

These materials may not be distributed in the United States, Canada, Australia or Japan.
These materials are not an offer for purchase or sale of securities in the United States or any other jurisdiction.



**Soitec proposed two successive capital increases
for a total consideration of €130 to €180 million, supported by
CEA Investissement, NSIG and Bpifrance**

Bernin, France, 10 February 2016 – Soitec (Euronext Paris), a world leader in manufacturing of innovative semiconductor materials, today announces its intention to carry out two capital increases for a total amount between 130 million and 180 million Euros:

- a reserved capital increase for a total amount of €76.5m, at a price of 0.55€ per share;
- a subsequent capital increase with preferential subscription rights (“rights issue”) for a total amount of €53.5m to €103.5m. The size of the rights issue will be adjusted to finance potential OCEANE 2018 buy-back opportunities at attractive conditions from a shareholders’ perspective.

Following the two operations, CEA Investissement (“CEAI”), National Silicon Industry Group (“NSIG”) and Bpifrance Participations (“Bpifrance”) would each hold 14.5% of the company’s shareholding. CEAI would have the option to increase its stake to 15% thereafter.

Purpose of the operations

The proceeds from the issuance are intended to finance investments in FD-SOI production capacity and strengthen Soitec’s balance sheet through the reimbursement of the loans maturing in May 2016 and the potential buy-back of the OCEANE 2018 notes.

Soitec’s decision to invest further in FD-SOI capacities complies with the group’s strategic reorientation of its activities on electronics and the promising perspectives on widespread FD-SOI adoption in the semiconductor industry, as two of the four largest foundries in the world reported moving into mass production and performing multiple tape-outs using FD-SOI wafers.

**These materials may not be distributed in the United States, Canada, Australia or Japan.
These materials are not an offer for purchase or sale of securities in the United States or any other jurisdiction.**

Soitec's stronger financial position will enable it to finance the investments needed to reach full capacity with FD-SOI 300mm at its Bernin II site (France) and to capture more of the major growth potential in the market for consumer, automotive and industrial applications.

Paul Boudre, CEO and Chairman of Soitec's Board of Directors, made the following comments: *"The capital increases we are proposing are intended to strengthen Soitec's financial position, as well as helping to finance our growth and giving us a stabilized shareholding. I am delighted that our existing shareholder Bpifrance is putting its trust in us again, and I very much look forward to welcoming as shareholders CEA Investissement, a subsidiary of CEA, our long-standing research and development partner, and NSIG, a Chinese industrial investment group whose specialisation in the semiconductor industry will provide a vital edge in ensuring the success of our FD-SOI technology in China. We are counting on the support of all our shareholders, who will be invited to vote on this operation; it is crucial to Soitec's future and to the continuation of the operational momentum we have built up since we decided to focus on the Electronics business."*

Christophe Gégout, Chairman of CEA Investissement and deputy CEO of CEA, made the following comments: *"By becoming a shareholder in the Group, CEA Investissement is determined to forge closer ties, built on CEA's longstanding relation with Soitec as a technology provider. The CEA gave rise to Soitec, a spin-off of its LETI division (Laboratoire de l'Électronique et des Technologies de l'Information), a pioneer in Silicon On Insulator technology and the inventor of the Smart-Cut process. CEA has worked with Soitec on research and development programs in substrates and innovative materials over a number of years. This collaboration has shown us Soitec's industrial and technological excellence. We are delighted to be moving on to this new stage in our relationship while new development prospects are opening up in the wake of Soitec's decision to refocus on electronics"*

Xi WANG, Chairman of NSIG, made the following comments: *"NSIG is an investment platform specialized in advanced technology. We are convinced that the FD-SOI technology developed by Soitec has great promise in a number of markets around the world, holding out the prospect of fruitful growth and development, supported by industrial, technological and human strengths of the company. We are delighted to have this opportunity to contribute to the development of Soitec."*

Nicolas Dufourcq, CEO of Bpifrance, stated: *"Soitec enters a new phase of growth centered on the adoption of its FD-SOI technology, a major innovative step for the main actors of the semiconductor industry. Bpifrance welcomes the support of CEAI and NSIG, whose presence will help to consolidate Soitec's technological leadership in FD-SOI and foster its development in China, whilst maintaining a strong technological foothold in France."*

**These materials may not be distributed in the United States, Canada, Australia or Japan.
These materials are not an offer for purchase or sale of securities in the United States or any other jurisdiction.**

Main terms of the operations and subscription commitments

The proposed capital increases are supported by Bpifrance, Soitec's largest shareholder, CEA Investissement, a wholly-owned subsidiary of CEA, a long-standing technology partner of the Group and NSIG, a Chinese industrial investment group dedicated to the semiconductor industry.

Under the proposed capital increases, these investors would, in the aggregate, subscribe to an approximately 76.5 million Euros reserved capital increase at a price of 0.55 Euro per share and would each subscribe to their pro-rata entitlement in the rights issue with the aim of holding 14.5% of the shareholding each.

The amount of the rights issue, open to all shareholders, would be comprised between approximately 53.5 million Euros and 103.5 million Euros (including premium), with the final amount to be determined depending on opportunities available to Soitec to buy-back some of its OCEANE 2018 at attractive conditions from a shareholders' perspective.

Following the rights issue, CEAI will have the ability to increase its shareholding interest in Soitec to up to 15%, through a reserved capital increase at the same conditions as the reserved capital increase described above.

Conditions and timetable considerations

The transactions have been approved on 9 February 2016 by the Board of Directors on the basis of an opinion of BM&A Advisory & Support, acting as independent expert, which will be made available to the shareholders ahead of the general meeting.

Soitec, Bpifrance, NSIG and CEAI have signed on 10 February 2016 an agreement setting forth the main terms of the investment of Bpifrance, NSIG and CEAI, which will be detailed in a definitive documentation.

It is anticipated that all the necessary resolutions for the two capital increases will be presented for the vote of an Ordinary and Extraordinary Shareholders' general meeting of Soitec to be convened upon signing of the definitive documentation in the coming weeks. Soitec intends to carry out the reserved capital increase as soon as possible after such shareholders' general meeting and in any event before the end of the first semester.

The subscription by the three investors to the reserved capital increase and to their pro-rata share of the right issue are subject to the vote of the necessary resolutions relating to the capital increases and the governance by the Ordinary and Extraordinary Shareholders' general meeting of Soitec, the approval of the necessary prospectuses and the obtaining of the other regulatory approvals, including the Chinese approvals necessary for the investment of NSIG.

Governance

In addition, resolutions will be presented at the Ordinary and Extraordinary Shareholders' meeting in order for:

- Bpifrance to continue to have two board representatives,
- CEAI (who already has one seat at the Board) to have an additional board representative,
- NSIG to have two board representatives,
- the board to include 4 independent members,

**These materials may not be distributed in the United States, Canada, Australia or Japan.
These materials are not an offer for purchase or sale of securities in the United States or any other jurisdiction.**

so that after the completion of the capital increases, each investor would have a total of 2 board seats in a Board of Directors that would be composed of 13 members. The governance of Soitec will be adapted accordingly.

Subject to certain exceptions, NSIG will be subject to a standstill at 14.5% of the share capital or voting rights. This standstill obligation would terminate if a third party had an interest in excess of 14.5% (or if CEAI had an interest in excess of 15%). This obligation would apply for a 3 year period. If NSIG were to exceed the level of the standstill for the 2 years following the initial 3 years period, NSIG would lose its governance rights under the definitive documentation.

In addition, for 18 months, Bpifrance, NSIG and CEAI would not submit a resolution to the shareholders' meeting which shall not have been recommended by the board of directors.

During five years, sales of Soitec securities held by Bpifrance Participations, CEA Investissement and NSIG will be subject to orderly disposal requirements.

A plan to strengthen the Group's balance sheet and help finance its growth

The proposed capital increase announced today echoes the Group stated intentions to explore ways of strengthening its balance sheet. Indeed, Soitec's equity was at the inadequate level of 22.8 million Euros at 30 September 2015, whereas gross debt amounted to 220 million Euros on December 31, 2015 including 42 million Euros due to be repaid in May 2016. On December 31, 2015 Soitec's cash position was 51 million Euros.

Soitec has made significant progress in withdrawing from its Solar activities, and is continuing to assess its strategic options regarding its Lighting and Equipment businesses.

Soitec's strategy is to focus on its core business: engineered substrates enabling large consumer Electronics markets. Soitec has achieved a successful transition over the past four years from niche PC and gaming business segments to mass mobile consumer market. Today, the company is seeing continuous growth in demand for mobile (RF) and power (automotive) applications. In particular, RF-SOI is today the mainstream platform for Smartphone's RF switches. The use of Soitec RF-SOI technology continues to increase in smartphones, where this technology fully meets the requirements of 4G/ LTE-Advanced dealing with the rising number of frequency bands and higher data speed. In addition, Soitec Power SOI, used in the automotive market since 2000, is expected to have a steady long-term growth with the electronics content increase in cars.

Soitec's order book for its 200mm wafer plant in Bernin (France) is almost full for calendar 2016. The high-volume capacity of the 300 mm fab at Bernin site will enable Soitec to meet expected increase in demand for 300mm RF products and will be a market booster for RF-SOI technology in the coming years. Soitec will also be able to start using the additional production capacity of its partner Simgui in China for 200mm products. Client's qualification of Simgui's 200mm wafer plant is under way and production at that plant is likely to ramp up over the next few quarters.

In digital applications, sales of 300mm partially depleted silicon-on-insulator PD-SOI wafers reflect the end of the lifecycle of certain products (PC, games console and ASICs, Application Specific Integrated Circuits).

**These materials may not be distributed in the United States, Canada, Australia or Japan.
These materials are not an offer for purchase or sale of securities in the United States or any other jurisdiction.**

FD-SOI (fully depleted silicon-on-insulator technology) adoption has started, the Group is ready to provide customers with 300mm wafers aligned with the tightest industry specifications. The FD-SOI ecosystem is benefiting from new advances, as two of the four largest foundries in the world reported moving into mass production and performing multiple tape-outs using FD-SOI wafers. The two foundries will manufacture system-on-chip (SoC) requiring digital and mixed-signal integration for power and cost-sensitive applications such as the growing mainstream consumer mobile, Internet of Things (IoT) and automotive markets. Soitec has been shipping FD-SOI substrates with specifications required in high-volume production for initial ramp. Today's FD-SOI substrates exhibit the same mature performance as bulk silicon, making FD-SOI a de facto industry standard platform.

Soitec's stronger financial position will enable financing of the investments needed to reach full capacity of FD-SOI 300mm at its Bernin site (France) and thus to capture more of the major growth potential in the market for consumer, automotive and industrial applications.

Information on the investors

- **Bpifrance**, a subsidiary of the French state and the Caisse des Dépôts and a trusted partner of entrepreneurs, finances businesses from the seed phase to IPO, through loans, guarantees and equity investments. Bpifrance also provides operational services and support for innovation, export, and external growth in partnership with Business France and Coface. With over 40 regional offices, Bpifrance represents a powerful, close and efficient representative for businesses, to answer all their needs in terms of financing, innovation and investment.
- **CEA Investissement** is an affiliate of the French nuclear and alternative energies agency, dedicated to equity investment in disruptive technology companies. It manages both the CEA Strategic Investment Fund and the ATI early venture fund which investors are EDF, Safran and Biomerieux around CEA and Bpi France. With more than 50 innovative companies financing since its beginning, it covers micro-electronics, life sciences, energy/cleantechs and embedded software. The management team is based both in Paris and Grenoble, France.
- **NSIG**, a Chinese investment platform dedicated to the semiconductor industry, supported by five shareholders (Sino IC Capital, Shanghai Guosheng Group, Summit View Capital, Shanghai SIMIC and Jiading Industry Development Group) which individually invested in a number of high-quality international semiconductor or high-tech companies. Through its eco-system, NSIG represents a strong support for semiconductor businesses to increase their growth and their financial performance in the Chinese market.

Disclaimer

This press release does not, and shall not, in any circumstances constitute a public offering, nor an offer to sell or to subscribe, nor a solicitation to offer to purchase or to subscribe securities in any jurisdiction.

The release, publication or distribution of this press release may be restricted in certain countries by applicable laws and regulations. Persons who are physically located in those jurisdictions and in which this press release is released, published or distributed must inform themselves about and observe such restrictions.

**These materials may not be distributed in the United States, Canada, Australia or Japan.
These materials are not an offer for purchase or sale of securities in the United States or any other jurisdiction.**

This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the Securities Act of 1933 or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer that will contain detailed information about the company and management, as well as financial statements.

Agenda

Q4'16 revenues will be published on mid-April 2016.

About Soitec

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

Investors relations

Steve Babureck
+33 (0)6 16 38 56 27 or +1 858 519 6230
steve.babureck@soitec.com

Individual shareholder relations

+33 (0)1 70 79 13 15
investors@soitec.com

Media relations

Fabrice Baron
+33(0)1 53 32 61 27
fabrice.baron@ddbfinancial.fr

Isabelle Laurent
+33 (0)1 53 32 61 51
isabelle.laurent@ddbfinancial.fr