Soitec updates its 2015 and 2016 financial guidance

Bernin, France, December 22, 2014 — Soitec, a world leader in generating and manufacturing revolutionary semiconductor materials for the electronics and energy industries, announced today that several significant updates on major solar projects drive an update on its 2015 and 2016 financial guidance.

In California, Soitec had sold to a large Energy Service provider 150 MW(AC) of Power Purchase Agreements ("PPAs") with San Diego Gas & Electric ("SDG&E") for a solar project under development in California (see press release dated October 23, 2014). Soitec has been informed by the new owner of the PPA contract that they are facing a major roadblock which prevents the project to materialize. Certain of the administrative conditions pertaining to the transaction could not be fulfilled timely. Soitec will therefore not receive the expected CPV systems order from the designated EPC contractor which was anticipated to leverage its US cost base. Soitec continues to explore new opportunities with its local partners in order expand its US pipeline.

In South Africa, Soitec successfully completed all requested testing procedures and got confirmation from the South African utility (Eskom) for the final commissioning of the 44MWp solar plant. This major milestone evidences the technical capabilities, the reliability and performance of Soitec's CPV technology; it should also trigger the awaited cash collection related to the project.

As a consequence of the recast of the Solar Energy division's anticipated sales until the end of the current fiscal year and for the next fiscal year, supported by a project pipeline for the 2015-2016 fiscal year around 70MWp in equipment sales, Soitec will implement an immediate scale down of its San Diego facility and related cost control actions in accordance with current pipeline. But The Group is now anticipating that its current operating loss will not be significantly reduced in H2 compared to H1. It is further anticipated that a specific impairment charge shall be recorded in H2 FY14-15 in order to reflect on the adjusted US pipeline of projects.

In the Electronic division, the anticipated FDSOI ramp up and continued growth on RF SOI applications will drive a significant top line growth and increase in profitability in fiscal year 2015-2016 driven by operating leverage on cost base and current existing capacities. The Group is anticipating confirmation about volumes production from major foundries already committed on FDSOI adoption over the next financial year.

Therefore in relation with the decrease of the US solar projects pipeline, but also potential new projects in different countries and positive momentum in its electronic activities, the Group will reassess before the end of the current fiscal year its objectives for the 2015-2016 fiscal year.

Agenda

The sales for the third quarter of the 2014-2015 fiscal year will be published on January 19, 2015, after the closing 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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