



**SOITEC REPORTS SECOND QUARTER FY'17 REVENUES OF 56.7 M€,
UP 4% COMPARED WITH THE SECOND QUARTER OF FY'16
AT CONSTANT EXCHANGE RATES**

- **Continued sustainable growth in Communication & Power 200-mm wafer sales**
- **Outlook for FY'17 : low-single digit revenue growth and stable EBITDA margin**
- **Further milestones reached in the adoption of FD-SOI technology**

Bernin (Grenoble), France, October 19th, 2016 – Soitec (Euronext Paris), a world leader in manufacturing innovative semiconductor materials, today announced consolidated revenues of 56.7 million Euros for the second quarter of FY'17 (ended September 30th 2016), up 3% compared with 54.8 million Euros in the second quarter of FY'16¹. This represents a 4% increase at constant exchange rates. On a sequential basis, second quarter revenues were 1% higher than in the first quarter FY'17 sales at constant exchange rates.

For the first half FY'17 as a whole, revenues reached 112.1 million Euros. Compared with the first half FY'16¹, they were up 3%, or +4% at constant exchange rates.

Paul Boudre, Soitec's CEO and Chairman of the Board, commented: *“Our sales growth in this quarter was supported by the steady demand for RF and Power applications in the mobile and automotive markets. In addition, we are very pleased to have reached two further milestones for our FD-SOI technology: the first consumer product using FD-SOI has been*

¹ Following the withdrawal from the Lighting and Equipment businesses at the end of FY 16 and the decision to report their related income and expenses as discontinued operations in FY 16 accounts, Q2'16 and H1'16 consolidated revenues have been restated to only reflect sales from the Electronics segment and ensure comparability with Q1'17 and H1'17.

launched, and a major foundry has announced the extension of its FD-SOI technology roadmap.”

Second quarter FY'17 consolidated sales (unaudited)

(Euros thousands)	Q2'16	Q2'17	Q2'17/Q1'17		Q2'17/Q2'16	
			%	% at cst FX	%	% at cst FX
200-mm	43,030	44,706	+5%	+4%	+4%	+4%
300-mm	10,715	10,676	-6%	-7%	0%	0%
Royalties and IP	1,053	1,314	-6%	-7%	+25%	+25%
Total revenues	54,799	56,697	+2%	+1%	+3%	+4%

Compared with the second quarter of FY'16¹, Soitec benefited from a further increase in revenues for its 200-mm segment (+4% at constant exchange rates) as well as an increase in royalties and intellectual property revenues (+25% at constant exchange rates). Sales of 300-mm wafers were flat at constant exchange rates.

The volume of 200-mm wafers sold during the second quarter was higher than in the first quarter of FY'17, leading to a 4% increase in 200-mm revenues on a sequential basis at constant exchange rates. The sequential decline in 300-mm wafer sales (-7% at constant exchange rates) primarily reflects the ongoing and anticipated decline of the PD-SOI product line (partially depleted silicon-on-insulator for servers and application-specific integrated circuits, ASICs). Total revenues were up 1% at constant exchange rates compared with the first quarter of the fiscal year.

Communication & Power

Soitec's business continues to be driven by the sustained demand for radiofrequency and power electronics applications in the mobile and automotive markets. The RF-SOI substrates product line (SOI for radio-frequency applications) is particularly suited to smartphones, as it helps coping with the rising number of frequency bands and higher data speed requirements to meet 4G/LTE-Advanced mobile communications. As regards Power-SOI technology (SOI for power applications), the main customer base is the automotive industry.

Both RF-SOI and Power-SOI businesses drive the demand for 200-mm wafer products, and Bernin I, Soitec's production site dedicated to 200-mm, continues to operate at full capacity.

Digital

In digital applications, revenues continue to be essentially driven by the demand for PD-SOI products, based on 300-mm wafers and used for ASICs as well as servers and networking applications.

As anticipated, Soitec's shipment volumes of 28nm FD-SOI (fully depleted silicon-on-insulator) wafers still remain small as they continue to essentially reflect the ongoing qualification process at some foundries with their fabless customers.

Royalties and intellectual property

Revenues from royalties and IP generated reached 1.3 million Euros in the second quarter, compared with 1.1 million Euros in the second quarter of the previous fiscal year.

First half FY'17 consolidated sales (unaudited)

(Euros thousands)	H1'16	H1'17	H1'17/H2'16		H1'17/H1'16	
			%	% at cst FX	%	% at cst FX
200-mm	83,828	87,384	+1%	+3%	+4%	+5%
300-mm	22,505	22,031	-29%	-28%	-2%	-1%
Royalties and IP	2,520	2,719	-52%	-51%	+8%	+9%
Total revenues	108,853	112,134	-9%	-7%	+3%	+4%

For first half FY'17 as a whole, revenues reached 112.1 million Euros. Compared with first half FY'16, they were up 3%, or +4% at constant exchange rates.

Key events of Q2'17

Further progress in the adoption of FD-SOI was achieved during the second quarter of FY'17.

The first consumer electronics product driven by FD-SOI technology was launched in China in August 2016. AMAZFIT, the fitness smartwatch by Huami (a Xiaomi partner company), includes a FD-SOI-based GPS chip enjoying a record energy efficiency level. The chip allows the watch to reach an unsurpassed battery life of 35 hours with the GPS turned on, more than doubling the 16-hour battery life achieved by today's longest lasting similar devices.

In September, GLOBALFOUNDRIES unveiled the extension of its FD-SOI roadmap. In addition to its existing platform (22FDX™), the upcoming 12nm FD-SOI semiconductor technology will

bring opportunity to its fabless customers to expand their product roadmaps for mobile applications beyond 22nm FD-SOI.

Outlook

For H2'17, growth in demand for products used in radio-frequency (RF) applications and power electronics applications (Power) should continue to be robust and offset the effects arising from the end of the lifecycle of PD-SOI product line.

For FY'17, Soitec refines its guidance for total revenue growth rate to low single-digit. As regards earnings performance, Soitec confirms targeting an EBITDA margin² of the same order as in FY'16 (i.e. approximately 15% EBITDA margin).

Agenda

H1 FY'17 results are due to be published on 8 December 2016 before market opening.

About Soitec

Soitec (Euronext, Tech 40 Paris) is a world leader in designing and manufacturing innovative semiconductor materials. The company uses its unique technologies and semiconductor expertise to serve the electronics markets. With more than 3,000 patents worldwide, Soitec's strategy is based on disruptive innovation to answer its customers' needs for high performance, energy efficiency and cost competitiveness. Soitec has manufacturing facilities, R&D centers and offices in Europe, the U.S. and Asia.

For more information, please visit www.soitec.com and follow us on Twitter: @Soitec_EN

² EBITDA/revenues

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