UPDATE OF THE REFERENCE DOCUMENT | 2014-2015

Soitec

UPDATE OF THE REFERENCE DOCUMENT AND OF THE ANNUAL FINANCIAL REPORT 2014-2015

SOITEC

Company incorporated under French Law with capital of €23,132,418.40

Parc Technologique des Fontaines
Chemin des Franques
38190 Bernin – France

Grenoble Trade & Companies Register no. 384 711 909

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Update of the Reference Document and of the Annual Financial Report 2014-2015 was submitted to the *Autorité des marchés financiers* ("AMF" - French financial markets authority) on 7 March, 2016, pursuant to Article 212-13 IV of its General Regulation.
It completes the Reference Document and Annual Financial Report 2014-2015 of Soitec, submitted to the AMF on 10 June 2015 under number D.15-0587.
This document has been prepared by the issuer and commits the responsibility of its signatories. The reference document and its update may only be used in support of a financial transaction if they are completed by a prospectus approved by the AMF.

Copies of this Update of the Reference Document are available at no cost from:

- Soitec – Parc Technologique des Fontaines – Chemin des Franques, 38190 Bernin – France;
- on the Soitec website (www.soitec.com) and on the website of the *Autorité des marchés financiers* (www.amf-france.org).

Table of Contents

The numbering of the paragraphs below corresponds with the outline as defined in Annex I of Regulation (EC) No 809/2004 of 29 April 2004.

GENERAL REMARKS

The object of this Update is to update the Reference Document and Annual Financial Report of Soitec for the financial year ended 31 March 2015, submitted to the AMF on 10 June 2015 under number D.15-0587 (the "Reference Document2014-2015").

In this present Update, the terms "Soitec" or the "Company" refer to the Soitec Company. The term "Group" refers to the corporate group consisting of the Company and all the companies that fall within its scope of consolidation.

The information provided in the Reference Document 2014-2015 put on line on the Company website remains valid and is completed by the developments given below. Mindful of clarity, the numbering of the chapters of the Reference Document amended by this Update remains the same.

This Update makes reference to information concerning the Group's objectives as well as forward-looking statements about ongoing or future projects. These statements are sometimes identified by the use of the future or conditional tense, and forward-looking terms such as "believe", "expect", "may", "estimate", "consider", "aim", "intend", "should", "consider", "anticipate", "might" or, where applicable, the negative form of these terms, or other alternative, similar terminology. This information does not constitute historical data and must not be interpreted as guaranteeing that the facts and data mentioned will occur. This information may be affected by known or unknown risks, and may change or be modified due to uncertainties or other factors related to the economic, financial, competitive and regulatory environment that could cause the Group's future results, performance and achievements to materially differ from its stated or implied goals. Forward-looking statements mentioned in this Update are provided only as of the date hereof. Unless legally obliged, the Group does not commit to publishing amendments to the forward-looking statements contained in this Update in order to reflect changes in objectives, events, conditions, or circumstances on which the forward-looking information was based; note that such forward-looking statements do not constitute a guarantee of actual results.

This present Update contains information on the Group's markets and its competitive positions, including information as to the size of these markets. Unless otherwise indicated, this information is based on Group estimates and is provided for information purposes only. Group estimates are based on information obtained from customers, suppliers, professional organizations, and other stakeholders of the markets where the Group operates. Although the Group believes its estimates are relevant as of the date of this Update, it cannot guarantee the completeness or accuracy of the data on which these estimates are based, or whether its competitors use the same definitions of the markets on which they operate.

Investors are invited to pay specific attention to the risk factors described in Chapter 4 of the Reference Document 2014-2015 and to page 7 of this Update, before making an investment decision. Should any or all of these risks materialise, they may have a negative impact on the Group’s activity, financial position, profits or its ability to achieve its objectives.

In addition, other risks, not yet identified or considered immaterial by the Group at the Prospectus date, could also have a negative impact.

In all material respects and, as appropriate, the information found in this Update enables providing equal access to Group information between the various shareholders and investors.

1. Persons responsible

1.1. Person responsible for the Reference Document

Mr Paul Boudre, Chairman & CEO.

1.2. Attestation of the person responsible for the Reference Document

I hereby certify, after taking all reasonable measures to this end, that the information contained in this Update of the Reference Document gives, to my knowledge, a realistic picture of the situation and does not include any omission likely to alter its scope.

I have obtained from the statutory auditors an end of mission letter in which they indicate having audited the information on the financial position and statements given in this Update and have also read this entire Update.

Historical and forecasted financial information contained in the Prospectus has been examined by the statutory auditors.

The half-year consolidated financial statements for the half-year ended 30 September 2015 are the subject of a report of the statutory auditors provided on page 41 of this Update, which contains the following observation: “Without qualifying our opinion, we draw your attention to note 2.4. of the half-year consolidated financial statements which explains the assumptions underlying the maintenance of the principle of continuity of business of the Group.”

The report on the 31 March 2015 consolidated financial statements found on page 116 of the Reference Document filed with the AMF on 10 June 2015 under number D.15-0587 contains the following observation: "Without calling into question the opinion expressed above, we draw your attention to Note 2.2.1 to the consolidated financial statements that assumes maintaining the principle of the Group's on-going concern, as well as the refinancing terms contained in the approved conciliation protocol to which are added the further measures mentioned in Note 5.6. on post balance sheet events."

The report on the Monday, 31 March 2014 consolidated financial statements found on page 120 of the Reference Document filed with the AMF on Tuesday, 13 May 2014 under number D.14-0518 contains the following observation: "Without calling into question the opinion expressed above, we draw your attention to Note 2.4.7. to the consolidated financial statements that assumes maintaining the principle of the Group's on-going concern".

On 7 March, 2016

Paul Boudre

Chairman & CEO

2. Statutory auditors

Principal Statutory Auditors

Cabinet Muraz Pavillet represented by Christian Muraz

3, Chemin du Vieux Chêne – 38240 Meylan

- Date of first appointment: February 27, 1992;
- Renewal of appointment: July 7, 2010;
- Expiry date of present appointment: Annual Shareholders’ Meeting called to decide on the financial statements for the fiscal year ending March 31, 2016.

PricewaterhouseCoopers Audit represented by Mr. Philippe Willemin

63, rue de Villiers – 92208 Neuilly-sur-Seine

- Date of first appointment: July 7, 2010;
- Expiry date of present appointment: Annual Shareholders’ Meeting called to approve the financial statements for the fiscal year ending March 31, 2016.

Deputy Statutory Auditors

René-Charles Perrot

65, boulevard des Alpes – 38240 Meylan

- Date of first appointment: February 27, 1992;
- Renewal of appointment: July, 7, 2010;
- Expiry date of present appointment: Annual Shareholders’ Meeting called to approve the financial statements for the fiscal year ending March 31, 2016.

Yves Nicolas

63, rue de Villiers – 92208 Neuilly-sur-Seine

- Date of first appointment: July 7, 2010;
- Expiry date of present appointment: Annual Shareholders’ Meeting called to approve the financial statements for the fiscal year ending March 31, 2016.

3. **Selected** financial data

This chapter presents the selected financial data for the first half of the financial year 2015-2016 and for the years ending March 31, 2015, March 31, 2014 and March 31, 2013.

The consolidated financial statements for the years ending on 31 March 2015, 31 March 2014, and 31 March 2013 were audited by the Company's Auditors.

The interim consolidated financial statements for 30 September 2015 were subjected to a limited review by the Company's Auditors.

As at 30 September 2015, Group consolidated turnover is €110.8 million, up 56.6% compared to the first six months of the previous financial year (30% growth at constant exchange rate). The current operating profit for the first half of the financial year in course is €3.0 million versus a loss of €25 million at 30 September 2014. The net result (Group share) as at 30 September 2015 shows a loss of €42.5 million compared to a loss of €82.4 million as at 30 September 2014.

Operating cash-flow is positive at €1.1 million, compared to €24.6 million as at 30 September 2014.

As at 30 September 2015, cash in hand amounted to €71.1 million compared to €22.9 million at the end of March 2015. Net financial debt is almost stable at €146.2 million compared to €145.4 million as at 31 March 2014.

Consolidated Profit & Loss Account

(in millions of euros)	30 September 2015*	30 September 2014*	31 March 2015	31 March 2014	31 March 2013
Sales	111	71	223	247	263
Gross margin	27	4	(31)	(56)	(16)
Current operating profit (loss)	3	(25)	(126)	(137)	(123)
Operating profit (loss)	(2)	(27)	(277)	(220)	(197)
Net profit (loss) from discontinued operations*	**(24)**	**(46)**			
Net profit (loss) (Group share)	**(43)**	**(82)**	**(259)**	**(237)**	**(209)**
Net total diluted profit (loss) per share (in euros)	(0.18)	(0.43)	(1.23)	(1.45)	(1.70)
Of which continued operations	*(0.08)*				
Of which discontinued operations	*(0.10)*				

* Within the framework of the application of the standard IFRS 5 “discontinued operations”, the consolidated Profit & Loss Account has been removed from the operations of the Solar Energy division.

Sector-base analysis

(in millions of euros)	30 September 2015*	30 September 2014*
Sales:		
Electronics	109	69
Other activities	2	2
Solar Energy	-	-
Total sales	**111**	**71**
Current operating profit (loss)		
Electronics	8	(21)
Other activities	(5)	(5)
Solar Energy	-	-
Total current operating profit (loss)	**3**	(25)

* Within the framework of the application of the standard IFRS 5 “discontinued operations”, the sector-base analysis has been removed from the operations of the Solar Energy division.

Balance Sheet

(in millions of euros)	30 September 2015	31 March 2015	31 March 2014	31 March 2013
Assets:				
Cash and cash equivalents	71	23	45	130
Current assets	86	167	186	137
Assets from discontinued operations	15			
Non-current assets	207	204	354	452
Total assets	**380**	**394**	**585**	**719**
Shareholders' equity and liabilities				
Operating debts	95	153	107	132
Liabilities from discontinued operations	45			
Financial debts	218	173	257	197
Total shareholders' equity of the consolidated group	23	50	221	391
Total shareholders' equity and liabilities	**380**	**394**	**585**	**719**
Net financial position	**(146)**	**(150)**	**(212)**	**(67)**

Cash flow statement

(in millions of euros)	30 September 2015	30 September 2014	31 March 2015	31 March 2014	31 March 2013
Cash flow generated by the activity	1	25	(0)	(179)	(39)
Cash flow related to investment transactions	25	(15)	(29)	(84)	(115)
Cash flow related to financing transactions	22	(13)	(4)	181	23
Effect of fluctuation in foreign exchange rates	0	3	11	(4)	1
Change in net cash-flow	**48**	**(1)**	**(22)**	**(85)**	**(130)**

4. Risk factors

The main risk factors and uncertainties which the Group will face over the remaining six months of the 2015-2016 financial year are those identified in section 4 “Risk factors” on pages 7 to 14 of the Soitec 2014-2015 Reference document, deposited with the French Financial Markets Authority on 10 June 2015 under the number D.15-0587. We have reviewed and updated the following paragraphs:

4.1.2. Operational riks: risks related to the Gropu’s move out of the Solar power business

We announced, on 19 January 2015, the decision taken by the Board of Directors on 16 January, 2015 to refocus the group on its core business and to pull out of the Solar Power business. On 5 August 2015 we notified the ending of the negotiations with ConcenSolar with a view to the sale of certain Solar Division assets (announced on 21 May, 2015) and the pursuit of the program to end this business. This plan went according to our forecasts and the actual shutdown of the Division’s operational activities (production, R&D, project development) during the first half of the year led us to present the financial results as results of abandoned activities in the financial statements at 30 September 2015. As we indicated in paragraph 4.1.2 of section IV of the 2014-2015 Reference Document, certain specific risks and obligations will subsist which have been contracted within the framework of solar power station projects which constitute off-balance sheet commitments. These guarantees may extend up to five years on equipment in the event of a defect and up to twenty-five years for the energy production performance. Consequently, Soitec bears an indemnification risk in respect of these guarantees and must maintain a lean organisation in charge of their monitoring and their management. The provisional cost of this organisation for the next eighteenmonths has been provisioned in the financial statements at 30 September 2015.

4.2.1. Competition and technological risks

The semi-conductor market is highly competitive and marked by particularly quick technological developments.

The silicon substrate industry is able to respond to the stakes related to the consumer electronics market, characterised by:

- growing consolidation;
- strong innovation capacity;
- reduction of market launch times of new products..

The need for a regular reduction of manufacturing costs puts great pressure on those working in the sector.

The acceptance of the Smart Cut™ activity by the silicon leaders within the framework of licence agreements with the Company is a reduction factor of the technological competition risk. Thus, the main competitor of the Company for the SOI product, Shin-Etsu Handotaï, is also a sub-licensee which participates in the development of the market. Likewise, the settlement, during the financial year 2013-2014, of the dispute between Soitec and SunEdison (formerly MEMC) was accompanied by a cross-licence agreement giving each company access to a portfolio of patents concerning the SOI substrates held by the co-signatory (press release of 26 November 2013).

However, the occurrence of disputes related to industrial property remains a risk factor for the Company. Thus, as indicated in the press release published on 9 December 2015, an investigation was started by the U.S. International Trade Commission on 18 September 2015 following a petition by Silicon Genesis Corp. (SiGen). This investigation concerns the import and sale in the United States by Soitec of silicon-on-insulator wafers. To date, the ITC has not ruled on the merits.

The Company remains confident about maintaining its competitive position and the competitiveness of its technology but cannot rule out that, in the long term, this may be weakened, with adverse impacts on the financial results.

4.2.3. Litigation risk

The Company is exposed to litigation risk arising from the disputes and procedures described in paragraph 20.8.

4.4.2. Market risk: exposure to foreign exchange risk

Most transactions on the semi-conductor market are carried out in American dollars. Therefore virtually all sales from the Electronics segment are invoiced in this currency, as are purchases of silicone which represent 40% of production costs. The other costs, corresponding for the main part to the resources located at Bernin, are principally denominated in euros. Only having a very limited access to foreign exchange risk hedging instruments due to the heavy restriction of bank lending facilities as a result of the implementation of a refinancing plan as part of a conciliation procedure, the Company's exposure to transactional foreign exchange risk has increased. Any unfavourable movement in the dollar/euro parity has a negative effect on the Group’s results published in euros in sofar as a drop in sales is not compensated by an equivalent drop on the basis of costs.

4.4.3. Market risk: liquidity risk

At 30 September 2015 the Group had cash of €71.1 million compared with €22.9 million on 31 March 2015, the improvement resulting principally from the new financing mechanisms put in place within the framework of the conciliation procedure described in Section IV paragraph 4.4.3 of the 2014-2015 Reference Document and whose detailed description is given in Chapters 10.3 and 22 of this document. With a view to securing the continuity of operations, the Group has announced its decision to refocus on its historical sector of activity and pull out of its solar power sector business. Cash forecasts have been constructed on the basis of this business scenario and the sources of finance that may constitute the sale of certain non-strategic assets. As of 31 December 2015, Soitec's cash and cash equivalents position stood at €51 million. In light of the repayment schedule of the financing granted by Shin-Etsu Handotai, Bpifrance Participations, CEA, and CEA Investissement totalling between €130 and €180 million consisting of approximately €50 million in principal maturing in May 2016, and its production capacity investment requirements over the next 18 months. On 10 February 2016 Soitec announced a plan for two capital increases in euros (see Chapter 12 and Chapter 20).

At the time of this Update, the Company estimates that it will require just over €30 million by the end of May 2016 at the time of the maturity of the financing granted by Shin-Etsu Handotai, Bpifrance Participations, CEA, and CEA Investissement, and that its financing requirements could eventually reach as high as €50 million by the end of March 2017.

Accordingly, the Company feels that the continuity of its operations would be compromised if these planned capital increases do not go forward (see Section 20.9.2. of this Update).

6. Overview of activities

6.1. In 2015, the Group refocused on its core business

6.1.1. Strategic refocusing and new organisation

The Group's Board of Directors decided unanimously to implement and support a strategic plan aimed at refocusing Soitec's activities on its core electronics business.

Consequently, Soitec reorganised its company around two business units:

- The Electronics Division first of all which combines the historic activities of Soitec in the domain of semi-conductors. the Bernin operating production lines in France (200mm and 300mm wafers, 300mm material recycling) and the PasirRis solar production lines in Singapore (300mm wafers). This division further relies on its distribution subsidiaries and sales offices in the main regions in which the semi-conductor manufacturers are based: Europe, the United States and Asia (Seoul, Taipei, Tokyo and Shanghai). The Electronics division also includes the research and development activities in the domain of III-V materials which were previously shared between the Solar Energy and Lighting divisions, and the support functions which were previously reported in the "Corporate" division.
- The other operations, secondly, which combine the "Lighting" operations (sale of light-emitting diodes - LEDs - solutions for customers managing buildings for tertiary, commercial and industrial use) and "Equipment" operations (Altatech subsidiary: development and assembly of equipment for the semi-conductor industry).

In parallel, Soitec is continuing with its plan to discontinue the Solar Energy operation. Given the investments made since 2009, Soitec does not expect the sale of the assets of this division to cover its initial investment. As at 30 September 2015, with the progress with the shutting down of the operational activities allowing for checking the criteria of the accounting standard IFRS 5, the financial data of the Solar Energy division are presented as "discontinued operations", apart from the financial assets related to the Touwsrivier solar power plant in South Africa, which are now stated as non-current assets.

6.1.2. The Electronics division is subdivided into two Business Units

These Business Units are organised, as a priority, in accordance with the final applications relating to the wafers of different diameters developed and sold by the Group. Each Business Unit has its own means for the development of new products. The two Business Units rely on shared resources for the production (Bernin 1 industrial lines for the 200mm wafers and Bernin 2 for the 300mm wafers), sales, marketing, logistics and administrative support functions.

- **"Digital" Business Unit**

This Business Unit mainly focuses on digital applications, with the PD-SOI ("partially-depleted" SOI) and FD-SOI ("fully-depleted" SOI) products.

- The PD-SOI products are mainly present in digital processors for computers, games consoles and servers.
- The FD-SOI products are used for manufacturing FD-SOI transistor-based circuits and are the main growth opportunity for the Business Unit. This new technology favours, at the time of mobility, performance, energy efficiency and, finally, cost reduction.

The electronics industry is faced with the needs of users of mobile objects, which are both performing but also low energy consumers, to allow for a satisfactory battery life. Two technologies have to respond to these needs: FD-SOI and FinFET. Their adoption depends on their results on three criteria: performance, power consumers, cost per chip.

The FinFET has been developed by Intel since 2005, then by the major foundries.

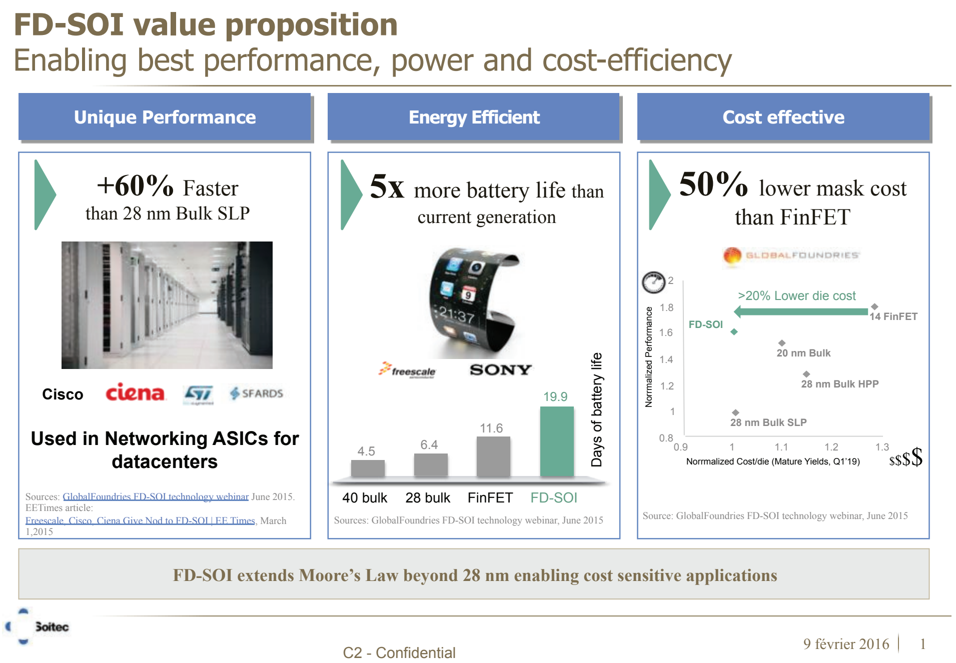
FD-SOI started to be developed in 2008 by IBM, then by STMicroelectronics.

The wafers used for the fully depleted FD flat structure transistors' technology are composed of an extremely thin silicon layer on an insulting oxide layer (Buried Oxide or BOx). They confer specific properties to the manufactured transistors in this silicon layer. Ideally adapted for "general public" mobile and multi-media applications, these wafers are able to reduce the energy consumption by 70% with equivalent performances[1] compared to a 28HKMG flat structure technology.

Likewise, the processors made using FD-SOI wafers can see their performance peaks improved by 40%, depending on the design optimisations, compared to a 28mm flat structure technology. Moreover, when the power voltage is reduced to very low values (0.4 V), the performances achieved are still exceptional (>500Mhz on an ARM A7 processor)[2], such that an ultra-low consumption operating of mobile devices can be considered in many user scenarios. On the other hand, the FD-SOI wafers are used on the production lines of the traditional CMOS sector, and share numerous manufacturing stages of the transistors with this latter. Finally, the use of these wafers reduces by 50% the cost of the masks necessary to manufacture the chips compared to the FinFET technology, leading to a very competitive cost of the finished product, and reduces by 20%. Finally, the size of the FD-SOI chip is also reduced by 20% compared to the one on FinFET[3].

1 Source: GLOBALFOUNDRIES at the SOI Consortium in China on 15 September 2015, http://www.soiconsortium.org/fully- depleted-soi/presentations/design-for-fd-soi-2015/Kengeri %2022FDX %200915.pdf.
2 Source: GLOBALFOUNDRIES Webinar: "Extending Moore's Law with FD-SOI Technology", https://www.youtube.com/watch?v=7VmQlpXKtHE.
3 Source: GLOBALFOUNDRIES 22FX Product Brief: http://globalfoundries.com/docs/default-source/PDF/22fdx-product-brief.pdf.

The advantages of the FD-SOI technology



Source: Soitec with GlobalFoundries data.

The FinFET technology has been put into production for the high-end telephone processors such as iPhone 6 or Samsung S6.

FD-SOI comes onto the market via GPS applications or set-up boxes.

In July 2015, GlobalFoundries, one of the biggest semi-conductor foundries, launched its new 22FDXTM product based on the FD-SOI technology. GlobalFoundries also launched a marketing campaign through press conferences, the social media or industry conferences and by publishing videos in the form of webinars as well as commercial brochures available on their website: http://globalfoundries.com/technology-solutions/leading-edge-technology/22fdx.

GlobalFoundries targets the mass applications listed below for its FD-SOI technology, such as consumer electronics, multimedia (TV box), connected objects (watches, bracelets, intelligent glasses, etc.), smartphones, tablets, cars, wireless connections, the industrial market, etc.

For its part, Freescale has announced that its next IMX7 and IMX8 processors would be on FD-SOI, and that FD-SOI is the best technological choice for this type of processor, with benefits in terms of performance, energy consumption, integration, cost and simplicity. The Freescale processors are widely used in the industrial and automobile applications.

• The "Communications and Power" Business Unit

The activities of this Business Unit mainly relate to:

- the SOI products for the radio-frequency (RF) applications on the mobile applications markets (RF-SOI products for mobile phones and tablets);
- the semi-conductors used in power electronics (automobile and industrial applications);
- and, to a lesser extent, the layer transfer activities resulting from the acquisition of Tracit Technologies in 2006.

6.1.5. Production capacities in France and in Asia

Based in Bernin, Soitec has the world's largest SOI industrial production site. In total, it has more than 6,000m^2 of clean rooms, distributed over three industrial buildings in Bernin. Furthermore, the Group has a production plant in Singapore which is not currently being used and in 2015 entered into a partnership with the Chinese company Simgui for the manufacturing of 200mm wafers for the radio-frequency and power electronics applications (see Soitec press release of 26 May 2014).

6.2. Main markets

Following the decision made in 2015 to refocus on its core business, the Company operates on two markets, the SOI wafer supply one to clients manufacturers of integrated electronic circuits and the market for the supply of advanced substrates for the entire components' industry. Most of the wafer volumes are in massive silicon; the SOI represents less than 7% of the substrates consumed by the industry.

The main component manufacturers and the main silicon founders have however put in place programmes using SOI substrates. The Company is the leader in manufacturing and supplying SOI wafers in volume. It was the forerunner in the manufacturing of SOI wafers with its Smart Cut™ technology, which today represents almost 100% of SOI wafers sold (internal evaluation). The data related to the market share held by the Company are considered confidential. The Smart Cut™ technology is able to offer integrated circuit manufacturers a competitive alternative to massive silicon, thanks to performance gains and to the reduction in the consumption of energy, but also through a reduction of manufacturing costs due to a simplified architecture.

Soitec's main competitor is Shin-Etsu Handotaï which obtained from the Company an operating licence for its Smart Cut™ technology. The American company SunEdison, formerly MEMC, started to sell SOI wafers in 2010. Simgui will sell SOI wafers from 2016. Currently, we estimate that the market share of SOI wafers held by Soitec is between 65% and 70%.

6.3. Exceptional occurrences

On 16 January 2015, the Board decided to implement a strategic plan aimed at refocusing Soitec's activities on its core electronics business. Soitec initiated several actions to significantly reduce the fixed "cash" costs of its solar division. At the same time, Soitec mandated an investment bank to sell off the assets of the Solar Energy Division (industrial activities, power plants, and intellectual property, excluding assets related to the "Smart Cell"). The Group pursued negotiations with ConcenSolar to dispose of certain assets, however on 5 August 2015 announced that the transaction would not be finalized, and that it would continue with its initial exit plan. Since then, the Company resumed its original plan of phasing out activities and the valuation of remaining assets. In light of the amount of solar energy investments made since 2009, Soitec does not expect that the Division's asset sales will cover these initial investments, but considers that the asset impairment provisions recorded at the 31 March 2015 close will prevent having to recognize any additional losses in fiscal 2015-2016.

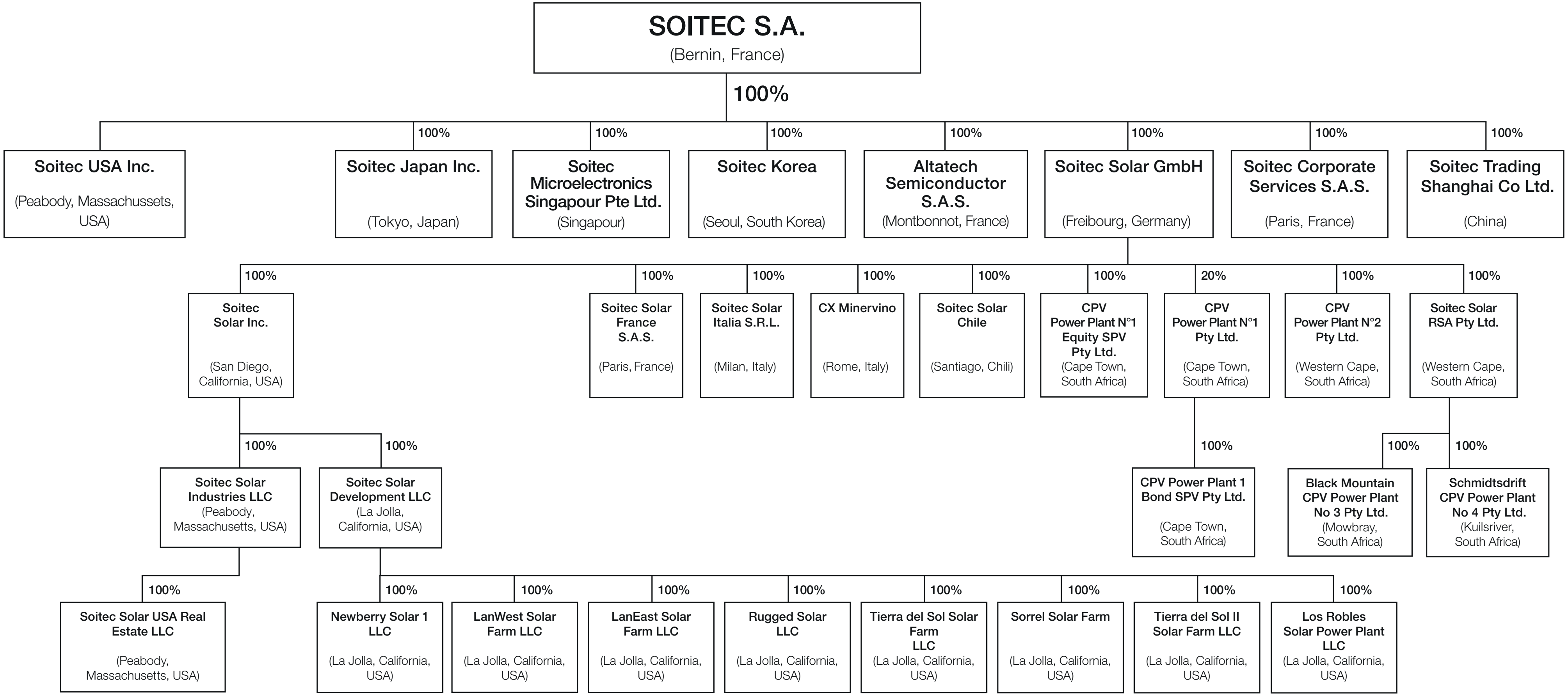
7. Organisation Chart

7.1. The Group

7.1.1. Group organisation chart

The organisation chart below shows the subsidiaries of the Company on the submission date of this Update of the Reference Document.

The percentages indicated below correspond to the percentages of capital and voting rights.



7.1.2. Group organisation

As described in Chapter 9 below, the Group changed its sector-wide presentation following the decision made in January 2015 to refocus the Group on its core business. Henceforth, the Company will present financial statements broken down into the following three divisions:

Electronics: historic business in the semi-conductors sector, including the cost of the support functions previously reported in the “Corporate” division and the R&D activities related to the III-V materials previously shared between the Lighting and Solar Energy divisions. This division includes two Cash-flow Generating Units (200mm SOI and 300mm SOI).

Other activities: the Equipment (Altatech subsidiary) and Lighting Cash-flow Generating Units, including the R&D activities of the Phoenix site.

Solar Energy: including the continued operations (financial assets related to the Touwsrivier solar power plant in South Africa) and discontinued operations.

No UGT consolidation was carried out.

9. Examination of the financial position and the result

The half-yearly activity report which follows must be read in conjunction with the condensed interim consolidated financial statements for the half-year ended 30 September 2014 and the Company’s Reference Document for the financial year 2014-2015 deposited with the Financial Markets Authority on 10 June 2015 under number D.15-0587.

Following the decision taken in January 2015 to refocus the Group on its core business, the sector-based presentation was modified. Henceforth the Company will present its financial statements broken down into the following three sectors:

- Electronics: historical business in the semiconductors sector, including the cost of support functions previously reported in the “Corporate” segment and R&D activities relative to the III-V materials previously broken down into the Lighting and Solar Power segments;
- Other activities: the Equipment (Altatech subsidiary) and Lighting cash-generating units, including the Phoenix site R&D activities;
- Solar Energy: including continuing and discontinued operations.

Soitec has decided to record in the accounts as abandoned activities the results of the Solar Energy Division from the first half-year of 2015-2016, the progress in the plan to move out of these activities at 30 September 2015 allowing for compliance with criteria of the standard IFRS 5 to be verified. To allow for comparison, the financial statements of 30 September 2014 have been restated in the same way.

Due to the likelihood of delays in completing their divestment, the assets related to the solar power plant in Touwsrivier, South Africa, are no longer held as assets held for disposal. They are now classified as non-current financial assetswithin the scope of continuing operations. They consist of the following three items:

- Securities treated on the basis of the equity method for CPV Power Plant n°1 Ltd (“Touwsrivier”) with a 20% stake and its subsidiary CPV Bond;
- Financing (principal and interest) granted to one of the shareholders of the Touwsrivier power plant;
- Security deposit for the bond loan in South Africa.

We applied the IFRIC 21 standard on taxes retrospectively to 1 January 2015. Consequently the comparative data from September 2014 were also restated.

9.1. Position and activity of the Group

The first half of FY 2016 is marked by a strong increase in sales and the return to operating profitability of the Electronics business.

Overall activity was up 56.6% in the first half, with sales of €110.8 million compared with €70.8million in the first six months of the previous financial year. This growth is due to the strong increase in sales volumes in the Electronics segment.

The increase in sales had a favourable impact on the gross margin, up €22.7 million in comparison with the first half of 2014-2015. Current operating income was positive at €3.0 million, up €28.3 million on the current operating loss of €25.3 million posted in the first half-year of the previous financial year.

The net reduction in research and development expenditure contributed to improvement in the current operating income. This went from €15.6 million in the first half of 2014-2015 to €10.5 million in the first half of the 2015-2016 financial year. This variation is primarily explained by a significant increase in the amount of aid recorded in the accounts in the first half of FY 2016.

Administrative expenses were down €1.0 million (including €0.9 million in the Electronics segment), thanks to the pursuit of cost reducing actions. Commercial expenses were up €0.4 million (including € 0.4 million in the other activities segment).

During the first half-year of 2015-2016, the contribution of the two segments defined within the reorganisation of the Group to the Group's current operating income is broken down as follows:

- Electronics: current operating profit was €7.9million, compared with a current operating loss of € 20.7 million in the first half of the previous half-year.
- Other activities: current operating loss was €4.9million, compared with €4.6 million in the first six months of the previous financial year.

At 30 September 2015, the Group's consolidated capital and reserves amounted to €27.8million (compared with €50.0 million at 31 March 2015) with financial debt at €146.2 million (compared with €145.4 million at 31 March 2015). Gross available cash was €71.1 million compared with €22.9 million at 31 March 2015.

9.2. Electronics segment

The Electronics segment generated sales of €108.9 million in the first half-year, up 58.1% on the same period of the previous financial year (€68.8 million).This segment represented 98.2% of total Group sales.

The tables below show the changes in and breakdown of sales by region, client and size of plates.

Geographic breakdown of sales in the Electronic segment

	H1 2013-2014	H1 2014-2015	H1 2015-2016
United States	35%	40%	34%
Europe	46%	26%	36%
Asia	20%	34%	30%

Breakdown of sales in the Electronic segment by client

	H1 2013-2014 Restated	H1 2014-2015 Restated	H1 2015-2016
Top five clients	70%	71%	57%
Clients no. 6 to no. 10	17%	14%	20%
Other clients	13%	15%	23%

Breakdown of sales in the Electronic segment by group of products

	H1 2013-2014 Restated	H1 2014-2015 Restated	H1 2015-2016
300mm SOI	54%	26%	21%
Small diameters	41%	68%	77%
III-V materials	4%	3%	-
Royalties	1%	3%	2%
Others	0%	0%	0%

(en milliers d'euros)	30 September 2015*	30 September 2014*
300mm SOI	22,505	18,080
Small diameters	83,828	46,726
III-V materials	-	2,529
Royalties	2,520	1,770
Total Electronics	108,853	68,835

In comparison with the first-half of the previous financial year, sales of small diameter plates (150-200mm) increased by 79.4% to €83.8 million compared with €46.7 million at 30 September 2014. These plates are principally intended for radiofrequency (RF) applications and power electronics. The Bernin SOI 200mm plate production unit is now close to full capacity. The production agreement signed with the Chinese subcontractor Simgui will give us access to additional industrial capacities from 2016 to meet growing demand.

Sales of SOI 300mm plates were up 24.5% to €22.5 million compared with €18.1 million at 30 September 2014. Certain PD-SOI products dedicated to the PC and games consoles markets are nearing the end of their life. Soitec continues to implement the qualification process for its 300mm silicon plates on totally depleted insulators (FD-SOI) to large foundries which are among its strategic customers in order to utilise the strong market growth potential of the applications dedicated to consumer electronics, the automotive industry and industry at large. The radiofrequency (RF) market also offers good prospects for the 300mm plates.

At 30 September 2014 the other sales from the Electronics segment concerned III-V materials. The goodwill from this business was sold during FY 2015.

Licence revenue was € 2.5 million (€1.8 million at 30 September 2014).

9.3. Other business segment

(en milliers d'euros)	30 September 2015	30 September 2014
Equipment	993	699
Lighting	1,016	1,281
Total other activities	2,009	1,980

The other business segment comprises the Lighting and Equipment (Altatech) businesses.

The sales from the Equipment business rose 42.0% to €1.0 million compared with 0.7 million in the first half of FY 2015.

The Lighting business posted sales of €1.0million in the first half of FY 2016, down 20.7% on sales of €1.3 million in H1 2014-2015.

Geographic breakdown of sales of the Lighting division

	H1 2013-2014	H1 2014-2015	H1 2015-2016
United States	-%	1%	-%
Europe	100%	99%	94%
Asia	-%	-%	6%

Geographic breakdown of sales of the Equipment division

	H1 2013-2014	H1 2014-2015	H1 2015-2016
United States	-%	-%	1%
Europe	99%	94%	43%
Asia	1%	6%	56%

9.4. Solar Power segment

Sales posted by the Solar energy segment in the first half of FY 2016 totalled €9.9 million compared with €35.2 million at 30 September 2014. The impact of this business is presented in the Group net income under abandoned activities.

9.5. Gross margin

Gross margin corresponds to total sales less the cost of sales. Cost of sales is equal to the sum of the production and distribution costs and licence rights (CEA-Leti for the use of SmartCut™ technology).

Gross margin of the Solar Power segment does not appear in the Group's gross margin due to its reclassification under abandoned activities in the net income statement.

Production costs comprise the costs of raw materials, essentially silicon, manufacturing costs, including direct labour costs, depreciation and maintenance costs of production material and clean room infrastructures and the share of overheads assigned to production.

Gross margin improved greatly, from €3.9 million (5.5% of sales) in the first half of 2014-2015 to €26.6 million (24.0% of sales) in the first half of 2015-2016.

The increase was exclusively driven by the Electronics segment which represents over 98% of Group business and for which gross margin increased from €3.5 million (5.1%of sales) in the first half of 2014-2015 to €27.1 million (24.9%of sales) in the first half of 2015-2016, fuelled by a significant increase in the volume of sales and favourable movement in euro/dollar parity (rise of 17.1% in the American currency).

Gross margin in the other businesses segment fell from €0.4 million at 30 September 2014 (19.7% of sales) to -€0.4 million (-22.3% of sales) in the first half of FY 2016.

9.6. Research and Development

Research and development costs are recorded as charges as they occur if the criteria required by IAS 38 to enable their activation in the balance sheet are not verified.

Research and development costs primarily consist of the following elements:

- salaries and payroll taxes, including share-based payments;
- operating costs of the equipment devoted to cleanrooms and the equipment necessary for research and development activities;
- costs related to the maintenance and reinforcement of the Group's intellectual property rights.

Subject to the conventions being signed and the administrative authorisations obtained, the amounts received under subsidy contracts are deducted from the gross research and development costs to provide a net amount recorded in the income statement.

A part of the subsidies contributing to the financing of R&D activities may be granted in the form of reimbursable advances. In accordance with IAS 38 and IAS 20, if the Group considers that the technological and commercial progress of the projects lowers the probability of their success, the corresponding development costs are not activated but are recorded directly in the income statement and the corresponding reimbursable advances are recorded as a deduction from these expenses, independently of the notifications from the financial organisations which may intervene only subsequently when yardsticks are passed terminating the programmes or opening the period of reimbursement of the advances.

The Group may be called on, depending on the changes in the probabilities of technical or commercial success of the projects concerned, to record a financial liability in respect of the prospect of sales generated by the new products developed as part of the subsidy programmes.

Soitec S.A. benefits from a research tax credit (RTC). This credit is recorded as a deduction from the research and development costs in accordance with IAS 20. The amount of the RTC recorded in the financial statements during the first half of FY 2016 was €5.5 million.

Net research and development expenditure fell significantly to €10.5 million (9.5% of sales), compared with €15.6 million (22.0% of sales) in the first half of FY 2015. This reflects a drop in costs due to the abandonment of programmes related to non-strategic activities and a significant increase in the amount of subsidies (from €6.3 million in 2014-2015 to €9.6 million in 2015-2016).

9.7. Operating costs

9.7.1. Commercial and marketing costs

Commercial and marketing costs amounted to €4.1 million over the half-year, compared with €3.7 million in the first half of 2014-2015. The commercial teams in the Lighting business (other businesses segment) were reinforced to enable them to develop the business (+€0.4 million).

The Electronics business commercial and marketing costs remained stable.

9.7.2. Solar power station project lauch costs

Due to the results of the Solar Power Division being presented as abandoned activities, this line, which was specific to it, no longer appears in the Group's income statement.

9.7.3. Overheads and administrative costs expenses

Overheads and administrative costs were down 9.6% at €9.0 million in the first half of FY 2016 compared with €9.9 million in the first half of 2014-2015. This reduction of €0.9 million year-on-year is concentrated on the Electronics sector (€0.8 million). This improvement is the result of a continuous policy of cost reduction implemented by the Group.

9.8. Current operating income

The current operating profit was €3.0 million (2.7%of sales) compared with a loss of €25.3 million (-35.7% of sales) in the first half of 2014-2015.

- The Electronics segment posted a profit of €7.9 million, compared with a loss of €20.7 million over the first six months of the previous financial year.
- The other business segment presented a loss of €4.9 million, compared with a loss of €4.6 million in the first half of FY 2015.

9.9. Operating profit (loss)

The operating profit/loss is constituted by the current operating income and other non-current proceeds and operating charges.

Over the first half of 2015-2016, the Group posted a non-current charge of €5.3 million (compared with a charge of €1.5 million in H1 2014-2015). This charge results principally from the legal and consulting costs incurred during the conciliation procedure and the reorganisation of the Group's business portfolio. It also includes net restructuring costs outside the solar business.

The operating loss was €2.3 million, compared with a loss of €26.8 million during the first half of 2014-2015.

9.10. Financial result

The Group's net financial result over the first half of FY 2016 was a charge of €15.9 million compared with a charge of €7.4 million in the first half of 2014-2015.

This charge can be explained by the following elements:

- The financial result excluding foreign exchange profits and losses was a loss of €9.0 million, at the same level as the charge recorded in the first half of 2014-2015
  - At 30 September 2015, a financial charge of €5.0 million was recorded for the Océanes 2018 for which the coupons were paid half-yearly on 18 September and 18 March.
  - A further provision was made for the security deposit on the bond loan for the Touwsrivier, South Africa solar power plant for an amount of €5.0 million, bringing its net value to the balance sheet assets to €4.7 million at 30 September 2015. The purpose of this provision is to take account of the expected value of current realisation.
  - Within the conciliation protocol approved by the Commercial Court on 5 May 2015, the bank credit lines were subject to a moratorium and the due date for the debt of €37.2 million was postponed to 30 November 2019. The interest rate is between 0.57% and 0.96%. At 30 September 2015, the interest charge was €0.1 million. The interest is capitalised and reimbursable at the end of the loan.
  - Moreover, new loans have been granted by the CEA, the Shin-Etsu Handotaï company and the BPI for an initial total of €54 million. These new loans –remunerated at rates of between 2.99% and 12.00%- will fall due in May 2016. At 30 September, the interest charge comes to €1.1 million. A partial reimbursement of these loans for an amount of €11.9 millionwas made during the first half of FY 2016.
  - The Group signed a new lease agreement on its production equipment. A first tranche was finalised in October 2014 for an amount of €11 million, entered into for a three-year period at an interest rate of 7.04%. A second tranche was finalised in August 2015 for an amount of €11 million, entered into for a three-year period and with an interest rate of 11.40%. At 30 September 2015, the interest charge was € 0.5 million.
- The foreign exchange profit/loss was a loss of €2.0 million compared with a gain of €1.6 million in the first half of FY 2015. This is the result of the significant change in the value of the dollar against the euro. This forex loss is broken down between:
  - A net forex loss of € 1.4 million at 30 September 2015 compared with a profit of €1.1 million at 30 September 2014
  - A net latent forex loss of €0.5 million at 30 September 2015 compared with a profit of €0.5 million at 30 September 2014.

9.11. Net profit (loss) from abandoned activities

The net loss from activities amounts to €23.9 million.

The ending of the negotiations with ConcenSolar relating to the sale of certain assets from the Solar Power business announced in the press release on 5 August 2015, led Soitec to pursue and accelerate both its plan to stop production and research and development activities in San Diego (United States) and Freiburg (Germany) as well as the sale of residual assets in the segment. Since IFRS 5 criteria was verified at 30 September 2015, net profit/loss from the abandoned activities is thus presented on a single line "Net profit/loss from abandoned activities" in the net income statement (see introduction of Chapter 9 of the present Update).

In view of the provisions recorded in the accounts at 31 March 2015, no operating charge has been recorded over the first half of FY 2016. At 30 September 2015 the balance of provisions amounted to €23.6 million. The loss of € 23.9 million results exclusively from the impact of the variation in the exchange rates: on the one hand, according to IFRS 5, reclassification as profit/loss of the conversion differences of the subsidiaries home to abandoned activities, historically recorded in the net position, in an amount of € 17.7 million and, on the other hand, latent exchange loss on the loans to these subsidiaries in an amount of €6.2 million.

The activities related to the Touwsrivier solar power plant in South Africa have been kept as continued operations, due to the uncertainty about the completion timeframe of their sale. They include the equity interest in CPV Power Plant no.1, under the equity method, financial debt claims and a guarantee deposit.

All the other components of the Solar Energy division are now stated as discontinued operations. These assets were stated as assets to be sold as at 31 March 2015.

9.12. Profit/loss and taxes

The Group recorded a loss of €42.5 million compared with a loss of €82.4 million in the first half of 2014-2015.

The pre-tax loss excluding abandoned activities amounts to € 18.7 million (€ 36.3 million at 30 September 2014) and the tax charge is € 37,000. This result takes into consideration the share of the result of the companies accounted for under the equity method: loss of € 0.4 million in the first half-year of FY 2016, (loss of € 2.1 million in the first half of FY 2015).

The net loss from abandoned activities, after tax, was €23.9 million (€46.1 million in the first half of FY 2015).

The diluted loss per share is €0.18, broken down between the continuing activities (€-0.08) and abandoned activities (€-0.10). Over the first half of FY 2015 the diluted loss per share was €0.43 per share, broken down between continuing activities (€-0.19) and abandoned activities (€-0.24).

9.13. Balance Sheet

In order to be able to make a comparison at constant scope, the share of assets and liabilities of the Solar Energy segment and reclassified in discontinued activities was isolated and appears in the table below:

Assets (in thousands of euros)	30 September 2015	31 March 2015	*31 March 2015 Incl. Reclassification of the assetsin discontinued opertions**	*31 March 2015 restatement of discontinued operations***
Non-current assets:				
Goodwill and intangible assets	6,949	8,842	-	*8,842*
Capitalized development programs	2,041	2,226	-	*2,226*
Tangible assets	145,231	156,736	-	*156,736*
Solar power plant projects	-	1,600	*1,600*	-
Defered tax assets	-	-	-	-
Investments in equity affiliates	8,633	-	-	-
Non-current financial assets	26,100	5,739	*561*	*5,178*
Other non-current assets	18,526	28,961	*269*	*28,692*
Total non-current assets	**207,481**	**204,104**	***2,430***	***201,674***
Current assets :				
Inventory	33,995	33,073	*5,013*	*28,060*
Trade receivables	33,109	43,812	*1,638*	*42,174*
Other current assets	17,521	18,894	*5,323*	*13,572*
Current financial assets	1,448	1,311	*328*	*983*
Cash and cash equivalents	71,052	22,911	-	*22,911*
Total current assets	157,125	120,001	*12,302*	*107,700*
Assets held for disposal	-	69,435	-	*69,435*
Assets of discontinued operations	**15,376**	**-**	-	-
Total assets	**379,982**	**393,540**	***14,731***	***378,809***

Current and non-current liabilities (in thousands of euros)	30 September 2015	31 March 2015	*31 March 2015 Incl. Reclassification of the assetsin discontinued opertions**	*31 March 2015 restatement of discontinued operations***
Non-current liabilities:				
Long term debt	157,921	123,552	*1,947*	*121,605*
Deferred tax liabilities	-	-	-	-
Provisions and other non-current liabilities	15,195	17,543	*2,055*	*15,488*
Total non-current liabilities	**173,116**	**141,095**	***4,002***	***137,093***
Current liabilities:				
Short term debt	59,340	49,455	*2,755*	*46,700*
Trade payables	37,006	52,279	*5,199*	*47,080*
Provisions and other current liabilities	42,934	83,902	*37,014*	*46,888*
Total current liabilities	**139,281**	**185,635**	***44,968***	***140,668***
Liabilities held for sale	-	16,852	-	*16,852*
Liabilities from discontinued operations	44,772	-	-	-
Total equity and liabilities	**379,982**	**393,540**	***48,970***	***344,571***
Total current and non-current liabilities	**-**	**393,540**	***393,540***	***584,752***

* Further to the application of IFRS 5 "Non-current assets held for sale and discontinued operations", the operations of the Solar Energy segment were restated on the balance sheet of 30 September 2015. In order to make the financial statements for the 1st Semester of 2015-2016 comparable with the items published on 31 March 2015, the items related to the discontinued operations were reclassified as assets and liabilities of discontinued operations.

** IFRIC 21 was applied to taxes retrospectively at 1 April 2015. As a result, the comparative data at 31 March 2015 was restated. Equity was thus impacted for €36,000, offset by a reduction in tax liability recorded in provisions and other current liabilities.

The balance sheet total comes in at €379.9 million at 30 September 2015 against €393.5 million at the end of March 2015. The main variations in the balance sheet items are detailed in the points following.

9.13.1. Non-current assets

Depreciation tests for loss of value

Depreciation tests on non-current assets are carried out on the cash-flow generating units for which the Group considers there is an indication of loss of value. The main indication of loss of value is comprised of a significant deterioration in turnover in relation to the eighteen-month forecast used for the depreciation test, with this horizon being able to confirm the degree of adoption of our technologies. The Group monitors other loss of value indicators, including the production margin and the main parameters which determine it (euro/dollar exchange rate, purchase price of the material, returns). The depreciation tests are based on business plans built over a horizon of eight years, reflecting the life time of our technologies. Since the reliability of the forecasts over such a horizon is moderate, we use a sequential growth rate of sales of -50% from the fifth year onwards. The discount rate used for the end of the financial year 2014-2015 was 15%.

As at March 2015, given the Company's environment, all of the cash-flow generating units underwent a depreciation test. In accordance with the standard IAS 36, the tests were carried out at the finest cash-flow generation level: 300mm SOI cash-flow generating unit, 200mm SOI cash-flow generating unit and Equipment cash-flow generating unit. Since the goodwill had fully depreciated over the previous financial years, the balance sheet no longer contains fixed assets of an uncertain life time.

For the period ended 30 September 2015, we did not identify new value loss indicators.

The net non-current assets amounted to €207.5million at 30 September 2015 compared with €201.7 million at 31 March 2015 (after reclassification of €2.4 million in abandoned activities' assets). The variation over the period (+ €5.8 million) breaks down as follows:

The value of the intangible and tangible assets fell by €13.6 million.This variation results primarily from:

- provisions for depreciation: - €13.9 million;
- acquisitions over the period: + €2.7 million;
- the impact of the depreciation of the dollar against the euro during the first half of 2015-2016 on the value of the assets of the Singapore subsidiary: - €2.4 million, (the impact on the assets of the American and Japanese subsidiaries being negligible).

Due to the uncertainty surrounding the time limit for the disposal of assets related to the South African solar power plant in Touwsrivier, Soitec decided not to maintain their status as assets held for sale. These assets are the financial claims in relation to one of the shareholders of the power plant, the investments in equity affiliates and a security deposit linked to the convertible bond. Provision for further impairment was made for this latter in the amount of €5.0 million at 30 September 2015.

9.13.2. Other assets

The drop of €10.2 million can be primarily explained by:

- The reduction in the debt relating to the research task credit of €10.6 million. Debts for the years 2014 (€7.3 million) and 2012 (€8.1 million) were reimbursed in April 2015 and September 2015 respectively and were partially compensated by the recording of a debt of €5.6 million for the year 2015 (with €5.5 million for Soitec S.A.). The amount of the research tax credit for the year 2014 was directly collected by the Company as part of the conciliation process.
- The debt relating to the competitiveness-employment tax credit increased by €0.5 million.

9.13.3. Working capital requirement

Working capital requirements (WCR) are calculated as follows:

- operating WCR, including stocks, client receivables, supplier debts, advances and deposits paid or received and social security and tax debts excluding corporation tax.
- non-operating WCR, including debts and fixed asset supplier debts (including deposits paid or received) and tax debts related to corporation tax.

During the first half of 2015-2016 the working capital requirements improved, increasing from €15.2 million at 31 March 2015 to €22.6 million at 30 September 2015. This variation can be analysed as follows:

- operating WCR rose from -€18.1 million at 31 March 2015 to -€3.3 million at 30 September 2015. This variation can be principally explained by the increase in stocks (€5.9 million) and the decrease in supplier debts and other current debts (€16.5 million).
- non-operating WCR fell from €33.3 million at 31 March 2015 to €25.9 million at 30 September 2015. This variation can be primarily explained by the reduction in debts relating to the research tax credit (€8.3 million), partially offset by the reduction in debts on fixed asset supplier debts (€0.3 million).

9.13.4. Capital and reserves

Capital and reserves declined significantly (down €27.2 millions) over the first half of 2015-2016, to €22.8million at the end of September 2015 compared with 50.0million on 31 March 2015. The variation is primarily attributable to the following items: loss of €42.5 million recorded during the period partially offset by reclassification of the exchange differentials in the profit and loss account of subsidiaries hosting the discontinued operations that amounted to €17.7 million euros; impact of the application of IFRIC 21: -€0.7 million; translation differences of subsidiaries hosting the discontinued operations for -€0.7 million.

9.13.5. Financial debt

Financial debt increased from €168.3 million at the end of March 2015 to €217.3 million at the end of September 2015. The main variations are the following:

Within the framework of the conciliation protocol approved by the Grenoble Commercial Court on 5 May 2015 the Group put in place a financing operation for an amount of €54 million expiring in May 2016. Manufacturer Shin-Etsu Handotaï loaned €30 million (Euribor rate +3%), Bpifrance Participations €15 million and CEA-Investissement €9 million (interest rate 12% for both). At 30 September 2015 the remaining debt amounted to €42.9 million (including €1.0 million in accrued interest), since the Group partially reimbursed the loans in August 2015.

In August 2015 the Group signed a new lease for an amount of €11 million, entered into for a period of three years and with an interest rate of 11.40%.

The Group also reimbursed €4.9 million of credit lines corresponding to the mobilisation of the research tax credit.

9.13.6. Net cash position

The net cash position at 30 September 2015 was negative at €146.2 million compared with a negative amount of €145.4 million at the end of March 2015.

9.14. Cash and financing

The cashflow resulting from operating activities is positive for the half-year 2015-2016 at €1.1 million. This is decomposed into a positive flow of €11.3 million for Electronics, partially compensated for by a negative flow of €4.3 million for the other activities and a loss of €5.9 million for the abandoned activities. The comparison with the previous financial year is not relevant since the payments received from supplying the Touwsrivier solar power plant generated a very high cashflow.

Cashflow related to investment operations was negative at €24.8 million at 30 September 2015, against a negative €15.0 million at 30 September 2014.

- The flow from continuing activities was negative at €3.9 million at 30 September 2015 compared with a negative €4.9 million at 30 September 2014. This variation reflects a reduction in the acquisitions of fixed assets or an amount of €1.8 million compared with the first half of FY 2015. Elsewhere, the proceeds from the sale of assets were higher at €5.6 million during the first half of 2014-2015, primarily due to the sale of the Soitec Specialty Electronics goodwill. Conversely, financial investments fell by €4,7 million. In the first half of 2014-2015 they primarily concerned the CPV Power Plant no.1 (Touwsrivier) subsidiary, accounted for under the equity method.
- The flow of abandoned activities amounted to €28.7 million and primarily concern collections related to the sale of the San Diego building (€26.7 million) and the two European solar power plants (€2 million).

Cashflow related to the financing activities was positive in the first half of 2015-2016 (€22.2 million). This amount is broken down between:

- Continuing activities for an amount of + €40.3 million, the main items of which are the new loan of €54 million and the signing of a new lease contract for an amount of €11 million;
- The abandoned activities resulting in a negative flow of €18.2 million, primarily concerning the reimbursement of the debt refinancing the San Diego building (sold during the first half of FY 2016) for €16.2 million.

In total the Group's cash increased by €48.1 million during the first half of 2015-2016 to €71.1 million.

9.15. Objectives of the cash management policy

The cash management policy put into place by the Group aims to minimise transactional exchange risk by reducing the position in dollars as much as possible via fixed-term sales and cash transactions. Remaining cash is invested in low-risk money market investments.

10. Cash flow and capital resources

10.1. Short and medium term capital of the Group

Information on shareholders' equity is provided in paragraphs 20.3.1.1. (table showing the change in consolidated shareholders' equity) and 20.3.1.2, note 3.13 on issued capital and reserves, of this Reference Document.

10.2. Source and amount of Group cash flow

The information on the Group's cash-flow is given in Chapter 9.14.

10.3. Borrowing terms and financing structure of the Group

The shareholders' equity fell (- €27.2 million) in the first half of the financial year 2015-2016, coming out at €22.8 million at the end of September 2015 compared to €50.0 million as at 31 March 2015. The variation is mainly attributable to the following components: loss of - €42.5 million recognised over the period partially offset by the restatement in the Profit & Loss Account of the translation differences of the subsidiaries in charge of the discontinued operations, for + €17.7 million; impact of the application of the standard IFRIC 21: - €0.7 million: translation differences of the subsidiaries in charge of the continued operations for - €0.7 million.

The financial debt went from €168.3 million at the end of March 2015 to €217.3 million at the end of September 2015. The main changes are as follows:

Having announced it on 20 April 2015, Soitec confirmed on 28 May 2015:

- Having finalised on 27 May 20105, financing of a total amount of €54 million, maturing in May 2016. This financing includes the following components:
  - A loan of a total maximum amount of €30 million with an interest rate of Euribor +3% from Shin-Etsu Handotaï (major supplier of wafers for Soitec and historic shareholder of the Group), guaranteed by a pledge of receivables and a pledge on stock; as at 30 September 2015, the balance of the loan was €23.8 million;

- A current account advance of a total amount of €15 million with an interest rate of 12% granted by Bpifrance Participations, also a Soitec shareholder, guaranteed by a security in trust on the fixed assets of the Bernin site; as at 30 September 2015, the balance of the current account advance was €11.4 million;
- Financing of a total amount of €9 million with an interest rate of 12% granted by the Commissariat à l'Énergie Atomique et aux Énergies Renouvelables (CEA), Soitec's technological partner, through its subsidiary CEA Investissement, a company specialised in corporate financing for innovations from European research laboratories, also guaranteed by a trust-surety on the property assets of the Bernin site. As at 30 September 2015, the balance of the financing was €6.9 million. By resolution of the Extraordinary General Meeting of 30 July 2015 (resolution no. 22), the financing granted by CEA Investissement is combined with a mechanism allowing the lender to use all or part of the principal and interest to subscribe share subscription warrants by debt offsetting. This mechanism is therefore able to reduce the financial costs in consideration of a dilution resulting from the exercise of the subscription warrants. Resolution no. 21 proposing to allocate the same rights to Bpifrance was not adopted due to lack of quorum.

- Having entered into an agreement with CEA-Leti, which developed and continues to provide its support to the SOI ("silicon-on-insulator") roadmap and accepted to postpone to the end of May 2016 the payment of its debt claim under the licence agreements and works carried out for Soitec in 2014, of a total amount of €7.8 million.
- Having restructured the current bank credit facilities, of a total value of €37.2 million at the end of March 2015, to provide just one repayment date for the balance of the credit facilities and capitalised interest, at Euribor plus a margin of between 0.6% and 1% in November 2019.

The liquidity risk to which Soitec is exposed is described in more detail in Chapter 4 of this Update of the Reference Document.

In August 2015, the Group signed a new lease financing agreement for an amount of €11 million, entered into for a term of 3 years and bearing interest at the rate of 11.40%.

Finally, in September 2015 the Group repaid an amount of €4.9 million of credit facility corresponding to the mobilisation of the research tax credit.

10.4. Restrictions on the use of capital

Not applicable.

10.5. Information on expected sources of financing

As at 30 September 2015, the Group had cash-flow of €71.1 million compared to €22.9 million as at 31 March 2015, an improvement resulting mainly from the new financing put in place within the framework of the conciliation procedure described in paragraph 4.4.3 of Chapter 4 of the Reference Document 2014-2015. Since the first draw -down in February 2015 and concerning 6 million shares, the Company has not used the PACEO equity line program which was put in place in January 2015 for a total volume of 22 million shares. As of 31 December 2015, Soitec's cash and cash equivalents position stood at €51 million, versus €71.1 million at 30 September 2015. In order to secure its business continuity, the Group announced its decision to refocus on its historic business activity, withdrawing from the solar energy sector. Cash forecasts were built on the basis of this scenario, and financing stemming from the sale of certain non-strategic assets. In light of the repayment schedule of the financing granted by Shin-Etsu Handotai, Bpifrance Participations, CEA, and CEA Investissement totalling approximately €50 million in principal maturing in May 2016, and its production capacity investment requirements over the next 18 months. On 10 February 2016 Soitec announced a plan for two capital increases totalling between €130 and €180 million (see Chapter 12 and Chapter 20).

At the time of this Update, the Company estimates that it will require just over €30 million by the end of May 2016 at the time of the maturity of the financing granted by Shin-Etsu Handotai, Bpifrance Participations, CEA, and CEA Investissement, and that its financing requirements could eventually reach as high as €50 million by the end of March 2017.

Accordingly, the Company feels that the continuity of its operations would be compromised if these planned capital increases do not go forward (see Section 20.9.2. of this Update).

12. Information on trends

12.1. Revenue for the 3rdquarter and 9 months of fiscal 2015-2016

On 20 January 2016, Soitec announced a 2015-2016 3rd quarter revenue increase of 37% for it's Electronics business compared to the previous year, an increase of 20% at constant exchange rates.

Consolidated revenue for the first 9 months of fiscal 2015-2016 came to €171.7 million, an increase of 49% over the first 9 months of the previous fiscal year (see the news release of 20 January 2016 and the information contained in Section 20.9 of this Update).

12.2. Target for fiscal 2015-2016

For 2015-2016, and based on the assumptions outlined in Section 13.1 of this Update, the Company aims to reach a higher current operating profit for its Electronics business in the second half compared to that of the first half of fiscal 2015-2016.

12.3. Objectives and trends for fiscal 2016-2017 and thereafter

Concerning the Electronics activity in fiscal 2016-2017, growth in demand for radiofrequency (RF) applications and power electronics (Power) should be robust, offsetting the effects related to the end of the life cycle for PD-SOI products. If this were actually the case, the Company would aim to achieve higher Electronics sales growth over fiscal 2015-2016 (at constant exchange rates) and an EBITDA for the Electronics activity similar to that of fiscal 2015-2016 (see Section 13 of this Update for Company forecasts relating to revenue and EBITDA ratios for the Electronics business).

Also, over the longer-term, Soitec plans on profiting from the promising prospects connected with the widespread adoption of FD-SOI by the semiconductor industry, and thus aims to benefit from the industrial production of 300 mm FD-SOI plates, providing the presently underutilized Bernini II plant could, with an investment estimated at €40 million produce over 500,000 FD-SOI plates annually based on the adoption of this technology. Soitec also seeks to take advantage of the additional capacity of 200 mm plates thanks to the outsourcing agreement signed with Simgui in China for production volumes reaching as high as 150,000 plates by the end of the fiscal 2017-2018, subject to obtaining the qualification of current customers (refer to Section 20.9 of this Update).

If the above objectives are reached, a significantly favourable impact on the entire Group's revenue and EBITDA could be gradually obtained starting in 2017-2018.

13. Forecasts of the Electronics business for the year 2015-2016

Forecasts of the Electronics business for the year 2015-2016

13.1. Assumptions

The main assumptions these forecasts are based on are:

- Consolidation basis and accounting principles identical to those used by the Company to prepare its historical financial information;
- Euro/dollar exchange rate maintained at the average level of the first three quarters of the year (1.10);
- Updated sales forecasts both in volume and in price customer by customer for the last quarter of the year;
- Updated key parameters having an impact on the gross margin (silicon purchase price, profitability); and
- Updated fixed cost forecasts (staff and other operating expenses).

13.2. Forecasted Electronics business EBITDA

For the 2015-2016 period, and based on the assumptions described above, the Company expects the Electronics business: (1) To generate revenues slightly greater than €230 million, in line with forecasts made after the release of third quarter revenue numbers (sequential growth of over 10% at constant exchange rates in the fourth quarter of 2015-2016); and (2) an EBITDA ratio relative to sales of approximately 15%.

Furthermore, the Company clarifies that, pending the final results of the impairment tests conducted as usual at the end of the 2015-2016 period, it is not able to confirm at constant exchange rates the forecasted stable operating profits of the Electronics business in the second half compared to the first half of 2015-2016 mentioned in its interim financial report dated 20 November 2015.

13.3. Auditor's report on the forecasted EBITDA ratio compared to revenue for the year ending 31 March 2016

Mr. Paul Boudre
Chief Executive Officer
SOITEC
Chemin des Franques
38190 Bernin, France

Dear Sir,

In our capacity as statutory auditors and in accordance with EC Regulation no. 809/2004, we prepared this report based on a forecasted EBITDA ratio relative to Soitec Group revenues included in Chapter 13.2. of the Updated Reference Document.

These forecasts and their underlying assumptions were prepared under your responsibility, pursuant to the provisions of EC Regulation no. 809/2004 and European Securities and Markets Authority (ESMA) recommendations on forecasts.

Based on our work, it is up to us to provide a determination of the adequacy of these forecasts, under the terms required by Annex I, paragraph 13.2 of EC Regulation no. 809/2004.

We implemented the due diligence procedures we considered necessary under the professional guidelines of the National Society of Auditors relating to this assignment. These procedures included an assessment of the measures introduced by management when making their forecasts and the procedures to ensure the accounting principles used are compliant with those adopted for the preparation of the historical financial information of the Soitec Group. They also involved gathering information and explanations that we considered necessary to obtaining a reasonable assurance that the forecasts were properly prepared on the basis of the stated assumptions.

As certain forecasts are inherently uncertain, actual results may differ significantly from those forecasted, therefore we do not express any opinion on the possibility of actually achieving these forecasts.

In our opinion:

- The forecasts were properly prepared on the stated basis;
- The accounting basis used for these forecasts is consistent with the Soitec Group's accounting methods.

This report is issued solely for the purpose of filing the updated reference document with the AMF, and for listing the shares of Soitec on a regulated stock market in France and in other European Union countries where the AMF approved prospectus is required, and may not be used in any other context.

Done in Lyon and Meylan, on 7 March 2016

The Statutory Auditors

Pricewaterhousecoopers Audit	Cabinet MURAZ PAVILLET
Nicolas Brunetaud	Christian Muraz

14. Administrative and Management Bodies and General Management

14.1. Information on the administrative and management bodies

14.1.1. The Board of Directors

Soitec is organised according to the "one-tier" formula with a Board of Directors composed, on the presentation date of the Update, of eight members, which complies with Article 12 of the Articles of Association which provides that it must be composed of at least three members and at most fifteen.

Following the decision made by Mr André-Jacques Auberton-Hervé to step down from his functions of Chairman of the Board of Directors on 11 September 2015, the Board of Directors decided to appoint Mr Paul Boudre as Chairman of the Board, thus combining the functions of Chairman and Chief Executive Officer of the Company.

Mr André-Jacques Auberton-Hervé, for his part, was appointed Honourable Chairman of the Soitec Group.

These changes have meant that the Board of Director now only has in Mr Joseph Martin one independent director, within the meaning of the provisions of the AFEP-MEDEF Code. Indeed, at the time of the financing plan put in place within the framework of the conciliation procedure approved by the Commercial Court of Grenoble on 5 May 2015, Shin-Etsu Handotaï (Europe), Bpifrance Participations, and CEA Investissement granted to Soitec financial support described in Chapters 19 (Related company transactions) and 22 (Important Contracts) of the Soitec Reference Document 2014-2015, submitted to the Autorité des marchés financiers on 10 June 2015 under number D.15-0587.

Bpifrance Participations and CEA Investissement each have a seat on the Board of Directors. Mr Satoshi Onishi is the Chief Executive Officer of Shin-Etsu Handotaï (Europe). Mr Douglas Dunn, for his part, sits on the Board of Directors of GlobalFoundries Inc., after having managerial functions at Arm Holdings plc, two companies with which Soitec has important business relationships.

14.1.1.1. Composition and change of the Board of Directors as at 3 March, 2016

Composition

Soitec's Board of Directors is current composed of seven directors.

On the date of publishing this report, the Board of Directors had the following members:

- Paul Boudre;
- Bpifrance Participations, represented by Thierry Sommelet;
- CEA Investissement, represented by Christophe Gegout;
- Douglas Dunn;
- Joël Karecki;
- Satoshi Onishi;
- Joseph Martin.

On the day of publication, Paul Boudre is the only member of the Board of Directors holding an office in Executive Management.

The Board of Directors neither has a member elected by the employees, nor a member representing the employee shareholders. However, the Works Council representatives attend all Board of Directors meetings in an advisory capacity, in accordance with Article L.2323-63 et seqof the French Labour Code.

Sébastien Blot, Investment Director at Bpifrance Participations, was appointed as non-voting member of the Board of Directors at the Annual General Meeting of 20 January 2012. His membership was renewed for a term of two years at the Annual General Meeting of 28 May 2014. He contributes to the work of the Board of Directors in an advisory capacity. He receives no remuneration as such.

During the financial year ended 31 March 2015, the percentage of women on the Board of Directors was 20%. Currently it is 0% and it will increase to 23% after the capital increases are complete (see paragraph 14.3.1).

b/ Terms of office

The term of office of elected members as of this date is four years; it expires at the end of the Annual General Meeting that rules on the financial statements for the year just ended and held in the year during which the members' offices expire. They will be eligible for re-election.

The table below shows the start and expiry dates of the terms of office of members of the Board of Directors:

Name	Date of 1st appointment	Current term of office start date	Term of office expiry date	Number of terms of office
Paul Boudre	03/07/2012	03/07/2012	AGM for approving financial statements for the year ended 31/03/2016	1
Bpifrance Participations	02/07/2013	02/07/2013	AGM for approving financial statements for the year ending 31/03/2017	1
CEA Investissement	20/04/2015	20/04/2015	AGM for approving financial statements for the year ended 31/03/2016	1
Douglas Dunn	09/07/2004	28/05/2014	AGM for approving financial statements for the year ended 31/03/2018	3
Joël Karecki	20/01/2012	20/01/2012	AGM for approving financial statements for the year ended 31/03/2016	1
Joseph Martin	09/07/2004	28/05/2014	AGM for approving financial statements for the year ended 31/03/2018	3
Satoshi Onishi	10/07/2015	10/07/2015	AGM for approving financial statements for the year ended 31/03/2019	1

14.1.1.5. Directors' expertise and management experience

Satoshi Onishi

Satoshi Onishi is the Chairman & CEO of Shin-Etsu Handotaï Europe Ltd., company based in the United Kingdom. A graduate in economics from the University of Kagawa (Japan) in 1985, he also has a Masters in Industrial Systems' Engineering from the University of Florida. He joined Shin-Etsu Chemical Co. Ltd. in 1985, where he initially worked for the IT division of Shin-Etsu Handotaï Co. Ltd. It was during that time that he designed and developed, as project manager, numerous Shin-Etsu basic systems, applied both at company level and manufacturing processes' level. In 1998, Satoshi Onishi became Director of the Development

Division at Skyward Information System Co. Ltd., a company of the Shin-Etsu Chemical Co. Ltd. Group. In January 2000, he was appointed Head of the PC/IT Division of Shin-Etsu Handotaï Europe Ltd. In 2005 he became its Director of Sales, Accounting and Company Administration before being appointed Chairman & CEO in June 2012.

14.1.2. The Executive Board

14.1.2.1. The Executive Committee

During the financial year ended 31 March 2015, the management structure previously in place organised around the Chairman & CEO (*"Office of the President"*) was replaced by an Executive Committee currently comprising twelve members:

- Paul Boudre, Chairman & CEO;
- Bernard Aspar, Director of the Communication and Power business unit;
- Grégoire Duban, Chief Financial Officer;
- Lionel Fabrizi, Human Resources Director;
- Scott Kern, Director of the Lighting business unit;
- Jacques Elie Levy, Group Legal and Industrial Property Director;
- Christophe Maleville, Digital business unit Director;
- Laurent Maumet, Information Systems, Purchasing and Quality Director;
- Carlos Mazuré, Research & Development Director;
- Cyril Menon, Operations Manager;
- Thomas Piliszczuk, Sales and Marketing Director;
- Thierry Tron, Deputy Financial Officer.

14.1.2.2. Executive Management powers

Cumulation of the functions of Chairman and Chief Executive Officer

Following the deliberations of the Board of Directors meeting on 11 September 2015, the functions of Chairman of the Board and of Chief Executive Officer are performed by Mr Paul Boudre who now chairs the Board of Directors and continues his functions of CEO..

As CEO, full authority is vested in Paul Boudre to act in all circumstances on behalf of the Company. He exercises his authority within the limit of the Company's objective and subject to the authority that the law expressly bestows on the Shareholders' Meetings and Board of Directors.

14.2. Conflicts of interest in the Administrative and Management Bodies

14.2.1. Independence of directors

On the date of this update, the Board of Directors now only has one member meeting the conditions of independence imposed by the AFEP-MEDEF Code, namely Mr Joseph Martin.

14.2.2. Conflicts of interest within the executive committees

The semiconductor market is characterised by its small number of players, so the Group maintains or is likely to have business relationships with ARM Holdings Plc, STMicroelectronics NV and Shin-Etsu Handotaï, within which Douglas Dunn and Satoshi Onishi hold or held positions respectively, as disclosed in the table in paragraph 14.1.1.2. Information on the directors in the Reference Document 2014-2015.

Joël Karecki, whose candidature to the Board of Directors was proposed by Bpifrance Participations, is called upon to share with Bpifrance Participations information on the Company and to discuss with it the positions to adopt when sitting on the Board of Directors. The same is true for Thierry Sommelet, who represents Bpifrance Participations within the Board of Directors.

As regards Sébastien Blot, his acting in the capacity as observer without the right to vote bars him from being a member of the Board of Directors for purposes of reviewing the independence of members of the Board of Directors. As Bpifrance Participations' head of Investments, he may not, in any case, be qualified as independent.

Finally, CEA Investissement is affiliated to the French Atomic and Renewable Energy Commission (CEA), with which Soitec has maintained business relations since the Company's creation.

14.3. Future governance changes to be made at the time of the announced capital increases on 10 February 2016

14.3.1. Changes in the composition of the Board of Directors

After the capital increases announced by Soitec on 10 February 2016 (see paragraph 20.9., page 43 of this Update), CEA Investissement (CEAI), National Silicon Industry Group (NSIG) and Bpifrance Participations (Bpifrance), together referred to as the "Investors", would each own a 14.5% stake in the Company. CEAI would have an option to subsequently raise its stake to 14.5%.

Under a shareholders' agreement entering into force at the Annual General Meeting to approve the capital increase reserved for CEAI, NSIG, and Bpifrance (the "Reserved Capital Increase"),

it is expected that, following the Reserved Capital Increase, the Board of Directors will be composed initially of 13 members including:

- Two members nominated by each Investor, it being specified that Bpifance Participations and CEA Investissement are already Board members, and Mr. Joel Karecki was elected a member of the Board after being nominated by Bpifrance Participations;
- The CEO of the Company, Mr. Boudre;
- 1 member nominated by Shin-Etsu Handotai;
- 1 member unrelated to the Investors (currently Mr. Doug Dunn); and
- 4 independent members.

The director nominations proposed by the Investors, i.e. CEA Investissement and NSIG, will be effective on the completion date of the Reserved Capital Increase. The appointment of the independent directors will become effective at the Annual General Meeting. The newly appointed directors' term of office shall be four years, ending at the General Meeting called to approve the accounts for the year closing on 31 March 2020.

Each Investor also commits to resign one of its nominated directors (or the Investor himself if he is a member of the Board) if their holdings fall below 10% of the Company's share capital, and that their second nominated director (or the Investor himself if he is a member of the Board) shall resign from the Board if their stake falls below 5% of the Company's share capital.

14.3.2. Decisions subject to prior approval of the Board

The following decisions will be subject to the Board's prior approval:

- Decisions to do business abroad by establishing a direct or indirect subsidiary or equity participation, as well as decisions to withdraw these establishments; and
- Significant material transactions that may affect the Group's strategy or modify its financial structure or scope of activity, particularly M&A decisions.

Prior Board approval will be required to transact the following, to the extent that the amount, individually or in aggregate, exceeds €20 million:

- Acquire or sell holdings in any existing or future company, participate in the creation of a company, group, or organization, or to subscribe to a stock or bond issue;
- Grant all exchanges, with or without a balancing cash adjustment, affecting assets or securities;
- In case of litigation, signing of any agreements or transactions, or accepting any settlements; and
- Granting a security on company assets.

Prior Board approval will be required before incurring any off-budget expense or investment if the amount exceeds €5 million, individually or together, including any acquisition or sale of fixed assets; it being specified that a project with several phases must be considered in its entirety.

Prior Board approval will be required to transact the following, to the extent that the cumulative amount, individually or in aggregate, exceeds €30 million:

- Granting or contracting any loans, borrowings, credits or advances, except for leasing transactions or the financing of equipment and facilities; and
- Acquiring or transferring, by any means, all receivables.

Subject to prior Board approval are decisions on launching any project likely to incur, over the first five years of its implementation, investments, expenses, unbudgeted commitments or responsibilities of over €50 million (individually or in the aggregate).

Subject to prior Board approval will be decisions (i) on any sales by assignment, licensing, or otherwise of Soitec's core industrial property rights (including the Smart Cut™ technology) to any third party or (ii) on any cooperation or commercial partnership agreement generating annual revenues or expenses, as appropriate, estimated at over €7 million, except for agreements exclusively or almost exclusively concerning the sale of the Company's products in the ordinary course of business.

14.3.3. Committees of the Board of Directors

Under the Agreement, it is provided that a Sensitive Strategic Issues Committee be created to decide on any transfer project, either through an assignment, a license agreement, or otherwise, or any proposed joint venture involving the Smart Cut™ technology, and this Committee should make recommendations to the Board in this regard. It will consist of at least four members, namely (i) a director nominated by Bpifance Participations, (ii) a director nominated by CEA Investissement and (iii) two independent directors.

Each Investor will also be represented on the Strategy Committee, the Remuneration and Nomination Committee, and the Audit and Risk Committee by one of its Board nominees.

16. **Operating** of the administrative and management bodies

16.1. Terms of office of directors and executives

Please refer to paragraph 14.1.1. of this Update.

16.2. Service contracts providing for the granting of future advantages

In its meeting of 4 May 2015, the Board of Directors of Soitec decided:

- to entrust to Mr André-Jacques Auberton-Hervé a specific support mission to Soitec S.A. and to its teams within the framework of the negotiation and sale of the Solar Division, whose terms are described in the Special Auditors' Report on statutory agreements and which was approved by the shareholders during the General Meeting approving the accounts of the financial year ended 31 March 2015 (Refer to section 19 of the Company's 2014/2015 Reference Document). Under this assignment, only a flat fee of €200k not incl. tax was paid to Mr. Auberton-Hervé, excluding any success fees, which were set at 1% of the cash impact from the sale of the solar business compared to the baseline scenario for the sale determined by the Company;
- to put in place a compensation system for Mr André-Jacques Auberton-Hervé in case of cessation of his functions of member of the Board of Directors, whose amount was fixed at the sum of one hundred thousand euros, in consideration of the subscription by Mr André-Jacques Auberton-Hervé of a non-compete commitment for a term of 3 years in respect of Soitec.

16.3. The Committees of the Board of Directors

At the date of publication, the Committees were composed and operated as set out below.

16.3.1. The Strategy Committee

Composition and operating rules

The Strategy Committee comprises the following six directors:

- Chairman: Paul Boudre;
- Members: Bpifrance Participations, represented by Thierry Sommelet;
  CEA Investissement, represented by Christophe Gegout;
  Douglas Dunn;
  Joël Karecki;
  Joseph Martin.

16.3.2. Le Comité d'audit et des risques

Composition and operating rules

The Audit and Risk Committee comprises the following four directors:

- Chairman: CEA Investissement, represented by Christophe Gegout;
- Members: Bpifrance Participations, represented by Thierry Sommelet;
  Douglas Dunn;
  Joseph Martin.

Christophe Gegout, Chairman of the Audit and Risk Committee, meets the conditions of competence required by Article L. 823-19 of the French Commercial Code.

16.3.3. The Remuneration and Appointments Committee

Composition and operating rules

The Remuneration and Appointments Committee comprises the following four directors:

- Chairman: Joël Karecki;
- Members: Douglas Dunn;
  Joseph Martin;
  Satoshi Onishi.

On the occasion of the operations described in paragraph 14.3.1., an amended version of the internal Board rules is to be adopted, and the composition of the Board Committees is to be amended to reflect the appointment of the new directors.

18. Main shareholders

18.1. Shareholding of the Company as at 29 February, 2016

Capital and voting rights distribution as at 29 February, 2016 :

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé	5,324,949	2.302%	10,411,802	4.080%
The Auberton-Hervé Family	529,707	0.229%	1,059,414	0.415%
The Auberton-Hervé Family Group	**5,854,656**	**2.531%**	**11,471,216**	**4.495%**
Bpifrance Participations	22,071,781	9.541%	34,199,133	13.401%
Caisse des Dépôts et Consignation	8,641,629	3.736%	8,641,629	3.386%
Shin-Etsu Handotaï Co Ltd.	4,452,599	1.925%	4,452,599	1.745%
Public	190,192,068	82.219%	196,323,039	76.929%
Self-owned	111,451	0.048%	111,451	(0.044%)
Total	**231,324,184**	**100%**	**255,199,067**	**100%**

20. Financial information : assets, financial position and results

20.1. Historical financial information

Pursuant to article 28 of Commission Regulation (EC) No 809/2004, the following information is incorporated by reference in this document:

- The group consolidated financial statements as at March 31, 2012 and the corresponding auditors' reports presented on pages 67 et seq and on page 100 of the Registration Document ("Document de Référence") filed with the French Financial Markets Authority on June 15, 2012 under the number D.12-0619;
- The group statutory accounts as at March 31, 2012 and the corresponding auditors' reports presented on pages 101 et seq and on pages 102 and 103 of the Registration Document filed with the French Financial Markets Authority on June 15, 2012 under the number D. 12-0619;
- The group consolidated financial statements as at March 31, 2013 and the corresponding auditors' reports presented on pages 85 et seq and on page 118 of the Registration Document filed with the French Financial Markets Authority on June 27, 2013 under the number D.13-0676;
- The group statutory accounts as at March 31, 2013 and the corresponding auditors' reports presented on pages 119 et seq and on pages 120 and 121 of the Registration Document filed with the French Financial Markets Authority on June 27, 2013 under the number D. 13-0676;
- The group consolidated financial statements as at March 31, 2014 and the corresponding auditors' reports presented on pages 85 et seq and on page 120 of the Registration Document filed with the French Financial Markets Authority on May 13, 2014 under the number D.14-0518;
- The group statutory accounts as at March 31, 2014 and the corresponding auditors' reports presented on pages 121 et seq and on page 123 of the Registration Document filed with the French Financial Markets Authority on May 13, 2014 under the number D.14-0518;
- The group consolidated financial statements as at March 31, 2015 and the corresponding auditors' reports presented on pages 77 et seq and on page 116 123 of the Registration Document filed with the French Financial Markets on June 10, 2015 under the number D.15-0587;
- The group statutory accounts as at March 31, 2015 and the corresponding auditors' reports presented on pages 117 et seq and on page 119 of the Registration Document filed with the French Financial Markets Authority on May 13, 2014 under the number D.15-0587;

Parts not included in these documents are either not relevant for the investor or covered elsewhere in the Registration Document.

The Registration Documents mentioned above are available on the website of the Company (www.soitec.com) and the French Financial Markets Authority (www.amf-france.org).

20.3. Financial statements of the Company for the six months ended September 30, 2015

20.3.1. Financial consolidated statements at 30 September 2015

Consolidated income statement

(in thousands of euros)	Notes	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Sales		**110,863**	**70,815**
Cost of sales	-	(84,256)	(66,894)
Gross profit/(loss)		**26,607**	**3,921**
Sales and marketing expenses		(4,095)	(3,685)
Research and development costs	4.2	(10,547)	(15,612)
Solar power plant project development costs		-	-
General and administrative expenses		(8,969)	(9,926)
Recurring operating income/(loss)		**2,996**	**(25,301)**
Other operating income	4.4	-	2,498
Other operating expenses	4.4	(5,290)	(4,004)
Operating loss	-	**(2,295)**	**(26,806)**
Financial income	-	6,412	4,028
Financial expense	-	(22,347)	(11,444)
Net financial income/(expense)	-	**(15,935)**	**(7,416)**
Loss before tax	-	**(18,230)**	**(34,222)**
Income tax	4.5	(37)	(5)
Share of loss of equity-accounted companies	-	**(404)**	**(2,118)**
Net loss from continuing operations	-	**(18,671)**	**(36,345)**
Net loss from discontinued operations	4.7	(23,852)	(46,050)
Consolidated net loss for the period	-	**(42,522)**	**(82,396)**
Non-controlling interests	-	-	-
Net loss (attributable to owners of the parent)	-	**(42,522)**	**(82,396)**
Basic earnings/(loss) per share in euros	-	(0.18)	(0.43)
Of which continuing operations	-	*(0.08)*	*(0.19)*
Of which discontinued operations	-	*(0.10)*	*(0.24)*
Diluted earnings/(loss) per share in euros	-	(0.18)	(0.43)
Of which continuing operations	-	*(0.08)*	*(0.19)*
Of which discontinued operations	-	*(0.10)*	*(0.24)*

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the consolidated income statement has been restated to reflect the activities of the Solar Energy business segment.

** IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from the six months ended September 30, 2014 have been restated to reflect income of 532 thousand euros, divided between cost of sales (425 thousand euros) and research and development costs (106 thousand euros).

Consolidated statement of comprehensive income/(loss)

(in thousands of euros)	Notes	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Consolidated net loss for the period		**(42,522)**	**(82,396)**
Items of comprehensive income/(loss) that may be reclassified to the income statement:			
Foreign exchange gains/(losses) on conversion of foreign operations		**(681)**	**4,337**
Foreign exchange gains/(losses) on conversion of foreign operations reclassified to the income statement		17,684	-
Items of comprehensive income/(loss) that may not be reclassified to the income statement:			
Actuarial gains/(losses) on post-employment benefits		**-**	**-**
Income and expenses recognized directly in equity		17,003	4,337
Total comprehensive loss for the period		**(25,519)**	**(78,059)**

* IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from the six months ended September 30, 2014 have been restated. Since the consolidated net loss for the period was favorably impacted in an amount of 532 thousand euros, the comprehensive loss was impacted by the same amount.

Balance sheet

Assets (in thousands of euros)	Notes	September 30, 2015	March 31, 2015
Non-current assets:			
Goodwill and intangible assets	3.1	6,949	8,842
Capitalized development projects	3.1	2,041	2,226
Property, plant and equipment	3.2	145,231	156,736
Solar power plant projects	3.2	-	1,600
Deferred tax assets	4.5	-	-
Investments in equity-accounted companies	-	8,633	-
Non-current financial assets	-	26,100	5,739
Other non-current assets	-	18,526	28,961
Total non-current assets	**-**	**207,481**	**204,104**
Current assets:			
Inventories	3.3	33,995	33,073
Trade receivables	3.4	33,109	43,812
Other current assets	-	17,521	18,894
Current financial assets	-	1,448	1,311
Cash and cash equivalents	4.4	71,052	22,911
Total current assets	-	157,125	120,001
Assets held for sale	3.6	-	69,435
Assets from discontinued operations	**3.6**	**15,376**	**-**
Total assets	**-**	**379,982**	**393,540**

Equity and liabilities (in thousands of euros)	Notes	September 30, 2015	March 31, 2015
Equity:			
Share capital		23,130	23,119
Share premium		781,382	782,058
Treasury shares		(475)	(475)
Retained earnings		(785,640)	(737,473)
Other reserves		4,416	(17,270)
Equity attributable to owners of the parent		**22,813**	**49,958**
Non-controlling interests		-	-
Total equity		**22,813**	**49,958**
Non-current liabilities:			
Long-term debt	3.9	157,921	123,552
Deferred tax liabilities	4.5	-	-
Provisions and other non-current liabilities**	**3.10**	**15,195**	**17,543**
Total non-current liabilities	**-**	**173,116**	**141,095**
Current liabilities:			
Short-term debt	3.9	59,340	49,455
Trade payables	-	37,006	52,279
Provisions and other current liabilities**		42,934	83,902
Total current liabilities	**-**	**139,281**	**185,635**
Liabilities held for sale	3.6	-	16,852
Liabilities from discontinued operations	3.6	44,772	-
Total equity and liabilities	**-**	**379,982**	**393,540**

* IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from March 31, 2015 have been restated. Equity was positively impacted in an amount of 36 thousand euros, resulting in a corresponding reduction in the Group's tax liability, recorded in provisions and other current liabilities.

** Restructuring provisions are analyzed in section 3.11.

Statement of changes in equity

(in thousands of euros)	Number of shares	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Equity attributable to owners of the parent	Non-controlling interests	Total equity
March 31, 2014	**172,580,795**	**17,258**	**704,158**	**(478)**	**(503,453)**	**3,077**	**220,562**	**-**	**220,562**
Items of total comprehensive income/(loss) that may be reclassified to the income statement:									
Exchange gains/(losses) on conversion of foreign operations	-	-	-	-	8,697	(4,360)	4,337	-	4,337
Items of total comprehensive income/(loss) that may not be reclassified to the income statement:									
Actuarial gains/(losses) on post-employment benefit obligations	-	-	-	-	-	-	-	-	-
Total income and expenses for the period recognized directly in equity	**-**	**-**	**-**	**-**	**8,697**	**(4,360)**	**4,337**	**-**	**4,337**
Net loss for the period – Continuing operations	-	-	-	-	(36,345)	-	(36,345)	-	(36,345)
Net loss for the period – Discontinued operations	-	-	-	-	(46,050)	-	(46,050)	-	(46,050)
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**(73,698)**	**(4,360)**	**(78,058)**	**-**	**(78,058)**
Share capital and additional paid-in capital									
Exercise of stock options and/or free share awards	561,695	56	-	-	(56)	-	-	-	-
Capital increase	51,942,942	5,194	77,915	-	-	-	83,110	-	83,110
Net capital increase costs	-	-	(3,415)	-	-	-	(3,415)	-	(3,415)
Other items									
Treasury share transactions	-	-	-	3	-	-	3	-	3
Share-based payments	-	-	-	-	73	-	73	-	73
September 30, 2014*	**225,085,432**	**22,509**	**778,658**	**(475)**	**(577,134)**	**(1,283)**	**222,273**	**-**	**222,273**
Impact of IFRIC 21	-	-	-	-	(416)	-	(416)	-	(416)
September 30, 2014*	**225,085,432**	**22,509**	**778,658**	**(475)**	**(577,550)**	**(1,283)**	**221,857**	**-**	**221,857**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the loss recognized at September 30, 2014 has been allocated to continuing operations and discontinued operations, as appropriate.

** IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from September 30, 2014 have been restated. Equity was positively impacted in an amount of 127 thousand euros, reflecting an increase of 531 thousand euros corresponding to income for the period and a decrease of 416 thousand euros corresponding to reserves. The income portion is included in net loss for the period – continuing operations.

(in thousands of euros)	Number of shares	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Equity attributable to owners of the parent	Non-controlling interests	Total equity
March 31, 2015	**231,188,426**	**23,119**	**782,058**	**(475)**	**(737,473)**	**(17,270)**	**49,958**	**-**	**49,958**
Items of total comprehensive income/(loss) that may be reclassified to the income statement:									
Exchange gains/(losses) on conversion of foreign operations	-	-	-	-	(6,006)	5,325	(681)	-	(681)
Exchange gains/(losses) on conversion of foreign operations – reclassified to the income statement	-	-	-	-	(15,268)	32,952	17,684	-	17,684
Items of total comprehensive income/(loss) that may not be reclassified to the income statement:									
Actuarial gains/(losses) on post-employment benefit obligations	-	-	-	-	-	-	-	-	-
Total income and expenses for the period recognized directly in equity	**-**	**-**	**-**	**-**	**(21,274)**	**38,277**	**17,003**	**-**	**17,003**
Net loss for the period – Continuing operations	-	-	-	-	(18,671)	-	(18,671)	-	(18,671)
Net loss for the period – Discontinued operations	-	-	-	-	(23,852)	-	(23,852)	-	(23,852)
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**(63,796)**	**38,277**	**(25,519)**	**-**	**(25,519)**
Share capital and additional paid-in capital									
Exercise of stock options and/or free share awards	114,894	11	-	-	(11)	-	-	-	-
ABSAAR redeemable warrants	-	-	(675)	-	-	-	(675)	-	(675)
Capital increase	-	-	-	-	-	-	-	-	-
Net capital increase costs	-	-	(1)	-	-	-	(1)	-	(1)
Changes in scope of consolidation									
Transfer of all of the assets and liabilities of Soitec Specialty Electronics to Soitec France	-	-	-	-	15,930	(15,930)	-	-	-
Other items									
Impact of IFRIC 21	-	-	-	-	-	(661)	(661)	-	(661)
Share-based payments	-	-	-	-	(291)	-	(291)	-	(291)
Other	-	-	-	-	1	-	1	-	1
September 30, 2015	**231,303,320**	**23,130**	**781,382**	**(475)**	**(785,640)**	**4,416**	**22,813**	**-**	**22,813**

Statement of cash flows

(in thousands of euros)	Notes	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Net loss from continuing operations		**(18,671)**	**(36,345)**
Net loss from discontinued operations		**(23,852)**	**(46,050)**
Consolidated net loss for the period		**(42,522)**	**(82,395)**
Elimination of non cash items:			
Share of profit/(loss) of equity-accounted companies		404	2,118
(Reversal)/Impairment of investments in equity-accounted companies	-	-	-
Depreciation and amortization expenses	4.3	13,517	17,561
Impairment charges and write-down of assets	3.1 - 3.2	335	506
Provisions, net	-	(1,492)	875
Provision for retirement indemnities	-	264	143
Proceeds from disposals of assets	-	(100)	(3,280)
Change in taxes	4.5	37	6
Net financial income	-	15,936	7,416
Share-based payments	3.8	(259)	(95)
Impact of IFRIC 21 (included in operating income/(loss))	-	-	(532)
Non-cash items relating to discontinued operations	-	(1,010)	20,864
Total non-cash items	**-**	**27,631**	**45,579**
Of which continuing operations	-	*28,641*	*24,715*
Increase/(decrease) in cash relating to:			
Inventories	-	(6,347)	(4,347)
Trade receivables	-	3,471	16,242
Other receivables	-	6,604	9,147
Trade payables	-	(9,931)	1,806
Other liabilities	-	3,267	(3,656)
Change in working capital of discontinued operations	-	18,939	42,254
Change in working capital	**-**	**16,004**	**61,445**
Of which continuing operations	-	*(2,936)*	*19,191*
Net cash generated by operating activities	**-**	**1,113**	**24,630**
Of which continuing operations	-	*7,033*	*7,561*
Purchases of intangible assets	-	(331)	(280)
Purchases of property, plant and equipment	-	(2,541)	(4,386)
Proceeds from sales of intangible assets and property, plant and equipment	-	144	5,694
(Acquisition) and disposal of financial assets [(1)]	-	(1,179)	(3,664)
Capital contribution to an equity-accounted company**	-	-	(2,247)
Investment/disinvestment flows from discontinued operations [(2)]	-	28,707	(10,131)
Net cash generated by/(used in) investing activities	**-**	**24,800**	**(15,014)**
Of which continuing operations	-	*(3,907)*	*(4,883)*

(in thousands of euros)	Notes	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Proceeds from shareholders: capital increases and exercise of stock options [(3)]	-	(1)	79,880
ABSAAR – redeemable warrants	-	(675)	-
Issuance of debt [(4)]	3.10	65,363	-
Drawdowns of credit lines	3.10	-	7,200
Repayment of borrowings (including finance leases) [(5)]	3.10	(19,668)	(99,502)
Interest received	-	58	69
Interest paid	-	(4,729)	(9,384)
Financing flows from discontinued operations [(6)]	-	(18,153)	8,453
Net cash generated by/(used in) financing activities	**-**	**22,195**	**(13,285)**
Of which continuing operations	-	*40,348*	*(21,737)*
Effects of exchange rate fluctuations from continuing operations	-	11,539	11,287
Effects of exchange rate fluctuations from discontinued operations	-	(11,506)	(8,640)
Effects of exchange rate fluctuations	-	33	2,826
Change in net cash	**-**	**48,141**	**(843)**
Of which continuing operations	-	*55,014*	*(7,773)*
Cash at beginning of the period	-	22,911	44,728
Cash at end of the period	-	71,052	43,885

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the consolidated statement of cash flows has been restated to reflect the activities of the Solar Energy business segment, classified under discontinued operations (see note 1).

** IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from September 30, 2014 have been restated. A 532 thousand euro positive impact was recognized in net loss from continuing operations, with a corresponding entry in non-cash items on the "Impact of IFRIC 21" line.

(1) Acquisitions and sales of financial assets are mainly composed of:
- Non-consolidated investments in the entities Exagan (600 thousand euros) and Technocom (325 thousand euros) during the first half of fiscal 2015-2016.
- Restricted cash totaled 254 thousand euros at September 30, 2015. During the first half of fiscal 2014-2015, the Group deposited 7,159 thousand euros into an escrow account as a performance guarantee for the Touwsrivier project.
- In the first half of fiscal 2013-2014 the Group paid a security deposit of 11,850 thousand euros relating to the construction of the Touwsrivier solar energy plant. During the first half of fiscal 2014-2015, this deposit was partially reimbursed, for an amount of 1,300 thousand euros.

(2) Investment flows from discontinued operations mainly correspond to the following:
- In the six months ended September 30, 2015, the Group received 26,686 thousand euros from the sale of the San Diego plant and 1,731 thousand euros from the sale of the solar power plants in Rians (France) and Poggio Santa Lucia (Italy). Outstanding receivables totaled 480 thousand euros at September 30, 2015, and were collected at the beginning of the second half of the year.
- In the six months ended September 30, 2014, the cost of acquiring the joint venture Reflexite (5,727 thousand euros) and capital contributions by the Group to associates (2,247 thousand euros of additional investment in the joint venture CPV Power Plant No. 1).

(3) During the first half of fiscal 2015-2016, this amount concerns payments received in respect of the capital increase of March 10, 2015. During the previous fiscal year, the capital increase of July 22, 2014 generated proceeds of 79,880 thousand euros, net of 3,229 thousand euros in issuance costs.

(4) The issuance of debt includes:
- In the six months ended September 30, 2015, the issuance of a new loan in an amount of 53,880 thousand euros as part of the conciliation procedure approved by the Grenoble Commercial Court on May 5, 2015, the signing of a new finance lease for an amount of 11,000 thousand euros and the establishment of a very short-term financing facility for 483 thousand euros.
- In the six months ended September 30, 2014, the drawdown on a new credit line in an amount of 7,200 thousand euros.

(5) Repayment of borrowings includes:
- In the six months ended September 30, 2015, the repayment of a new loan (11,883 thousand euros), credit lines (4,887 thousand euros), a finance lease debt (2,414 thousand euros) and a very short-term financing facility (483 thousand euros).
- In the six months ended September 30, 2014, the repayment of the balance on OCEANE 2014 bonds (83,000 thousand euros), the repayment of credit lines (12,297 thousand euros) and the repayment of the balance on the finance lease (3,484 thousand euros).

(6) Cash flows from discontinued operations mainly include:
- In the six months ended September 30, 2015, the repayment of the debt relating to the San Diego plant (sold during the first half of the year) for an amount of 16,213 thousand euros and the repayment of the debt relating to the acquisition of shares held by Reflexite for an amount of 1,126 thousand euros.
- In the six months ended September 30, 2014, the funding of the acquisition of shares held by Reflexite in the joint venture Reflexite Soitec Optical Technology for an amount of 4,889 thousand euros.

Segment reporting

The Group operates in three business segments:

- the production and marketing of substrates and components for the microelectronics industry (Electronics);
- the development of materials for the production of light-emitting diodes and the sale of equipment (Other Activities);
- the production and marketing of concentrator photovoltaic modules, the design and construction of turnkey photovoltaic projects and the operation of photovoltaic installations (Solar Energy). Due to uncertainty as regards the disposal deadline for the assets relating to the solar power plant in Touwsrivier, South Africa (equity-accounted investments, the finance receivable relating to one of the shareholders of the solar power plant and the security deposit relating to the bond), Soitec decided not to continue recognizing them in assets held for sale, but rather to classify them under continuing operations.

The EBITDA figure reported in the segment analysis table represents the current operating loss (EBIT) before depreciation, amortization, non-cash items relating to share-based payments and changes in provisions relating to current assets and provisions for liabilities and charges. This indicator is a non-IFRS quantitative measure of the Group's capacity to generate cash flows from its operating activities. The Group believes that reporting this indicator is useful to investors and other stakeholders involved in the evaluation of manufacturing companies. EBITDA is not defined within the scope of IFRS and should not be considered as an alternative to any other financial indicator.

The key segment figures are as follows:

Breakdown of income

	Six months ended September 30, 2015*			
(in thousands of euros)	Electronics	Other Activities	Solar Energy	Total
Sales	108,853	2,009	-	110,863
Gross profit/(loss)	**27,055**	**(448)**	**-**	**26,607**
Gross research and development costs	*(19,810)*	*(2,692)*	*-*	*(22,502)*
Sales of prototypes and other income	*2,321*	*-*	*-*	*2,321*
Grants and repayable advances	*9,463*	*172*	*-*	*9,635*
Net research and development costs	**(8,026)**	**(2,520)**	**-**	**(10,546)**
Sales and marketing expenses	**(2,565)**	**(1,531)**	**-**	**(4,096)**
General and administrative expenses	**(8,542)**	**(426)**	**-**	**(8,968)**
Solar power plant project development costs	**-**	**-**	**-**	**-**
Recurring operating income/(loss)	**7,920**	**(4,925)**	**-**	**2,996**
Net income/(loss) from discontinued operations	**-**	**-**	**-**	**-**
Other operating income	-	-	-	-
Other operating expenses	(5,290)	-	-	(5,290)
Other operating income and expenses	**(5,290)**	**-**	**-**	**(5,290)**
EBIT	**2,631**	**(4,925)**	**-**	**(2,295)**
Depreciation and amortization expenses	*13,149*	*368*	*-*	*13,517*
Impairment charges and write-down of assets	*335*	*-*	*-*	*335*
Share-based payments	*(241)*	*(18)*	*-*	*(259)*
(Reversal)/Impairment of investments in associates	*-*	*-*	*-*	*-*
Provisions, net	*(1,019)*	*(473)*	*-*	*(1,492)*
Provision for retirement benefits	*264*	*-*	*-*	*264*
Proceeds from disposals of assets	*(101)*	*-*	*-*	*(101)*
Non-cash items relating to discontinued operations	-	-	(24,860)	(24,860)
EBITDA	**15,018**	**(5,048)**	**(24,860)**	**(14,891)**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the consolidated income statement has been restated to reflect the activities of the Solar Energy business segment, classified under discontinued operations (see note 2.1).

(in thousands of euros)	Six months ended September 30, 2014* Electronics	Other Activities	Solar Energy	Total
Sales	68,835	1,980	-	70,815
Gross profit	**3,529**	**391**	**-**	**3,920**
Gross research and development costs	*(21,647)*	*(3,918)*	-	*(25,565)*
Sales of prototypes and other income	*3,440*	*238*	-	*3,678*
Grants and repayable advances	*5,970*	*305*	-	*6,275*
Net research and development costs	**(12,237)**	**(3,375)**	**-**	**(15,612)**
Sales and marketing expenses	**(2,548)**	**(1,138)**	**-**	**(3,685)**
General and administrative expenses	**(9,399)**	**(526)**	**-**	**(9,926)**
Solar power plant project development costs	**-**	**-**	**-**	**-**
Recurring operating loss	**(20,655)**	**(4,648)**	**-**	**(25,301)**
Net loss from discontinued operations	**-**	**-**	**(56,942)**	**(56,942)**
Other operating income	2,498	-	-	2,498
Other operating expenses	(4,004)	-	-	(4,004)
Other operating income and expenses	**(1,506)**	**-**	**-**	**(1,506)**
EBIT	**(22,161)**	**(4,648)**	**(56,942)**	**(83,751)**
Depreciation and amortization expenses	*16,732*	*829*	-	*17,561*
Impairment charges and write-down of assets	*506*	-	-	*506*
Share-based payments	*(90)*	*(5)*	-	*(95)*
(Reversal)/Impairment of investments in associates	-	-	-	-
Provisions, net	*729*	*145*	-	*874*
Provision for retirement benefits	*143*	-	-	*143*
Proceeds from disposals of assets	*(3,309)*	*29*	-	*(3,280)*
Impact of IFRIC 21	*(532)*	-	-	*(532)*
Non-cash items relating to discontinued operations	-	-	31,757	31,757
EBITDA	**(7,980)**	**(3,650)**	**(25,185)**	**(36,815)**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the consolidated income statement has been restated to reflect the activities of the Solar Energy business segment, classified under discontinued operations (see note 2.1). IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from September 30, 2014 have been restated. A 532 thousand euro positive impact was recognized in income/loss, allocated to cost of sales (425 thousand euros) and research and development costs (106 thousand euros).

Breakdown of assets and liabilities

(in thousands of euros)	September 30, 2015 Electronics	Other Activities	Solar Energy	Total
Net intangible assets	7,120	1,870	-	8,990
of which goodwill	-	-	-	-
Property, plant and equipment, net	144,927	303	-	145,231
Solar power plant projects	-	-	-	-
Investments in associates	-	-	8,633	8,633
Non-current assets (1)	**152,048**	**2,173**	**8,633**	**162,854**
Inventories	32,135	1,861	-	33,995
Trade receivables	32,227	882	-	33,109
Other current assets	16,899	623	-	17,521
Current assets (2)	**81,261**	**3,366**	**-**	**84,627**
Trade payables (5)	36,007	999	-	37,005
Other current and non-current liabilities (6)	54,662	3,468	-	58,130
Current and non-current liabilities (3)	**90,669**	**4,467**	**-**	**95,135**
Assets from discontinued operations (a)	-	-	13,798	13,798
Liabilities from discontinued operations (b)	-	-	41,387	41,387
Assets from discontinued operations (4 = a - b)	**-**	**-**	**(27,589)**	**(27,589)**
Capital employed (1) + (2) - (3) + (4)	**142,640**	**1,072**	**(18,958)**	**124,755**

The equity-accounted investments correspond to the 20%-owned subsidiary CPV Power Plant No.1 Ltd (Touwsrivier), and its subsidiary CPV Bond.

Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the consolidated income statement has been restated to reflect the activities of the Solar Energy business segment, classified under discontinued operations (see note 2.1).

(in thousands of euros)	September 30, 2014* Electronics	Other Activities	Solar Energy	Total
Net intangible assets	12,085	2,438	-	14,523
of which goodwill	-	-	-	-
Property, plant and equipment, net	166,780	2,621	-	169,401
Solar power plants	-	-	-	-
Investments in associates	-	-	7,373	7,373
Non-current assets (1)	**178,865**	**5,059**	**7,373**	**191,297**
Inventories	25,504	1,830	-	27,334
Trade receivables	26,112	808	11,329	38,249
Other current assets	15,017	243	-	15,260
Current assets (2)	**66,633**	**2,881**	**11,329**	**80,843**
Trade payables (5)	32,157	1,174	-	33,331
Other current and non-current liabilities (6)	50,611	3,348	-	53,959
Current and non-current liabilities (3)	**82,768**	**4,522**	**-**	**87,290**
Assets held for sale (a)	-	-	145,791	145,791
Liabilities held for sale (b)	-	-	24,637	24,637
Net assets held for sale (4 = a - b)	**-**	**-**	**121,154**	**121,154**
Capital employed (1) + (2) - (3) + (4)	**162,730**	**3,417**	**139,856**	**306,003**

The equity-accounted investments correspond to the 20%-owned subsidiary CPV Power Plant No.1 Ltd (Touwsrivier) and its subsidiary CPV Bond.

The trade receivable of 11,329 thousand euros recognized by the Solar Energy business segment related to one of the shareholders of the Touwsrivier solar power plant and was reclassified under non-current financial assets at September 30, 2015.

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the other items in the Solar Energy business segment were removed from the consolidated statement of financial position at September 30, 2014.
IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from September 30, 2014 have been restated. The 416 thousand euro positive impact in reserves gave rise to a corresponding reduction in the Group's tax liability, included on the line "Other current and non-current liabilities".

Breakdown of revenue

Revenue by segment and sub-segment breaks down as follows:

(in thousands of euros)	September 30, 2015*	September 30, 2014*
SOI 300mm	22,505	18,080
Small diameters	83,828	46,726
III-V materials	-	2,529
Royalties	2,520	1,770
Total Electronics	**108,853**	**68,835**
Equipment	993	699
Lighting	1,016	1,281
All other activities	**2,009**	**1,980**
Total revenue	**110,863**	**70,815**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Solar Energy business segment's revenue has been reclassified to net income/(loss) from discontinued operations (see note 2.4.7).

20.3.2. Notes to the consolidated financial statements for the six months ended September30, 2015

1. Overview of the company and business activity

Soitec S.A. is a société anonyme (French joint-stock corporation) listed in compartment B of Euronext Paris. Soitec S.A. and its subsidiaries are hereinafter referred to as the "Group". Soitec S.A. is hereafter referred to as the "Company".

The Group operates in three business segments:

Electronics

This business segment includes the Group's historic activities in the semiconductor industry, as well as its research and development projects relating to III-V materials, which were previously shared between the Solar Energy and Lighting business segments, and support function costs, which were previously reported separately in the Corporate segment. It no longer includes the Group's equipment manufacturing and sales activity, performed by its subsidiary Altatech, which is now reported in the Other Activities business segment.

This business segment includes two CGUs: SOI 300mm and SOI 200mm.

Other Activities

Lighting CGU: markets lighting solutions based on light-emitting diodes (LEDs) for clients managing tertiary, commercial and industrial buildings.

Equipment CGU: designs and sells equipment mainly intended for the semiconductor industry.

Solar Energy

This business segment includes discontinued operations and assets retained in continuing operations.

Since December 2009, when the Group acquired Soitec Solar GmbH (formerly Concentrix Solar GmbH), the Group has manufactured and sold concentrator photovoltaic modules and designed and built turnkey solar power plant installations with a view to their sale or operation. Following a decision by the Board of Directors, announced in a press release in January 2015, at the end of fiscal 2014-2015 the Group started work on significant measures to restructure the Solar Energy business segment and took steps to realize the value of certain assets, with a view to disposing of this segment in the short term.

Continuing operations: assets relating to the solar power plant in Touwsrivier (South Africa)

Due to uncertainty as regards the disposal deadline for these assets, Soitec decided not to continue recognizing them in assets held for sale, where they had been classified at March 31, 2015. All of the following assets are now classified under non-current financial assets and under continuing operations:

The equity-accounted investments in 20%-owned subsidiary CPV Power Plant No.1 Ltd, and its subsidiary CPV Bond;

The security deposit relating to the bond contributing to the financing of the Touwsrivier solar power plant,

Trade receivables relating to one of the shareholders of the solar power plant. These amounts were classified under assets held for sale at March 31, 2015. Due to uncertainty as regards the disposal deadline for these assets, Soitec decided not to continue recognizing them in assets held for sale, where they had been classified at September 30, 2015.

Discontinued operations

In August 2015, the termination of negotiations with ConcenSola led the Group to wind up all of its production, research and development activities in San Diego (US) and Freiburg (Germany), and to initiate the sale of the Solar Energy business segment's remaining assets. The disposal became effective at the interim period end.

2. Accounting policies

2.1. Basis of preparation of the financial statements

Basis of preparation

The Group's condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting.

The interim consolidated financial statements do not include all of the information and notes required for a complete set of annual financial statements and should therefore be read in conjunction with the Group's consolidated financial statements for the year ended March 31, 2015.

The Group's consolidated financial statements for the year ended March 31, 2015 are available on request from the Company's head office, located at Parc Technologique des Fontaines, Bernin (38190) or on its website www.soitec.com.

Accounting policies

The accounting policies and measurement methods used by the Group in the preparation of the condensed interim consolidated financial statements for the six months ended September 30, 2015 are the same as those used to prepare the Group's consolidated financial statements for the year ended March 31, 2015, with the exception of the items presented below and the recognition method for income tax, the amount of which is provided for in the interim consolidated financial statements based on the best estimate of the annual tax rate expected to apply to the fiscal year as a whole.

The Group has applied the standards, amendments and interpretations detailed below, which have been adopted by the European Union and whose application is mandatory for financial periods beginning on or after April 1, 2015:

- Amendment to IAS 19 – Defined Benefit Plans: Employee Contributions;
- Improvements to IFRS – 2010-2012 Cycle;
- Improvements to IFRS – 2011-2013 Cycle;
- IFRIC 21 – Levies.

Of these new and amended standards, only IFRIC 21 – Levies had an impact on the condensed interim consolidated financial statements for the six months ended September 30, 2015.

The Group has elected not to early adopt the new standards, amendments and interpretations whose applicationis optional at September 30, 2015, such as IFRS 9 and IFRS 15.

The potential impact of these standards, amendments and interpretations that have not been early adopted by the Group is currently being assessed.

Significant accounting judgments and estimates

The preparation of financial statements requires Group Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosures in certain notes as of the reporting date, and the reported amounts of income and expenses for the fiscal year.

The judgments, estimates and assumptions are made on the basis of information available at the reporting date.

The accounting policies and valuation methods used by the Group in the condensed interim consolidated financial statements for the six months ended September 30, 2015 are the same as those used for the Group's consolidated financial statements for the year ended March 31, 2015, with the exception of the recognition method for income tax, the amount of which is provided for in the interim financial statements based on the best estimate of the annual tax rate expected to apply to the fiscal year as a whole.

2.2. Significant events of the period

During the first half of fiscal 2015-2016, the Group continued its strategy to redirect its focus toward its core Electronics segment, and carry out restructuring measures with a view to realizing the value of certain Solar Energy assets and disposing of this segment in the short term.

In August 2015, the termination of negotiations with ConcenSola led the Group to wind up all of its production, research and development activities in San Diego (US) and Freiburg (Germany), and to initiate the sale of the Solar Energy business segment's remaining assets. The disposal became effective at the interim period end. As a result, pursuant to IFRS 5, net income/(loss) from discontinued operations is presented on a separate line of the consolidated income statement.

The Company increased its available cash as part of a conciliation procedure that resulted in the granting of loans for an amount of 54 million euros in May 2015. The Company is gradually withdrawing from its solar energy activities in accordance with the agreed plan.

The Group sold two solar power plants and the San Diego industrial plant during the period. In addition, Soitec repaid the 18 million US dollar loan related to the refinancing of the plant. These amounts were classified under assets and liabilities held for sale at March 31, 2015.

2.3. Consolidation principles

At September 30, 2015, all Group companies are controlled by the parent company and are therefore accounted for under the full consolidation method, with the exception of CPV Power Plant No.1 Ltd (Touwsrivier) and CPV Power Plant No.1 Bond SPV (RF) Ltd, both of which are 20%-owned by the Group and accounted for under the equity method:

Entity	Date of consolidation	Percentage interest	Country	Functional currency
Soitec USA Inc.	1997	100.00%	US	US dollar
Soitec Japan Inc.	June 2004	100.00%	Japan	Japanese Yen
Soitec Phoenix Labs Inc.	February 2006	100.00%	US	US dollar
Soitec Microelectronics Singapore Pte Ltd	June 2006	100.00%	Singapore	US dollar
Soitec Korea	July 2011	100.00%	South Korea	US dollar
Altatech Semiconductor S.A.S	January 2012	100.00%	France	Euro
Soitec Corporate Services	July 2012	100.00%	France	Euro
Soitec Trading Shanghai	November 2013	100.00%	China	Yuan
Discontinued operations (entities formerly part of the Solar Energy division)				
CPV Power Plant No. 1 Bond SPV (Rf) Ltd	October 2009	20.00%	South Africa	South African rand
Soitec Solar GmbH	December 2009	100.00%	Germany	Euro
Soitec Solar Inc.	December 2009	100.00%	US	US dollar
Soitec Solar Industries LLC	December 2009	100.00%	US	US dollar
Soitec Solar Italia S.R.L	August 2010	100.00%	Italy	Euro
Soitec Solar Development LLC	September 2010	100.00%	US	US dollar
Soitec Solar RSA LTD	April 2011	100.00%	South Africa	South African rand
Soitec Solar France	October 2011	100.00%	France	Euro
CPV Power Plant No.1 Ltd (Touwsrivier)	October 2009	20.00%	South Africa	South African rand
Soitec Solar Chile	July 2013	100.00%	Chile	Chilean pesos
Soitec Solar USA Real Estate LLC	January 2014	100.00%	US	US dollar
CPV No. 1 Equity SPV Pty LTD	February 2014	100.00%	South Africa	South African rand

As part of its Solar Energy business, the Group may establish special purpose entities to hold the permits, administrative authorizations, costs and income associated with a solar plant project. In general, the intention is to sell these legal entities to investors when the projects are sufficiently advanced.

The following entities were created and placed under the exclusive control of the Group and are fully consolidated:

Entity	Date of consolidation	Percentage interest	Country	Functional currency
Newberry Solar 1 LLC	September 2010	100.00%	US	US dollar
CPV Power Plant No. 2 LTD	September 2010	100.00%	South Africa	South African rand
Alicoop Monte Bellone S.R.L	November 2010	100.00%	Italy	Euro
LanEast Solar Farm LLC	February 2011	100.00%	US	US dollar
LanWest Solar Farm LLC	February 2011	100.00%	US	US dollar
Rugged Solar LLC	April 2011	100.00%	US	US dollar
Tierra del Sol Solar Farm LLC	April 2011	100.00%	US	US dollar
CX Minervino S.R.L	October 2011	100.00%	Italy	Euro
Sorrel Solar Farm LLC	February 2012	100.00%	US	US dollar
CPV Thémis	March 2012	100.00%	France	Euro
Black Mountain CPV PP No. 3 (formerly K2011137452 LTD)	March 2012	100.00%	South Africa	South African rand
Schmidtsdrift CPV PP No. 4 (formerly Itakane Trading 339 (Pty) Ltd)	March 2012	100.00%	South Africa	South African rand
Tierra del Sol II Solar Farm LLC	May 2012	100.00%	US	US dollar
Los Robles Solar Power Plant LLC	May 2012	100.00%	US	US dollar

The following entities were previously fully consolidated but were deconsolidated during the period under review:

Entity	Change in scope
Soitec Specialty Electronics S.A.S	Transfer of all of the assets and liabilities (TUP) to Soitec France
Alicoop Poggio Santa Lucia S.R.L	Sale
Rians	Sale

2.4. Going concern principle

The Group posted a net loss of 42.5 million euros for the six months ended September 30, 2015 and equity at that date amounted to 22.8 million euros.

Cash used in operating activities, excluding working capital requirements, amounted to 14.9 million euros for the period. This amount can be broken down between continuing operations (a positive 10.0 million euros) and discontinued operations (a negative 24.9 million euros).

At September 30, 2015, cash and cash equivalents amounted to 71.1 million euros (22.9 million euros at March 31, 2015).

In order to ensure that it continues as a going concern, the Group announced its decision to redirect its focus toward its historic business segment and withdraw from its activities in the Solar Energy business segment.

Cash flow forecasts were prepared based on this business scenario and the available sources of financing, which may include the sale of certain non-strategic assets. In light of the fact that the loans granted by Shin-Etsu Handotaï, Bpifrance Participations and CEA Investissements (for a total amount of €42.9 million at September 30, 2015) mature in May 2016, and its capacity investment needs over the next 18 months, Soitec will require additional financing as of the first quarter of fiscal 2017. Soitec is working on strengthening its capital base and on refinancing all of its debt. Based on these forecasts and subject to the success of these financing transactions, the Company believes it is able to fulfill its future commitments.

The consolidated financial statements have therefore been prepared on a going concern basis for the next year.

3. Notes to the consolidated statement of financial position

Since the Group did not identify any new indications of impairment, it did not update its impairment tests at September 30, 2015.

3.1. Intangible assets

During the first half of fiscal 2015-2016, the net change in value of each asset category is as follows:

(in thousands of euros)	Goodwill	Capitalized development projects	Concessions, patents and other rights	Software	Solar power plant projects	Intangible assets in progress	Total
March 31, 2015	**-**	**2,226**	**3,745**	**4,552**	**-**	**545**	**11,068**
Commissioned assets (gross)	-	-	-	551	-	(551)	-
Additions (gross)	-	-	-	-	-	331	331
Change in scope (net value)	-	-	-	-	-	-	-
Exchange differences (net)	-	-	-	(3)	-	-	(3)
Amortization charge	-	(186)	(542)	(1,679)	-	-	(2,407)
Impairment charge/ accelerated amort.	-	-	-	-	-	-	-
Disposals (net value)	-	-	-	-	-	-	-
Assets held for sale (net value)	-	-	-	-	-	-	-
September 30, 2015	**-**	**2,041**	**3,203**	**3,420**	**-**	**326**	**8,990**

3.2. Property, plant and equipment

During the first half of fiscal 2015-2016, the net change in value of each asset category is as follows:

(in thousands of euros)	Buildings	Equipment and tooling	Solar power plants	Other	Property, plant and equipment in progress	Total
March 31, 2015 - reported	**116,153**	**36,160**	**1,600**	**1,189**	**3,232**	**158,336**
Discontinued operations*	-	-	(1,600)	-	-	(1,600)
March 31, 2015 - restated	**116,153**	**36,160**	**-**	**1,189**	**3,232**	**156,736**
Commissioned assets (gross)	125	3,466	-	89	(3,680)	-
Reclassification between asset categories	(203)	203	-	-	-	-
Additions (gross)	-	-	-	-	2,410	2,410
Change in scope (gross)	-	-	-	-	-	-
Exchange differences (gross)	(2,410)	(5)	-	(3)	-	(2,416)
Amortization charge	(5,798)	(4,942)	-	(369)	-	(11,109)
Impairment charge/accelerated depr.**	-	(335)	-	-	-	(335)
Disposals and retirements (gross)	-	-	-	(58)	-	(58)
Assets held for sale	-	-	-	-	-	-
September 30, 2015	**107,868**	**34,547**	**-**	**848**	**1,962**	**145,231**

* At September 30, 2015, the assets of the Solar Energy business segment were classified under discontinued operations in accordance with IFRS 5. To enable meaningful comparisons, assets reclassified under discontinued operations totaled 1,600 thousand euros at March 31, 2015.

** Corresponding to accelerated depreciation recognized under other operating income and expenses in the income statement (see note 4.4).

3.3. Inventories

Inventories break down as follows:

(in thousands of euros)	September 30, 2015	March 31, 2015	*March 31, 2015 Of which assets reclassified to discontinued operations*	*March 31, 2015 Restated to reflect discontinued operations*
Raw materials	23,328	35,296	*14,807*	*20,489*
Work in progress	6,830	7,659	*263*	*7,396*
Finished goods	12,997	18,103	*9,209*	*8,894*
Gross value	**43,154**	**61,057**	***24,279***	***36,779***
Allowances	(9,159)	(27,984)	*(19,266)*	*(8,718)*
Inventories, net	**33,995**	**33,073**	***5,013***	***28,061***

* At September 30, 2015, the inventories of the Solar Energy business segment were classified under discontinued operations in accordance with IFRS 5. To enable meaningful comparisons on a constant-scope basis, the amounts recognized at March 31, 2015 were also classified in discontinued operations.

During the first half of fiscal 2015-2016, the value of inventories within the scope of continuing operations increased by 21% or 5,934 thousand euros. A breakdown by business segment shows contrasting trends:

- Inventories for the Electronics business segment rose by 6,631 thousand euros during the first half of the year. This increase shows the progressive upturn of the activity and the consequent increase in working capital.
- Inventories for the Other Activities business segment were virtually stable and rose by 31 thousand euros.
- Inventories for the Solar Energy business segment were classified under discontinued operations at September 30, 2015 and the amounts recognized at March 31, 2015 are shown discretely to enable meaningful comparisons on a constant-scope basis.

3.4. Trade receivables

Trade receivables at September 30, 2015 are as follows:

(in thousands of euros)	Total trade receivables	Neither past due nor impaired	Less than 30 days past due	30-60 days past due	60-90 days past due	90-120 days past due	More than 120 days past due
Gross value	**33,397**	31,519	1,258	149	93	33	344
Allowances	**(287)**	-	-	-	-	(2)	(285)
Net value	**33,109**	**31,519**	**1,258**	**149**	**93**	**31**	**59**

Trade receivables at March 31, 2015 are as follows:

(in thousands of euros)	Total trade receivables	Neither past due nor impaired	Less than 30 days past due	30-60 days past due	60-90 days past due	90-120 days past due	More than 120 days past due
Gross value	**49,015**	42,399	884	263	105	2	5,362
Allowances	**(5,203)**	-	-	(82)	(55)	-	(5,066)
Net value	**43,812**	**42,399**	**884**	**181**	**50**	**2**	**296**
Of which trade receivables reclassified under discontinued operations							
Gross value	*6,631*	*1,356*	*-*	*17*	*43*	*-*	*5,215*
Allowances	*(4,994)*	*-*	*-*	*-*	*(40)*	*-*	*(4,954)*
Net value	***1,638***	***1,356***	***-***	***17***	***3***	***-***	***261***
March 31, 2015 – Restated to reflect discontinued operations							
Gross value	*42,384*	*41,043*	*884*	*246*	*62*	*2*	*147*
Allowances	*(209)*	*-*	*-*	*(82)*	*(15)*	*-*	*(112)*
Net value	***42,174***	***41,043***	***884***	***164***	***47***	***2***	***34***

3.5. Cash and cash equivalents

Cash and cash equivalents break down as follows:

(in thousands of euros)	September 30, 2015	March 31, 2015
Cash	71,052	22,911
Cash equivalents	-	-
Total cash and cash equivalents	**71,052**	**22,911**

Cash at bank is principally denominated in US dollars and euros.

Cash is invested in interest-bearing accounts.

3.6. Discontinued operations and assets and liabilities held for sale

Discontinued operations break down as follows:

(in thousands of euros)	Assets and liabilities held for sale		Assets and liabilities related to discontinued operations	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015*
Property, plant and equipment	-	25,471	-	-
Solar power plant projects	-	2,300	309	1,600
Equity-accounted companies	-	10,838	-	-
Non-current financial assets	-	-	621	561
Other non-current assets	-	618	261	269
Non-current assets	**-**	**39,227**	**1,190**	**2,430**
Inventories	-	-	9,419	5,013
Trade receivables	-	9,013	1,195	1,638
Other current assets	-	382	2,875	5,323
Current financial assets	-	20,813	697	328
Non-current assets	**-**	**30,208**	**14,186**	**12,302**
Total assets (1)	**-**	**69,435**	**15,376**	**14,731**
Long-term debt	-	16,730	623	1,947
Provisions and other non-current liabilities	-	-	1,813	2,055
Non-current liabilities	**-**	**16,730**	**2,436**	**4,002**
Short-term debt	-	-	2,762	2,755
Trade payables	-	114	3,213	5,199
Provisions and other current liabilities	-	7	36,361	37,014
Current liabilities	**-**	**121**	**42,336**	**44,968**
Total liabilities (2)	**-**	**16,851**	**44,772**	**48,970**
Total assets (1) – (2)	**-**	**52,584**	**(29,396)**	**(34,239)**

* At September 30, 2015, the assets and liabilities of the Solar Energy business segment were classified under discontinued operations in accordance with IFRS 5. To enable meaningful comparisons on a constant-scope basis, a comparison is provided showing the assets and liabilities of this business segment recognized at March 31, 2015 and reclassified in discontinued operations.

As regards assets and liabilities held for sale at March 31, 2015, the Group carried out the following transactions during the first half of fiscal 2015-2016:

- The sale of the San Diego plant, recognized in property, plant and equipment held for sale at March 31, 2015 for an amount of 25,471 thousand euros, and the repayment of the debt related to the plant's refinancing (recognized in debt at March 31, 2015 for an amount of 16,730 thousand euros).
- The sale of the solar power plants in Rians (France) and Poggio Santa Lucia (Italy), classified under solar power plant projects for an amount of 2,300 thousand euros at March 31, 2015. The other solar power plants were classified under discontinued operations for an amount of 309 thousand euros.
- As regards the assets relating to the solar power plant in Touwsrivier (South Africa), the Group considered that the condition provided for in IFRS 5 whereby the sale of the asset within 12 months must be highly probable had not been met at September 30, 2015. All of the following assets are now classified under non-current financial assets and under continuing operations:
  - The equity-accounted investments in 20%-owned subsidiary CPV Power Plant No. 1 Ltd ("Touwsrivier"), and its subsidiary CPV Bond (8,633 thousand euros at September 30, 2015 versus 10,838 thousand euros at March 31, 2015).
  - The financing (principal and interest) granted to one of the shareholders of the Touwsrivier plant (breaking down at March 31, 2015 between a current finance receivable of 10,708 thousand euros and a trade receivable of 8,947 thousand euros).
  - The security deposit relating to the bond in South Africa: in light of the current value of the bond on the South African market, an additional provision of 5,000 thousand euros was recorded in the first half of fiscal 2015-2016 (9,740 thousand euros at March 31, 2015).

As regards assets and liabilities classified under discontinued operations:

- Solar power plant projects concern the Newberry (US) plant for an amount of 309 thousand euros (322 thousand euros at March 31, 2015). During the first half of the year, the Group sold the land of the Sorrel (US) site, recognized in the consolidated financial statements for the year ended March 31, 2015 for an amount of 1,278 thousand euros.
- Non-current financial assets concern investments in the non-consolidated subsidiary Suncoutim for an amount of 331 thousand euros and restricted cash totaling 391 thousand euros at September 30, 2015 (respectively 331 thousand euros and 231 thousand euros at March 31, 2015).
- Long-term and short-term debt concerns debt related to the repurchase of Reflexite shares.
- Provisions and other current liabilities mainly comprise restructuring provisions and are described in note 3.11.

3.7. Dividend payments

The General Shareholders' Meeting of July 10, 2015 decided to carry forward the loss for the year and not to pay a dividend.

3.8. Share-based payments

The expense relating to share-based payments recognized in the income statement for the period ended September 30, 2015 is 119 thousand euros (478 thousand euros at September 30, 2014), of which 24 thousand euros was allocated to continuing operations.

In accordance with IFRS 2, and due to the failure to fulfill internal performance criteria based on revenue, EBITDA and available cash, as well as the completion of the key stages in the Group's strategic plan, or due to departures before the end of the vesting period, a portion of the expense recorded for the period ended March 31, 2015 was reversed for an amount of 410 thousand euros (406 thousand euros at September 30, 2014, corresponding to a portion of the expense recorded in fiscal 2013-2014), of which 283 thousand euros was allocated to discontinued operations.

3.9. Borrowings and debt

The maturities of borrowings and debt at September 30, 2015 are as follows:

(in thousands of euros)	September 30, 2015 < 1 year	1 to 5 years	> 5 years	Total	March 31, 2015	March 31, 2015 Of which reclassified to liabilities related to discontinued operations	March 31, 2015 Restated to reflect discontinued operations
Finance leases:							
Property (construction)	-	-	-	-	-	-	-
Other machinery and equipment	6,642	11,407	-	18,049	9,464	-	*9,464*
Borrowings:							
OCEANE 2018 bonds	228	92,166	-	92,394	90,852	-	*90,852*
Bank loans	-	-	-	-	-	-	-
Loans from financial institutions	-	-	-	-	4,339	*4,339*	-
Loans from BPI/CEA/SEH	42,903	-	-	42,903	-	-	-
Other borrowings and debt:							
Repayable advances	2,912	2,290	7,552	12,754	12,039	-	*12,039*
Finance payables	80	-	-	80	362	*362*	-
Derivative financial instruments (liabilities)	-	-	-	-	-	-	-
Used committed credit lines	6,426	44,506	-	50,932	55,802	-	*55,802*
Bank overdrafts	-	-	-	-	-	-	-
Other financial liabilities	150	-	-	150	150	-	*150*
Total borrowings and debt	**59,340**	**150,369**	**7,552**	**217,262**	**173,007**	***4,701***	***168,306***

3.10. Provisions and other non-current liabilities

Provisions and other non-current liabilities break down as follows:

(in thousands of euros)	September 30, 2015	March 31, 2015 reported	March 31, 2015 Of which assets reclassified to discontinued operations	March 31, 2015 Restated to reflect discontinued operations
Deferred income	9,892	10,416	-	*10,416*
Deposits and guarantees received	64	67	-	*67*
Other debtors	-	9	-	*9*
Non-current liabilities	**9,956**	**10,493**	**-**	***10,493***
Provisions for liabilities and charges	5,239	7,050	*2,055*	*4,995*
Provisions and other non-current liabilities	**15,195**	**17,543**	***2,055***	***15,488***

At September 30, 2015, deferred income related mainly to:

- A prepayment received on a license agreement signed in March 2011 in the field of image sensors, for a total amount of 3,587 thousand euros, breaking down into a non-current portion of 2,935 thousand euros and a current portion of 652 thousand euros.
- A prepayment received on a license agreement signed in March 2013 in the field of III-V materials for the light-emitting diodes market, for a total amount of 1,896 thousand euros, breaking down into a non-current portion of 1,643 thousand euros and a current portion of 253 thousand euros.
- A prepayment received on a license agreement signed in May 2014 in the field of radio frequency and power applications, for a total amount of 6,141 thousand euros, breaking down between a non-current portion of 5,313 thousand euros and a current portion of 828 thousand euros.

Provisions for liabilities and charges mainly comprise provisions for retirement obligations amounting to 5,008 thousand euros at September 30, 2015.

3.11. Provisions for liabilities and charges

Changes in provisions for liabilities and charges

Provisions for liabilities and charges break down as follows:

(in thousands of euros)	March 31, 2015	Of which liabilities reclassified to discontinued operations	March 31, 2015 – Restated to reflect discontinued operations	Additions for the period	Reversals (utilizations)	Reversals (surplus)	Exchange differences	Reclassifi-cations	September 30, 2015
Current provisions:									
Litigation	2,847	-	*2,847*	569	(759)	(325)	-	-	2,332
Warranties	-	-	-	-	-	-	-	-	-
Restructuring*	36,146	*(29,366)*	*6,780*	-	(2,292)	-	(143)	-	4,346
Other liabilities	-	-	-	-	-	-	-	-	-
Total current	**38,993**	***(29,366)***	***9,627***	**569**	**(3,051)**	**(325)**	**(145)**	**-**	**6,678**
Non-current provisions:									
Retirement obligations	4,719	-	*4,719*	292	-	-	(3)	-	5,008
Litigation	-	-	-	-	-	-	-	-	-
Warranties	1,356	*(1,080)*	*276*	21	(33)	(33)	-	-	231
Restructuring*	975	*(975)*	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total non-current	**7,050**	***(2,055)***	***4,995***	**313**	**(33)**	**(33)**	**(3)**	**-**	**5,239**

* Restructuring provision reclassified under discontinued operations for a total amount of 30,340 thousand euros at March 31, 2015 are shown in the table below.

Provisions for litigation concern various legal proceedings related to employee arbitration, commercial and tax issues. The main change for the period corresponds to the reversal of a provision of 759 thousand euros resulting from the receipt and payment of tax notices in relation to the C3S tax.

Provisions for restructuring of discontinued operations

Restructuring provision (current and non-current) are described in the table below:

(in thousands of euros)	March 31, 2015	Of which liabilities reclassified under discontinued operations	March 31, 2015 – Restated to reflect discontinued operations	Additions for the period	Reversal (utilizations)	Reversal (surplus)	Exchange differences	September 30, 2015
Fiscals 2012-2013 and 2013-2014								
- Redundancy plans	489	-	*489*	-	(489)	-	-	-
- Production equipment shutdown costs	611	-	*611*	-	(54)	-	-	557
Fiscal 2014-2015: Restructuring of the Solar Energy business segment								
- Redundancy plans	2,056	2,056	-	-	-	-	-	-
- Remaining rental payments due for the Paris offices	676	*676*	-	-	-	-	-	-
Bernin site	**3,832**	***2,732***	***1,100***	**-**	**(543)**	**-**	**-**	**557**
Fiscal 2014-2015: Sale of the business assets of Soitec Specialty Electronics*								
- Employee departures	1,599	-	*1,599*	-	(922)	-	-	677
- Dismantling and restoration of site	304	-	*304*	-	(102)	-	-	202
Villejust site	**1,903**	**-**	***1,903***	**-**	**(1,024)**	**-**	**-**	**879**
Fiscal 2014-2015: Restructuring of the Solar Energy business segment								
- Employee departures	5,462	*5,462*	-	-	-	-	-	-
- Dismantling of solar power plants (excluding US)	2,584	*2,584*	-	-	-	-	-	-
- Operating losses	2,080	*2,080*	-	-	-	-	-	-
- Compensation paid to third parties	1,890	*1,890*	-	-	-	-	-	-
- Remaining rental payments due – non-current portion	975	*975*	-	-	-	-	-	-
- Remaining rental payments due – current portion	544	*544*	-	-	-	-	-	-
Freiburg site	**13,535**	***13,535***	**-**	**-**	**-**	**-**	**-**	**-**
Fiscal 2014-2015: Production shutdown								
- Dismantling of the site and production shutdown costs	679	-	*679*	-	-	-	(27)	653
Singapore site	**679**	**-**	***679***	**-**	**-**	**-**	**(27)**	**653**
Fiscal 2014-2015: Restructuring								
- Employee departures	1,056	-	*1,056*	-	(580)	-	(37)	440
- Remaining rental payments due	1,322	-	*1,322*	-	(146)	-	(51)	1,125
- Dismantling and restoration of site	719	-	*719*	-	-	-	(29)	691
Phoenix site	**3,097**	-	*3,097*	**-**	**(725)**	**-**	**(116)**	**2,255**
Fiscal 2014-2015: Restructuring of the Solar Energy business segment								
- Employee departures	917	*917*	-	-	-	-	-	-
- Operating losses	10,465	*10,465*	-	-	-	-	-	-
- Dismantling of solar power plants located in the US	699	*699*	-	-	-	-	-	-
San Diego site	**12,081**	*12,081*	-	**-**	**-**	**-**	**-**	**-**
Fiscal 2014-2015: Restructuring of the Solar Energy business segment								
- Employee departures	1,992	*1,992*	-	-	-	-	-	-
Other sites	**1,992**	***1,992***	**-**	**-**	**-**	**-**	**-**	**-**
Total – current and non-current portion	**37,121**	***30,340***	***6,781***	**-**	**(2,292)**	**-**	**(143)**	**4,346**

* During the first half of fiscal 2015-2016, all of the assets and liabilities of Soitec Specialty Electronics were transferred to Soitec France (TUP procedure).

Provisions for restructuring recorded under discontinued operations

Provisions for restructuring recorded under discontinued operations are described in the table below:

(in thousands of euros)	March 31, 2015	Additions for the period	Reversal (utilizations)	Reversal (surplus)	Exchange differences	Reclassifi-cations	September 30, 2015
- Redundancy plans	2,056	-	(942)	-	-	-	1,114
- Remaining rental payments due for the Paris offices	87	-	(87)	-	-	-	-
- Operating losses	589	878	(415)	-	-	-	1,052
Bernin site	**2,732**	**878**	**(1,444)**	**-**	**-**	**-**	**2,166**
- Employee departures	5,462	1,482	(272)	-	-	-	6,672
- Dismantling of solar power plants (excluding US)	2,584	-	(250)	-	-	-	2,334
- Operating losses	2,080	1,159	(2,080)	-	-	-	1,159
- Compensation paid to third parties	1,890	-	(275)	-	-	-	1,615
- Remaining rental payments due – non-current portion	975	-	-	-	-	(228)	747
- Remaining rental payments due – current portion	544	-	(228)	-	-	228	544
Freiburg site	**13,535**	**2,641**	**(3,105)**	**-**	**-**	**-**	**13,071**
- Employee departures	917	-	-	-	(36)	-	881
- Operating losses	10,465	578	(670)	(4,641)	(367)	-	5,365
- Dismantling of solar power plants located in the US	699	-	-	-	(28)	-	671
San Diego site	**12,081**	**578**	**(670)**	**(4,641)**	**(436)**	**-**	**6,912**
- Employee departures	77	-	(53)	-	-	-	24
- Restoration of site	28	-	(24)	-	-	-	4
Montbonot site	**104**	**-**	**(77)**	**-**	**-**	**-**	**28**
- Employee departures	76	-	(76)	-	-	-	-
Italian site	**76**	**-**	**(76)**	**-**	**-**	**-**	**-**
- Operating losses	850	-	(196)	-	(126)	-	528
South African site	**850**	**-**	**(196)**	**-**	**(126)**	**-**	**528**
- Employee departures	924	288	(345)	-	-	-	866
French site	**924**	**288**	**(345)**	**-**	**-**	**-**	**866**
- Employee departures	38	-	(32)	-	(5)	-	-
Chilean site	**38**	**-**	**(32)**	**-**	**(5)**	**-**	**-**
Total – current and non-current portion	**30,340**	**4,385**	**(5,945)**	**(4,641)**	**(567)**	**-**	**23,572**

4. Notes to the consolidated income statement

4.1. Employee-related costs

Employee-related costs recorded during the period break down as follows:

(in thousands of euros)	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Wages and salaries, including payroll costs**	(35,945)	(33,406)
Competitiveness and employment tax credit (CICE)	520	511
Pension costs	(247)	(331)
Share-based payment expenses	259	95
Total employee-related costs	**(35,413)**	**(33,131)**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Solar Energy business segment's employee-related costs have been reclassified to net income/(loss) from discontinued operations.
** The wages and salaries reported also include profit-sharing schemes.

The increase in payroll of 2,282 thousand euros is mainly related to:

- an increase in wages and salaries, including payroll costs, for 2,539 thousand euros,
- other factors with a positive impact on payroll: the 9 thousand euro increase in the competitiveness and employment tax credit (CICE), the 84 thousand euro reduction in provisions for retirement obligations, and income of 164 thousand euros relating to share-based payments.

An analysis by business segment of the 2,539 thousand euro increase in wages and salaries shows contrasting trends:

- Wages and salaries in the Electronics division increased by 3,641 thousand euros. Payroll at the Bernin site in France increased by 4,060 thousand euros. Payroll at Soitec Inc increased by 296 thousand euros. Payroll at the San Diego site increased by 173 thousand euros. The sale of the business assets of Soitec Specialty Electronics and the closure of the Ulis site in Paris reduced payroll by 833 thousand euros.
- In Other Activities, wages and salaries decreased by 1,100 thousand euros. The change was almost entirely attributable to the Lighting business segment and broke down as a 626 thousand euro reduction at the Bernin site and a 663 thousand euro reduction at the Phoenix (US) site.

4.2. Research and development costs

Research and development costs break down as follows:

(in thousands of euros)	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Gross research and development costs**	**(22,504)**	**(25,565)**
Sales of prototypes	2,302	3,672
Research and development grants recognized in the income statement	4,038	3,006
Research tax credit	5,597	3,269
Other income	20	6
Total income	**11,957**	**9,953**
Total net research and development costs	**(10,547)**	**(15,612)**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Solar Energy business segment's research and development costs have been reclassified to net income/(loss) from discontinued operations.
** IFRIC 21 – Levies was applied with retroactive effect from April 1, 2015. As a result, the comparative data from the six months ended September 30, 2014 have been restated and show a 106 thousand euro positive impact on gross research and development costs.

Research and development spending mainly relates to research costs, which are recognized in the income statement. The fall in gross expenditure can be attributed to reduced spending on improvements to the Bernin 3 clean room used for compound activities.

4.3. Depreciation and amortization included in the consolidated income statement

Depreciation and amortization expenses in the income statement break down as follows:

(in thousands of euros)	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Cost of sales	(9,387)	(13,200)
Research and development costs	(3,614)	(4,022)
Sales and marketing expenses	(5)	(8)
Solar power plant project development costs	-	-
Administrative expenses	(510)	(331)
Total depreciation and amortization expenses	**(13,517)**	**(17,562)**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Solar Energy business segment's depreciation and amortization expenses in the income statement have been reclassified to net income/(loss) from discontinued operations.

4.4. Other operating income and expenses

Other operating income and expenses in the income statement break down as follows:

(in thousands of euros)	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Other operating income:		
Reversal of the provision for retirement obligations	-	205
Impact of the purchase of joint venture Reflexite-Soitec Optical Technology shares	-	-
Proceeds from the sale of the business assets of Soitec Specialty Electronics	-	2,293
Other	-	-
Total other operating income	**-**	**2,498**
Other operating expenses:		
Impairment charges	(335)	(526)
Other provisions relating to current assets	-	(15)
Restructuring expenses	(4,955)	(3,463)
Total other operating expenses	**(5,290)**	**(4,004)**
Other operating expenses, net	**(5,290)**	**(1,506)**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Solar Energy business segment's other operating income and expenses have been reclassified to net income/(loss) from discontinued operations (see note 4.7).

For the first half of fiscal 2015-2016, the Group recorded net other operating expenses of 5,290 thousand euros. This only concerns the Electronics segment and mainly comprises legal and advisory fees related to the conciliation procedure and the restructuring of the business portfolio.

4.5. Income tax

At the end of each period, the Group remeasures its deferred taxes. Within a single tax jurisdiction, deferred tax assets are recognized only up to the amount of deferred tax liabilities with the same maturity date.

The difference between the theoretical income tax calculated using the tax rate applicable in France (34.43% for the six months ended September 30, 2015) and the actual income tax expense shown in the income statement breaks down as follows:

(in thousands of euros)	Six months ended September 30, 2015*	Six months ended September 30, 2014*
Theoretical income tax benefit/(expense) at the applicable rate	**11,846**	**(1,448)**
Unrecognized deferred tax assets	(13,535)	(786)
Non-deductible provisions and expenses	(338)	1,095
Non-taxable income (research tax credit and competitiveness and employment tax credit (CICE))	2,027	1,179
Adjustments for differences in income tax rates	37	-
Total income tax benefit/ (expense)	**37**	**-**

* Pursuant to the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, Total income tax benefit/ (expense) has been reclassified to net income/(loss) from discontinued operations (see note 7.4.7).

4.6. Earnings per share

The earnings per share data used to calculate basic and diluted earnings per share are as follows:

(number of shares)	Six months ended September 30, 2015	Six months ended September 30, 2014
Weighted average number of ordinary shares (excluding treasury shares) used to calculate basic earnings per share	**231,175,454**	**193,030,934**
Effect of dilution based on the treasury stock method:		
Stock options	-	-
ABSAAR	-	-
OCEANE	-	-
Free shares	179,200	806,400
Dilutive effect	**179,200**	**806,400**
Weighted average number of ordinary shares (excluding treasury shares) adjusted for diluted earnings per share	**231,354,654**	**193,837,334**

Dilutive instruments are not taken into account in the calculation of diluted earnings per share when they lead to a reduction in the loss per share based on the average number of shares outstanding.s

4.7. Net loss from discontinued operation

(in thousands of euros)	Notes	September 30, 2015	September 30, 2014
Sales	**6.1.6**	**9,895**	**35,194**
Expenses for the period	-	(9,611)	(83,762)
Recurring operating income/(loss)	**-**	**284**	**(48,568)**
Other operating expenses, net	-	(284)	(8,375)
Operating loss	**-**	**-**	**(56,942)**
Net financial income/(expense)	-	(23,849)	10,890
Loss before tax	**-**	**(23,849)**	**(46,053)**
Income tax	-	(3)	3
Net loss from discontinued operations	**-**	**(23,852)**	**(46,050)**

For the six months ended September 30, 2015, net income/(loss) from discontinued operations principally reflected the foreign exchange gains and losses of subsidiaries hosting discontinued operations reclassified to the income statement (representing an expense of 17,684 thousand euros), and unrealized foreign exchange loss on intra-group financing for 6,159 thousand euros. For the six months ended September 30, 2014, net income/(loss) from discontinued operations included an unrealized foreign exchange gain on intra-group financing amounting to 9,861 thousand euros. The amount recognized in equity at September 30, 2014 corresponding to foreign exchange gains and losses of subsidiaries hosting discontinued operations came in at 9,443 thousand euros.

5. Other information

5.1. Seasonal fluctuation in business

The Group does not experience seasonal fluctuations in business. Some of the markets served by the Group may have their own seasonal patterns (impact of Christmas on game console sales or of the start of the school/university year on PC sales), but sales fluctuations are in fact driven to a greater extent by launches of next-generation products, which are not generally seasonal in nature (e.g., game consoles or tablets introduced first in the United States, then in Asia and then in Europe). Broadly speaking, the seasonal effects that may impact certain applications are diluted by the diversity of the Group's markets, i.e., consumer products (game consoles, PCs, tablets, smart phones, etc.), industrial products or products aimed at businesses (automotive, lighting, servers).

5.2. Related-party disclosures

The composition of the Board of Directors changed following the Ordinary Shareholders' Meeting of July 10, 2015. The terms of office of Patrick Murray and Annick Pascal expired, such that the Board now comprises the following eight members:

- André-Jacques Auberton-Hervé,
- Paul Boudre,
- Bpifrance Participations, represented by Thierry Sommelet,
- CEA Investissement, represented by Christophe Gegout,
- Douglas Dunn,
- Joël Karecki,
- Satoshi Onishi,
- Joseph Martin.

Following André-Jacques Auberton-Hervé's decision to step down from his role as Chairman of the Board of Directors on September 11, 2015, the Board of Directors decided to appoint Paul Boudre as Chairman of the Board of Directors and combine this role with that of Chief Executive Officer of the Company. André-Jacques Auberton-Hervé was in turn appointed Honorary Chairman of the Soitec Group.

As a result of these changes, the Board of Directors now only includes one independent director (Joseph Martin) within the meaning of the provisions of the AFEP-MEDEF corporate governance code. Within the framework of the financing plan put in place as part of the conciliation procedure approved by the Grenoble Commercial Court on May 5, 2015, Shin-Etsu Handotaï (Europe), Bpifrance Participations, and CEA Investissement provided Soitec with the financial support described in Chapter 19 (Related-party transactions) and Chapter 22 (Major contracts) of the fiscal 2014-2015 Registration Document, filed with the French financial markets authority (Autorité des marchés financiers) on June 10, 2015 under number D. 15-0587.

Bpifrance Participations and CEA Investissement both hold a seat on the Board of Directors. Satoshi Onishi is the Managing Director and Chief Executive Officer of Shin-Etsu Handotaï (Europe). Douglas Dunn is a director on the board of Global Foundries, Inc and previously held a number of management positions at Arm Holdings, plc, two companies with which Soitec has significant business dealings.

6. Subsequent events

None.

20.3.3. Auditors' report on the half-year financial data as at 30 September 2015

SOITEC S.A.
Parc Technologique des Fontaines
Chemin des Franques
38190 Bernin

To the shareholders,

As a result of the mission that was conferred to us by your General Meting and in accordance with Article L.451-1-2 III of the French Monetary and Financial Code, we conducted:

- a limited audit of the summarised consolidated interim financial statements of Soitec, relating to the period from 1 April 2015 to 30 September 2015, as appended to this report
- an audit of the information given in the interim business report.

These summarised consolidated interim accounts have been prepared under the responsibility of the Board of Directors. It is our role to express an opinion on these financial statements based on our limit audit.

I. Opinion on the financial statements

We have carried out our limited audit in accordance with the professional standards applicable in France. A limited audit mainly consists of having meetings with the members of the management in charge of accounting and financial aspects and of implementing analytical procedures. These works are less extensive than those required for an audit carried out in accordance with the professional standards applicable in France. Consequently, the assurance that the accounts, taken as a whole, do not contain material misstatements, obtained within the framework of a limited audit is a moderate assurance of a lower level than that obtained within the framework of an audit.

Based on our limited audit, we have not found any material misstatements which could call into question the compliance of the summarised interim financial statements with the standard IAS 334 - IFRS standard as adopted in the European Union on interim financial reporting.

Without calling into question the opinion stated above, we draw your attention to note 2.4. of the interim financial statements which sets down the assumptions underlying the maintenance of the principle of continuity of business of the Group.

II. Specific verification

We have also checked the information given in the interim business report commenting on the summarised consolidated interim financial statements on which our limited audit was based. We have nothing to report with respect to its fairness and accordance with the summarised interim consolidated financial statements.

Done at Lyon and Meylan, on 20 November 2015

The Auditors

PricewaterhouseCoopers Audit — Cabinet MURAZ PAVILLET

Nicolas Brunetaud — Christian Muraz

20.4. Verification of historic financial information

20.4.1. Attestation of the statutory auditors

Please refer to the Auditors' Report on the interim financial data as at 30 September 2015 given in paragraph 20.3.3. of this Update of the Reference Document.

Please also refer to the Auditors' Report on the consolidated financial statements as at 31 March 2015 and to the Statutory Auditors' Report on the financial statements as at 31 March 2015 given respectively in paragraphs 20.3.1.3 and 20.3.2.3 of the Reference Document 2014-2015 submitted under number D.15-0587.

The annual financial statements of the financial years ended 31 March 2014 and 31 March 2013 were the subject of certification reports by the Statutory Auditors without reservation or observation, which are given respectively on pages 123 and 120 of the 2013-2014 Reference Document and of the 2012-2013 Reference Document, filed under number D.13-0676.

20.8. Legal proceedings and arbitration procedures

As announced by the Group on 9 December 2015, an investigation was started by the U.S. International Trade Commission on 18 September 2015 following a petition by Silicon Genesis Corp. (SiGen). This investigation concerns the import and sale in the United States by Soitec of silicon-on-insulator wafers. To date, the ITC has not ruled on the merits.

Tax audits are being carried out in Soitec S.A. and Soitec USA Inc. For this last company, a risk of adjustment on the transfer pricing relating to a research and development service could give rise to a tax expense close to €2.0 million.

There is no other governmental, judicial or arbitration procedure, including any procedure to the knowledge of the Company, which is pending or is threatened, and likely to have or having had in the last twelve months significant effects on the financial situation or the profitability of the Company or the Group.

20.9. Significant change in the financial or commercial situation since September 30, 2015

20.9.1. Press release on the turnover of the 3rd quarter of the financial year 2015-2016

Soitec reports Electronics sales for the third quarter of FY'16 up 6% at constant exchange rates on a sequential basis, in line with its expectations

- Q3'16 Electronics sales rose 37% year-on-year or 20% at constant exchange rates
- Consolidated revenues for the first nine months of FY'16 amounted to171.7 million Euros, up 49% compared with the first nine months of FY'15

In the first nine months of FY'16, revenues grew by 49% to 171.7 million Euros (growth of 27% at constant exchange rates), from 115.4 million Euros in the first nine months of FY'15.

Unaudited revenues for the third quarter and first nine months of FY'16 ending December 31, 2015

(in thousands of euros)	Q3 14-15	Q3 15-16	Q/Q	Y/Y	9m 14-15	9m 15-16	Y/Y
150 - 200mm	31,980	44,219	3%	38%	80,964	128,047	58%
300mm	10,253	13,097	22%	28%	28,333	35,603	26%
Royalties	809	1 593	51%	97%	2 579	4 113	59%
Electronics (sale of wafers)	**43,042**	**58,909**	**8%**	**37%**	**111,877**	**167,763**	**50%**
Lighting	333	294	-9%	-12%	1615	1310	-19%
Equipment	1 256	1 610	452%	28%	1 955	2 603	33%
Others (Lighting/Equipment)	**1 589**	**1 904**	**209%**	**20%**	**3570**	**3913**	**10%**
Consolidated turnover	**44,631**	**60,813**	**10%**	**36%**	**115,446**	**171,676**	**49%**
Solar (Discontinued operations)	*3 369*	*11,945*	*121%*	*255%*	*38,563*	*21,839*	*-43%*

Q3'16 Electronics sales in line with management guidance

Q3'16 wafer sales totaled 58.9 million Euros. At constant exchange rates, that represents an increase of 6% compared with Q2'16 and a 20% rise relative to Q3'15.

During Q3'16, Soitec saw a further increase in sales of 200mm wafers and an increase in 300mm wafers.

- Sales continued to be driven by strong demand for products in **the mobile (RF devices) and automotive (power) markets**. In particular, the use of RF-SOI technology continues to increase in smartphones, where this technology fully meets the requirements dealing with the rising number of frequency bands and higher data speed requirements.
  Soitec's order book at its 200mm site in Bernin is full until the end of calendar 2016. Nevertheless, Soitec should continue to supportgrowth in RF applications by meeting demand for 300mm wafers, a segment in which it recorded its first sales in Q3'16. Available capacity at the Bernin site will enable Soitec to meet expected increase in demand for 300mm RF products in the next two years.

Soitec will also be able to start using the additional production capacity of its partner Simgui in China for 200mm technologies. Client qualification of Simgui's 200mm wafer plant is continuing and production at that plant is likely to ramp up over the next few quarters.

- In **digital applications**, sales in the PC, games console and ASICs – 300mm partially depleted silicon-on-insulator (PD-SOI) wafers – saw an increasein Q3'16, due in particular to the delivery of a large order. Sales of PD-SOI wafers neverthelessreflect theend of the lifecycle of certain products.
  The qualification process by foundry customers for 300mm fully depleted silicon-on-insulator (FD-SOI) wafers is continuing, with a view to starting production at certain fabless customers. Management confirms that the first integrated circuits made on 28nm FD-SOI wafers are currently going into production.
- **Royalties** generated 1.6 million Euros in revenues in Q3'16 and 4.1 million Euros in the first nine months of FY'16, representing a 59% increase compared with the first nine months of FY'15.

Other activities (Lighting and Equipment) generated sales growth of 20% in Q3'16

The Lighting and Equipment businesses generated 1.9 million Euros of sales in Q3'16. That figure broke down into 0.3 million Euros in Lighting and 1.6 million Euros in Equipment (AltatechSemiconductor).

In the first nine months of FY'16, Lighting and Equipment revenues grew by 10% year-on-year to 3.9 million Euros.

In Q3'16, Soitec completed the disposal of its non-strategic Lighting R&D activities based in Phoenix, USA.

Sales in the Solar business, recognized under "discontinued operations" totaled almost 12 million Euros in Q3'16

Revenues in the Solar business are recognized separately under "discontinued operations" in line with Soitec's decision to refocus on its Electronics business. Solar revenues amounted to 11.9 million Euros in Q3'16 (versus 3.4 million Euros in Q3'15) and 21.8 million Euros in the first nine months of FY'16 (versus 38.6 million Euros in the year-earlier period). Management reiterates that it has ceased all manufacturing and R&D activities in San Diego (USA) and Freiburg (Germany) and is continuing to sell off the residual assets of its Solar activities.

Cash position in line with expectations

On December 31, 2015, Soitec's cash position was 51 million Euros as opposed to 71 million Euros on September 30, 2015.

This evolution was in line with management expectations, and was caused by:

- non-recurring expenses related to the discontinuation of the Solar business and the sale of R&D activities in the Lighting business;
- the increase in the working capital requirement in line with growth in the Electronics business;
- interest payments on Soitec's debt.

Debt amounted to 220 million Euros at December 31, 2015, almost unchanged compared with September 30, 2015.

Continuing talks with investors in order to strengthen the balance sheet

Given the size of its debt and its inadequate equity level, Soitec indicates that it is continuing talks with several investorswith a view to their possible involvement in a recapitalization project.

Electronics sales guidance for Q4'16

For Q4'16, Electronics sales are expected to grow by over 10% versus Q3'16 (at constant exchange rates).

Paul Boudre, Soitec's CEO and Chairman of the Board, commented: "The implementation of our strategy in the Electronics segment is continuing to pay off.In Q3'16, we achieved further sequential sales growth in Electronics, and wafer sales continued to be supported by strong demand for products in the mobile and automotive markets.

Given our level of debt and our lowequity level, we are in continuing talks with several investorsto strengthen our balance sheet and to support our development."

20.9.2. Soitec proposed two successive capital increases for a total consideration of €130 to €180 million, supported by CEA Investissement, NSIG and Bpifrance

Bernin, France, 10 February 2016 – Soitec (Euronext Paris), a world leader in manufacturing of innovative semiconductor materials, today announces its intention to carry out two capital increases for a total amount between 130 million and 180 million Euros:

- a reserved capital increase for a total amount of €76.5m, at a price of 0.55€ per share;
- a subsequent capital increase with preferential subscription rights ("rights issue") for a total amount of €53.5m to €103.5m. The size of the rights issue will be adjusted to finance potential OCEANE 2018 buy-back opportunities at attractive conditions from a shareholders' perspective.

Following the two operations, CEA Investissement ("CEAI"), National Silicon Industry Group ("NSIG") and Bpifrance Participations ("Bpifrance") would each hold 14.5% of the company's shareholding. CEAI would have the option to increase its stake to 15% thereafter.

Purpose of the operations

The proceeds from the issuance are intended to finance investments in FD-SOI production capacity and strengthen Soitec's balance sheet through the reimbursement of the loans maturing in May 2016 and the potential buy-back of the OCEANE 2018 notes.

Soitec's decision to invest further in FD-SOI capacities complies with the group's strategic reorientation of its activities on electronics and the promising perspectives on widespread FD-SOI adoption in the semiconductor industry, as two of the four largest foundries in the world reported moving into mass production and performing multiple tape-outs using FD-SOI wafers.

Soitec's stronger financial position will enable it to finance the investments needed to reach full capacity with FD-SOI 300mm at its Bernin II site (France) and to capture more of the major growth potential in the market for consumer, automotive and industrial applications.

Paul Boudre, CEO and Chairman of Soitec's Board of Directors, made the following comments: "*The capital increases we are proposing are intended to strengthen Soitec's financial position, as well as helping to finance our growth and giving us a stabilized shareholding. I am delighted that our existing shareholder Bpifrance is putting its trust in us again, and I very much look forward to welcoming as shareholders CEA Investissement, a subsidiary of CEA, our long-standing research and development partner, and NSIG, a Chinese industrial investment group whose specialisation in the semiconductor industry will provide a vital edge in ensuring the success of our FD-SOI technology in China. We are counting on the support of all our shareholders, who will be invited to vote on this operation; it is crucial to Soitec's future and to the continuation of the operational momentum we have built up since we decided to focus on the Electronics business.*"

Christophe Gégout, Chairman of CEA Investissement and deputy CEO of CEA, made the following comments: *"By becoming a shareholder in the Group, CEA Investissement is determined to forge closer ties, built on CEA's longstanding relation with Soitec as a technology provider. The CEA gave rise to Soitec, a spin-off of its LETI division (Laboratoire de l'Électronique et des Technologies de l'Information), a pioneer in Silicon On Insulator technology and the inventor of the Smart-Cut process. CEA has worked with Soitec on research and development programs in substrates and innovative materials over a number of years. This collaboration has shown us Soitec's industrial and technological excellence. We are delighted to be moving on to this new stage in our relationship while new development prospects are opening up in the wake of Soitec's decision to refocus on electronics."*

Xi WANG, Chairman of NSIG, made the following comments: *"NSIG is an investment platform specialized in advanced technology. We are convinced that the FD-SOI technology developed by Soitec has great promise in a number of markets around the world, holding out the prospect of fruitful growth and development, supported by industrial, technological and human strengths of the company. We are delighted to have this opportunity to contribute to the development of Soitec."*

Nicolas Dufourcq, CEO of Bpifrance, stated: *"Soitec enters a new phase of growth centered on the adoption of its FD-SOI technology, a major innovative step for the main actors of the semiconductor industry. Bpifrance welcomes the support of CEAI and NSIG, whose presence will help to consolidate Soitec's technological leadership in FD-SOI and foster its development in China, whilst maintaining a strong technological foothold in France."*

Main terms of the operations and subscription commitments

The proposed capital increases are supported by Bpifrance, Soitec's largest shareholder, CEA Investissement, a wholly-owned subsidiary of CEA, a long-standing technology partner of the Group and NSIG, a Chinese industrial investment group dedicated to the semiconductor industry.

Under the proposed capital increases, these investors would, in the aggregate, subscribe to an approximately 76.5 million Euros reserved capital increase at a price of 0.55 Euro per share and would each subscribe to their pro-rata entitlement in the rights issue with the aim of holding 14.5% of the shareholding each.

The amount of the rights issue, open to all shareholders, would be comprised between approximately 53.5 million Euros and 103.5 million Euros (including premium), with the final amount to be determined depending on opportunities available to Soitec to buy-back some of its OCEANE 2018 at attractive conditions from a shareholders' perspective.

Following the rights issue, CEAI will have the ability to increase its shareholding interest in Soitec to up to 15%, through a reserved capital increase at the same conditions as the reserved capital increase described above.

Conditions and timetable considerations

The transactions have been approved on 9 February 2016 by the Board of Directors on the basis of an opinion of BM&A Advisory & Support, acting as independent expert, which will be made available to the shareholders ahead of the general meeting.

Soitec, Bpifrance, NSIG and CEAI have signed on 10 February 2016 an agreement setting forth the main terms of the investment of Bpifrance, NSIG and CEAI, which will be detailed in a definitive documentation.

It is anticipated that all the necessary resolutions for the two capital increases will be presented for the vote of an Ordinary and Extraordinary Shareholders' general meeting of Soitec to be convened upon signing of the definitive documentation in the coming weeks. Soitec intends to carry out the reserved capital increase as soon as possible after such shareholders' general meeting and in any event before the end of the first semester.

The subscription by the three investors to the reserved capital increase and to their pro-rata share of the right issue are subject to the vote of the necessary resolutions relating to the capital increases and the governance by the Ordinary and Extraordinary Shareholders' general meeting of Soitec, the approval of the necessary prospectuses and the obtaining of the other regulatory approvals, including the Chinese approvals necessary for the investment of NSIG.

Governance

In addition, resolutions will be presented at the Ordinary and Extraordinary Shareholders' meeting in order for:

- Bpifrance to continue to have two board representatives,
- CEAI (who already has one seat at the Board) to have an additional board representative,
- NSIG to have two board representatives,
- the board to include 4 independent members,

so that after the completion of the capital increases, each investor would have a total of 2 board seats in a Board of Directors that would be composed of 13 members. The governance of Soitec will be adapted accordingly.

Subject to certain exceptions, NSIG will be subject to a standstill at 14.5% of the share capital or voting rights. This standstill obligation would terminate if a third party had an interest in excess of 14.5% (or if CEAI had an interest in excess of 15%). This obligation would apply for a 3 year period. If NSIG were to exceed the level of the standstill for the 2 years following the initial 3 years period, NSIG would lose its governance rights under the definitive documentation.

In addition, for 18 months, Bpifrance, NSIG and CEAI would not submit a resolution to the shareholders' meeting which shall not have been recommended by the board of directors.

During five years, sales of Soitec securities held by Bpifrance Participations, CEA Investissement and NSIG will be subject to orderly disposal requirements.

A plan to strengthen the Group's balance sheet and help finance its growth

The proposed capital increase announced today echoes the Group stated intentions to explore ways of strengthening its balance sheet. Indeed, Soitec's equity was at the inadequate level of 22.8 million Euros at 30 September 2015, whereas gross debt amounted to 220 million Euros on December 31, 2015 including 42 million Euros due to be repaid in May 2016. On December 31, 2015 Soitec's cash position was 51 million Euros.

Soitec has made significant progress in withdrawing from its Solar activities, and is continuing to assess its strategic options regarding its Lighting and Equipment businesses.

Soitec's strategy is to focus on its core business: engineered substrates enabling large consumer Electronics markets. Soitec has achieved a successful transition over the past four years from niche PC and gaming business segments to mass mobile consumer market. Today, the company is seeing continuous growth in demand for mobile (RF) and power (automotive) applications. In particular, RF-SOI is today the mainstream platform for Smartphone's RF switches. The use of Soitec RF-SOI technology continues to increase in smartphones, where this technology fully meets the requirements of 4G/ LTE-Advanced dealing with the rising number of frequency bands and higher data speed. In addition, Soitec Power SOI, used in the automotive market since 2000, is expected to have a steady long-term growth with the electronics content increase in cars.

Soitec's order book for its 200 mm wafer plant in Bernin (France) is almost full for calendar 2016. The high-volume capacity of the 300 mm fab at Bernin site will enable Soitec to meet expected increase in demand for 300mm RF products and will be a market booster for RF-SOI technology in the coming years. Soitec will also be able to start using the additional production capacity of its partner Simgui in China for 200mm products. Client's qualification of Simgui's 200 mm wafer plant is under way and production at that plant is likely to ramp up over the next few quarters.

In digital applications, sales of 300 mm partially depleted silicon-on-insulator PD-SOI wafers reflect the end of the lifecycle of certain products (PC, games console and ASICs, Application Specific Integrated Circuits).

FD-SOI (fully depleted silicon-on-insulator technology) adoption has started, the Group is ready to provide customers with 300mm wafers aligned with the tightest industry specifications. The FD-SOI ecosystem is benefiting from new advances, as two of the four largest foundries in the world reported moving into mass production and performing multiple tape-outs using FD-SOI wafers. The two foundries will manufacture system-on-chip (SoC) requiring digital and mixed-signal integration for power and cost-sensitive applications such as the growing mainstream consumer mobile, Internet of Things (IoT) and automotive markets. Soitec has been shipping FD-SOI substrates with specifications required in high-volume production for initial ramp. Today's FD-SOI substrates exhibit the same mature performance as bulk silicon, making FD-SOI a de facto industry standard platform.

Soitec's stronger financial position will enable financing of the investments needed to reach full capacity of FD-SOI 300mm at its Bernin site (France) and thus to capture more of the major growth potential in the market for consumer, automotive and industrial applications.

Information on the investors

- **Bpifrance**, a subsidiary of the French state and the Caisse des Dépôts and a trusted partner of entrepreneurs, finances businesses from the seed phase to IPO, through loans, guarantees and equity investments. Bpifrance also provides operational services and support for innovation, export, and external growth in partnership with Business France and Coface. With over 40 regional offices, Bpifrance represents a powerful, close and efficient representative for businesses, to answer all their needs in terms of financing, innovation and investment.
- **CEA Investissement** is an affiliate of the French nuclear and alternative energies agency, dedicated to equity investment in disruptive technology companies. It manages both the CEA Strategic Investment Fund and the ATI early venture fund which investors are EDF, Safran and Biomerieux around CEA and Bpi France. With more than 50 innovative companies financing since its beginning, it covers micro-electronics, life sciences, energy/cleantechs and embedded software. The management team is based both in Paris and Grenoble, France.
- **NSIG**, a Chinese investment platform dedicated to the semiconductor industry, supported by five shareholders (Sino IC Capital, Shanghai Guosheng Group, Summit View Capital, Shanghai SIMIC and Jiading Industry Development Group) which individually invested in a number of high-quality international semiconductor or high-tech companies. Through its eco-system, NSIG represents a strong support for semiconductor businesses to increase their growth and their financial performance in the Chinese market.

21. Additional information

21.1. Share capital

21.1.4. Shares and marketable securities giving access to the capital

21.1.4.1. Information on the potential dilution of the Company's capital as at 3 March, 2016

Nature of the potentially dilutive instruments	Exercise price	Number of shares to which such instruments give right	Potential dilution which may arise from the exercising of these instruments
SOP	15.11/16.41	300,800	0.13%
OCEANEs 2018	2.58	43,356,043	18.74%
FREE SHARES	2.340/2.614	256,000	0.11%
Total		**43,912,843**	**18.98%**

The share subscription option and free share plans below, whose shares still have to be acquired, have been subject to an adjustment ratio protecting the interests of the beneficiaries, following the capital increase of July 2014.

The table below summarises the free share plans detailed in paragraph 21.1.4 of this Update of the Reference Document 2014-2015, whose acquisition period maturity is in the future:

Board of Directors' meeting date	04/06/2012	06/03/2014
Number of shares	1,223,457	275,200
Of which number of shares for company officers	*217,457*	*0*
Number of shares bought	561,695	0
Number of shares cancelled	514,563	166,400
Number of shares remaining	147,200	108,800

21.1.4.2. Report on authorisations and uses

Summary table of current authorisations:

Transactions/Shares concerned	Maximum nominal issue amount	Use (date)	Duration of the authorisation (and expiry)
Capital increase, all securities included, with PSR OEGM 30/07/15 – 10th resolution	In capital* = €20 million In borrowing** = €150 million	None	26 months (09/17)
Capital increase, all securities included, without PSR OEGM 30/07/15 – 11th resolution	In capital* = €15 million[1] In borrowing** = €150 million[2]	None	26 months (09/17)
Capital increase, all securities included, without PSR - reserved to category of nominated persons OEGM 30/07/15 – 12th resolution	In capital* = €15 million[1] In borrowing** = €150 million[2]	None	18 months (01/17)
Capital increase, all securities included, without PSR - offers referred to in II of Article L. 411-2 of the French Monetary and Financial Code OEGM 30/07/15 – 13th resolution	In capital* = 20% of the share capital up to €15 million[1] In borrowing** = €150 million[2]	None	26 months (09/17)
Increase in the number of shares to be issued with or without PSR in case of surplus applications OEGM 30/07/15 – 14th resolution	Up to (i) 15% of the initial issue and (ii) the cap provided in the proxy used	None	26 months (09/17)
Capital increase, all securities included, without PSR - exemption terms of fixing the issue price OEGM 30/07/15 – 15th resolution	In capital* = 10% of the share capital per annum up to €15 million[1] In borrowing** = €150 million[2]	None	26 months (09/17)
Company capital increase in remuneration of contributions in kind comprised of shares or equity securities giving access to the capital OEGM 30/07/15 – 16th resolution	In capital* = 10 % of the share capital up to €15 million[1] In borrowing** = €150 million[2]	None	26 months (09/17)
Capital increase by incorporating premiums, reserves, profits or others OEGM 30/07/15 – 17th resolution	Up to the amount of the accounts of reserves, premiums or profits and the cap of €20 million.	None	26 months (09/17)
Capital increase in remuneration of contributions of securities made within the framework of a public exchange offer initiated by the Company OEGM 30/07/15 – 18th resolution	In capital* = €15 million[1] In borrowing** = €150 million[2]	None	26 months (09/17)

Transactions/Shares concerned	Maximum nominal issue amount	Use (date)	Duration of the authorisation (and expiry)
Capital increase by issue of shares or securities giving access to the capital reserved for members of company savings schemes with cancellation of the PSR OEGM 30/07/15 – 19th resolution	In capital* = €500,000 charging to the cap of €20 million[1] In borrowing** = €150 million[2]	None	26 months (09/17)
Cancellation of shares bought pursuant to the authorisations to buy-back the own-shares of the Company OEGM 30/07/15 – 20th resolution	10% of the capital	None	12 months (GM for approving financial statements for the year ended 31 March 2016)
Allocation of free shares OEGM of 30/07/15 – 23rd resolution	5% of the capital (on the allocation date). The allocation to company officers must not exceed 20% of the total amount allocated	None	24 months (07/17)
Buy-back of Company shares OEGM of 10/07/2015 – 9th resolution	5% of the capital	None	12 months (GM for approving financial statements for the year ended 31 March 2016)
Issue in favour of CEA Investissement of share subscription warrants in case of capital increase with cancellation of the PSR OEGM 30/07/15 – 22nd resolution	€8 million (nominal and issue premium included)	None	18 months (01/18)
Free issue of share subscription warrants in case of public offer OEGM 30/07/15 – 24th resolution	40% of the capital	None	12 months (07/16)

1 Common cap charging to the total cap of €20 million stated in the 10th resolution.
2 Common cap charging to the total cap of €150 million stated in the 10th resolution.
* Shares.
** Securities representative of debt claims or similar securities giving access to the Company's capital.

21.1.4.3. Implementation of the authorisations adopted by the General Meetings of 1 July 2005, 24 June 2011, 3 July 2012 and 2 July 2013

The following table indicates the extent to which the authorisations adopted by the General Meetings of 1 July 2005, 24 June 2011, 3 July 2012 and 2 July 2013 relating to stock options and attributions of bonus shares, were implemented before 30 September 2015. It also indicates the status of use of previous authorisations.

Current option plans as at 18 December, 2015

AGM date	01/07/05	01/07/05
Board of Directors' meeting date	06/07/06	26/10/06
Number of shares	89,600	256,000*
- including number of shares for company officers	0	0
- including number of shares for the first ten allottee employees	89,600	256,000
Number of beneficiaries	2	1
Starting point for exercising warrants	06/07/10	26/10/10
Expiry Date	05/07/16	25/10/16
Number of shares subscribed	0	0
Number of shares cancelled	-	-
Number of shares remaining	44,800	256,000
Subscription price per share (in euros)	16.41	15.11

* All of these options were granted to Mr. Paul Boudre, prior to his appointment as deputy Managing Director at the meeting of the Board of Directors on 16 May 2008.

Plans d'actions gratuites en cours

AGM date	24/06/11	24/06/11	24/06/11	24/06/11	24/06/11
Board of Directors' meeting date	04/06/12	04/06/12	04/06/12	04/06/12	04/06/12
Number of shares	177,000	32,000	217,457	307,980	244,260
- including number of shares for company officers	0	0	217,457	0	0
- including number of shares for the first ten allottee employees	177,000	32,000	0	307,980	244,260
Number of beneficiaries	3	2	2	10	6
Acquisition period	du 04/06/12 au 03/06/14	du 04/06/12 au 03/06/16	du 04/06/12 au 03/06/14	du 04/06/12 au 03/06/14	du 04/06/12 au 03/06/14
Conservation period	du 04/06/14 au 03/06/16		du 04/06/14 au 03/06/16	du 04/06/14 au 03/06/16	du 04/06/14 au 03/06/16
Number of shares acquired	177,000	0	127,213	166,362	91,120
Number of shares cancelled	0	0	90,244*	141,618**	153,140***
Number of shares remaining	0	32,000	0	0	0

* These shares were cancelled pursuant to the performance conditions defined by the Board of Directors that attributed them, which were not met on the acquisition date.
** These shares were cancelled pursuant to the performance conditions defined by the Board of Directors that attributed them, which were not met on the acquisition date and following the departure of one executive on 5 November 2013.
*** These shares were cancelled following the departure of an executive on 20 February 2014 and pursuant to the performance conditions defined by the Board of Directors that attributed them, which were not met on the acquisition date.

AGM date	24/06/11	24/06/11	03/07/12	03/07/12
Board of Directors' meeting date	04/06/12	04/06/12	07/03/13	07/03/13
Number of shares	32,000	212,760	99,200	32,000
- including number of shares for company officers	0	0	0	0
- including number of shares for the first ten allottee employees	32,000	212,760	99,200	32,000
Number of beneficiaries	1	7	1	1
Acquisition period	du 04/06/12 au 03/06/16	du 04/06/12 au 03/06/16	du 07/03/13 au 06/03/15	du 07/03/13 au 06/03/17
Conservation period			du 07/03/15 au 06/03/17	
Number of shares acquired	0	0	99,200	0
Number of shares cancelled	0	129,560*	0	32,000**
Number of shares remaining	32,000	83,200	0	0

* These shares were cancelled following the departure of four executives on 7 December 2013, 7 February 2015, 3 April 2015 and 31 May 2015.
** These shares were cancelled following the departure of one executive on 12 September 2014.

AGM date	03/07/12	02/07/13	03/07/12	02/07/13	02/07/13
Board of Directors' meeting date	07/03/13	06/03/14	06/03/14	06/03/14	06/03/14
Number of shares	147,500	108,800	96,000	32,000	38,400
- including number of shares for company officers	0	0	0	0	0
- including number of shares for the first ten allottee employees	147,500	108,800	96,000	32,000	38,400
Number of beneficiaries	1	1	1	1	1
Acquisition period	du 07/03/13 au 06/03/17	du 06/03/14 au 05/03/16	du 06/03/14	du 04/06/12 au 03/06/16	du 04/06/12 au 03/06/14
Conservation period		du 06/03/16 au 05/03/18			du 06/03/16 au 05/03/18
Number of shares acquired	0	0	0	0	0
Number of shares cancelled	147,500*	0	96,000**	32,000**	38,400***
Number of shares remaining to be bought	0	108,800	0	0	0

* These shares were cancelled following the departure of one executive on 7 December 2013.
** These shares were cancelled following the departure of one executive on 7 February 2015.
*** These shares were cancelled following the departure of one executive on 31 August 2015.

21.1.7. Capital and voting rights distribution

Breakdown capital and voting rights at 31 March 2014

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé*	6,425,327	3.723	12,641,511	6.383
The Auberton-Hervé Family	1,655,812	0.959	2,822,470	1.425
The Auberton-Hervé Family Group	**8,081,139**	**4.682**	**15,463,981**	**7.809**
Strategic Investment Fund*	16,978,294	9.838	29,105,646	14.697
***Shareholder Agreement**	**23,403,621**	**13.561**	**41,747,157**	**21.080**
Caisse des Dépôts et Consignations	6,647,404	3.852	6,647,404	3.357
Shin-Etsu Handotaï Co Ltd. (partner since 1997 and first sub-licensee of Soitec)	4,452,599	2.580	4,452,599	2.248
Public	136,309,300	78.983	142,258,103	71.833
Self-held	112,059	0.065	112,059	(0.083)
Total	**172,580,795**	**100**	**198,039,792**	**100**

Breakdown capital and voting rights at 31 March 2015

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé	5,324,949	2.303	10,411,802	4.092
The Auberton-Hervé Family	529,707	0.229	1,059,414	0.416
The Auberton-Hervé Family Group	**5,854,656**	**2.532**	**11,471,216**	**4.508**
Bpifrance Participations	22,071,781	9.547	34,199,133	13.440
Caisse des Dépôts et Consignations	6,647,404	2.875	6,647,404	2.612
Shin-Etsu Handotaï Co Ltd. (partner since 1997 and first sub-licensee of Soitec)	4,452,599	1.926	4,452,599	1.750
Public	192,050,535	83.071	197,584,156	77.647
Self-held	111,451	0.048	111,451	(0.044)
Total	**231,188,426**	**100**	**254,465,959**	**100**

Breakdown capital and voting rights at 29 February, 2016

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé	5,324,949	2.302	10,411,802	4.080
The Auberton-Hervé Family	529,707	0.229	1,059,414	0.415
The Auberton-Hervé Family Group	**5,854,656**	**2.531**	**11,471,216**	**4.495**
Bpifrance Participations	22,071,781	9.541	34,199,133	13.401
Caisse des Dépôts et Consignations	8,641,629	3.736	8,641,629	3.386
Shin-Etsu Handotaï Co Ltd. (partner since 1997 and first sub-licensee of Soitec)	4,452,599	1.925	4,452,599	1.745
Public	190,192,068	82.219	196,323,039	76.929
Self-held	111,451	0.048	111,451	(0.044)
Total	**231,324,184**	**100**	**255,199,067**	**100**

22. Important contracts

Since the end of 2009, Soitec has committed to develop its activities in the domains of solar energy and lighting. This diversification led the Group to enter into different contracts from those which characterised the exercise of its historic activities in the semi-conductors' sector.

As announced in the press release of 19 January 2015, and after the shutting down in the United States of major solar power plant projects which were to use the concentration solar wafers manufactured by Soitec (see press released of 15 April and 22 December 2014), the Board of Directors of the Group unanimously decided to implement and provide its support to a strategic plan in view of refocusing the activities of Soitec on its core electronics business. This decision, and the activities of the Group arising therefrom, expose it to a series of risks which are described in Chapter 4 of the Reference Document 2014-2015.

During the last two financial years, and apart from the contracts described in Chapter 22 of the Reference Document 2014-2015, Soitec has not entered into, within the framework of its activities, a contract breaking from the normal course of business, conferring an obligation or a major commitment for the entire Group apart from what is stated below.

On 26 May 2014, the Group had published the conclusion of a partnership with the Chinese silicon wafer manufacturer Shanghai Simgui Technology Co. Ltd. (Simgui). This partnership included a licence and technology transfer agreement allowing Simgui to manufacture and sell 200mm SOI wafers by using the Soitec SmartCut™ technology to respond to the demand of the Chinese market, as well as a supply contract allowing Soitec to have access to the 200mm SOI wafer production capacity put in place by Simgui to respond to the increasing requirements of Soitec clients based outside China. On 2 December 2014, the Group announced the extension of the partnership, through the signature of a contract allowing Simgui to become the exclusive distributor within the Chinese territory of the 200mm SOI wafers produced by Soitec. On 15 September 2015, the Group announced that the first 200mm SOI wafers had been produced on the production line put in place by Simgui in Shanghai.

Sale of the solar systems activity:

On 21 May 2015, Soitec announced the signature of an agreement with ConcenSolar, on the sale of its solar systems' activity. A private company, ConcenSolar is a business partner of Suncore Photovoltaic Technology Co Ltd, a leader in the domain of concentrated photovoltaics (CPV). The solar systems' activity concerned was to include all the technological assets and the production tools of Fribourg in Germany and of San Diego in the United States. On 5 August 2015, the Group announced the discontinuance of negotiations with ConcenSolar and the continuation of the refocusing plan on electronics.

Putting in place of short-term financing with Group partners:

Please refer to Chapter 10.3. of this Update of the Reference Document.

24. Documents accessible to the public

24.1. Documents accessibles on the Company website

All the regulatory information AMF General Regulation is available on the Company's website (www.soitec.com) and particularly the following documents:

- The Reference Document filed with the Autorite des marches financiers on 22 June 2010 under number D.10-0552;
- The Reference Document filed with the Autorite des marches financiers on 10 June 2011 under number D.11-0565;
- The Reference Document filed with the Autorite des marches financiers on 15 June 2012 under number D.12-0619;
- The Reference Document filed with the Autorite des marches financiers on 27 June 2013 under number D.13-0676;
- The Reference Document filed with the Autorite des marches financiers on 13 May 2014 under number D.14-0518;
- The update of the aforementioned Reference Document filed with the Autorite des marches financiers on 17 June 2014 under number D.14-0518-A01;
- The Reference Document filed with the Autorite des marches financiers on 10 June 2015 under number D.15-0587;
- Financial press releases;
- The updated Articles of Association;
- The documents and information relating to the Company, including the Memorandum of Association and Articles of Association, may also be consulted at the registered office of the Company: Parc Technologique des Fontaines – Chemin des Franques, 38190 Bernin (Tel.: 04 76 92 75 00).

24.2. List of press releases and other publications

During the first half year of FY16, and until the submission of this Update of the Reference Document 2014-2015, the following press releases were published on the Company's website (www.soitec.com):

- – 26 February 2016 : Information on the total number of voting rights and shares composing the capital;
- – 18 February 2016 : Soitec announces volume manufacturing of 300mm RF-SOI substrates for the growing 4G/LTE-Advanced mobile communications market;
- - 20 January 2016 : Soitec announces for the 3rd quarter of the financial year 2015-2016 turnover of the Electronics operation up sequentially by 6% at constant exchange rates, in line with its forecasts;
- – 13 January 2016 : Amendment of the reporting calendar;
- – 22 December 2015 : Information on the total number of voting rights and shares composing the capital;
- – 9 December 2015 : Soitec, leader in the supply of SOI wafers, rejects the allegations of infringement of patent;
- – 25 November 2015 : Information on the total number of voting rights and shares composing the capital;
- – 20 November 2015 : Publication of the Half-year Financial Report for 2015-2016;
- – 18 November 2015 : Half-year results 2015-2016;
- – 22 October 2015 : Information on the total number of voting rights and shares composing the capital;
- – 19 October 2015 : Soitec announces for the second quarter of the financial year 2015-2016 turnover of the Electronics division in line with its forecasts and consolidated turnover up by 23% on last year.
- – 24 September 2015 : Information on the total number of voting rights and shares composing the capital;
- – 15 September 2015 : Soitec and Simgui announce the manufacturing of the first 200mm SOI wafers in China;
- – 15 September 2015 : Appointment of the founder of Soitec as Honourable Chairman of the Soitec Group;
- – 24 August 2015 : Information on the total number of voting rights and shares composing the capital;
- – 5 August 2015 : Soitec announces the discontinuance of negotiations with ConcenSolar on the sale of certain solar assets and continues its refocusing on electronics;
- – 30 July 2015 : Ordinary and Extraordinary General Shareholders' Meeting of 30 July 2015;
- – 30 July 2015 : Minutes of the Ordinary and Extraordinary General Shareholders' Meeting of 30 July 2015;
- – 24 July 2015 : Information on the total number of voting rights and shares composing the capital;
- – 20 July 2015 : Turnover in line with the objective for the Electronics division at €54.1 million for Q1 2016. The management confirms the strategic refocusing on electronics;
- – 14 July 2015 : One of the largest semi-conductor foundries speeds up the FD-SOI ecosystem;
- – 13 July 2015 : Soitec and SCREEN join up to produce 300mm FD-SOI substrates with uniformity controlled at atomic scale;
- – 10 July 2015 : Minutes of the Ordinary and Extraordinary General Shareholders' Meeting of 10 July 2015;
- – 10 July 2015 : Ordinary and Extraordinary General Shareholders' Meeting of 10 July 2015;
- – 10 July 2015 : As part of its strategic refocusing, Soitec appoints GrégoireDuban, Chief Financial Officer, and Thierry Tron, Deputy Financial Officer;
- – 7 July 2015 : Soitec successfully completes its eXact programme supported by future investments in digital;
- – 24 June 2015 : A CPV wafer fitted with 4-junction solar cells developed with Soitec's expertise in semi-conductor materials achieves record efficiency of 38.9%;
- – 18 June 2015 : Mixed General Meeting of 10 July 2015 - Provision of preparatory documents;
- – 12 June 2015 : Information on the total number of voting rights and shares composing the capital;
- – 11 June 2015 : Publication of the Reference Document 2014-2015;
- – 9 June 2015 : Soitec and Shanghai Industrial Technology Research Institute (SITRI) announce collaboration on high-performance RF-SOI technology;
- – 29 May 2015 : Information on the total number of voting rights and shares composing the capital;
- – 28 May 2015 : Full year results 2014-2015; Consolidated turnover 2014-2015: €222.9 million. Current operating losses 2014-2015: €125.9 million. Strategic refocusing on core business with the signature of an agreement to sell the solar systems' activity to ConcenSolar. New financing closed in May 2015
- – 21 May 2015 : Soitec divests its solar system business to refocus on its core business: semi-conductor materials;
- – 28 April 2015 : Information on the total number of voting rights and shares composing the capital (pdf);
- – 20 April 2015 : Consolidated turnover 2014-2015 of €222.9 million. Refocusing on the core electronic business in progress. New financing in April 2015 (closing expected in May 2015);
- – 01 April 2015 : Soitec confirms being eligible for the new PEA-PME (share savings scheme for financing SME).

30. **Detailed** table of content

30. Detailed table of content

Crédits photos : SOITEC | Conception et réalisation :