



Soitec announces consolidated sales of 213.9 million Euros for the full year 2008-2009

- **Sequential reduction of 37.9% to 35.9 million Euros in Q4**
- **Full year sales down by 28.3% in Euros with exchange 3.7% unfavourable**
- **Operating margin anticipated better than guidance for the full year**

Bernin, France, 20th April 2009 – Soitec, leader in SOI (Silicon on Insulator) wafer material today announced consolidated sales of 35.9 million Euros for the fourth quarter and 213.9 million Euros for the full year 2008-2009. Full year wafer sales ended the year down by 27.6% at constant exchange impacted by the fourth quarter drop in demand.

Sales <i>Euros millions</i>	2008-2009	2007-2008	Change
1st quarter	60.2	68.5	-12.0%
2nd quarter	60.1	83.5	-28.1%
3rd quarter	57.7	80.5	-28.3%
4th quarter	35.9	65.7	-45.4%
Total	213.9	298.2	-28.3%

Q4 activity in line with current semiconductor market and overall economic environment

Reported fourth-quarter sales reflect the sharp drop in semiconductor demand and the gloomy overall economic environment. Sequentially fourth-quarter wafer sales of 32.8 million Euros recorded a fall of 40.8% at constant exchange or 39.5% on a reported basis. Picogiga and Tracit reported Q4 sales of 1.3 and 0.9 million Euros representing sequential decreases of 4.1% and 17.9% respectively. Royalties were down by 20.9% at 0.8 million Euros.

For the full year, total wafer sales were 200.0 million Euros, down over the prior year by 30.1% or 27.6% at constant exchange. One positive note was 300mm (81.3% of all wafer sales) where the full year reduction was limited to 18.4% at constant exchange. All other diameter wafer sales were lower by 51.7% at constant exchange reflecting the economic crisis and the sharp reduction in the automotive market. Tracit sales grew strongly by 68.9% to 3.5 million Euros whereas both Picogiga and royalties were stable at 6.3 million Euros and 4.1 million Euros respectively.

Operating margin anticipated better than guidance for the full year

The negative effect of the reduction in sales of 28.3% in the year has been minimised by positive efficiency gains, cost reductions and a stable year on year exchange rate with the result that the operating margin is now expected to be in the range -12% to -14% of sales, excluding one off items, compared to -14% to -16% as previously guided. The company is reviewing the need for an impairment charge (IFRS 36) against the carrying value of its assets, including goodwill as of the year end. Management confirms that the financial structure of the company remains healthy with cash resources virtually unchanged from end September 2008.

Business forecast for 2009-2010 - caution

Business remains weak in the beginning of the new financial year with short term demand being relatively stable sequentially. In a climate of general industry uncertainty and continuing inventory corrections in the semiconductor supply chain, the Company is not in a position to provide guidance for the financial year 2009-2010. Management remains focussed on improving operational performance, aligning resources with demand, cost reductions and strict control over cash. Marketing and business development continue to capture new growth opportunities based on its strategy dedicated to the innovation and industrialization of advanced materials.

Agenda

The annual results for the financial year 2008-2009 will be published on 13th May 2009 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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For all information, please contact:

Soitec

Iain Murray

Financial Director

Tel: +33 4 76 92 75 14

email: investors@soitec.fr

Soitec

Olivier Brice

Deputy Finance Director

Tel: +33 4 76 92 93 80

email: olivier.brice@soitec.fr