



FY15 consolidated sales at 222.9 million Euros
FY15 consolidated current operating losses at -125.9 million Euros
Strategic refocusing on core business: signing agreement with ConcenSolar
New financing closed in May 2015

Berlin, France, 28th May 2015 – Soitec (Euronext Paris), a world leader in generating and manufacturing revolutionary semiconductor materials for the electronics and energy industries, announced today its audited consolidated results for the 2014-2015 financial year.

As previously announced on April 20th 2015, Soitec reported total consolidated sales of 222.9 million Euros for the fiscal year 2014-15 (compared to 247.1 million Euros for the fiscal year FY13-14). The company is committed to refocus on its core business, which can be defined as semiconductor materials.

Soitec reported a current operating loss of 125.9 million Euros (compared to a current operating income loss of 137.3 million Euros for the fiscal year FY13-14). For the second semester of the fiscal year 2014-15, the Group reported revenues of 116.9 million Euros (compared to 106.0 million Euros in H115) and a current operating loss of 51.5 million Euros (compared to a 74.4 million Euros current operating loss in H115).

Soitec reported 151.5 million Euros net non-current operating expenses for the fiscal year 2014-15 (compared to 82.4 million Euros in the fiscal year 2013-14), which are due for the most part to the restructuring costs of the Solar division (138.9 million Euros related to asset write-offs and various provisions for ongoing contracts, layoffs and power plants dismantlement).

After net financial expenses and taxes, Soitec reported a net loss (group share) of 259.2 million Euros for the fiscal year 2014-15 (compared to a net loss of 236.7 million Euros in fiscal year 2013-14).

Cash available at the end of March 2015 totaled 22.9 million Euros while gross debt totaled 173.0 million Euros, leading to a net debt of 150.1 million Euros.

Consolidated Income Statement

(Euros millions)	2013-2014	2014-2015
Sales	247.1	222.9
Gross Profit	(55.7)	(30.8)
<i>As a percentage of sales</i>	<i>-22.5%</i>	<i>-13.8%</i>
R&D	28.4	38.9
SG & A	53.2	56.2
Current Operating Income (loss)	(137.3)	(125.9)
<i>As a percentage of sales</i>	<i>-55.5%</i>	<i>-56.5%</i>
Non current operating expenses	82.4	151.5
Net interest and minority share	17.0	(18.1)
Group share	(236.7)	(259.2)
<i>As a percentage of sales</i>	<i>-95.8%</i>	<i>-116.3%</i>
EBITDA	(79.1)	(67.9)
<i>As a percentage of sales</i>	<i>-32.0%</i>	<i>-30.5%</i>

Segment analysis – Electronics

- The Electronics division posted sales of 177.7 million Euros in FY14-15, up 6% compared to 167.5 million Euros last year. At constant exchange rates, Electronics division sales growth was -2% in FY14-15, in line with the “flat growth” guidance given by the management.
- The Electronics division posted a current operating loss of 3.0 million Euros in during the fiscal year FY14-15 (compared to a current operating loss of 26.4 million Euros during the fiscal year FY13-14).
 - For the second semester of the fiscal year FY14-15, the Electronics division posted a positive operating income of 9.0 million Euros (compared to an operating loss of 12.0 million Euros in H115). The significant improvement in profitability in H215 resulted from a sharp sequential increase in revenues (+56% sequential sales increase in H215), a favorable currency mix effect and the full effect of the restructuring measures.
 - In H215, the wafer business reported a manufacturing margin of 22% (versus 9% in H115).
 - Regarding the profitability per wafer diameter, the manufacturing margin for 300mm wafers was slightly positive in H215 (compared to nearly negative 20% in H115), while the manufacturing margin for 200mm wafers was close to 30% in H215 (compared to around 20% in H115). The sequential manufacturing margin improvement in H215 was mostly driven by the sequential sales increase, but also partially by the favorable foreign exchange rate (stronger USD versus the EUR).

Electronics segment

(Euros millions)	2013-2014	2014-2015
Sales	167.5	177.7
Gross Profit	0.5	26.3
<i>As a percentage of sales</i>	<i>0.3%</i>	<i>14.8%</i>
Research and Development	7.1	13.0
Selling, General and Administrative expenses	19.8	16.3
Current Operating Income / (Loss)	(26.4)	(3.0)
<i>As a percentage of sales</i>	<i>-15.8%</i>	<i>-1.7%</i>
Other operating expenses	32.6	2.3
Operating Income / (Loss)	(59.0)	(5.3)
<i>As a percentage of sales</i>	<i>-35.2%</i>	<i>-3.0%</i>

Segment analysis – Solar

- The Solar division posted sales of 43.2 million Euros in FY14-15, down 45% compared to 78.9 million Euros in FY13-14.
 - During FY14-15, the Solar division generated revenues in South Africa (24.0 million Euros, equipment revenue recognition related to the Touwsrivier project), in the US (12.5 million Euros from Desert Green and Department of Defense projects), in China (3.5 million Euros) and in Europe (2.1 million Euros).
- The Solar division posted a current operating loss of 102.8 million Euros in during the fiscal year FY14-15 (compared to a current operating loss of 93.6 million Euros during the fiscal year FY13-14).
 - For the second semester of the fiscal year FY14-15, the Solar division posted an operating loss of 49.3 million Euros (compared to an operating loss of 53.5 million Euros in H115).
 - In H215, the Solar division also booked an exceptional charge (non-current charge) of 138.9 million Euros, related to the impairment of assets (mostly production equipment for the San Diego and Freiburg sites) and various provisions (ongoing contracts, layoffs, power plants dismantlement, etc.).

Solar segment

(Euros millions)	2013-2014	2014-2015
Sales	78.9	43.2
Gross Profit	(56.6)	(58.3)
<i>As a percentage of sales</i>	<i>-71.7%</i>	<i>-135.2%</i>
Research and Development	16.2	16.6
Selling, General and Administrative expenses	20.8	27.9
Current Operating Income / (Loss)	(93.6)	(102.8)
<i>As a percentage of sales</i>	<i>-118.6%</i>	<i>-238.2%</i>
Other operating expenses	49.8	143.9
Operating Income / (Loss)	(143.4)	(246.7)
<i>As a percentage of sales</i>	<i>-181.7%</i>	<i>-571.7%</i>

Segment analysis – Lighting

- The Lighting division posted sales of 2.0 million Euros in FY14-15 compared to 0.7 million Euros last year. This growth resulted from the ongoing roll-out of a multi-year contract at a customer in France as well as a one-off licensing revenue from a US customer.
- The Lighting division posted a current operating loss of 10.2 million Euros in during the fiscal year FY14-15 (compared to a current operating loss of 5.8 million Euros during the fiscal year FY13-14).
 - For the second semester of the fiscal year FY14-15, the Lighting division posted an operating loss of 6.0 million Euros (compared to an operating loss of 4.2 million Euros in H115).
 - The Lighting division also booked an exceptional charge (non-current charge) of 5.2 million Euros, related to the Phoenix R&D line (“S-LED” products).

Lighting segment

(Euros millions)	2013-2014	2014-2015
Sales	0.7	2.0
Gross Profit	0.4	1.3
<i>As a percentage of sales</i>	<i>52.3%</i>	<i>62.1%</i>
Research and Development	4.6	9.0
Selling, General and Administrative expenses	1.6	2.5
Current Operating Income / (Loss)	(5.8)	(10.2)
<i>As a percentage of sales</i>	<i>-780.8%</i>	<i>-497.9%</i>
Other operating expenses	0.0	5.2
Operating Income / (Loss)	(5.8)	(15.4)
<i>As a percentage of sales</i>	<i>-780.8%</i>	<i>-753.4%</i>

Segment analysis – “Corporate” activities

- “Corporate” activities generated a current operating loss of 9.9 million Euros in during the fiscal year FY14-15 (compared to a current operating loss of 11.5 million Euros during the fiscal year FY13-14).
 - For the second semester of the fiscal year FY14-15, “Corporate” activities generated an operating loss of 5.2 million Euros (compared to an operating loss of 4.7 million Euros in H115).

Strategic refocusing is underway – significant milestone reached on May 21st

As announced in its press release of January 19th 2015, the Board of Directors unanimously decided to implement and support a strategic plan which aims to refocus Soitec’s activities on its core electronics business.

Management has immediately taken important actions in the solar division in order to implement this strategic refocus:

- Headcount reduction in the solar division down to 255 people at the end of April 2015, compared to 385 people at the end of December 2014;
- Cash expenses reduction in the solar division down to EUR11.9 million in Q415, and the company expects further significant sequential decline in Q116;
- Another important milestone was reached last week when Soitec announced the signing of an agreement with ConcenSolar subject to regulatory approvals and other customary closing conditions. ConcenSolar is a privately held company and a business partner of concentrator photovoltaic (CPV) leader Suncore Photovoltaic Technology Co Ltd. The scope of the transaction is yet to be determined precisely but shall encompass the manufacturing facilities- in Freiburg, Germany and in San Diego, USA. Soitec shall retain for future disposal certain other assets, including the ownership interests in certain solar power plants. Soitec will continue to develop and bring to the market, based on its existing industrial capacity, a four-junction solar cell (or “SmartCell™”) characterized by its world record efficiency. Financial terms of the proposed deal were not disclosed. Upon finalization of the transaction, which should close in the third quarter of calendar year 2015, Soitec expects to generate an accounting gain. The net book value of Solar division assets and liabilities held for sale amounted 52 million Euros as March 31, 2015. At this stage, this value includes the identified assets which are part of the ConcenSolar transaction under consideration, Touwsrivier’s remaining related assets, the building in San Diego and certain operating power plants. Consequently, the final outcome of the divestment of the solar activities from a cash and earning’s perspective remains uncertain.

Cash resources at the end of March 2015 – New financing package closed in May 2015

Management anticipates additional actions to strengthen the Group balance sheet

Cash available at the end of March 2015 totaled 22.9 million Euros while gross debt totaled 173.0 million Euros, leading to a net debt of 150.1 million Euros. As announced on April 20th 2015, Soitec confirms that it has secured a financing package in May 2015 which includes:

- A loan financing of 54 million Euros with a maturity of April 2016. Shin Etsu Handotai (major bulk wafers supplier to Soitec SA and historical shareholder) has committed to lend up to 30 million Euros. Bpifrance Participations, shareholder of Soitec has committed to loan up to 15 million Euros.
- The CEA, Soitec's technology partner, has committed to lend up to 9 million Euros through its CEA Investissement subsidiary's "strategic fund", specialized in the financing of innovative companies developed by its European research centers. In addition, its microelectronics research center CEA-Leti, which has developed SOI and continues to support its technology roadmap, has accepted postponement of payment under its license agreements and for its work realized for Soitec in 2014, for a total of 8 million Euros. Total CEA support amounts to 17 million Euros.
- Finally, current banks credit lines for a total of 37.2 million Euros at the end March 2015 have been restructured with a single bullet reimbursement to be repaid in November 2019.

The loan financing of 54 million Euros has been successfully closed on May 27, 2015.

Soitec will continue to explore further opportunities to strengthen its balance sheet.

Outlook

While the Group reported important operating and net losses for the fiscal year 2014-15, mostly due to the burden of its solar activities, management wishes to highlight that its refocusing execution plan on core business is progressing well.

Electronics activities currently driven by RF-SOI and power applications remain strong. Additionally, Soitec wafer business showed a strong margin improvement in fiscal year 2014-15, despite the low utilization rate of its 300mm wafers manufacturing lines. In order to take benefit of this significant potential leverage, demand must increase for 300mm wafer products. Soitec welcomes increased traction from FD-SOI ecosystem (foundries, fabless, design, etc.), and is well positioned to capture this growth.

For its first quarter of its fiscal year 2015-16 (ending June 30th 2015), Soitec management reiterates that its short term guidance with wafer sales for the Electronic division of around 60 million USD.

Agenda

Sales results for the first quarter of financial year 2014-2015 will be published on July 21st 2015 after the closing of the Paris Stock Exchange.

About Soitec:

Soitec (Euronext, Paris) is a world leader in designing and manufacturing high performance semiconductor materials. The company uses its unique technologies and semiconductors expertise to serve the electronics and energy markets. With 3,600 patents worldwide, Soitec's strategy is based on disruptive innovation to answer 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.

For all information, please contact:

Investor Relations Contacts

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

Steve Babureck
+1 858 519 6230
steve.babureck@soitec.com

Media Contact

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

Consolidated income statement

(in thousand Euros)	March 31, 2015	March 31, 2014
Revenue	222 876	247 135
Cost of sales	(253 642)	(302 835)
Gross profit	(30 766)	(55 700)
Sales and marketing expenses	(15 041)	(17 489)
Research and development expenses	(38 873)	(28 404)
Solar plant projects launch expenses	(11 518)	(3 066)
General and administrative expenses	(29 670)	(32 618)
Current operating income	(125 867)	(137 276)
Other operating income	7 057	2 659
Other operating expenses	(158 518)	(85 023)
Operating income	(277 328)	(219 640)
Financial income	41 172	37 690
Financial expense	(21 478)	(54 349)
Net financial expense	19 694	(16 659)
Profit / (loss) before tax	(257 634)	(236 299)
Income tax	(215)	(63)
Consolidated net profit / (loss) for the year	(257 849)	(236 362)
Share of profit / (loss) of associates	(1 391)	(641)
Net income	(259 240)	(237 004)
Non-controlling interests	-	(331)
Net income (Group share)	(259 240)	(236 673)
Basic net earnings per share in Euros	(1,23)	(1,45)
Diluted net earnings per share in Euros	(1,23)	(1,45)

Consolidated statement of other comprehensive income

(in thousand Euros)	March 31, 2015	March 31, 2014
Net income	(259 240)	(237 004)
Reclassifiable components of other comprehensive income :		
Exchange gains (losses) on translation of foreign operations	4 116	(12 193)
Non reclassifiable components of other comprehensive income :		
Actuarial gains (losses) on pensions and other post-retirement benefits	353	340
Income and expenses recognized directly in equity	4 469	(11 853)
Total comprehensive income for the year	(254 771)	(248 857)
Non-controlling interests	-	(360)
Total comprehensive income for the year (Group share)	(254 771)	(248 497)

Consolidated balance sheet

Assets (in thousand Euros)	March 31, 2015	March 31, 2014
Non-current assets:		
Goodwill and intangible assets	8 842	17 032
Capitalized development projects	2 226	2 597
Property, plant and equipment	156 736	280 810
Solar power plant – non current	1 600	15 427
Deferred tax assets	-	-
Investments in associates	-	6 886
Non-current financial assets	5 739	2 046
Other non-current assets	28 961	29 010
Total non-current assets	204 104	353 807
Current assets:		
Inventories	33 073	58 767
Trade receivables	43 812	88 811
Solar power plant – current	-	-
Assets available for sale	69 435	-
Other current assets	18 894	22 766
Current financial assets	1 311	15 873
Cash and cash equivalents	22 911	44 728
Total current assets	189 436	230 945
Total assets	393 540	584 752

Equity and liabilities (in thousand Euros)	March 31, 2015	March 31, 2014
Equity :		
Share capital	23 119	17 258
Share premium	782 058	704 157
Treasury shares	(475)	(478)
Retained earnings	(737 473)	(503 453)
Other reserves	(17 270)	3 077
Group equity	49 958	220 561
Non-controlling interests	-	-
Total equity	49 958	220 561
Non-current liabilities :		
Long term financial debt	123 552	118 721
Provisions and other non-current liabilities	17 543	18 358
Total non-current liabilities	141 095	137 079
Current liabilities :		
Short term financial debt	49 455	138 200
Trade payables	52 279	45 972
Liabilities available for sale	16 852	-
Provisions and other current liabilities	83 902	42 940
Total current liabilities	202 487	227 112
Total liabilities	393 540	584 752

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, 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)	-	-	-	-
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 révisé : 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

(in thousand Euros)	Number of shares	Share Capital	Share premium	Treasury shares	Retained earnings	Other reserves	Total	Non-controlling interests	Total Equity
March 31, 2014	172 580 795	17 258	704 158	(478)	(503 453)	3 077	220 562	-	220 562
Reclassifiable components of other comprehensive income :									
Exchange gains (losses) on translation of foreign operations	-	-	-	-	24 816	(20 700)	4 116	-	4 116
Non reclassifiable components of other comprehensive income :									
Actuarial gains (losses) on pensions and other post-retirement benefits	-	-	-	-	-	353	353	-	353
Total income and expenses for the year directly recognized in equity	-	-	-	-	24 816	(20 347)	4 469	-	4 469
Profit /(loss) for the year	-	-	-	-	(259 240)	-	(259 240)	-	(259 240)
Total comprehensive income for the year	-	-	-	-	(234 424)	(20 347)	(254 771)	-	(254 771)
Stock options, warrants and free shares	660 895	66	-	-	(66)	-	-	-	-
Proceeds from share issue	57 946 736	5 795	82 565	-	-	-	88 360	-	88 360
Share issuance expenses	-	-	(4 666)	-	-	-	(4 666)	-	(4 666)
Treasury shares	-	-	-	3	-	-	3	-	3
Share based payments	-	-	-	-	470	-	470	-	470
March 31, 2015	231 188 426	23 119	782 058	(475)	(737 473)	(17 270)	49 958	-	49 958

Statement of cash flows

(in thousand Euros)	March 31, 2015	March 31, 2014
Consolidated net profit / (loss) for the year	(259 240)	(237 004)
Elimination of non cash items :		
Share of profit / (loss) of associates	1 391	641
(Reversal) / Depreciation of investments in associates	(4 713)	12 607
Depreciation of goodwill	-	30 668
Variation of redeemable cash advances	-	2 649
Amortization expenses	45 951	54 152
Depreciation of fixed assets	116 431	26 235
Provisions, net	55 669	15 033
Provision (reversal) for retirement indemnities	(1 325)	795
Profit / (loss) on disposal of assets	(3 077)	(525)
Income tax charge	215	63
Financial result	(19 695)	16 661
Share-based payments	467	(1 028)
Total non cash items	191 313	157 951
EBITDA	(67 927)	(79 053)
Increase (decrease) in cash on:		
Inventories	7 273	(39 727)
Solar power plant	-	(16 146)
Trade receivables	5 029	9 671
Other receivables	6 535	(8 411)
Receivable from Touwsrivier project sale	40 080	(51 156)
Trade payables	5 614	5 113
Other liabilities	3 341	871
Variation in working capital	67 872	(99 785)
Net cash generated by (used in) operating activities	(54)	(178 838)
Purchase of intangible assets	(797)	(6 866)
Capitalization of power plant project development fees	-	(3 193)
Purchase of tangible assets	(8 408)	(36 915)
Proceeds from sales of tangible and intangible assets	6 091	2 145
(Acquisition) and disposal of financial assets	(15 525)	(37 810)
Capital contributions to Reflexite Soitec Optical Technology	(4 097)	(996)
Entry of minority shareholders - CPV Power Plant 1 (South Africa)	(6 138)	-
Net cash generated by (used in) investing activities	(28 874)	(83 635)
Proceeds from capital increases and exercise of stock options	83 664	67 853
Loan issuance	16 240	180 003
Drawing on credit lines	7 453	19 456
Repayment of borrowings (including finance leases)	(102 347)	(68 791)
Interest received	6 197	8 552
Interest paid	(15 449)	(26 315)
Net cash generated by (used in) financing activities	(4 242)	180 758
Impact of exchange rate fluctuations	11 354	(3 684)
Change in net cash	(21 817)	(85 399)
Cash at beginning of the year	44 728	130 127
Cash at end of the year	22 911	44 728