



## Soitec reports Q3 2014-2015 consolidated sales And announces strategic re-focus on its core electronics business

- **Q3 Consolidated sales of 48.0 million Euros up 45.0% year on year – Mobility driven markets in Electronics continue to grow**
- **Restructuring and value realization from solar energy business**

*Bernin, France, 19th January 2015* – Soitec (Euronext Paris), a world leader in generating and manufacturing revolutionary semiconductor materials for energy and electronics, today announced total consolidated sales of 48.0 million Euros for the third quarter up by 45.0% on a yearly basis.

On January 16<sup>th</sup>, 2015, the Board of Directors unanimously decided to immediately implement a strategic plan which aims to re-focus Soitec activities on its core electronics business.

### *Consolidated sales*

<b>Consolidated Sales</b> <i>Euros millions</i>	<b>2014-2015</b>	2013-2014	Change
1st quarter	49.5	43.3	14.3%
2 <sup>nd</sup> quarter	56.5	47.7	18.4%
3 <sup>rd</sup> quarter	48.0	33.1	45.0%
<b>Total 9 months</b>	<b>154.0</b>	<b>124.1</b>	<b>24.1%</b>
Made up of:			
Electronic business segment	113.8	122.5	-7.1%
Solar Energy business segment	38.6	1.0	-
Lighting business segment	1.6	0.6	-

## Electronic Business Segment

<b>Electronic Sales</b> <i>Euros millions</i>	<b>2014-2015</b>	2013-2014	Change
1st quarter	25.5	42.7	-40.3%
2 <sup>nd</sup> quarter	44.0	47.2	-6.8%
3 <sup>rd</sup> quarter	44.3	32.5	36.3%
<b>Total 9 months</b>	<b>113.8</b>	<b>122.5</b>	<b>-7.1%</b>

### *Third quarter*

Third quarter Electronic segment reported a 36.3% revenue increase on a yearly basis with sales of 44.3 million Euros. Trends reported for H1 sales remain unchanged. Markets dedicated to mobility and smart phones continued to deliver growth leading to improved revenue diversification. Excluding favourable exchange rate impact, 200 mm wafer sales almost doubled to 29.4 million Euros compared to 15.1 million Euros last year and represented 75.6% of total wafer sales. 300 mm wafer sales were up by 16.1% at constant exchange rate and totalled 10.3 million Euros.

Licensing revenues were 0.8 million Euros and Equipment sales (i.e. Altatech) were 1.3 million Euros in the quarter.

### *9 months*

Electronic segment reported consolidated revenues down by 7.1% at 113.8 million Euros. Compared to the nine months of last year, 200 mm wafer sales were up by 56.0% at 78.1 million Euros (53.4% at constant exchange rate) and represented 73% of total wafer sales. 300 mm wafer sales decreased by 33.8% compared to the same period last year. Licensing revenues were 2.6 million Euros over the period and Equipment sales totalled 2.0 million Euros.

## Solar Energy Business Segment

The Solar Energy division reported 3.4 million Euros in the third quarter and 38.6 million Euros over the 9 months period.

### *Electronic Sales Outlook*

Electronic sales for the fourth quarter of the 2014-2015 financial year are expected to be around 65 million Dollars continuing to benefit from growth for markets related to mobility such as smart phones, as well as automotive. RFSOI demand for smart phone will continue to grow with market expending 30% on annual basis and 28 nm FDSOI is anticipated to start initial ramp with foundry customers in 2<sup>nd</sup> half of 2015. Majority of Soitec Electronic business is today covered by several long term contracts.

## ***Strategic re-focus on core electronic business***

On January 16, 2015, the Board of Directors unanimously decided to immediately implement and support a strategic plan which aims to re-focus Soitec activities on its core electronics business.

Soitec has initiated efforts to realize value of solar energy business combining significant restructuring measures going forward and will assess most appropriate scenario to extract value from its solar related assets in compliance with its obligations towards all solar stakeholders.

As a consequence of the recast of the anticipated Solar Energy sales Soitec has triggered a first batch of cost cutting actions freezing or cancelling many operating charges and reducing headcount by around 100 people in the United States. Further cost cutting measures will be implemented in accordance with firm anticipated short term demand as well as appropriate restructuring measures.

By the end of December 2014, unaudited cash resources amounted to 28.4 million Euros. Following recent successful full commissioning of its Touwsrivier plant in South Africa, the Group is anticipating to collect up to 40 million Euros in the coming months.

Additionally, Soitec has signed a 2 years Standby Equity Facility (SEF) with Societe Generale. Societe Generale has committed to subscribe, upon Soitec's request, to newly issued shares in successive tranches over the next 24 months, within a global limit of 22,000,000 shares (9.8% of the share capital). Should the entire standby equity facility be drawn down, a shareholder currently owning 1% of the company's share capital would see its share ownership reduced to 0.91%.

For each tranche, the issuance price will reflect the volume-weighted average price of shares for the three trading days preceding the issue date, minus a discount of no more than 5%. This discount will enable Societe Generale to underwrite the share issuance despite potential market volatility.

The Group reiterates that its current operating loss will not be significantly reduced in H2 compared to H1. It is further anticipated that a significant impairment charge shall be recorded in H2 FY14-15 in order to reflect solar scenario outcome and restructuring measures implemented.

## ***Change of governance***

Strategic re-focus on core Electronics business is accompanied with a change of governance consistent with the 2013 AFEP –MEDEF Corporate Governance Code of Listed Companies. The role of Chairman of the Board and Chief Executive Officer are getting split. Paul Boudre is becoming Chief Executive Officer. Boudre was COO since June 2008 and focused in restructuring and developing the Electronic business over last years. André Jacques Auberton Hervé will remain Chairman of the Board.

BPI France welcomes the new strategy and change of governance.

## ***Conference call***

A conference call will be held today, Monday 19 January 2015, at 3:00pm (French time / CET) instead of the conference call initially scheduled on the same day at 6:15pm.

**Monday 19 January 2015 at 3:00pm (French time / CET)**

To participate in the call, please dial:  
+44(0)20 3427 1901 (UK Toll)  
Conference code: **5800658**

Replay: until 26 January, Dial: +44(0)20 3427 0598, **5800658#**

## ***Agenda***

Q4 sales for the financial year 2014-2015 will be published on 20 April 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.

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

## **For all information, please contact:**

### **Investor Relations Contact**

Olivier Brice  
+33 (0)4 76 92 93 80  
[olivier.brice@soitec.com](mailto:olivier.brice@soitec.com)

### **International Media Contact**

Marylen Schmidt  
+33 (0)6 21 13 66 72  
[marylen.schmidt@soitec.com](mailto:marylen.schmidt@soitec.com)