



Soitec announces consolidated sales of 298.2 million Euros for the full year 2007-2008

- **Q4 sales of 65.7 million Euros reflect a sequential reduction of 18.3%**
- **Full year wafer sales down by 13.1% at constant exchange rates**
- **Guidance reiterated for 2007-2008 operating loss and for conservative scenario for 2008-2009**

Bernin, France, 14th April 2008 – Soitec, leader in SOI (Silicon on Insulator) wafer material today announced consolidated sales of 65.7 million Euros for the fourth quarter of its financial year 2007-2008, giving full year sales of 298.2 million Euros that represents a year on year reduction of 19.8%. At constant exchange rates, wafer sales are down by 13.1% for the full year. Demand in the fourth quarter remained weak and the Dollar continued its decline against the Euro.

Sales <i>Euros millions</i>	2007-2008	2006-2007	Change
1st quarter	68.5	85.6	-20.0%
2nd quarter	83.5	89.7	-6.8%
3rd quarter	80.5	99.6	-19.2%
4th quarter	65.7	97.1	-32.3%
Total	298.2	372.0	-19.8%

Q4 activity in line with guidance and the current semiconductor market environment

Reported fourth-quarter sales are in line with previous guidance thus confirming continuing weak demand and the absence of a favourable impact from the launch of new products by major customers. Sequentially fourth-quarter wafer sales of 61.7 million Euros show a fall of 18.6% at constant exchange rates or 20.5% on a reported basis. Picogiga and Tracit reported Q4 sales of 2.4 and 0.7 million Euros representing sequential growth of 78.1% and 39.1% respectively. Royalties were stable at 1.0 million Euros.

For the full year, wafer sales fell to 286.0 million Euros, down by 20.3% or 13.1% at constant exchange. 300mm represents 72.3% of total wafer sales with the full year reduction limited to 8.1% at constant exchange. All other diameter wafer sales were lower by 24.1% at constant exchange as a major customer switched all 200mm production to 300mm. Picogiga provided sales of 6.1 million Euros down over the prior year by 30% and Tracit doubled sales to 2.1 million Euros. On an annual basis Royalties were 4.0 million Euros.

Operating result for the year 2007-2008 expected to be in line with previous guidance

Given the 9.0% decline of the Dollar against the Euro over the year and the reduction in sales, the Group confirms its guidance for a full year operating loss of around 3% of sales. Management stresses that its financial structure remained perfectly healthy, with cash levels virtually unchanged from end December 2007.

The Group maintains its conservative scenario for 2008-2009

Latest forecasts for the first half of the financial year 2008-2009 still point to continuing weak demand and an anticipated reduction sequentially in Q1. In so far as any rebound in demand depends upon lifting the uncertainty concerning the ramp up and success of new product launches into key markets, the Company maintains its decision to adopt a flat sales plan scenario, at constant exchange, for the full financial year 2008-2009. The focus is on improving operational performance and reducing costs, without jeopardizing the ability to take full advantage of a future recovery. Meanwhile, despite this scenario of flat sales the objective of improving operating performance is maintained, on a like for like basis i.e. before the cost impact associated with the Singapore fab, estimated to be of the order of 30 million US Dollars for the year.

Agenda

The annual results for the 2007-2008 financial year will be published on 19th May 2008 after the closure of the Paris Bourse.

About 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. More information is available at www.soitec.com

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