



Soitec reports total consolidated sales of 106.0 million Euros for H1 2014-2015

Bernin, France, 20th October 2014 – Soitec (Euronext Paris), a world leader in generating and manufacturing revolutionary semiconductor materials for energy and electronics, today announced total consolidated sales of 106.0 million Euros for the first half up by 16.5% on a year on year basis.

Consolidated sales

Consolidated Sales <i>Euros millions</i>	2014-2015	2013-2014	Change
1st quarter	49.5	43.3	14.4%
2 nd quarter	56.5	47.7	18.4%
First Half Total	106.0	91.0	16.5%
Made up of:			
Electronic business segment	69.5	89.9	-22.7%
Solar Energy business segment	35.2	0.7	not significant
Lighting business segment	1.3	0.4	-

Electronic Business Segment

Electronic Sales <i>Euros millions</i>	2014-2015	2013-2014	Change
1st quarter	25.5	42.7	-40.3%
2 nd quarter	44.0	47.2	-6.7%
First Half Total	69.5	89.9	-22.7%

Second quarter

As anticipated, second quarter Electronic segment reported a 72.6% increase in sales over first quarter with sales of 44.0 million Euros. Markets dedicated to smart phones and tablets continued to deliver strong growth and PC market related sales picked up.

Sales in our Digital business (i.e. total 300 mm wafer sales) were down by 21.2% at 12.5 million Euros for the second quarter on a year-on-year basis but more than doubled on a sequential basis. Other electronic sales dedicated to RF and mobile applications (i.e. small diameter wafer sales excluding royalties, AsGA business - disposed end of September and equipments) for the second quarter were up by 79.3% at 30.0 million Euros on a sequential basis.

Licensing and Equipment sales (i.e. Altatech) totalled 0.9 million Euros in the second quarter. AsGa activities were 0.7 million Euros.

First half

Digital sales for the first half were down by 46.6% at 18.1 million Euros on a year-on-year basis. Other electronic sales were slightly down by 1.8% at 46.7 million Euros.

Licensing and Equipment sales were 1.8 million Euros and 0.7 million Euros for the half year, respectively. Disposed AsGA activities were 2.3 million Euros.

Solar Energy and Lighting Business Segments

The Solar Energy division reported sales of 11.3 million Euros in relation with final deliveries to its South African project and Lighting revenues were 1.1 million Euros for the second quarter.

For the first half, Solar and Lighting revenues totalled 36.5 million Euros and represented 34% of consolidated sales.

H1 Current Operating Loss

The first half current operating loss is expected to be around (75.0) million. Benefiting from sequential sales rebound, the Electronic Division is anticipated to narrow breakeven point and Solar Division could expect to trigger operating leverage as soon as it will start to ramp its industrial facility in San Diego.

Impairment review and potential related charge are expected to be finalized and included in the H1 financial results to be released on November 19, 2014.

Cash balance

As at September 30, after the repayment of the principal amount and the related interests of the convertible bond debt issued on September 2009 for a total amount of approximately 88 million Euros, the Group has available cash of 44 million Euros.

Soitec is expecting that the Touwsrivier power plant shall be fully commissioned by the end of November which should lead to a collection of up to 33 million Euros, originally expected to take place in August 2014. Soitec is also implementing a first sale and lease back transaction of equipment for a total amount up to 22 million Euros in two tranches. First tranche of 11 million Euros has been signed.

Outlook

Based on almost unchanged full year guidance for Electronic and anticipated ramp up from US Solar pipeline, Soitec is expecting to reduce significantly its current operating loss in H2 2014-2015 compared to H1 2014-2015. FDSOI momentum remains strong with expected extension of the ecosystem dedicated to future demand.

Agenda

H1 results for the financial year 2014-2015 will be published on 19 November 2014 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.

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