SOITEC ANNOUNCES FULL YEAR RESULTS FOR 2013-2014

- **Full year sales at 247.1 million Euros**
- **First significant contribution from Solar Energy**
- **Positive impact from cost cutting program partially offsetting unfavorable trend in gross margin**
- **Adjusted cash resources at 110 million Euros after anticipated proceeds from financial transaction on South African solar project**

Bernin, France, April 22, 2014 – Soitec (Euronext), a world leader in generating and manufacturing high performance semiconductor materials for electronics and energy, announced today its audited consolidated results for the 2013-2014 financial year.

For fiscal year 2013-2014, the Group posted consolidated sales of 247.1 million Euros, down 6% compared to 262.9 million Euros last year, including first significant contribution of almost 79 million Euros from its Solar Energy division. Consolidated gross margin was reduced by 40.1 million Euros to -55.7 million Euros compared to -15.6 million Euros last year. This reduction principally results from (i) lower loading on 300 mm production lines only partially offset by other diameter businesses dedicated to mobility and RF applications; and (ii) progressive yet insufficient ramp up of the San Diego factory dedicated to solar modules assembly due to limited volumes which do not yet result in the optimization of the global cost of modules produced. Soitec however underlines that the gross margin contribution attached to the shipments of nearly 26MWp out of its 44MWp project in South Africa stated at 28.2% of equipment sales to the project company.

Benefiting from significant cost cutting actions over the financial year, current operating loss were at 137.3 million Euros compared to 123.0 million Euros last year. It includes an overall reduction in operating costs of 25.9 million Euros as a result of the following initiatives:

- Reduction by 40% of Research and Development expenses with strong focus on key strategic programs which are expected to yield high short term financial returns, notably those dedicated to FDSOI adoption in the Electronic segment and High Efficiency Solar Cell in the Solar Energy division
- Total work force reduction up to 20%
- Singapore and Freiburg production lines put on hold
- Suspended capital expenditure investments
- Reduction by 10% of the selling and administrative expenses

Other operating charges increased from 73.9 million Euros to 82.4 million Euros over the 2013-2014 fiscal year. Such charges principally result from non cash impairment expenses up to 74.8 million Euros and 7.6 million Euros exceptional expenses dedicated to the reduction in work force.

After net financial expenses and taxes, the net result (Group share) is a loss of 236.7 million Euros, compared to a loss of 209.5 million Euros in 2012-2013. Earnings per share shows a loss of 1.45 Euros on a non-diluted basis, compared with a loss of 1.70 Euros last year.

Cash available at the end of March 2014 totaled 44.7 million Euros. Adjusted in order to recognize the anticipated in flow from the recent disposal of its South African solar plant for a net 65.6 million Euros, cash on hand would be close to 110 million Euros.

Consolidated Sales

(Euros millions)	2013-2014	2012-2013
Sales	**247.1**	**262.9**
Gross Profit	**(55,7)**	**(15,6)**
As a percentage of sales	*(22,5 %)*	*(5,9%)*
Research and Development	(28.4)	(48.2)
Selling, General and Administrative expenses	(50.1)	(55.6)
Solar projects development costs	(3.1)	(3.6)
Current operating income / (loss)	**(137.3)**	**(123.0)**
As a percentage of sales	*(55.5 %)*	*(4.8 %)*
Other operating expenses	(82.4)**	(73.9)*
Operating income / (loss)	**(219.6)**	**(197.0)**
Net financial income/(expense)	(16.7)	(11.8)
Net loss (Group Share)	**(236.7)**	**(209.5)**
As a percentage of sales	*(95.8 %)*	*(79.7 %)*
EBITDA	**(79.1)**	**(61.7)**
As a percentage of sales	*(32.0 %)*	*(23,5 %)*
EPS Undiluted	**(1.45)**	**(1.70)**

* of which (59.7) million Euros for Electronic Segment and (14.2) million Euros for Solar Energy Segment
**of which (35.2) million Euros for Electronic Segment and (49.8) million Euros for Solar Energy Segment

Segment Analysis

Operating segments have been revised in line with Soitec's resource allocation and performance assessment methodology. The Group now operates under three segments: Electronic, Solar Energy and Lighting. It has also elected to report corporate headquarters support functions within "Other segment".

Electronic Segment

(Euros millions)	2013-2014	2012-2013
Sales	**167.5**	**257.1**
Gross profit	**0.5**	**27.,3**
As a percentage of sales	*N.S*	*10.6 %*
Research and Development	(7.1)	(16.6)
Selling, General and Administrative expenses	(19.8)	(24.2)
Current operating income / (loss)	**(26.4)**	**(13.5)**
As a percentage of sales	*(15.8 %)*	*(5.3 %)*
Other operating expenses	*(32.6)*	*(59.7)*
Operating Income / (Loss)	**(59.0)**	**(73.2)**

The Electronic division contribution was 68% of consolidated sales (against 98% last year) at 167.5 million Euros or -34.9% from last year (-32.3% at constant exchange rate). 300mm wafer sales, which accounted for 54% of total Electronic sales in 2012-2013, were down by 57.2% in value because PDSOI technology end of life started to materialize as well as a result of excess inventories for game consoles markets. Over the 2013-2014 fiscal year, 300 mm wafer sales represented 36% of the Electronic division' sales.

Other wafer sales were down by 12.2% in value over the year, reflecting two sequential trends: one 150 mm RF product in production was discontinued during the first semester while the increase of 200 mm wafer sales dedicated to RF and mobility for the same applications began only in the second semester. Equipment sales which were included in the Division's perimeter since the end of 2011-2012 financial year were up 85.6 % in value compared with last year.

The Electronic segment contributed 0.5 million Euros to the consolidated gross profit, against 27.3 million Euros last year. It accounted for 0.3% of sales (2.8% at constant exchange rate) against 10.6% of sales last year. Unfavorable EUR/USD exchange rate impact totaled 4.8 million Euros. Significant decrease in gross margin was driven by strong reduction in 300mm wafer production which resulted in limited loading and subsequent under absorption of fixed overhead in 300 mm production lines in Bernin (France) after the shutdown of the Singapore lines.

Benefiting from the cost cutting actions implemented over the year, which notably translate into strong reduction in Research and Development expenses and other general and administrative expenses, the current operating result of the Electronic division was a limited loss of 26.4 million Euros against a loss of 13.5 million Euros last year.
Other operating expenses mostly non cash impairment charges, were reduced to 32.6 million Euros over the 2013-2014 fiscal year.

The Electronic division’s operating loss improved totaling 59 million Euros against 73.2 million Euros last year. The Electronic division’s EBITDA remained positive at 9.4 million Euros.

Solar Energy Segment

(Euros millions)	2013-2014	2012-2013
Sales	**78.9**	**5.8**
Gross profit	**(56,6)**	**(42.9)**
As a percentage of sales	*N.S*	*N.S*
Research and Development	(16.2)	(20.2)
Selling, General and Administrative expenses	(17.8)	(15.5)
Solar Project development costs	(3.1)	(3.6)
Current operating income / (Loss)	**(93.6)**	**(82.3)**
As a percentage of sales	-	-
Other operating expenses	*(49.8)*	*(14.2)*
Operating Income / (Loss)	**(143.4)**	**(96.5)**

The Solar Energy division contributed for 78.9 million Euros to consolidated sales against 5.8 million Euros last year. Most of the sales over the 2013-2014 fiscal year stemmed from the acceptance of the South African solar plant project under construction in Touwsrivier. Having reached in March 2014 the performance milestones for the first installed 22MWp, and having received the preliminary approval from the Department of Energy and the formal commitment from a new investor to become the main shareholder of the solar project entity, the Group was in the position to recognize revenues related to the sale of its project in line with completion status at the end as of March 31, 2014 and then to deconsolidate the net equity of the project company. Other Solar Energy division sales relate to solar systems shipments dedicated to smaller projects in the United States, Portugal, China et Saudi Arabia.

Gross profit of the Solar Energy division totaled –56.6 million Euros against -42.9 million Euros last year. Industrial contribution from the South African project accounted for 28.2% of the equipment sales related to the project, i.e. 10.7 million Euros. The increase in negative gross margin by 13.7 million Euros results from the yet insufficient loading of the solar modules assembly line in San Diego and from expensive projects which have been installed to demonstrate the efficiency and the performance of the technology as a prior step before further developing large scale solar plants.

Benefiting from the positive impact of several cost cutting actions, the current operating loss of the Solar Energy division was nonetheless up by a limited 11.3 million Euros at -93.6 million Euros against -82.3 million Euros last year. This limited increase evidences cost control on commercial and administrative expenses as well as project development costs in a context of enlarged commercial opportunities for the Solar Energy division.

Other operating charges were significantly up to 49.8 million Euros against 14.2 million Euros last year. This increase resulted from non cash impairment charges, such as the amortization of intangible assets and the accelerated write down of equipment in Freiburg where production was stopped. The operating loss was 143.4 million Euros against 96.5 million Euros last year.

Overall EBITDA for the Solar Energy division remained almost unchanged year on year at -72.9 million Euros (against -72.5 million Euros in 2012-2013).

Lighting Segment

(Euros millions)	2013-2014	2012-2013
Sales	**0.7**	**-**
Gross profit	**0.4**	**-**
As a percentage of sales	-	-
Research and Development	(4.6)	(11.3)
Selling, General and Administrative expenses	(1.6)	(0.7)
Current operating income / (loss)	**(5.8)**	**(12.0)**
As a percentage of sales	-	-

The Lighting division recorded its first sales related to the Paris subway. Research and Development costs were significantly reduced as the division was granted subsidies for a total 5.6 million Euros. The contribution to the current operating result increased and totaled – 5.8 million Euros against -12.0 million Euros last year. EBITDA was -3.3 million Euros against -11.2 million Euros in2012-2013.

Other segment

(Euros millions)	2013-2014	2012-2013
Sales	**-**	**-**
Gross profit	**-**	**-**
As a percentage of sales	-	-
Research and Development	-	-
Selling, General and Administrative expenses	(11.5)	(15.2)
Current operating income / (loss)	**(11,5)**	**(15.2)**
As a percentage of sales	-	-

The Other segment is made up of corporate headquarters support functions. Benefiting from cost cutting actions over the entire organization total spending in the Other segment decreased nominally by 3.7 million Euros.

Cash resources adjusted from anticipated South African project disposal proceeds in line with expectations

Cash flows from operations were -178.8 million Euros against -38.7 million Euros last year, including the 51.1 million Euros receivable against the South African project company. Cash flows dedicated to industrial capital expenditures

were significantly reduced to 41.6 million Euros against 118.2 million Euros last year. The financial transactions carried out during the 2013-2014 fiscal year (i.e. capital increase, new convertible bond issue, partial buy-back of the 2014 convertible bond and new bank facilities) have partially offset the net impact of these two operating trends. Cash available was thus reduced by 85.4 million Euros to 44.7 million Euros at the end of March 2014.
The financial completion of the transactions related to the South African project in the coming weeks should result in a 65.6 million Euros increase in cash at hand. Future shipments to complete in full the 44MWp Touwsrivier project shall also add revenues and cash on top of this amount. Adjusted to account for the consequences of the South African transactions at the end of March 2014, the cash available, in line with the Group's expectations, would amount to 110 million Euros, before reimbursement of the balance of the 2014 convertible bond for 83 million Euros to take place in September 2014.

2014-2015 financial year will bring confirmation of the pertinent strategic positioning of the Group with a clear path consistent with goal to be back to profitability in 2015-2016 timeframe.

The Group is now anticipating a more balanced contribution from its Electronic and Solar Energy Divisions over its new financial year. In the Electronic segment, demand for mobility and RF applications should offset the definitive end of life of PDSOI technologies. The most recent forecast anticipates a significant sequential decrease in Q1 compared to Q4 (i.e. -45%) followed by sustained growth over the rest of the fiscal year as a result of first significant deliveries of FDSOI technologies and continued deliveries of RF applications. Overall electronic sales are anticipated to be almost stable over the 2014-2015 financial year.

Solar division is expected to complete its 44MWp project in South Africa in H1 and should progressively start deliveries for its first proprietary US project for which Soitec owns the 150 MW power purchase agreement.

The Group anticipates positive momentum from the adoption of FDSOI technologies and relevant strategic positioning of its Solar Energy business. Aiming at doubling its revenues in 2015-2016 time frame (compared with 2012-2013 financial year), the Group should benefit from strong operational leverage.

The Group continues to pursue opportunities to monetize some of its assets before end of H1 as he did with its building in San Diego in March 2014. In parallel, in order to better serve its customers and shareholders, Soitec will continue to optimize its cost structure under its strategic program called "Soitec 2015". Soitec 2015 will drive profitability back in the 2015-2016 time frame, focusing on costs, agility and manufacturing excellence. Current operating loss shall be significantly reduced over the 2014-2015 financial year.

Agenda

The sales for the first quarter of the 2014-2015 fiscal year will be published on July 21, 2014, 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 concentrator 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 large-scale solar power plants. Soitec has manufacturing plants and R&D centers in France, Singapore, Germany and the United States. For more information visit: www.soitec.com.

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Consolidated income statement

(in thousand Euros)	March 31, 2014	March 31, 2013
Revenue	**247 135**	**262 863**
Cost of sales	(302 835)	(278 434)
Gross profit	**(55 700)**	**(15 571)**
Sales and marketing expenses	(17 489)	(15 677)
Research and development expenses	(28 404)	(48 196)
Solar plant projects launch expenses	(3 066)	(3 638)
General and administrative expenses	(32 618)	(39 926)
Current operating income	**(137 276)**	**(123 007)**
Other operating income	2 659	-
Other operating expenses	(85 023)	(73 948)
Operating income	**(219 640)**	**(196 955)**
Financial income	37 690	16 083
Financial expense	(54 349)	(27 865)
Net financial expense	**(16 659)**	**(11 782)**
Profit / (loss) before tax	**(236 299)**	**(208 737)**
Income tax	(63)	(28)
Consolidated net profit / (loss) for the year	**(236 362)**	**(208 765)**
Share of profit / (loss) of associates	(641)	(925)
Net income	**(237 004)**	**(209 690)**
Non-controlling interests	(331)	(193)
Net income (Group share)	**(236 673)**	**(209 497)**
Basic net earnings per share in Euros	(1.45)	(1.70)
Diluted net earnings per share in Euros	(1.45)	(1.70)

Consolidated statement of other comprehensive income

(in thousand Euros)	March 31, 2014	March 31, 2013
Net income	**(237 004)**	**(209 690)**
Reclassifiable components of other comprenhensive income :		
Exchange gains (losses) on translation of foreign operations	(12 193)	4 561
Non reclassifiable components of other comprenhensive income :		
Actuarial gains (losses) on pensions and other post-retirement benefits	340	(264)
Income and expenses recognized directly in equity	**(11 853)**	**4 297**
Total comprehensive income for the year	**(248 857)**	**(205 393)**
Non-controlling interests	(360)	(164)
Total comprehensive income for the year (Group share)	**(248 497)**	**(205 229)**

Consolidated balance sheet

Assets (in thousand Euros)	March 31, 2014	March 31, 2013
Non-current assets:		
Goodwill and intangible assets	17 032	56 069
Capitalized development projects	2 597	2 968
Property, plant and equipment	280 810	340 583
Solar power plant – non current	15 427	16 284
Deferred tax assets	-	-
Investments in associates	6 886	14 150
Non-current financial assets	2 046	3 601
Other non-current assets	29 010	18 730
Total non-current assets	**353 807**	**452 385**
Current assets:		
Inventories	58 767	66 236
Trade receivables	88 811	42 414
Solar power plant – current	-	-
Other current assets	22 766	25 140
Current financial assets	15 873	2 937
Cash and cash equivalents	44 728	130 127
Total current assets	**230 945**	**266 855**
Total assets	**584 752**	**719 240**

Equity and liabilities (in thousand Euros)	March 31, 2014	March 31, 2013
Equity :		
Share capital	17 258	12 263
Share premium	704 157	641 233
Treasury shares	(478)	(478)
Retained earnings	(503 453)	(270 661)
Other reserves	3 077	8 736
Group equity	**220 561**	**391 093**
Non-controlling interests	-	(119)
Total equity	**220 561**	**390 974**
Non-current liabilities :		
Long term financial debt	118 721	139 663
Provisions and other non-current liabilities	18 358	13 133
Total non-current liabilities	**137 079**	**152 796**
Current liabilities :		
Short term financial debt	138 200	56 999
Trade payables	45 972	57 593
Provisions and other current liabilities	42 940	60 879
Total current liabilities	**227 112**	**175 470**
Total liabilities	**584 752**	**719 240**

Statement of changes in equity

(in thousand Euros)	Number of shares	Share Capital	Share premium	Treasury shares	Retained earnings	Other reserves	Total	Non-controlling interests	Total Equity
March 31, 2012	**122 128 392**	**12 213**	**641 663**	**(478)**	**(67 120)**	**6 233**	**592 511**	**-**	**592 511**
Reclassifiable components of other comprehensive income :									
Exchange gains (losses) on translation of foreign operations	-	-	-	-	1 765	2 767	4 532	29	4 561
Non reclassifiable components of other comprehensive income :									
Actuarial gains (losses) on pensions and other post-retirement benefits	-	-	-	-	-	(264)	(264)	-	(264)
Total income and expenses for the year directly recognized in equity	**-**	**-**	**-**	**-**	**1 765**	**2 503**	**4 268**	**29**	**4 297**
Profit /(loss) for the year	-	-	-	-	(209 497)	-	(209 497)	(193)	(209 691)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(207 732)**	**2 503**	**(205 230)**	**(164)**	**(205 394)**
Stock options, warrants and free shares	190 101	19	-	-	(19)	-	-	-	-
ABSAAR transactions	-	-	(1 286)	-	-	-	(1 286)	-	(1 286)
Proceeds from share issue	308 250	31	856	-	-	-	887	-	887
Share based payments	-	-	-	-	4 419	-	4 419	-	4 419
Acquisition of non-controlling interests	-	-	-	-	(206)	-	(206)	45	161
Other items	-	-	-	-	(2)	-	(2)	-	(2)
March 31, 2013	**122 626 743**	**12 263**	**641 233**	**(478)**	**(270 661)**	**8 736**	**391 093**	**(119)**	**390 974**

(in thousand Euros)	Number of	Share	Share	Treasury	Retained	Other	Total	Non-	Total

	shares	Capital	premium	shares	earnings	reserves		controlling interests	Equity
March 31, 2013	**122 626 743**	**12 263**	**641 233**	**(478)**	**(270 661)**	**8 736**	**391 093**	**(119)**	**390 974**
Reclassifiable components of other comprehensive income :									
Exchange gains (losses) on translation of foreign operations	-	-	-	-	(6 337)	(5 827)	(12 164)	(29)	(12 193)
Non reclassifiable components of other comprehensive income :									
Actuarial gains (losses) on pensions and other post-retirement benefits	-	-	-	-	-	340	340	-	340
Total income and expenses for the year directly recognized in equity	**-**	**-**	**-**	**-**	**(6 337)**	**(5 487)**	**(11 824)**	**(29)**	**(11 853)**
Profit /(loss) for the year	-	-	-	-	(236 673)	-	(236 673)	(331)	(237 004)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(243 010)**	**(5 487)**	**(248 497)**	**(360)**	**(248 857)**
Stock options, warrants and free shares	670 540	67	-	-	(67)	-	-	-	-
ABSAAR transactions	-	-	-	-	-	-	-	-	-
Proceeds from share issue	49 283 512	4 928	66 533	-	-	-	71 461	-	71 461
Share issuance expenses	-	-	(3 608)	-	-	-	(3 608)	-	(3 608)
Océanes 2014 : impact of early partial repayment	-	-	-	-	(1 863)	-	(1 863)	-	(1 863)
Convertible bond – Equity component (Océances 2018)	-	-	-	-	13 176	-	13 176	-	13 176
Change in scope	-	-	-	-	-	-	-	479	479
Share based payments	-	-	-	-	(1 028)	-	(1 028)	-	(1 028)
IAS 19 révised : recognition of prior service costs	-	-	-	-	-	(172)	(172)	-	(172)
March 31, 2014	**172 580 795**	**17 258**	**704 158**	**(478)**	**(503 453)**	**3 077**	**220 562**	**-**	**220 562**

Statement of cash flows

(in thousand Euros)	March 31, 2014	March 31, 2013
Consolidated net profit / (loss) for the year	**(237 004)**	**(209 690)**
Elimination of non cash items :		
Share of profit / (loss) of associates	641	925
Depreciation of investments in associates	12 607	-
Depreciation of goodwill	30 668	-
Variation of redeemable cash advances	2 649	-
Amortization expenses	54 152	56 886
Depreciation of fixed assets	26 235	66 729
Provisions, net	15 033	6 407
Provision for retirement indemnities	795	605
Profit / (loss) on disposal of assets	(525)	516
Income tax charge	63	28
Cost of net financial debt	16 661	11 783
Share-based payments	(1 028)	4 419
Total non cash items	**157 951**	**148 298**
Increase (decrease) in cash on:		
Inventories	(39 727)	(6 172)
Solar power plant	(16 146)	-
Trade receivables	9 671	7 536
Other receivables	(8 411)	23 101
Receivable from Touwsrivier project sale	(51 156)	-
Trade payables	5 113	11 340
Other liabilities	871	(13 130)
Variation in working capital	**(99 785)**	**22 675**
Net cash generated by (used in) operating activities	**(178 838)**	**(38 717)**
Purchase of intangible assets	(6 866)	(15 404)
Capitalization of power plant project development fees	(3 193)	-
Purchase of tangible assets	(36 915)	(103 533)
Proceeds from sales of tangible and intangible assets	2 145	747
(Acquisition) and disposal of financial assets	(37 810)	10 746
Capital contributions to Reflexite Soitec Optical Technology	(996)	(7 267)
Entry of minority shareholders - CPV Power Plant 1 (South Africa)	-	138
Net cash generated by (used in) investing activities	**(83 635)**	**(114 573)**
Proceeds from capital increases and exercise of stock options	67 853	887
ABSAAR transactions	-	(1 286)
Loan issuance	180 003*	-
Drawing on credit lines	19 456	41 180
Repayment of borrowings (including finance leases)	(68 791)	(10 249)
Interest received	8 552	2 943
Interest paid	(26 315)	(10 656)
Net cash generated by (used in) financing activities	**180 758**	**22 819**
Impact of exchange rate fluctuations	(3 684)	794
Change in net cash	**(85 399)**	**(129 677)**
Cash at beginning of the year	130 127	259 804
Cash at end of the year	44 728	130 127

* including the South African bond proceeds for 67 238 thousands of euros.