based on innovation,” said André-Jacques Auberton-Hervé, president and chief executive officer of Soitec. “We are grateful to AII for its support and policy of promoting innovation in companies of our size, alongside the large French industrial groups.”

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AII wanted to support Soitec in its new innovation cycle, using technological breakthroughs shaping the markets of the future. They also wanted to drive this French growth company to the level of the world's substrate leaders. This action answers AII's core business mission by sustaining the French industry through promoting innovation and significant projects.

This program is an integral part of the Soitec Group's strategic development plan for 2006-2010, unveiled on July 6, 2006. Soitec intends to boost R&D at Bernin over this period to allow the *NanoSmart* program to benefit from the presence of the production teams in view of industrial deployment.

This partnership will help the circulation of knowledge in all domains of nanotechnologies both for European and worldwide research.

**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](http://www.soitec.com).

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