



Soitec reports Electronics sales in line with management guidance and 23% growth in its Q2'16 consolidated revenues versus last year

- Electronics sales marginally higher at constant exchange rates on a sequential basis
- H1'16 consolidated revenues of 110.8 million Euros, up 56% versus H1'15

Bernin, France, October 19, 2015 – Soitec (Euronext Paris), a world leader in generating and manufacturing revolutionary semiconductor materials, today announced total consolidated revenues of 55.4 million Euros for the second quarter of FY'16. This represented a rise of 23% (growth of 3% at constant exchange rates), versus 45.2 million Euros in the previous financial year, restated to exclude the Solar activities. In line with management's decision to halt the Solar activities, consolidated revenues no longer reflect Solar sales, which are accounted for under discontinued operations.

In the first half of FY'16, revenues grew by 56% to 110.8 million Euros (growth of 30% at constant exchange rates), from 70.8 million Euros in H1'15, restated to exclude the Solar activities.

Unaudited quarterly sales figures for Q2'16 and H1'16 ending September 30, 2015

EUR 000s	Q2'15	Q2'16	Q/Q	Y/Y	H1'15	H1'16	H/H	Y/Y
150-200mm	30,657	43,030	5%	40%	48,985	83,828	14%	71%
300mm	12,498	10,715	-9%	-14%	18,080	22,505	-15%	24%
Royalties	793	1,053	-28%	33%	1,770	2,520	14%	42%
Wafer sales	43,948	54,799	1%	25%	68,835	108,853	6%	58%
Lighting	1,140	324	-53%	-72%	1,281	1,016	32%	-21%
Equipment	75	236	-66%	213%	699	937	-83%	34%
Other (Lighting/Equipment)	1,216	560	-60%	-54%	1,981	1,953	-69%	-1%
Total revenues	45,164	55,359	0%	23%	70,815	110,807	2%	56%
<i>Solar (discontinued)</i>	<i>11,343</i>	<i>5,400</i>	<i>20%</i>	<i>-52%</i>	<i>35,194</i>	<i>9,895</i>	<i>24%</i>	<i>-72%</i>

Q2'16 Electronics sales in line with management guidance

- Q2'16 wafer sales totaled 54.8 million Euros. Quarterly sales were underpinned by growing demand for 200mm diameter wafers with applications in the mobile (RF devices) and automotive (power) markets. This increase was more than offset by declining activity in the 300mm partially depleted silicon-on-insulator (PD-SOI) wafer segment.
- The 200mm facility in Bernin (France) is running at almost full tilt, with a healthy backlog of orders for 200mm wafers through to the end of the 2016 calendar year. Under the manufacturing agreement with Simgui in China, Soitec's production capacity will increase in 2016, allowing it to take full advantage of growing demand for 200mm wafers for the radiofrequency (RF) and power electronics markets.
- Sales of 300mm wafers recorded a sequential decline in Q2'16 as certain PD-SOI products for PC and gaming applications were discontinued. Soitec continues to work on qualification of its 300mm fully depleted silicon-on-insulator (FD-SOI) wafers at strategic foundry customers to capture future substantial market growth for consumer electronics, automotive and industrial applications. What's more, the market for 300mm wafers for RF devices also has bright prospects.
- Royalties generated 1.1 million Euros in revenues in Q2'16 and 2.5 million Euros in H1'16.

Other activities (Lighting and Equipment) generated 0.6 million Euros and 1.9 million Euros in sales in Q2'16 and H1'16 respectively

Lighting sales came to 1.0 million Euros in H1'16 (versus 1.3 million Euros in H1'15). Equipment sales totaled 0.9 million Euros in H1'16 (versus 0.7 million Euros in H1'15).

Solar activities reported as discontinued operations

Soitec has decided to report its Solar activities separately under discontinued operations for FY'16 because the Group is withdrawing from this segment to refocus on Electronics. For Q2'16 and H1'16, Soitec has reported revenues of 5.4 million Euros and 9.9 million Euros respectively (down 52% and 72% respectively year-on-year).

With the end of negotiations with ConcenSolar regarding the sale of certain Solar assets (as previously announced in our press release on August 4, 2015), Soitec has ceased all manufacturing and R&D activities in San Diego (USA) and Freiburg (Germany) and continues to sell off the residual assets of its Solar activities.

Stable cash position of 71 million Euros at September 30, 2015

Soitec's cash position at September 30 stood at 71 million Euros (versus 63 million Euros at June 30, 2015) owing to the firm performance of the Electronics business and proceeds from disposals of certain Solar assets (San Diego building and small solar farms).

Electronics sales guidance for Q3'16

For Q3'16, Electronics sales are expected to grow by 5% versus Q2'16 (at constant exchange rates).

Paul Boudre, Soitec's CEO and Chairman of the Board, commented: *"While we have been actively managing the process of withdrawing from the Solar activities, we enjoyed a solid performance in our Electronics business. Driven by the mobile and automotive markets, the momentum in 200mm diameter wafer sales remains particularly strong. This is more than offsetting the decline in 300mm diameter wafers for PC and gaming applications. During the second quarter we've seen the fully-depleted silicon-on-insular ecosystem boosted by further industry progress such as GlobalFoundries' new FD-SOI technology platform. In the meantime, the first 200-mm SOI wafers produced by Simgui in China represent a major milestone. This has enhanced our confidence in our ability to meet the fast-growing demand in radiofrequency and power markets."*

Agenda

Financial results for H1'16 will be published in mid-November.

About Soitec

Soitec (Euronext, Paris) is a world leader in designing and manufacturing high performance semiconductor materials. The company uses its unique technologies to serve the electronics and energy markets. With 3,600 patents worldwide, Soitec's strategy is based on disruptive innovation to respond to its customers' needs for high performance, energy efficiency and cost competitiveness. Soitec has manufacturing facilities, R&D centers and offices in Europe, US and Asia. For more information, please visit www.soitec.com.

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