



## Soitec reports total consolidated sales of 91.0 million Euros for H1 2013-2014

Bernin, France, 21<sup>th</sup> October 2013 – Soitec (Euronext Paris), a world leader in generating and manufacturing revolutionary semiconductor materials for energy and electronics, today announced total consolidated sales of 91.0 million Euros for the first half down by 30.1% on a year on year basis.

### *Consolidated sales*

<b>Consolidated Sales</b> <i>Euros millions</i>	<b>2013-2014</b>	2012-2013	Change
1st quarter	43.3	60.3	-28.3%
2 <sup>nd</sup> quarter	47.7	69.9	-31.7%
<b>First Half Total</b>	<b>91.0</b>	<b>130.2</b>	<b>-30.1%</b>
Made up of:			
Electronic business segment	89.9	126.0	-28.6%
Solar Energy business segment	0.7	4.2	not significant
Lighting business segment	0.3	-	-

### **Electronic Business Segment**

<b>Electronic Sales</b> <i>Euros millions</i>	<b>2013-2014</b>	2012-2013	Change
1st quarter	42.7	60.3	-29.0%
2 <sup>nd</sup> quarter	47.2	65.7	-28.2%
<b>First Half Total</b>	<b>89.9</b>	<b>126.0</b>	<b>-28.6%</b>

### *Second quarter*

As anticipated, second quarter Electronic segment reported a 10.3% increase in sales over first quarter with sales of 47.2 million Euros. Markets dedicated to smart phones and tablets continued to deliver strong growth, partially off-setting the weakness of the PC market.

Sales in our Digital business (i.e. total 300 mm wafer sales) were down by 51.8% at 15.9 million Euros for the second quarter on a year-on-year basis and by 11.8% on a sequential basis. Other electronic sales dedicated to RF and mobile applications (i.e. small diameter wafer sales excluding royalties and equipments) for the second quarter were up by 18.7% or 28.2 million Euros on a

sequential basis. Licensing and Equipment sales (i.e. Altatech) sales were 0.8 million Euros and 2.4 million Euros in the second quarter, respectively.

#### *First half*

Digital sales for the first half were down by 50.3% at 33.8 million Euros on a year-on-year basis. Other electronic sales were slightly down by 4.1% at 51.9 million Euros.

Licensing and Equipment sales were 1.5 million Euros and 2.7 million Euros for the half year, respectively.

### **Solar Energy and Lighting Business Segments**

The Solar Energy division reported sales of 0.4 million Euros for the second quarter. Sales, however, do not reflect solar system production activity during the quarter. The division continues to be on track towards passing the milestones in its South African project at which point it will be able to record related production.

Lighting revenues were 0.2 million Euros for the second quarter.

For the first half, Solar and Lighting revenues totalled 1.1 million Euros.

### ***H1 Current Operating Loss***

The first half current operating loss is expected to be around 71.9 million. Despite significant sales declines of 30.1%, the company successfully lowered its cost base without losing its focus on innovation, as well as solar project execution in order to fuel future growth.

As already announced as part of the Soitec 2015 program, additional industrial rationalisations are well underway in Singapore and Freiburg. A one-time net charge for tool set write-off and restructuring charges is estimated to amount to 8.1 million Euros. Both of these transactions as well as potential impairment charge are expected to be finalized and included in the H1 financial results to be released on November 20, 2013.

### ***Cost containment initiatives***

In order to lower its cost base and put the business on path to sustainable, profitable growth, the Electronic division today announces a program to achieve additional cost savings. As part of this program, union and employee representatives at the Bernin facility were invited today to consult on optimal process of making savings on payroll expenses and reducing workforce.

### ***Cash balance***

Total cash resources totalled around 200 million Euros including current restricted cash from the South African project debt financing project which is expected to be available upon expected successful commissioning of 50% of the 44MWp solar plant within FY 2013-2014.

## ***Outlook***

Soitec forecasts significant sequential growth in H2 2013-2014 and reiterates its full year guidance of double digit sales growth year on year. In Solar, sales will predominantly come from the South African project as project milestones continue to be achieved on time. Rising sales, improved capacity utilization and the cost containment program will significantly improve profitability in H2 2013-2014 compared to H1 2013-2014.

## **Agenda**

H1 results for the financial year 2013-2014 will be published on 20 November 2013 before the opening of the Paris Stock Exchange.

## **About Soitec:**

Soitec is an international manufacturing company, a world leader in generating and manufacturing revolutionary semiconductor materials at the frontier of the most exciting energy and electronic challenges. Soitec's products include substrates for microelectronics (most notably SOI : Silicon-on-Insulator) and concentrating photovoltaic systems (CPV). The company's core technologies are Smart Cut™, Smart Stacking™ and Concentrix™, as well as expertise in epitaxy. Applications include consumer and mobile electronics, microelectronics-driven IT, telecommunications, automotive electronics, lighting products and solar power plants for large-scale utilities. Soitec has manufacturing plants and R&D centers in France, Singapore, Germany, and the United States.

For more information, visit: [www.soitec.com](http://www.soitec.com).

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