

REVERSE STOCK SPLIT

FAQ



What is a reverse stock split?

A reverse stock split involves replacing, by exchange, a certain number of old shares (in the present case, 20) for one new share, without altering the amount of the company's capital.

In practice such an operation creates the following mechanical effects:

- the number of new shares in circulation on the market is reduced proportionally to the exchange ratio (several old shares are transformed into one new share);
- the par value, and as a consequence, the market price, of each new share are raised proportionally to the exchange ratio.

What is the goal of this reverse stock split?

The reverse stock split forms part of Soitec's desire to support its renewed profitable growth momentum, having refocused on its core electronics business.

Moreover, the reverse stock split may reduce the volatility of the price of Soitec share caused by its current low price level.

What is the proposed exchange ratio for this reverse stock split?

The exchange ratio is 1 for 20.

In other words, one new share with par value of €2.00 will be exchanged for 20 old shares with par value of €0.10.

Why was this 1:20 ratio chosen?

This exchange ratio has been chosen for the purpose of positioning the new shares in the average of the values of the shares listed on Euronext.

When will the reverse stock split be effective?

In accordance with the notice published in the *Bulletin des Annonces Légales Obligatoires* on 23 December 2016, the reverse stock split will take effect on 8 February 2017, i.e. 30 days after operations started on 9 January 2017.

Is the reverse stock split automatic?

Concerning the part of their shares forming an exact multiple of 20, shareholders do not have to complete any formalities: these shares will be automatically consolidated by their financial intermediary on 8 February 2017.

What are odd lots?

Odd lots are shares remaining after deducting the highest multiple of 20 from the number of shares held by a shareholder.

Example: a shareholder holds 70 shares. After deducting the highest multiple of 20 from the number of his shares (in the present case, 60 shares, i.e. 3 times 20 shares), 10 shares remain. These 10 shares are odd lots.

What will happen if the number of shares held by a shareholder is not a multiple of 20?

Until 7 February 2017, shareholders can ensure that they have no odd lots by selling or buying shares directly on the market so that the total number of shares they hold is a multiple of 20.

After that date, the financial intermediaries will automatically sell on the market the odd lots owned by the shareholders whose holding of shares is not a multiple of 20. These ones will then be indemnified by their financial intermediary for the sale of these odd lots within 30 days of 8 February 2017.

Example

Before the reverse stock split, a shareholder owns 70 shares.

That shareholder will receive 3 new shares ($3 \times 20 = 60$), leaving 10 shares that cannot be exchanged (odd lots). If this shareholder has not sold these 10 odd lots on or before 7 February 2017, or if he has not bought within the same period 10 additional shares (that, combined with the 10 odd lots, may be exchanged for one new share), those 10 odd lots will automatically be sold on the market by the shareholder's financial intermediary and the shareholder will receive the corresponding indemnification.

How will indemnification for odd lots be paid?

From 8 February 2017, odd lots will be automatically sold on the market by financial intermediaries, which will pass on the sale proceeds to the relevant shareholders within 30 days.

Thus, shareholders are invited to contact their financial intermediary if they require any further information.

Will the reverse stock split change the par value of the share?

Yes, the par value of each share will be increased proportionally to the exchange ratio, i.e. it will be multiplied by 20.

After the reverse stock split has taken place, the par value of each new share will be €2.00 (as opposed to €0.10 for each old share)

Will the number of shares in circulation be modified due to the reverse stock split?

Yes, the number of shares making up the share capital will be reduced in proportion to the exchange ratio, i.e. it will be divided by 20.

After the reverse stock split has taken place, 30,311,510 shares of €2.00 par value will be in circulation (as opposed to 606,230,200 shares of €0.10 par value before the reverse stock split).

Does a reverse stock split alter the market price of the shares?

Yes, the market price of the shares will mechanically increase further to the reverse stock split, since the par value of each share will increase and the number of shares making up the share capital will be reduced, both in proportion to the exchange ratio.

Does a reverse stock split alter the value of the shareholder's portfolio?

No, the reverse stock split will not affect the value of the shareholder's portfolio.

Indeed, after the operation, shareholders will have fewer shares in their portfolios but the value of each share will have increased.

Example

Before the reverse stock split, a shareholder owns 60 shares, trading at an indicative price of €1.00 per share.

	<i>Before reverse stock split</i>	<i>After reverse stock split</i>
<i>Number of shares</i>	60	3
<i>Indicative share price (in euros, excluding any price movement)</i>	1.000	20.00
<i>Portfolio value (in euros, excluding any price movement)</i>	60.00	60.00

What is the impact of the reverse stock split on the number of voting rights held by shareholders?

Each new share will confer one voting right.

If, on the date the reverse stock split takes effect, the existing shares held by a shareholder confer double voting rights, the new shares will also confer double voting rights immediately provided they continue to be held in registered form.

What is the ISIN of the new consolidated shares?

The ISIN for the new consolidated shares will be FR0013227113.

The ISIN of the non-consolidated shares will remain FR0004025062 until 8 February 2017, when they will be delisted.

When will be the trading date of the new shares?

On 8 February 2017, effective date of the reverse stock split, the trading of the new consolidated shares will start, under ISIN FR0013227113.

When will the old shares be delisted?

On 8 February 2017, effective date of the reverse stock split, the old shares will be delisted.

Will the new shares be eligible for the long-only Deferred Settlement Service (DSS)? (in French language, “Système de Règlement Différé”, also known as “SRD”)

Yes, from their listing date (i.e. 8 February 2017), the new shares will be eligible for the long-only DSS.

Concerning the old shares, in accordance with the Euronext notice published on 5 January 2017 (under the number PAR_20170105_00123_EUR):

- until 27 January 2017, they will stay eligible for the long-only DSS and may then be the object of deferred settlement;
- from 27 January 2017, they will no longer be eligible for the long-only DSS: they shall be the object of immediate settlement until their last listing date (being 7 February 2017).

What fees are involved in the reverse stock split?

The reverse stock split does not involve any fees for shares that form a multiple of 20. As regards the management of odd lots, fees relating to buy or sell orders depend on the relationship between the shareholder and his/her financial intermediary.

Shareholders are invited to contact their financial intermediary if they require any further information.

Reverse stock split: key dates

Operations start: 9 January 2017

Deadline for buying or selling odd lots: 7 February 2017

Date on which the reverse stock split takes effect (date on which the new shares start trading and the old shares are delisted): 8 February 2017

Date on which non-consolidated shares (odd lots) will be automatically sold by account-keeping financial intermediaries: 8 February 2017

Compensation paid by account-keeping financial intermediaries relating to the sale of non-consolidated shares: within 30 days of 8 February 2017.