



**Soitec reports total consolidated sales
of 94.2 million Euros for H1 2009-2010**

- **Total Q2 sales improve 14.8 % over Q1 to 50.3 million Euros**
- **H1 wafer sales sequentially stable despite 5.1% adverse exchange**
- **Positive current industry environment and customer indications should lead to a favourable impact on second half year activity**

Bernin, France, October 19, 2009 – Soitec (Euronext Paris), the world’s leading supplier of silicon-on-insulator (SOI) wafers and other engineered substrates, today reported sequential growth of 14.8% with second quarter consolidated sales of 50.3 million Euros giving consolidated sales of 94.2 million Euros for the first six months of the year.

Sales	2009-2010	2008-2009	Change
<i>Millions of Euros</i>			
First quarter	43.9	60.2	-27.2%
Second quarter	50.3	60.1	-16.1%
First Half Total	94.2	120.3	-21.7%

Wafer sales - rebound confirmed in the second quarter

Demand for 300 mm wafers continued to pick up over the second quarter rising by 16.1% (21.0% at constant exchange) versus the first quarter in line with guidance. Other wafer sales were essentially stable sequentially (+2.1% and +6.4% at constant exchange rate) as automotive markets recovered. However total wafer sales for the quarter of 46.7 million Euros remained below last year by 17.2% (23.5% at constant exchange).

In the first half of the financial year 300 mm, which represented 85% of total wafer sales, were up sequentially by 5.2% or 10.9% at constant exchange but lower than the prior year by 18.2% or 26.1% at constant exchange. All other wafer sales were down both sequentially by 18.0% or 13.6% at constant exchange and on a year on year basis by 39.9% or 45.7% at constant exchange.

Licensing revenues were 0.8 million Euros for the second quarter and 1.4 million for the half year. Tracit recorded second quarter sales of 0.8 million Euros and 1.6 million Euros for the first half of the year, whilst Picogiga recorded sequential sales growth higher than 50% with sales of 2.0 million Euros in the quarter and 3.4 million Euros for the first half of the year.

Current operating loss for the first half expected to be significantly less than the second half of the prior year illustrating successful management of costs across the board

Despite almost stable consolidated sales and an unfavourable exchange movement of 5.1% in the half year (1.33 in the second half of prior year to 1.40 in the first half of the current year) management confidently expects a favourable impact on manufacturing margins from timely and strong action to reduce costs and improve manufacturing efficiency. The company therefore expects to report a significantly reduced current operating loss for the first half compared to the 19.0 million Euros reported in the second half of prior year. Excluding the funds raised through the recent convertible bond issued, net cash resources at end September increased over end March 2009 illustrating the company's continuing focus on strong cash management.

Recent positive industry news flow suggests increasing confidence and improved momentum for future activity levels. The most recent indications from major customers point to further sequential growth over the full second half of the year at constant exchange.

Agenda

The consolidated results of the first half of the 2009-2010 financial year will be published on 18 November 2009 before opening of the Paris Bourse.

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, and a new production site in the process of customers' qualification 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. Shares of the Soitec Group are listed on Euronext Paris. For more information, visit www.soitec.com.

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