



Soitec issued 2,250,000 shares within its PACEO(1)

Bernin, France, June 16th, 2008 - Soitec, the SOI (Silicon-on-insulator) leader, announced the issuance of 2,250,000 shares within its PACEO authorized by the Shareholders at the extraordinary general meeting held on November 5, 2007 and signed on June 5, 2008 with Société Générale.

Shares with attached Warrants have been issued at a price of €5.3 and account for 2.72% of the company's share capital.

The main objective for this issuance is to give the Group's employees and managers, in France and abroad, the possibility to participate in Soitec's growth, within the framework of the Company's employee savings plan and managers' incentive plan.

In place of former BSPCE(2) programs the Company is no longer eligible for, employees and managers will have the exclusive right to buy the rights of subscription and/or of acquisition over redeemable shares (the "Warrants" or BSAAR(3)) attached to the new shares, at the value assessed by an independent expert. The Warrants and/or the shares issued through the exercise of the Warrants will not be transferable during the first two years(4).

The Company highlights that the maximum dilution related to the implementation of the PACEO will remain below 10% of the current share capital, in accordance with Shareholders' authorisation, and will depend on the actual use of PACEO over the next 4 years. Moreover, the Company has a share buy-back program allowing it to manage the dilution of current Shareholders.

Soitec also indicates that the Company's short term outlook remains unchanged and that the present fund raising, accounting for approximately €11.9 million, does not address any specific need for funding, as the Company underlines that it had €187 million cash on hand as of March 31st 2008.

(1) PACEO - *Programme d'Augmentation de Capital par Exercice d'Options* (Step-up Equity Programme)

(2) BSPCE – *Bons de souscription de parts de créateurs d'entreprise*

(3) BSAAR - *Bons de souscription et/ou d'acquisition d'actions remboursables*, unlisted

(4) Except early exit event under the employee savings plan

PACEO - PROGRAMME D'AUGMENTATION DE CAPITAL PAR EXERCICES D'OPTIONS

PACEO (*Programme d'Augmentation de Capital par Exercice d'Options*) is an equity financing solution created and developed by Société Générale. PACEO offers growth-driven companies an additional and optional source of financing together with employees' profit sharing plans. It provides companies with the same economic and financial results as a classical capital increase, while offering them the similar flexibility of a confirmed credit line.

The subscription price for shares at each share issue is close to the current stock price at the relevant moment. The program is activated on the issuer's request only. Société Générale has previously arranged and completed several transactions of this type in France and elsewhere in Europe, covering various industries.

SOITEC

Soitec is the world's leading supplier of engineered substrates for advanced microelectronics. The Group produces a wide range of advanced materials, especially silicon-on-insulator (SOI) wafers based on its Smart Cut™ technology—the first high-volume application for this proprietary technology. SOI is currently seen as the platform of the future, paving the way to higher-performance, faster, and more economical chips.

Soitec currently produces over 80% of the SOI wafers. Headquartered at Bernin in France, with two high-volume production units on site, Soitec also has offices in the US, Japan, and Taiwan, and a new production site is in the process of customers qualification in Singapore.

The Group has two other divisions: Picogiga International at Les Ulis in Paris and Tracit Technologies in Bernin. Picogiga is specialized in the development and manufacture of engineered substrates, from group III-V epitaxial semiconductor wafers and gallium nitride (GaN) wafers to composite substrates for the manufacture of high-frequency electronics and optoelectronic devices. Tracit is specialized in thin-film layer transfer technologies, used to manufacture engineered substrates for power ICs and microsystems, as well as generic circuit transfer technology for applications such as image sensors and 3D integration. Shares for the Soitec Group are listed on Euronext Paris.

Smart Cut and UNIBOND are trademarks of S.O.I. TEC Silicon On Insulator Technologies

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