



Soitec reports consolidated sales of 60.3 million Euros for the first quarter 2012-2013

- Consolidated sales for Q1 down by 27.2% year on year
- Consolidated sales remains soft for H1 2012-2013
- Current operating loss for H1 expected to be around 60 M€

Bernin, France, 16th July 2012 – Soitec (Euronext Paris), a world leader in generating and manufacturing revolutionary semiconductor materials for energy and electronics, today announced consolidated sales of 60.3 million Euros for the first quarter down by 27.2% on a yearly basis.

Consolidated Sales <i>Euros millions</i>	2012-2013	2011-2012	Change
1st quarter	60.3	82.8	-27.2%

Electronic Business Segment

As anticipated the Electronic segment recorded a significant sequential decrease in sales of 24.8% compared to the fourth quarter last year. Markets dedicated to mobility and smart phones continued to deliver strong growth as Layer Transfer Solutions multiplied by 4 its sales up to 10.2 million Euros. Major customers in high performance markets remain focused on reducing their inventories in advance of poor anticipated demand in the coming quarters.

Electronic Sales <i>Euros millions</i>	2012-2013	2011-2012	Change
1st quarter	60.3	82.8	-27.2%

Total wafer sales for the first quarter were down by 40.2% at 46.3 million Euros, (46.9% at constant exchange rates) on a yearly basis. 300 mm wafer sales were down by 42.5% and other diameters decreased by 31.5% year on year.

Specialty Electronics sales were up by 21.3% at 2.6 million Euros, licensing revenues stated at 0.7 million Euros and Equipment sales (i.e. Altatech) were at 0.5 million Euros in the fourth quarter.

Solar Energy Business Segment

The Solar Energy division reported no significant sales in the first quarter.

Soft consolidated sales confirmed for the first half year 2012-2013

Based on the most up-to-date information, total Electronic sales expected for the first half of 2012-2013 financial year is now anticipated to be around 115 million Euros assuming exchange rates at 1.30 Euros to the Dollar. No significant rebound is anticipated for the second quarter as major customers continue to focus on inventories reduction over the coming quarters; as expected end demand for second half of the calendar year suffers from unfavourable macro economic trends.

In South Africa the Government has delayed the financial close date for all successful round one preferred bidders. Further information is awaited as the Solar Energy division's Touwsrivier project falls into this category. Financial close and signature of the power purchase agreement was initially planned for end June. In the second half, US operations should benefit from the first deliveries related to our pipeline in California up to 355 MW which will support further growth. Over the year, Solar Energy division will continue to carry out significant investments to deliver mainstream revenue in financial year 2013-2014

Current Operating Loss for H1 expected around 60 M€

Based on current market outlook, the first half current operating loss is expected to be around 60 M€. As Electronic sales are reducing and no significant contribution is expected from the Solar Energy division in the first half, the Group is focusing its efforts on cost control measures which should start to benefit margins in the second half and cash management to secure continuous implementation of industrial investments to support the industrial ramp in the San Diego factory as well as strategic research and development programs dedicated to high efficiency solar cells.

Recent development

Recently, Soitec and Silian have announced their partnership to jointly develop gallium nitride (GaN) template wafers using hydride vapor phase epitaxy (HVPE). The resulting GaN template wafers present breakthrough cost savings in manufacturing LEDs. The companies' joint development agreement aims at validating the manufacturability and enabling the commercialization of GaN template wafers using Silian's sapphire substrates and Soitec's unique HVPE technology. The partner companies plan to begin sampling GaN template wafers this year.

Momentum for FDSOI is positively increasing in the industry as its value proposal bodes well with a more efficient way to tackle performance and cost issues required on future nodes starting at 28/20 nm.

.Agenda

The second quarter sales for the financial year 2012-2013 will be published on 15 October 2012 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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